

# PENROSE OPTIONS

England & Wales - Charity number 1151455

## Details

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**Other names** PENROSE

**Status** Registered

**Legal form** Charitable company

**Company number** [08466743](#)

**Registered** 2013-03-28

**Register** [View on the Charity Commission register](#)

## Contact

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

## Activities

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**Objects:** THE OBJECTS OF THE CHARITY ("THE OBJECTS") ARE FOR THE PUBLIC BENEFIT:-1. TO RELIEVE PEOPLE IN NEED, INCLUDING BUT NOT LIMITED TO THOSE WITH MENTAL HEALTH ILLNESS, THOSE CURRENTLY SUFFERING FROM OR RECOVERING FROM SUBSTANCE MIS-USE OR OTHER ADDICTIVE BEHAVIOUR PATTERNS, OFFENDERS, EX-OFFENDERS, THE HOMELESS, POOR PEOPLE, AGED, DISABLED (WHETHER PHYSICALLY OR MENTALLY) OR CHRONICALLY SICK BY ALL OR ANY OF THE FOLLOWING MEANS:A) PROVIDING SUPPORT IN THE FORM OF HOUSING, OR ACCOMMODATION, OR SERVICES INCLUDING BUT NOT LIMITED TO MEDICAL, SOCIAL, WELFARE, REHABILITATIVE, RESETTLEMENT AND CARE SERVICES;B) PROVIDING EDUCATION, TRAINING, EMPLOYMENT, MENTORING AND OTHER SIMILAR SERVICES;2. 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.

**Activities:** Relieve people in need with mental ill health, those suffering from substance misuse, ex-offenders, homeless, poor people, aged, disabled or chronically sick by the following means: (a) Housing, accommodation, services including medical, social, welfare, rehabilitative, resettlement and care services; (b)

Education, training, employment, mentoring and other similar services.

## Classification

- **How:** Provides Other Finance, Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information, Other Charitable Activities
- **What:** General Charitable Purposes, Education/training, The Advancement Of Health Or Saving Of Lives, The Prevention Or Relief Of Poverty, Accommodation/housing
- **Who:** The General Public/mankind

## Geography

- Bedford
- Luton
- Throughout London

## Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£20,879,000	£20,562,000	£2,752,000	315
2024-03-31	£17,867,000	£17,202,000	£2,366,000	267
2023-03-31	£13,643,000	£13,138,000	£1,913,000	358
2022-03-31	£9,901,000	£9,345,000	£1,762,000	326
2021-03-31	£10,716,000	£10,605,000	£843,000	213

## Trustees

Name	Role	Appointed
CATHY KANE		2024-11-28
Claire Barton		2022-02-04
Dylan Kerr		2020-02-26
Frida Norman		2025-12-17
Joe Wakeford		2026-03-11
Kobi Boakye		2024-11-28
Rebecca Escott-New		2025-12-17
Stuart Jenkin		2018-11-01

**PENROSE OPTIONS**

England & Wales - Charity number 1151455

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# Accounts

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Social  
Interest  
Group

Penrose

Penrose Options

# Annual Report

Trustees' Report & Consolidated  
Financial Statements

**Year ended 31 March 2025**

Charity no. 1151455  
Company no 08466743

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

Penrose Housing Association was set up as an Industrial & Provident Society in 1969. It became a company limited by guarantee, registered with the Charity Commission and changed its name to Penrose Options on the 28th of March 2013. Trading as Penrose, it joined Social Interest Group (SIG) as a wholly owned subsidiary on the 1st of October 2014.

### **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:

#### **Chair**

Karl Marlowe

#### **Other Trustees**

Dylan Kerr

Stuart Jenkin

Jeff Loo (left 19<sup>th</sup> March 2025)

Claire Barton

Cathy Kane (appointed 28<sup>th</sup> November 2024)

Kobi Boakye (appointed 28<sup>th</sup> November 2024)

#### **Company Secretary**

Michael Rutherford (left 5<sup>th</sup> September 2025)

Ian Hanham (appointed 5<sup>th</sup> September 2025)

#### **Senior Leadership Team**

##### **Group Chief Executive**

Gill Arukpe (left 30<sup>th</sup> April 2025)

Cathy Kane (Interim appointed 17<sup>th</sup> February 2025)

##### **Director of Finance & Resources**

Michael Rutherford (left 5<sup>th</sup> September 2025)

Ian Hanham (Interim appointed 29<sup>th</sup> July 2025)

##### **Director of People & Culture**

Maria Speight

##### **Director of Services & Support**

Angela Henry

Paul Addicott

##### **Director of Development, Marketing &**

##### **Communications**

Greg Tythe

##### **Director of External Affairs & Impact**

Adam Moll

##### **Director of Housing & Maintenance**

Matthew Costin

##### **Director of Compliance, Risk & Internal Audit**

Jenny Ralls

#### **Registered Office**

1 Waterloo Gardens

Milner Square

London

N1 1TY

#### **Auditors**

Buzzacott Audit LLP

130 Wood St

London

EC2V 6DL

#### **Bankers**

Lloyds Bank plc

25 Gresham Street

London

EC2V 7HN

#### **Solicitors**

Russell-Cooke LLP

2 Putney Hill

London

SW15 6AB

#### **DWF LLP**

1 Scott Place

2 Hardman Street

Manchester

M3 3AA

Company registration number 08466743

Charity registration number 1151455

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

[enquiries@socialinterestgroup.org.uk](mailto:enquiries@socialinterestgroup.org.uk)

The trustees present their report and the audited financial statements for the year ended 31 March 2025.

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 and Purpose**

### **Purposes and Aims**

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

- To assist, relieve and rehabilitate any person who is in need because of substance use or dependency, mental health problems and disorders, those experiencing learning difficulties and challenging behaviour, involvement in the criminal justice system, or a lack of appropriate housing, economic challenges, older people and those with disabilities, and to assist and relieve such persons' family, dependents and other carers who are in need as a result of that person's problems;
  - a) Providing support through housing, accommodation, or services. including but not limited to medical, social, welfare, rehabilitative, resettlement and care services
  - b) Providing education, training, employment, mentoring and other similar services
- To further such other exclusively charitable purposes according to the law of England and Wales as the trustees, in their absolute discretion from time to time, determine.

The trustees review the charity's aims, objectives, and activities annually. This report looks at what the charity has achieved and the outcomes of its work in the reporting period. The trustees report the success of each key activity and the benefits the charity has brought to the people it is set up to help. The review also helps the trustees ensure the charity's aims, objectives, and activities remain focused on its stated purposes.

The trustees have referred to the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and planning its future activities. In particular, the trustees consider how planned activities contribute to the aims and objectives.

## **Activities**

SIG Penrose services are as far-reaching as our resident and participant profiles. We provide practical social support and health care solutions, supported housing in residential accommodation, resource centres, floating support, community gardens and Housing First services. Our specialist rehabilitation and resettlement, technical and therapeutic support, aid recovery, reduce reoffending, and change behaviour.

In Luton, we provide floating support and social services that prevent people from becoming homeless or help secure accommodation should they need it, and specialist services, working with women who have been sexually exploited and may have substance and alcohol issues. SIG Penrose's flagship service, Penrose Drive (an Independent Approved Premises), supports men who have served long sentences and require a level of supervision on release from prison. We currently operate across London, Bedfordshire and Luton and have the ambition to grow.

## Chief Executive's Statement

As we conclude the financial year, I feel immense pride and gratitude reflecting on SIG Penrose's remarkable journey. This year is particularly special for us, marking a significant leadership transition. In March 2025, we bid farewell to Gill Arukpe MBE, visionary founder of Social Interest Group (SIG), of which SIG Penrose is a subsidiary. We extend our heartfelt thanks to Gill on behalf of the staff, trustees, and the individuals whose lives SIG has positively impacted. Her legacy will continue to inspire us into the future. We wish her every success in this new chapter of her journey.

I am honoured to step into the role of Interim CEO as we embark on the first year of our ambitious five-year strategy. The UK social care, criminal justice, and voluntary sectors face chronic underfunding, inflationary pressures, workforce shortages, and increasingly complex needs. With new government legislation poised to reshape how our services are commissioned, monitored, delivered and accessed, we expect further instability. Yet, despite these pressures, SIG Penrose remains a beacon of innovation, compassion, and resilience.

Across the year, SIG Penrose proudly supported 3,889 individuals across our services. Our residential services achieved a 66% success rate in securing positive move-on outcomes to independent or step-down accommodation. We take pride in the fact that four out of every five individuals in our forensic mental health services have successfully remained out of hospital throughout their time with us. Our intensive mental health services have proven their value at a cost of just £316 per room per day, significantly lower than the average £521 per day for a mental health ward bed. This translates to savings of £1,435 per person per week; an impressive £74,907 per person per year. Our STEPS hospital discharge service effectively bridges critical gaps between mental health and housing support pathways, achieving a nationally important 35% reduction in patient bed-blocking. This results in substantial savings of £368 per bed per night, translating to £134,320 per bed each year.

These impressive figures testify to our trauma-informed, person-centred approach and our staff's passion, persistence, and endeavours to drive our mission. We empower individuals to reshape their identities, reclaim stability, and rebuild their lives with dignity and purpose. We are proud to say we are effectively keeping people out of prison, out of hospital, and off the streets.

We take pride in growing our women's services. We launched a new refuge in London this year and plan another in Luton in early 2025, further strengthening our commitment to supporting women in need nationwide. We have strengthened our evaluation frameworks and continue to invest in our people. Ensuring our employees feel valued, safe, heard, and supported is central to our continued success as we move forward with renewed purpose and ambition.

Our new five-year strategy marks a pivotal moment for SIG Penrose, building on our impacts while setting a bold course for the years ahead. Our focus remains on delivering high-quality, inclusive services that effectively respond to the needs of the people and communities we serve, amidst a changing world. We know that the challenges facing our sector will not ease, but we firmly believe that meaningful change is not only possible but achievable. We witness this every day through the resilience of those we support, the dedication of our staff, and the strength of our partnerships. Together, we will continue to advocate for a more compassionate, equitable system that empowers people to thrive and achieve positive life outcomes.

On behalf of all at SIG Penrose, I would like to thank everyone who has been part of our journey. Whether you are a colleague, partner, funder, or someone who has accessed our services, your belief fuels our mission and everything we do. I am honoured to lead SIG Penrose into this next chapter, and I am genuinely excited about what we can achieve together.



Cathy Kane, Interim Group Chief Executive

9<sup>th</sup> October 2025

# A Year in Numbers



**89%**  
Positive move-on across all services.

**29%**  
Prison returns.

**1%**  
Hospital returns.

“Advice, information, and guidance received from staff empowered me in doing things for myself and not having to wait on staff to do them for me, promoting my independence.”

“I was very respected and treated well like I was at home, given advice that I never got from anywhere else. Even when I didn't follow the right advice, even when I was arrested, they never gave up on me.”

“New Hope is the best hostel I have ever lived. I have learned how to cook, manage my money, manage my medication, as well as my anger. I have reflected on the past incidents. My approach in similar situations is now different.”

## Testimonials

“Just knowing someone was downstairs, able to come down for a chat if I was lonely.”

“I have to thank the service and staff who have been very kind and helpful to the residents. I am very happy after receiving support, which led me to develop many skills and I am now living independently.”

## Strategic Report

In the face of a worsening cost-of-living crisis this year, SIG Penrose's impactful services supported 3,889 people experiencing isolation and difficult choices over their basic needs. Before coming to us, many faced challenging circumstances and may not have received the empathy or trauma-informed care they deserve. SIG Penrose is committed to the vision of integrated community services. Our extensive experience enabled us to retain all our contracts, meeting the growing demand for psychologically informed, person-centred care that empowers individuals to thrive.

### Transforming Support for Women in Crisis

We took significant steps to address the issue of sexual exploitation of women through the Rough Sleeping Complex Needs pathway, in partnership with Luton Borough Council. Our pilot service, funded by the Single Homelessness Accommodation Programme (SHAP), features 11 self-contained flats, a welcoming sit-up space for those in crisis, private areas for supportive conversations, and a specialist housing lead at Penrose's tenancy sustainment service, Synergy Universal, to enhance our support.

Allowing a maximum stay of two years for women who have struggled to find safe, stable accommodation with few options left provides safety, stability and care. Here, we can actively address a range of needs, including mental health, self-care, overcoming substance dependencies, exiting sex work, and accessing educational and employment opportunities. Our collaborative approach includes a monthly Consideration Panel, led by Luton's Rough Sleeping Coordination Manager, ensuring women access essential mental health and adult social care services and support from the Sexually Exploited Women's Service.

### Steps to Faster Discharges: Supporting NHS Out-of-Hospital Strategy

In 2023-24, Delayed Transfer of Care, or "bed blocking," cost the NHS £1.7 billion. To address this issue, our innovative STEPS model partners with the East London Foundation NHS Trust and Luton Borough Council, enabling people to move on quickly into safe accommodation with the necessary support. Investing in Penrose STEPS reduces readmissions, frees up vital bed spaces, improves patient outcomes, and achieves long-term savings in health and social care costs, reducing the average length of patient stay by 16 days and saving the local NHS Trust £976,000 this year.

While Mental Health Services focus on clinical readiness and Housing Services on accommodation, STEPS uniquely integrates these services to enhance pathways for both. The service addresses previously overlooked barriers to successful discharges by working directly with patients and collaborating with ward assessment and hospital discharge teams, care coordinators, social workers, community mental health, housing, and local landlords to create individualised support plans after discharge. Due to its impressive outcomes, we aim to expand STEPS into more regions across the UK to bridge the gaps between mental health and housing support. We are proud to have secured ongoing support from the Bedfordshire and Luton Community Foundation and a three-year funding commitment this year.

### Floating Support that Changes Lives

Our Synergy Floating Support Model in Brent tackles the escalating homeless crisis head-on in partnership with Brent Council. By providing intensive assistance at our central hub and offering accessible drop-in services at seven community hubs, Synergy empowers individuals to self-refer and seek help. Drawing from a decade of success with our Synergy Luton service, we have tailored our approach to meet local community needs. Investing in our Synergy model prevents homelessness and generates significant savings for the UK economy—approximately £68 for every £1 invested, easing the burden on health and social care services.

Synergy Brent embraces the area's rich diversity, with service staff speaking 33 languages, creating an inclusive environment that focuses on reducing evictions and helping people sustain their tenancies. This year, the service assisted 1,300 individuals, providing an average of 12 months of dedicated

support. Our high-intensity, wrap-around model has established 23 referral pathways, ensuring a comprehensive, holistic experience. Participants engaged in 1,609 upskilling sessions, developing essential independent living skills, including financial management, confidence-building and IT proficiency. The results speak for themselves, with 98% of participants successfully transitioning to independent living.

### **From Bars to Goals: Unlocking Rehabilitation Success**

We achieved outstanding outcomes at Penrose Drive Independent Approved Premises (IAP), significantly transforming the lives of those we support. In partnership with the Ministry of Justice, Penrose Drive delivers an impactful and flexible model that substantially enhances public protection and effectively reduces reoffending, serving South London and beyond. This year, we welcomed 197 new residents, successfully reintegrated 141 individuals into the community (71%), and consistently achieved our performance metrics above the national standard for all key performance indicators.

We were the only London AP that consistently achieved a 'green' rating under the National Approved Premises Performance, Quality and Effective Practice. After two successful years of collaboration with the Ministry of Justice and probation colleagues, SIG Penrose is well-positioned to address the growing demand for AP spaces in London.

### **Driving Community Change in Luton**

We were delighted to see all three of our nominated SIG Penrose services recognised at this year's Luton Best Awards for their remarkable impact on the community. Now in its 15th year, the awards spotlight individuals and organisations committed to improving Luton. Penrose Bridge House service won the Care in the Community Award, recognising its commitment to supporting families facing the challenges of homelessness and supporting them toward sustainable independent living.

Our dedicated STEPS Support Worker was recognised as runner-up in the same category, highlighting their crucial role in reducing homelessness by ensuring stable and safe accommodation for individuals transitioning from mental health wards as they reintegrate into their communities. Penrose Roots, Community-Based Recovery Services, was awarded the Environmental Achievement of the Year Award for its creative and impactful approach to green social prescribing. Through initiatives centred on environmental conservation, therapeutic gardening, and sustainable food cultivation, Roots promotes wellness and healing while positively impacting the environment.

### **Expanding Compassion: A New Era of Floating Support**

SIG Penrose Community Care and Support (PCCS), an intensive floating support service commissioned by Lambeth Council, specialises in supporting individuals with a wide range of complex challenges. We have established a reputation for delivering exceptional care that genuinely transforms lives. Our recent success story includes supporting a once-isolated local resident, helping them blossom into engaged students and active volunteers while rekindling connections with their family.

This year marks an exciting chapter in our journey as we embark on expansion plans for PCCS, which recently received a 5-star 'Excellent' rating - the highest achievable - after a rigorous inspection by Lambeth's Provider Assessment and Market Management Solution, which assesses the quality of adult social care providers. SIG Equinox Community Care and Support will replicate our successful floating support model, with plans to launch in Brighton and Hove in 2025.

## Thank You

This report and all the work SIG Penrose completed over the last year would not have been possible without the considerable and ongoing contributions of all our multiple partners, allies, supporters, commissioners and funders. This new and vital funding has enabled us to extend our activities, launch new projects and pieces of work, and make a difference in the lives of the people we support across our services. This year was made possible by the generous support of:

Bedford and Luton Community Foundation  
London Luton Airport  
John Lyon's Charity  
East London Foundation NHS Trust  
Garfield Weston Foundation  
The National Lottery  
29<sup>th</sup> May 1961 Charitable Trust

## Transformation Journeys

### Tom's Story

After losing his mother and experiencing a failed relationship, Tom's life spiralled out of control, leading him to rely on alcohol. He openly shared his journey through substance use, mental breakdown, and recovery, highlighting the profound impact of his mother's death at 14, a friend's tragic death from alcohol, and the downward trajectory of his marriage. After a suicide attempt in 2022, Tom was admitted to the hospital and placed in Penrose Havering Complex Needs Service, a critical turning point in his recovery. At Penrose Havering, Tom received support from a multi-disciplinary team, including keyworkers and the Havering Rough Sleeper Team. Initially reserved, he gradually reduced his drinking with encouragement from staff and re-engaged with his passion for music as a drummer. In July 2023, he took on the service representative and peer mentor role, demonstrating his commitment to helping others. Despite a relapse due to overwhelming responsibilities, Tom remained positive and embraced therapy and education, ultimately stopping drinking on September 4, 2024. His determination proved essential. After 22 months of support, Tom transitioned to independent living in a self-contained apartment. He left with a strong resolve to give back, illustrating that recovery is a journey rooted in personal commitment and community support.

### Freddie's Story

Freddie arrived at Penrose Drive Independent Approved Premises after a six-year prison sentence, fully committed to rebuilding his life and making significant changes. From day one, he demonstrated a commitment to rehabilitation, engaging actively with staff, taking full responsibility for his past, and establishing clear goals for his future. Thanks to the support of Social Interest Group's Employability Programme, Freddie secured a job in the catering industry - a role that proved invaluable, providing him with hands-on experience and reigniting his sense of purpose and structure. Colleagues and supervisors have praised his impressive attitude, work ethic, and consistency. In addition to his catering work, Freddie took on a job at Fitness First, successfully balancing two roles with professionalism and maturity. His remarkable dedication underscores his determination to seize opportunities, and that change is indeed possible. Freddie's journey highlights the transformative power of supported accommodation, structured guidance, and access to employment for prison leavers. He is now living independently and contributing positively to society. His actions since his release reflect personal growth, resilience, and a strong desire to leave his past behind.

## Financial Review

SIG Penrose made a surplus of £344k (2023/24 - £501k) during the year. This results in an unrestricted fund balance of £3,133 k at 31st March 2025 (2023/24 - £2,985k). In addition, it had a restricted fund balance of £3k (2023/24 - £3k).

The pensions reserve at the end of the year was £384k, which relates to the past service deficit liability relating to the defined benefit of the Social Housing Pension Scheme. The triennial valuations have resulted in member organisations being charged a levy to bring the scheme back into surplus. These triennial valuation deficit contributions are reflected in the SoFA and provisions of SIG Penrose. The charity closed its participation in this pension scheme but remains liable for an element of the deficit.

Given the wider economic environment, ongoing changes, and increased competition within the sector, the Trustees consider the results regarding revenue levels acceptable. Therefore, it is essential that moving forward, our focus remains on developing new services, new funding models, and effective and financially efficient models of service delivery, whilst addressing the issues causing the deficit.

The principle funding sources remain Local Authority block contracts, largely for our resettlement projects, alongside funding from Clinical Commissioning Groups and NHS Trusts for our work with people recovering from or living with mental ill health or personality disorders, our work with preventing homelessness, and our work with people experiencing homelessness.

The trustees appreciate the funding from their funders, including statutory commissioners, for the work streams they support and the vital non-statutory funding from individuals, trusts, and foundations.

## Principal risks and uncertainties

SIG Penrose operates in a complex and high-risk environment, supporting individuals with significant needs and often traumatic histories. Many of our services interact closely with the criminal justice system and forensic mental health arm specifically. The organisation's risk management framework is designed to ensure that risks are identified, assessed, and managed in line with its 'parent', SIG's strategic objectives and risk appetite. It must also respond to large scale commissioners; the National Health Service and Ministry of Justice, and the regulator covering Penrose Community Care and Support, the CQC.

The risk register is a living document with risks being actively mitigated and reviewed at leadership level on a monthly basis. Leadership risk is informed by incidents, complaints, safety reviews, stakeholder feedback and escalated from services and central departments where required. Movement on this register, such as addition of new risks, closure following mitigation, and any changes in impact and likelihood are overseen by the leadership team including CEO on a monthly basis, and quarterly by board, primarily at the Finance, Risk and Audit Committee. Major projects and mobilisations have their own risk log and remains a key responsibility of the project team, with support and oversight from both the leadership team and board.

The following outlines the principal risks and uncertainties currently facing SIG Penrose, aligned with SIG's risk appetite statements and strategic priorities.

**Penrose Options**  
**Trustee report**  
**For the year ended 31 March 2025**

<b>Risk</b>	<b>Risk Description</b>	<b>Mitigation</b>
<b>Financial Sustainability</b>	The organisation faces financial risks due to funding volatility, rising operational costs, and challenges in property procurement.	Dynamic monthly budgeting, engagement with funders, and strategic partnerships to ensure financial resilience.
<b>Operational Delivery and Service Continuity</b>	Risks include workforce challenges, policies and procedures requiring full review, and system inefficiencies that may affect service quality and resourcing.	Improved recruitment, policy updates, and investment in systems and leadership development.
<b>Reputational Risk</b>	Potential reputational damage from lack of updated regulatory scrutiny, incidents, or public perception.	Quality assurance, incident protocols, and proactive stakeholder communication.
<b>Harm to Individuals</b>	Risk of harm to participants, staff or the public due to the nature of services provided.	Safety protocols, training, and monitoring systems to manage and reduce risks.
<b>Regulatory and Legislative Compliance</b>	Risks of non-compliance with evolving legal and regulatory requirements.	Policy reviews, training, and legal oversight to ensure compliance.
<b>Governance and Strategic Oversight</b>	Risks related to leadership transitions and board capacity.	Succession planning, recruitment, and enhanced governance reporting.
<b>Technology and Data Integrity</b>	Risks from cybersecurity threats, fragmented systems, and data quality issues.	Security testing, a new IT strategy, and data governance improvements.

Another significant risk is the pension deficit contributions made to TPT to fund the scheme's pension liabilities shortfall. The risk is regularly reviewed to ensure that any contributions are affordable and do not significantly burden the charity.

### **Reserves policy and going concern**

Reserves are needed to innovate solutions for our stakeholders (residents, participants and commissioners) and bridge the funding gaps between spending on services and recovering these from subsidiaries by providing working capital. In addition, reserves are required to facilitate investment in fixed assets in the form of properties for leasing to subsidiaries for the provision of their services. The trustees evaluated the commitment to future expenditure against likely future income streams and believe a regular review of reserve levels is appropriate. SIG Penrose aims to make a small surplus for retention and reinvestment purposes, increasing free reserves. Following a review of the reserves required, the reserves target has reduced to £842k, an decrease of £175k. The actual free reserves, excluding the past service pension liability, as at 31st March 2025, are £3,133k (23/24 - £2,985k). It is held at this higher level because of the pension liability. The Trustees will continue to review the reserves policy and position.

Actions to strengthen the financial position in the future include diversification of funding, including the growth of the business development team to secure additional funds through fundraising and securing and opening several new projects, as well as the closure of projects that were not financially viable. In addition, there are concerted management efforts to increase occupancy, reduce void rates and minimise the use of expensive agency staff.

**Penrose Options**  
**Trustee report**  
**For the year ended 31 March 2025**

After making enquiries, the board of trustees has a reasonable expectation that SIG Penrose has adequate resources to continue in operational existence for at least 12 months from the date of approval of the financial statements. SIG Penrose has financial resources and long-term cash-generating assets. Consequently, the board of trustees believes that SIG Penrose is well-placed to manage its business risks successfully. For this reason, they continue to adopt the going concern basis when preparing SIG Penrose's financial statements. The Pension deficit is large, but there is a robust repayment plan to reduce this over time. There are no material uncertainties related to events or conditions that may cause significant doubt about the ability of SIG Penrose to continue as a going concern, which has been identified by key management personnel after considering the relevant facts and circumstances.

## **Plans for the Future**

SIG Penrose remains committed to delivering safe, effective services that foster inclusive, empowered communities. As we look to the future, we will continue to invest in our people, systems, and partnerships to ensure our services remain responsive, resilient, and reflective of the people we support.

**Investing in People:** We will enhance staff development through targeted training, wellbeing initiatives, and retention strategies that build a skilled and supportive workforce. Embedding our Audit Framework and cultivating a positive safety culture will reinforce operational integrity and promote a shared commitment to safety across all services.

**Expanding Inclusion and Engagement:** Our focus will be on broadening our volunteering offer, growing our inclusivity programme, and advancing our technological capabilities to improve service accessibility and responsiveness. These initiatives will deepen community engagement and ensure our services meet the diverse needs of those we support.

**Elevating Housing Standards:** Through the delivery of the SIG Housing Trust strategy, we will uphold and develop the *SIG Home & Support Standards*, ensuring access to stable, high-quality housing options that promote independence and wellbeing.

**Secure Financial Sustainability:** Financial resilience remains a core priority. We will focus on contract retention and strategic growth, diversify income through fundraising, donations, and commercial activity, and minimise void loss. Streamlining group procurement will further enhance value for money and operational efficiency.

Together, these strategic actions will strengthen our foundation and position SIG Penrose to lead with integrity, inclusion, and impact in the years ahead.

## **Structure, governance and management**

Penrose Options, trading as SIG Penrose, is a company limited by guarantee not having a share capital (Number 08466743) and is registered as a charity with the Charity Commission (Number 1151455).

Penrose Options governing instruments are its Articles of Association dated 28th of March 2013, and amended on 1<sup>st</sup> of November 2018. The sole member of SIG Penrose is Social Interest Group, effective from 1<sup>st</sup> of October 2014. As of 1<sup>st</sup> of November 2018, the non-executive Trustees of Social Interest Group were appointed as the trustees of Penrose Options.

All the trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 6 to the accounts.

### **Appointment of Trustees**

The trustees are listed on page 3. They hold office for an initial period of three years, with the possibility of a second term of three years plus; in exceptional circumstances, where the trustee has specific skills, the board can extend this. The board consists of no fewer than three and no more than nine persons

**Penrose Options**  
**Trustee report**  
**For the year ended 31 March 2025**

appointed by the members and the executive trustees. No person under the age of 18 may be appointed as a trustee.

Trustees are recruited by the Nominations Committee using specialist recruitment agents and by advertisement. A rigorous interview process takes place, which includes residents and participants. Candidates attend board meetings and visit projects before being confirmed for a post by the Chair.

**Trustee induction and training**

New trustees must familiarise themselves with the content of the Articles of Association, their legal obligations under charity and company law, the organisational structure and its recent financial performance. Trustees are encouraged to attend appropriate external training events that will facilitate the undertaking of their role. All trustees have participated in safeguarding training.

**Related parties and relationships with other organisations**

SIG Penrose is a member of Social Interest Group, of which it is a subsidiary. It provides all support functions, senior management and strategic guidance. All Social Interest Group companies support The charity's charitable objectives: SIG Equinox Care, SIG Safe Ground, SIG Housing Trust and SIG Pathways to Independence.

**Remuneration policy for key management personnel**

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

**Policy for the employment of disabled persons**

In April 2019, we became a Disability Confident Employer.

The charity's policy is not to discriminate against persons covered by the Disability Discrimination Act 1995 because of their disability, whether in applying for employment or in the delivery of services.

The key areas of our policy cover recruitment and employment (disabled applicants not being considered any less favourably on the grounds of their disability), service delivery (disabled applicants and residents and participants not being treated less favourably on account of their disability), and information (ensuring information is accessible to all).

**Employee information**

The charity takes its investment in its staff's professional development seriously and aims to provide different learning opportunities. The charity aims to see staff develop and share learning so that value can be added and staff contribute to our growth and success. We introduced a new core training programme based around the Care Certificate, which comprises face-to-face and e-learning to ensure all modules are covered.

The trustees would like to thank all staff and volunteers for their hard work and dedication during the year in a highly challenging climate. 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 company law) are responsible for preparing the trustees' annual report and financial statements in accordance with applicable law and UK Accounting Standards (UK GAAP).

Company Law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and the Group and of the incoming resources and application of resources, including the income and expenditure, of the Group for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates which are reasonable and prudent
- State whether the applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on an ongoing concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose the charity's financial position with reasonable accuracy at all times and enable them to ensure that the financial statements comply with the Companies Act 2006. The trustees are also responsible for safeguarding the charity's and the Group's assets and taking reasonable steps to prevent and detect fraud and other irregularities.

Insofar as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The trustees are responsible for maintaining the integrity of the corporate and financial information on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £1 to the charity's assets in the event of winding up. At year-end, there were five such guarantees (2023: five).

The non-executive trustees are members of the charity, the executive trustee is not a member of the charity and has no beneficial interest in it.

The trustees' annual report, which includes the strategic report, has been approved by the board of trustees 9<sup>th</sup> October 2025 signed on their behalf.



Dr Karl Marlowe

Chair

### Independent auditor's report

#### Opinion

We have audited the financial statements of Penrose Options (the 'charitable company') for the year ended 31 March 2025 which comprise the statement of financial activities, the balance sheet, and statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2025 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

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

#### Conclusions relating to going concern

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

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

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

#### Other information

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

## **Independent Auditor's report to the members of Penrose Options**

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

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report including the strategic report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

### **Responsibilities of trustees**

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

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

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

### 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 such as the Companies Act 2006, the Charities Act 2011, data protection legislation, the Care Standard Act and safeguarding regulations.
- 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.

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

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

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

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

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

A further description of our responsibilities is available on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](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 Audit LLP*

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

15 October 2025

**Penrose Options**  
**Statement of Financial Activities (incorporating an income and expenditure account)**  
**For the year ended 31 March 2025**  
**Statement of Financial Activities**

	Note	Unrestricted funds £'000	Restricted funds £'000	Pension Reserve £'000	2025 Total Funds £'000	Unrestricted funds £'000	Restricted funds £'000	Pension Reserve £'000	2024 Total Funds £'000
<b>Income from:</b>									
Charitable Activities	2	20,695	174	-	<b>20,869</b>	17,475	224	-	17,699
Donations and legacies	2	4	-	-	<b>4</b>	4	-	-	4
Investment income	3	6	-	-		-	-	164	164
<b>Total income</b>		<b>20,705</b>	<b>174</b>		<b>20,879</b>	<b>17,479</b>	<b>224</b>	<b>164</b>	<b>17,867</b>
<b>Expenditure on:</b>									
Charitable activities	4	(20,353)	(174)	(35)	<b>(20,562)</b>	(16,978)	(224)	-	(17,202)
Total expenditure		<b>(20,353)</b>	<b>(174)</b>	<b>(35)</b>	<b>(20,562)</b>	<b>(16,978)</b>	<b>(224)</b>	<b>-</b>	<b>(17,202)</b>
<b>NET INCOME</b>	5	<b>352</b>	<b>-</b>	<b>(35)</b>	<b>317</b>	<b>501</b>	<b>-</b>	<b>164</b>	<b>665</b>
Transfer between funds		(204)		204	-	-	-	-	-
<b>Other recognised gains and losses</b>									
Actuarial losses on defined benefit pension schemes		-	-	69	<b>69</b>	-	-	(212)	(212)
Net movement in funds		148	-	238	<b>386</b>	501	-	(48)	453
<b>Reconciliation of funds</b>									
Total funds brought forward		2,985	3	(622)	<b>2,366</b>	2,484	3	(574)	1,913
Total funds carried forward	15a	<b>3,133</b>	<b>3</b>	<b>(384)</b>	<b>2,752</b>	<b>2,985</b>	<b>3</b>	<b>(622)</b>	<b>2,366</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 16a to the financial statements.

Penrose Options  
Balance Sheet  
For the year ended 31 March 2025

Balance Sheet

	Note	£'000	2025 £'000	£'000	2024 £'000
<b>Fixed assets</b>					
Tangible assets	10		2,607		287
<b>Current assets</b>					
Debtors	11	4,760		4,152	
Cash at bank and in hand		990		1,049	
		<u>5,750</u>		<u>5,201</u>	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	12	(3,134)		(2,500)	
<b>Net current assets</b>			<u>2,616</u>		<u>2,701</u>
<b>Total assets less current liabilities</b>			<u>5,223</u>		<u>2,988</u>
Creditors: amounts falling due after one year			(2,087)		-
<b>Net assets excluding pension scheme provision</b>			<u>3,136</u>		<u>2,988</u>
Defined benefit pension scheme provision			(384)		(622)
<b>NET ASSETS</b>			<u>2,752</u>		<u>2,366</u>
<b>FUNDS</b>					
Restricted funds			3		3
Unrestricted funds					
General funds		3,133		2,985	
Pension reserve		(384)		(622)	
Total Unrestricted funds			<u>2,749</u>		<u>2,363</u>
<b>TOTAL FUNDS</b>	15a		<u>2,752</u>		<u>2,366</u>

Approved by the trustees on 9<sup>th</sup> October 2025 and signed on their behalf by



Karl Marlowe  
Chair

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

Penrose Options  
Cash Flow Statements  
For the year ended 31 March 2025

**Cash Flow Statements**

	Note	£'000	2025 £'000	£'000	2024 £'000
<b>Cash flows from operating activities:</b>					
Net income for the reporting period (as per the statement of financial activities)		386		453	
Depreciation charges		138		82	
Movement in long-term pension deficit liability		(238)		48	
(Increase) in debtors		(608)		(440)	
Increase in creditors		445		302	
<b>Net cash provided by operating activities</b>			<b>123</b>		<b>445</b>
<b>Cash flows from investing activities:</b>					
Purchase of fixed assets		(2,458)		(101)	
<b>Net cash used in investing activities</b>			<b>(2,458)</b>		<b>(101)</b>
<b>Cashflows from financing activities</b>					
Repayments of borrowing		(24)		-	
Cash inflows from new borrowing		2,300		-	
			<b>2,276</b>		<b>-</b>
<b>Change in cash and cash equivalents in the year</b>	13a		<b>(59)</b>		<b>344</b>
Cash and cash equivalents at the beginning of the year			<b>1,049</b>		<b>705</b>
<b>Cash and cash equivalents at the end of the year</b>			<b>990</b>		<b>1,049</b>

## **Notes to the Financial Statements**

### **1 Accounting Policies**

#### **a) Statutory information**

SIG Penrose is a charitable company limited by guarantee and is incorporated in England & Wales. The registered office is 1 Waterloo Gardens, Milner Square, London, N1 1TY.

#### **b) Basis of preparation**

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

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

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

#### **c) Public benefit entity**

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

#### **d) Going concern**

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

#### **e) Income**

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

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

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

#### **f) 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.

**Penrose Options**  
**Notes to the Financial Statements**  
**For the year ended 31 March 2025**

**g) Expenditure and irrecoverable VAT**

Expenditure is recognised once there is a legal obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure on charitable activities includes the costs of delivering services undertaken to further the purposes of the charity and their associated support costs. Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

**h) Central support costs**

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

**i) Leases**

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

**j) Tangible fixed assets**

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

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

- Fixtures, fittings and office equipment      25% straight line
- Leasehold improvements                              Straight line over the term of the lease
- Motor Vehicles    25% straight line

**k) Debtors**

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

**l) Cash at bank and in hand**

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

**m) Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at their settlement amount. Dilapidation provisions are held in the balance sheet at the year end, based on the estimates of cost of returning the property to the landlord at the end of the lease.

**n) Financial instruments**

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

**o) Pensions**

SIG Penrose makes contributions into a defined benefit pension scheme, which is now closed to new SIG Penrose entrants, and a number of defined contribution schemes. For financial years ending on or before 28

**Penrose Options**  
**Notes to the Financial Statements**  
**For the year ended 31 March 2025**

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 2021. The liability figure from the valuation is rolled forward to the relevant accounting date and are used in conjunction with the charity's fair share of the Scheme's total assets to calculate the charity's net deficit or surplus at the accounting period start and end dates.

**p) 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.

**2 Donations**

	<b>Unrestricted funds 2025 £'000</b>	Unrestricted funds 2024 £'000
Donation and gifts	<u>4</u>	<u>4</u>

Penrose is not involved in active fund raising, but do accept donations via Enthuse. No complaints have been received regarding fundraising activities.

**3 Charitable activities – supporting vulnerable people**

SIG Penrose's activities are to relieve people in need, including but not limited to those with mental health illness, those currently suffering from substance misuse or other addictive behaviour patterns, ex-offenders, the homeless, poor people, aged, disabled (whether physically or mentally) or chronically sick. This is achieved by providing support in the form of housing, or accommodation, or services including but not limited to medical, social, welfare, rehabilitative, resettlement, care services, education, training, employment, mentoring and other similar services. SIG Penrose's income is predominantly contractual income from local authorities and NHS Trusts, and rental income and service charges from residents.

**Penrose Options**  
**Notes to the Financial Statements**  
**For the year ended 31 March 2025**

4a **Analysis of expenditure (current year)**

	Charitable activities £'000	Governance costs £'000	Support costs £'000	<b>2025 Total £'000</b>	2024 Total £'000
Staff costs (Note 6)	11,296	-	2,670	<b>13,966</b>	11,512
Recruitment & training	-	-	244	<b>244</b>	217
Subsistence & travel	52	-	17	<b>69</b>	61
Premises Costs	2,912	-	77	<b>2,989</b>	2,600
Office running costs	482	-	107	<b>589</b>	433
Insurance	-	-	178	<b>178</b>	141
Information technology	-	-	342	<b>342</b>	340
Legal & Professional	-	-	149	<b>149</b>	127
Depreciation	164	-	-	<b>164</b>	113
Audit fees	-	20	-	<b>20</b>	45
Other Costs	1,810	27	15	<b>1,852</b>	1,613
Total expenditure 2025	<b><u>16,716</u></b>	<b><u>47</u></b>	<b><u>3,799</u></b>	<b><u>20562</u></b>	
Total expenditure 2024	<b><u>13,549</u></b>	<b><u>232</u></b>	<b><u>3,421</u></b>		<b><u>17,202</u></b>

**Penrose Options**  
**Notes to the Financial Statements**  
**For the year ended 31 March 2025**

4b Analysis of expenditure (previous year)

	Charitable activities £'000	Governance costs £'000	Support costs £'000	2024 Total £'000
Staff costs (Note 6)	9,255	-	2,257	11,512
Recruitment & training	-	-	217	217
Subsistence & travel	47	-	14	61
Premises Costs	2,519	-	81	2,600
Office running costs	238	-	195	433
Insurance	-	-	141	141
Information technology	-	-	340	340
Legal & Professional	-	-	127	127
Depreciation	82	-	31	113
Audit fees	-	45	-	45
Other Costs	1,408	187	18	1,613
Total expenditure 2024	<u>13,549</u>	<u>232</u>	<u>3,421</u>	<u>17,202</u>

**Penrose Options**  
**Notes to the Financial Statements**  
**For the year ended 31 March 2025**

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

This is stated after charging :

	2025 £'000	2024 £'000
Depreciation	138	82
Operating lease rentals:		
Property	2,738	2,519
Auditor's remuneration (including VAT):		
Audit	20	18
	<u>20</u>	<u>18</u>

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

Staff costs were as follows

	2025 £'000	2024 £'000
Salaries and wages	10,315	7,909
Social security costs	950	733
Employer's contribution to defined contribution pension schemes	194	156
Operating costs of defined benefit pension schemes	8	8
Agency costs	2,499	2,706
	<u>13,966</u>	<u>11,512</u>

No employee earned more than £60,000 during the year (2024: Nil).

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £Nil (2024: £Nil). These were borne by the parent entity Social Interest Group. Redundancy costs of £Nil were paid in the year (2024: £8,000).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2024: £). No charity trustee received payment for professional or other services supplied to the charity (2024: £None).

**7 Staff numbers**

	2025 £'000	2024 £'000
Operational	314.9	267.7
	<u>314.9</u>	<u>267.7</u>

**8 Related party transactions**

SIG Penrose was charged £3,850,873 for central office functions provided by the parent charity Social Interest Group (2024: £3,504,122).

SIG Penrose Options was owed by SIG (its parent Company) £2,215,398 at the year-end (2024: £2,562,074).

SIG Penrose Options owed £282,335 to SIG Equinox Care (a subsidiary of SIG) at the year-end (2023: was owed £6,872).

SIG Penrose Options was owed £215,228 by SIG Pathways (a subsidiary of SIG) at the year-end (2024: was owed £31,285).

SIG Penrose Options owed £20,000 Milner Gibson Limited (a subsidiary of SIG) at the year-end (2024: owed £20,000)

SIG Penrose Options owed £279,074 to SIG Housing Trust (a subsidiary of SIG) at the year-end (2024: owed £167,061)

SIG Penrose Options was owed by SIG Safe Ground (a subsidiary of SIG) £192,799 at the year-end (2024: £96,152).

**Penrose Options**  
**Notes to the Financial Statements**  
**For the year ended 31 March 2025**

**9 Taxation**

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

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

**10 Tangible fixed assets**

	Freehold Buildings	Motor vehicles	Fixtures, fittings & Equipment	Leasehold improvements	Total
	£'000	£'000	£'000	£'000	£'000
<b>Cost of valuation</b>					
At the start of the year	-	28	302	345	675
Additions in year	2,399	-	20	39	2,458
At the end of the year	<u>2,399</u>	<u>28</u>	<u>322</u>	<u>384</u>	<u>3,133</u>
<b>Depreciation</b>					
At the start of the year	-	15	217	156	388
Charge for the year	26	6	35	71	138
At the end of the year	<u>26</u>	<u>21</u>	<u>252</u>	<u>227</u>	<u>526</u>
<b>Net Book Value</b>					
At the end of the year	<u>2,373</u>	<u>7</u>	<u>85</u>	<u>157</u>	<u>2,607</u>
At the start of the year	<u>-</u>	<u>13</u>	<u>85</u>	<u>189</u>	<u>287</u>

All of the above assets are used for charitable purposes.

**11 Debtors**

	2025 £'000	2024 £'000
Trade debtors	1,960	899
Staff loans	27	11
Amounts due from group undertakings	2,341	2,696
Other debtors	231	309
Prepayments	201	237
	<u>4,760</u>	<u>4,152</u>

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

	2025 £'000	2024 £'000
Trade creditors	417	697
Bank loans	189	-
Taxation and social security	342	303
Pension contributions	102	66

**Penrose Options**  
**Notes to the Financial Statements**  
**For the year ended 31 March 2025**

Other creditors	279	236
Deferred income	476	176
Amounts due to Group undertakings	299	187
Accruals	1,030	835
	<b>3,134</b>	<b>2,500</b>

**Deferred Income reconciliation**

	2025	2024
	£'000	£'000
Balance at 1 April 2024	176	174
Amount released to income	(145)	(126)
Amount deferred in year	445	128
Balance at 31 March 2025	<b>476</b>	<b>176</b>

**13 Creditors: amounts falling due after one year**

	2025	2024
	£'000	£'000
Bank loans		
Within one to two years	189	-
Within two to five years	567	-
In 5 years or more	1,331	-
	<b>2,087</b>	-

The bank loans are secured by specific charges on the housing properties. The loans are repayable by monthly instalments over a 25 year term. At 31 March 2025, the company had no undrawn loan facilities. Interest is charged on the loan at 2.45% above the Reliance Banks published base rate.

**14 Pension Schemes**

**The Pensions Trust - Social Housing Pension Scheme ("Scheme")**

SIG Penrose participates in the Scheme, a multi-employer scheme which provides benefits to some 500 non-associated employers. The Scheme is a defined benefit scheme in the UK.

For financial years ending on or before 28 February 2019, it had not been possible for the charity to obtain sufficient information to enable it to account for the Scheme as a defined benefit scheme, therefore the charity accounted for the Scheme as a defined contribution scheme.

For financial years ending on or after 31 March 2019, it is possible to obtain sufficient information to enable the charity to account for the Scheme as a defined benefit scheme. For accounting purposes, an actuarial valuation for the scheme was carried out with effective date of 31 March 2018. The liability figure from the valuation is rolled forward to the relevant accounting date and is used in conjunction with the charity's fair share of the Scheme's total assets to calculate the charity's net deficit or surplus at the accounting period start and end dates.

The Scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension scheme in the UK.

The last triennial valuation of the Scheme overall for funding purposes was carried out as at 30 September 2020. This valuation revealed a deficit of £1,560m. A Recovery Plan has been put in place with the aim of removing this deficit by 31 March 2028. The Scheme is classified as a 'last-man standing arrangement'. Therefore, the charity is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the Scheme. Following consultation between the Pension Trustees and Employers, a new recovery plan to recover the overall scheme deficit has been agreed. This is based on a full share of liabilities approach. This is effective from 1 April 2022.

**Penrose Options**  
**Notes to the Financial Statements**  
**For the year ended 31 March 2025**

SIG Penrose were notified in 2021 by the Trustee of the Scheme that it has performed a review of the changes made to the Scheme's benefits over the years and the result is that there is uncertainty surrounding some of these changes. The Trustee is seeking clarification from the Court on these items, and this process is ongoing with the Court's determination expected no earlier than Summer 2025. It is estimated that this could potentially increase the value of the full Scheme liabilities by £155m. We note that this estimate has been calculated as at 30 September 2022 on the Scheme's Technical Provisions basis. Until the Court direction is received, it is unknown whether the full (or any) increase in liabilities will apply and therefore, in line with the prior year, no adjustment has been made in these financial statements in respect of this.

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

**Number of active members in the scheme**

	2025 No.	2024 No.
Active	1	3
Deferred	48	48
Pensioners	21	19

**Financial assumptions**

	2025 % pa	2024 % pa
Rate of discount	6.15	5.19
Price inflation (RPI)	3.09	3.14
Price inflation (CPI)	2.79	2.78
Earnings increases	3.79	3.78
Allowance for commutation of pension for cash at retirement	75%	75%

The discount rate has been increased by 0.3% from the base assumption used by the actuary in deriving the overall deficit position. This is due to the fact the discount rate does not reflect returns that can be achieved in other long term products that can be purchased by SIG Penrose.

**Other material assumptions**

Life expectancies in retirement:	Years	Years
Male currently aged 65	20.5	20.50
Female currently aged 65	23.0	23.00
Male currently aged 45	21.7	21.80
Female currently aged 45	24.5	24.40

	2025 £'000	2024 £'000
Fair value of plan assets	3,341	3,432
Present value of defined benefit obligation	(3,725)	(4,054)
Net defined liability to be recognised	(384)	(622)

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

	2025 £'000	2024 £'000
Opening fair value of employer assets	3,432	3,476
Interest income	178	171
Experience on plan assets	(270)	(272)
Contributions by the employer	204	194
Withdrawals by Employees	-	-
Benefits paid and expenses	(203)	(137)

**Penrose Options**  
**Notes to the Financial Statements**  
**For the year ended 31 March 2025**

3,341      3,432

**Reconciliation of opening and closing balances of defined benefit obligation**

	2025 £'000	2024 £'000
Opening defined benefit obligation	4,054	4,050
Expenses	8	7
Interest cost	205	194
Actuarial losses / (gains)	(339)	(60)
Benefits paid and expenses	(203)	(137)
Closing defined benefit obligation	<u>3,725</u>	<u>4,054</u>
Actual return on plan assets	<u>(172)</u>	<u>(101)</u>

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

	2025 £'000	2024 £'000
Actuarial gain on plan obligations	339	60
Actuarial loss on plan assets	(270)	(272)
Defined benefit costs recognised in the SOFA	<u>69</u>	<u>(212)</u>

**15a Analysis of net assets between funds (current year)**

	General unrestricted £'000	Pension Reserve £'000	Restricted £'000	Total funds £'000
Tangible fixed assets	2,607	-	-	2,607
Net current assets/(liabilities)	2,613	-	3	2,616
Creditors: amounts falling due after one year	(2,087)	-	-	(2,087)
Defined benefit pension provision	-	(384)	-	(384)
	<u>3,133</u>	<u>(384)</u>	<u>3</u>	<u>2,752</u>

**15b Analysis of net assets between funds (prior year)**

	General unrestricted £'000	Pension Reserve £'000	Restricted £'000	Total funds £'000
Tangible fixed assets	287	-	-	287
Net current assets/(liabilities)	2,698	-	3	2,701
Defined benefit pension provision	-	(622)	-	(622)
	<u>2,985</u>	<u>(622)</u>	<u>3</u>	<u>2,366</u>

**16a Movements in funds (current year)**

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

	At 1 April 2024 £'000	Income & gains £'000	Expenditure & losses £'000	Transfers £'000	At 31 March 2025 £'000
<b>Restricted Funds:</b>					
Roots for Life	3	-	-	-	3

**Penrose Options**  
**Notes to the Financial Statements**  
**For the year ended 31 March 2025**

Lottery - Roots	-	93	(93)	-	-
Roots Garden	-	16	(16)	-	-
Roots Connects	-	16	(16)	-	-
Roots Food for thought	-	32	(32)	-	-
RBKC refuge	-	4	(4)	-	-
Community response fund (Luton)	-	13	(13)	-	-
<b>Total restricted funds</b>	<b>3</b>	<b>174</b>	<b>(174)</b>	<b>-</b>	<b>3</b>
<b>General funds</b>	<b>2,985</b>	<b>20,705</b>	<b>(20,361)</b>	<b>(196)</b>	<b>3,133</b>
<b>Pension reserve</b>	<b>(622)</b>	<b>69</b>	<b>(27)</b>	<b>196</b>	<b>(384)</b>
<b>Total funds including pension fund</b>	<b>2,366</b>	<b>20,948</b>	<b>(20,562)</b>	<b>-</b>	<b>2,752</b>

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

	At 1 April 2023 £'000	Income & gains £'000	Expenditure & losses £'000	Transfers £'000	At 31 March 2024 £'000
<b>Restricted Funds:</b>					
Roots	3	-	-	-	3
Lottery – Roots	-	193	(193)	-	-
Community Engagement	-	4	(4)	-	-
Community response fund (Luton)	-	27	(27)	-	-
<b>Total restricted funds</b>	<b>3</b>	<b>224</b>	<b>(224)</b>	<b>-</b>	<b>3</b>
<b>General funds</b>	<b>2,484</b>	<b>17,479</b>	<b>(16,978)</b>	<b>-</b>	<b>2,985</b>
<b>Pension reserve</b>	<b>(574)</b>	<b>-</b>	<b>(48)</b>	<b>-</b>	<b>(622)</b>
<b>Total funds including pension fund</b>	<b>1,913</b>	<b>17,703</b>	<b>(17,250)</b>	<b>-</b>	<b>2,366</b>

**Transfers**

During the year, Penrose makes contributions towards the pension deficit of the pension scheme. These are recognised in the year as they are incurred, and are transferred in the year to show the effect on the overall liability.

**Purposes of restricted funds**

- Lottery – Roots – The grant is used to fund the works of the Roots to Recovery project in Luton and Bedford
- Cost of living workshops – The workshops provide advice and guidance to help individuals to develop a personal toolkit of knowledge and skills as they prepare for independent living.
- Community response fund (Luton) – to fund an activities coordinator in a service.
- **Roots Garden**

**Penrose Options**  
**Notes to the Financial Statements**  
**For the year ended 31 March 2025**

- **Roots Connects**
- **Roots food for thought**
- **RBKC refuge**

**17 Analysis of changes in net debt**

	At 1 April 2024	Cash flows	At 31 March 2025
Cash at bank and in hand	1,049	(59)	990
Loans falling due within one year	-	(189)	(189)
Loans falling due after more than one year	-	(2,087)	(2,087)
<b>Total</b>	<b>1,049</b>	<b>(2,335)</b>	<b>(1,286)</b>

**18 Operating lease commitments**

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

	2025 £'000	2024 £'000
Less than one year	2,268	2,196
One to five years	1,959	1,741
One to five years	1,519	2,039
	<b>5,746</b>	<b>5,976</b>

**19 Guarantees and ultimate parent undertaking**

Penrose Options, trading as SIG Penrose, is a company limited by guarantee not having a share capital. Social Interest Group became the sole member of Penrose Options on the 1<sup>st</sup> October 2014. Each member has guaranteed to pay £1 in the event that Penrose Options was wound up. Social Interest Group is the ultimate parent undertaking. Its charity registered number is 1158402. Its company registered number is 9122052. Its registered office is: 1 Waterloo Gardens, Milner Square, London N1 1TY.

**Social Interest Group:**

1 Waterloo Gardens, Milner Square,  
London, N1 1TY

**Telephone:**

020 3668 9270

**Email:**

enquiries@socialinterestgroup.org.uk

Social Interest Group (SIG) is a leading UK charity providing bespoke person-centred health and social care services through SIG Penrose, SIG Equinox, SIG Pathways to Independence, SIG Safe Ground, SIG Housing Trust and SIG Milner Gibson. Our mission is to empower independence through trauma-informed solutions and dynamic partnerships that keep people out of prison, out of hospital, and off the streets.

**Charity no. 1151455 | Company no. 08466743**

@socialinterestgroup

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



Penrose

Equinox

Pathways to  
Independence

SIG Housing Trust

Safe Ground

Milner  
Gibson

**PENROSE OPTIONS**

England & Wales - Charity number 1151455

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# Accounts

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Charity registered number 1151455  
Company registration number 08466743

# Penrose Options

Report and financial statements

For the year ended 31 March 2024



**Penrose**

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

Penrose Housing Association was set up as an Industrial & Provident Society, an exempt charity, in 1969 by two ex-offenders and several volunteers to provide housing for ex-offenders. It became a company limited by guarantee, registered with the Charity Commission and changed its name to Penrose Options on the 28th of March 2013. It traded as Penrose and joined Social Interest Group (SIG) as a wholly owned subsidiary on the 1st of October 2014. Penrose Options now trades as SIG Penrose and strives to address inequality of access to health, employment, training, and social care support for people in a range of settings, including prison, hospitals, rough sleeping, homeless or at risk of homelessness. SIG Penrose specialises in working with people who have struggled in other services as they present personal or public safety risks and as an alternative to hospital inpatient care.

## **Directors and Charity Trustees**

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

### **Chairman**

Karl Marlowe

### **Other Trustees**

Dylan Kerr

Stuart Jenkin

Jeff Loo

Claire Barton

### **Company Secretary**

Michael Rutherford

### **Senior Leadership Team**

#### **Group Chief Executive**

Gill Arukpe

#### **Director of Finance & Resources**

Michael Rutherford

#### **Director of People & Culture**

Maria Speight

#### **Director of Services & Support**

Angela Henry

Paul Addicott (Appointed 15<sup>th</sup> Jul 2024)

#### **Director of External Affairs & Impact**

Adam Moll (Appointed 1<sup>st</sup> Apr 2023)

#### **Director of Housing & Maintenance**

Matthew Costin

#### **Director of Compliance, Risk & Internal Audit**

Jenny Ralls

### **Registered office**

1 Waterloo Gardens

Milner Square

London

N1 1TY

### **Auditor**

Buzzacott LLP

130 Wood St

London

EC2V 6DL

### **Bankers**

Lloyds Bank plc

25 Gresham Street

London

EC2V 7HN

### **Solicitors**

Russell Cooke LLP

2 Putney Hill

London

SW15 6AB

### **DWF LLP**

1 Scott Place

2 Hardman Street

Manchester

M3 3AA

Company registration number

**08466743**

Charity registration number **1151455**

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

[enquiries@socialinterestgroup.org.uk](mailto:enquiries@socialinterestgroup.org.uk)

**Penrose Options**  
**Trustee report**  
**For the year ended 31 March 2024**

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

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

## **Objectives**

### **Purposes and Aims**

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

- To relieve people in need, including but not limited to those with mental health illness, those currently suffering from substance use, alcohol or other challenging behaviour, people in the criminal justice system, people experiencing homelessness, economic challenges, older people and those with disabilities (whether physically or mentally) or chronically sick, and to assist and relieve such persons' family, dependents and other carers who are in need as a result of that person's problems;
  - a) Providing support in the form of housing, accommodation, or services including but not limited to medical, social, welfare, rehabilitative, resettlement and care services
  - b) Providing education, training, employment, mentoring and other similar services
- To further such other exclusively charitable purposes according to the law of England and Wales as the Trustees, in their absolute discretion from time to time, determine.

The Trustees review the Charity's aims, objectives, and activities annually. This report looks at what the Charity has achieved and the outcomes of its work in the reporting period. The Trustees report the success of each key activity and the benefits the Charity has brought to the people it is set up to help. The review also helps the Trustees ensure the Charity's aims, objectives, and activities remain focused on its stated purposes.

The Trustees have referred to the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and planning its future activities. In particular, the Trustees consider how planned activities contribute to the aims and objectives.

### **Activities**

Our services are as far-reaching as our resident and participant profiles. We provide practical social support and health care solutions, supported housing in residential accommodation, resource centres, floating support, community gardens and Housing First services. Our specialist rehabilitation and resettlement and technical and therapeutic support aid recovery, reduce reoffending and change behaviour. In Luton, we provide floating support and social services that prevent people from becoming homeless or help secure accommodation should they need it, and specialist services, working with women who have been sexually exploited and may have substance and alcohol issues. SIG Penrose's flagship service, Penrose Drive (an Independent Approved Premises), supports men who have served long sentences and require a level of supervision on release from prison. We currently operate across London, Bedfordshire and Luton and have the ambition to grow.

## **Chief Executive's Statement**

This year, we have made remarkable progress and achieved meaningful milestones, including supporting 3,198 people across SIG Penrose, a 28% increase from last year. We improved staff retention by increasing training, development, and staff pay and reduced our vacancy rate. We should take pride in and celebrate this significant achievement.

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

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

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

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

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

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

Penrose Drive, our flagship Independent Approved Premises, marked its first year of operation with exceptional performance. The service achieved the Enabling Environments Certificate of Achievement, exemplifying its commitment to enabling environments and preparing to become accredited as an enabling environment.

SIG Penrose has cultivated an inspiring and successful community. I am so proud to say Luton Services was also crowned Charity of the Year at the Luton and Bedfordshire Community Awards. Meanwhile, SIG Penrose Community Care & Support Service clinched the Home Care Manager of the Year title at the Lambeth Care Sector Awards. I am deeply honoured to have received a prestigious Social Care Leadership Award for my dedication to leadership excellence.

**Penrose Options**  
**Trustee report**  
**For the year ended 31 March 2024**

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

A handwritten signature in purple ink, appearing to read 'Gill Arukpe', is positioned above the printed name.

**Gill Arukpe, Group Chief Executive**  
**27<sup>th</sup> November 2024**

# Impact & Results

In 23/24 SIG Penrose supported 3,198 people across our different services.

**2,116**

Total departures



**3,198**

Total people seen



**1,798**

Positive move-ons



**7** Unplanned return to hospital



**0**

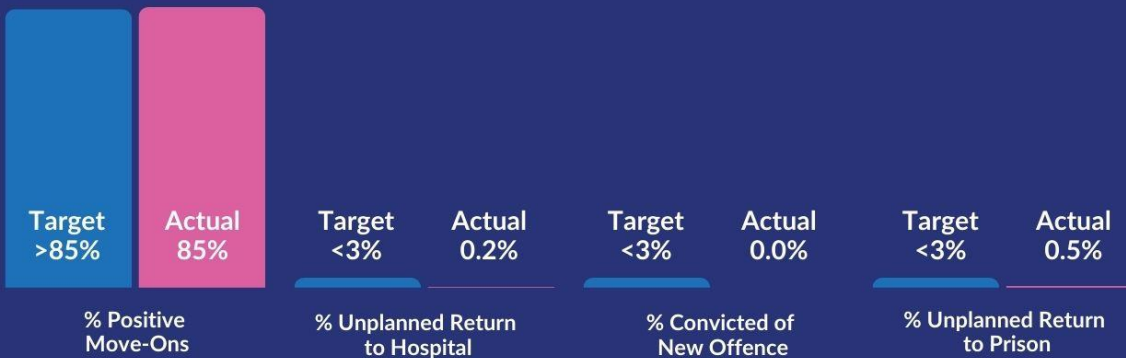
Convicted of a new offence



**15**

Unplanned return to prison

## SIG Penrose Performance Metrics



# Empowering Change

“Without Penrose support, I would be on a park bench.”

“Penrose has given me another opportunity to move on positively and get me off the streets.”

“I have come a long way since my release from prison. I could phone outside Key Work sessions for support, help and advice whenever needed.”

“The support given has helped me gain the confidence I need to be more independent, find a safe place and get back on track.”

“They were able to sort my issues out within a day. I got the best advice to allow me to make my own choices.”

“The most helpful thing, was the Residential Family Support Worker, who encouraged me to leave my room when I was in a low mood. She doesn’t judge and really helped me build my confidence and move on.”

“This is the longest time my son has been out of hospital, and I am very happy with the care he receives.”

“I found that over time, being pushed to challenge myself with small things, such as leaving my house to go to the shops or cleaning my room, led to big things.”

“Honesty and encouragement to do better for myself have been the most helpful.”

“Having spent the most of the last 15 years in prison, I’m really happy to be able to have a fresh start here.”

## Our Focus

### Promoting a Positive Safety Culture

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

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

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

### Creating a Sustainable Workforce

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

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

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

### Creating an Empowering and Inclusive Culture

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

We've spearheaded initiatives from policy development and recruitment processes to cost-of-living support, staff training, and workshops. We've also expanded our expertise in community consultations and working with SIG's External Affairs Team. Through these concerted efforts, SIG Penrose ensures top-tier, inclusive support for all who need us and the influence of industry standards and best practices.

Our volunteer EDI Ambassadors from across SIG, including SIG Penrose service staff teams, are dedicated to embedding inclusivity throughout our service delivery approaches, programs, and day-to-day activities. They support developing transparent career development and best practices models

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to ensure we provide demographic-sensitive services to residents and program participants. They nurture and retain strong links to our Participant and Resident Involvement Group, representing the voices of those accessing our services.

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

### **Building Inclusive Communities**

We formed strong partnerships with voluntary agencies to unite marginalised communities and drive positive change. We partner with over 144 local Luton agencies, including working alongside Luton Healthwatch, London East and South East Diversity Group and North East London Community Partnership. Our collaboration with key stakeholders like Lewisham's Mental Health Liaison Officer is paving the way for a more inclusive society as we prepare for the rollout of the Right Care, Right Person initiative. By aligning with Shelter Housing's HouseProud Accreditation Programme and procuring training for the East London Foundation Trust Trans and Non-Binary Working Party, we are strengthening our support for LGBTQ+ communities. Recognised as a Disability-Confident organisation, we aim to lead in improving behaviours and cultures internally and within our external networks and communities and reap the benefits of inclusive recruitment practices.

### **Supporting Systems Change**

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

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

With this insight, we have developed strategic priorities for our influence and advocacy work, focusing on integrated care, community care, Mental Health Act reform, and destigmatising services through equitable practices. We launched a roadshow, supported by service residents and participants, to share our findings and proposed solutions with MPs, councillors, mental health professionals, NHS representatives, and police service leaders at events across our services, at parliament and in the community with partners.

Our goal is to drive positive change, particularly for marginalised groups. In response to the Metropolitan Police's Right Care Right Person initiative, we held a policy and impact forum with the lead responsible officer for mental health within the force and the former Shadow Minister for Policing.

SIG Penrose is a VCSE sector representative at the Bedfordshire, Luton and Milton Keynes Health and Care Partnership, feeding into the NHS Joint Forward Plan via the VCSE Strategy Group. Our influence also extends to the Clinks Reducing Reoffending Third Sector Board, where we actively contribute to

the review of the impact of current and proposed criminal justice policy on the voluntary sector and people in criminal justice settings.

## **Business Continuity**

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

## **Carbon Management Plan**

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

## **Significant Events**

### **PCCS Service Wins Lambeth Care Sector Award**

In September 2023, the Service Manager of SIG Penrose Community Care & Support Service (PCCS) won the prestigious Home Care Manager of the Year Award for her outstanding kindness and client support. Following a thorough inspection by Lambeth Council, the PCCS team garnered positive feedback and was commended at the event.

The Lead Commissioner for Lambeth said, *'Veronica always goes the extra mile for her staff and those supported by PCCS. Veronica runs an excellent service, but the level of kindness she shows to those she supports really sets her apart.'*

### **Luton Services Win Charity of the Year**

SIG Penrose has been named Charity of the Year at the Luton and Bedfordshire Community Awards. Our tailored services in Luton have been thoughtfully developed over the years, with dedicated staff seamlessly integrating into the local community to support wide-ranging health and social care needs. This esteemed recognition underscores their commitment to the community and truly sets them apart.

Head of Service for SIG Penrose said, *'I am really pleased we won. It was a huge privilege to share the stage and evening with such incredible organisations and individuals who have the people of Luton at the heart of everything they do.'*

### **New Hope Celebrates 25 Years**

For 25 years, our New Hope service has been at the forefront of delivering exceptional mental health support for men within the Forensic Mental Health Pathway in Lewisham. In October, we brought together over 60 guests, including former residents and stakeholders, to celebrate this incredible milestone. Many guests gave testimonials highlighting the service's profound influence on their lives and thanking staff, particularly the Service Manager, for the role they have played.

New Hope has consistently empowered residents to overcome barriers and successfully transition into step-down or independent living. Its success is attributed to a strong belief in change, person-centred

care, and a therapeutic environment. Its strong relationships with local healthcare and treatment providers, police, council, and other key stakeholders have cemented its standing as a model service for community mental health care in Lewisham.

### **Hope and Rehabilitation**

Penrose Drive, Independent Approved Premises (IAP), commemorated its first year of operation. As a service dedicated to helping men transition from prison to community living, it has proven to be an impactful and transformative environment, empowering 160 men towards a positive future. Through close to 3,200 engagements, we have created diverse opportunities for employment, training, and education, addressing social value and health and economic disparities. Our tailored courses, specialist forums, psychology groups, and initiatives like *Support for Dads*, which targets family relationships, have significantly fostered positive change and strengthened relationships. Eighteen men have successfully transitioned into employment, and two have secured permanent positions within Social Interest Group.

### **Guest Lecture at the University of Bedfordshire**

NHS England awarded the University's Faculty of Health and Social Sciences a £3 million grant to develop and host the BLMK Integrated Care Research and Innovation Hub (BLMK IC R&I). SIG Penrose was honoured to deliver a guest lecture to third-year Psychology students on the critical topic of 'Supporting Individuals with Schizophrenia'. The overwhelmingly positive response from students paved the way for a promising collaboration for a BLMK IC R&I Funding Award to showcase the significant impact of our STEPS Hospital Discharge Service through joint research and innovation, opening the door to future presentations, research projects and impact reports.

### **Launch of Synergy, Brent**

In July, SIG Penrose Synergy Brent Housing Related Floating Support Service became operational after a brief mobilisation period. Operational colleagues worked with the two outgoing providers to ensure a smooth transfer process for the TUPE staff and a sensitive client migration, keeping service users and stakeholders informed. On the go-live date, support and associated plans for 189 service users were on our Inform Client Management System, ensuring support continuity. Synergy Brent is contracted to support 493 people at any one time. Since the new service launched, the team has surpassed this target by working creatively in the borough to embed the service and expand access using innovative venues.

### **Recognising our People**

The SIG Awards celebrate the remarkable achievements of Social Interest Group staff, residents and participants. This year, SIG Penrose teams across London and the South East were recognised for their exceptional leadership and dedication to ensuring that residents and participants progress significantly towards their goals. Clinical teams and commissioners alike supported nominations. Several residents and participants were recognised for their remarkable progress and outstanding contributions.

Winners included:

*Leadership:* Service Manager, SIG Penrose Luton Residential Services

*Biggest Impact:* Service Manager, SIG Penrose, Penrose Drive IAP

*Delivery Excellence:* Activities Coordinator, SIG Penrose RBKC Complex Needs Hub

*Care and Support:* Care and Support Worker, SIG Penrose PCCS

*CEO Award for Team Work:* SIG Penrose, Intensive Housing Management Support, Havering

### **Roots at the Palace**

Roots Community-Based Recovery Services was honoured to receive an invitation to the Royal Garden Party at Buckingham Palace, recognising its significant impact on the community in Luton. The Head of Service and Roots' Service Manager attended the Royal Garden Party hosted by His Majesty the King.

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Roots' Service Manager said *'the event was spectacular, and it was a true privilege to be among the 700 people invited to the Palace that day. A delicious afternoon tea, a joyful brass band in the sunshine, a walk around the beautiful gardens and lake, and we even caught a glimpse of the King'*.

## **Service Spotlight:**

### **SLaM Support Time and Recovery (STAR) Program**

The SLaM STAR initiative in Lewisham, linked to our Penrose Community Care and Support service, is pioneering a flexible and responsive approach to supporting individuals with complex mental health needs within the community. Its unique benefits are:

**Peripatetic Support Time and Recovery Workers:** Our dedicated team delivers timely, flexible, community-based support tailored to each client's mental health needs to prevent them from reaching crisis points.

**Customised Support:** We adjust our support levels according to each client's needs. We always promote independence and offer more help to increase independence and appointment attendance.

**Peer Support Worker:** Employing a Peer Support Worker with lived experience in alcohol and substance use, working alongside Care Coordinators, provides valuable insights into supporting clients facing these challenges. This enriches our professional care, ensuring no one is left behind.

Overall, the SLaM STAR program exemplifies a groundbreaking approach to mental health care, emphasising flexibility, personalised support, and integrating lived experiences to enhance the services' effectiveness.

## **Social Impact**

Social Impact is the foundation for SIG Penrose Roots to Recovery (Roots). With a decade of dedicated service, we take pride in being Luton's sole 'green' support service. We promote health and wellness, reduce reoffending, and provide local pathways to employment and volunteering. Roots offers hands-on work experience, partners with training providers, and prepares people for work in a supportive environment.

Over the last three years, Roots volunteers have donated 12,000 hours to the local community. 90% of project staff were recruited from former service members and volunteers. Root's latest member survey showed we supported 33% of members in volunteering, 26% in work or job seeking, and 20% in training courses.

*"In 2015, I was going to be homeless, so I sought housing support from Penrose. While they supported me, I was asked if I'd like to volunteer in the garden. In 2019, I became fully employed as a Project Leader at Penrose Roots to Recovery. Penrose has helped me tremendously."*

**Peter, Roots to Recovery, Project Leader**

## **Financial Review 2023/24**

SIG Penrose made a surplus of £501k (2022/23 - £505k) during the year. This results in an unrestricted fund balance of £2,985k at 31st March 2024 (2022/23 - £2,484k). In addition, it had a restricted fund balance of £3k (2022/23 - £3k).

The pensions reserve at the end of the year was £622k, which relates to the past service deficit liability relating to the defined benefit of the 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 SoFA and provisions of SIG Penrose. The charity closed its participation in this pension scheme but remains liable for an element of the deficit.

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Given the wider economic environment, ongoing changes, and increased competition within the sector, the Trustees consider the results regarding revenue levels acceptable. Therefore, it is essential that moving forward, our focus remains on developing new services, new funding models, and 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 for our work with people recovering from or living with mental ill health or personality disorders and our work with preventing homelessness and homeless people.

The Trustees appreciate the funding from its funders, including statutory commissioners, for the work streams they support and the vital non-statutory funding from individuals, trusts, and foundations.

### **Principle risks and uncertainties**

SIG Penrose has a risk management strategy that the trustees oversee. The risk register is reviewed monthly by the Executive Management Team, in consultation with all managers, and subsequently by the Trustees at each quarterly Board meeting. The principal risks are that a resident or participant commits a serious act and that there is class A and B drug use on our premises. This is not surprising, given the activities undertaken by SIG Penrose. To mitigate these risks, we have robust risk management policies, a pandemic strategy and contingency plans, well-trained staff, incident and near miss reporting and learning, a safeguarding officer, a clinical lead and people safe systems, testing procedures and good relationships with experts by experience and co-production with our residents and participants, responsible officers, and the police. In addition, SIG Penrose is experiencing significant 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 to fund the scheme's pension liabilities shortfall. The risk is regularly reviewed to ensure that any contributions are affordable and do not significantly burden the Charity.

### **Reserves policy and going concern**

Reserves are needed to innovate solutions for our stakeholders (residents, participants and commissioners) and bridge the funding gaps between spending on services and recovering these from subsidiaries by providing working capital. In addition, reserves are required to facilitate investment in fixed assets in the form of properties for leasing to subsidiaries for the provision of their services. The Trustees evaluated the commitment to future expenditure against likely future income streams and believe a regular review of reserve levels is appropriate. SIG Penrose aims to make a small surplus for retention and reinvestment purposes, increasing free reserves. Following a review of the reserves required following growth, the reserves target has increased to £1,018k, an increase of £138k. The actual free reserves, excluding the past service pension liability, as at 31st March 2024 are £2,988k (22/23 - £2,487k). It is held at this higher level because of the pension liability. The Trustees will continue to review the reserves policy and position.

Actions to strengthen the financial position in the future include diversification of funding, including the growth of the business development team to secure additional funds through fundraising and securing and opening several new projects, as well as the closure of projects that were not financially viable. In addition, there are concerted management efforts to increase occupancy, reduce void rates and minimise the use of expensive agency staff.

After making enquiries, the Board of Trustees has a reasonable expectation that SIG Penrose has adequate resources to continue in operational existence for at least 12 months from the date of approval of the financial statements. SIG Penrose has financial resources and long-term cash-generating assets. Consequently, the Board of Trustees believe that SIG Penrose is well-placed to manage its business risks successfully. For this reason, they continue to adopt the going concern basis when preparing SIG Penrose's financial statements. The Pension deficit is large, but there is a robust repayment plan to reduce this over time. There are no material uncertainties related to events or

conditions that may cause significant doubt about the ability of SIG Penrose to continue as a going concern, which has been identified by key management personnel after taking into account the relevant facts and circumstances.

## **Business Development**

SIG Penrose had a successful year; we retained all tendered contracts, including OPD HASS and Focus (see website for details), plus expanded our presence in London. New contracts brought in are:

### **Single Homelessness Accommodation Programme (SHAP)**

Working in partnership with RBKC and Peabody Housing, we successfully secured capital and revenue funding through the DHLUC /GLA Single Homelessness Accommodation Programme to create a Pathway for adults with sleeping rough histories and a high level of support need. The service aligns with the Government's 'End Rough Sleeping for Good' strategy and comprises 10x self-contained flats within a communal building.

### **Domestic Abuse Accommodation-Based Services**

This service provides up to 24 months of medium-high support refuge accommodation for women and their children who are fleeing domestic abuse, which has resulted in them being homeless, threatened with homelessness and living in accommodation that puts them at risk. The support is specifically designed to assist women in living more independently, increasing social inclusion, and decreasing the use of crisis and emergency services.

### **SLaM Integrated Community Mental Health Rehabilitation**

Our 14-bed service in Lewisham supports people with severe and enduring mental illness, primary mental health (high and complex), and dual health needs. Through specialist targeted interventions, we aim to enhance the level of care and support and aid in rehabilitating individuals after hospital discharge, enabling a successful transition to independent living. This partnership between clinicians and the voluntary sector delivers a 9-month program to facilitate discharge from acute wards, helping people step down to less supported accommodation and reducing readmissions.

### **Expanding Roots to Recovery**

With generous support from funders, including the National Lottery, we've expanded Roots this year, supporting 44% more members. We've worked on suicide and self-harm prevention, supported hospital discharge and worked closely with the Probation Service and Luton Council's Youth Offender Team.

### **Thank You**

This report and SIG Penrose's work would not have been possible without the considerable and ongoing contributions of all our multiple partners, allies, supporters, commissioners and funders. This new and vital funding has enabled us to extend our activities, launch new projects and pieces of work, and make a difference in the lives of the people we support across our services.

### **Structure, governance and management**

Penrose Options, trading as SIG Penrose, is a company limited by guarantee not having a share capital (Number 08466743) and is registered as a charity with the Charity Commission (Number 115455).

Penrose Options governing instruments are its Articles of Association dated 28th of March 2013 and amended on 1<sup>st</sup> of November 2018. The sole member of SIG Penrose is Social Interest Group, effective from 1<sup>st</sup> of October 2014. As of 1<sup>st</sup> of November 2018, the non-executive Trustees of Social Interest Group were appointed as the Trustees of Penrose Options.

All the Trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 6 to the accounts.

### **Appointment of Trustees**

The Trustees are listed on page 3. They hold office for an initial period of three years, with the possibility of a second term of three years plus; in exceptional circumstances where the trustee has specific skills, the board can extend this. The board consists of no fewer than three and no more than nine persons appointed by the members and the executive Trustees. No person under the age of 18 may be appointed as a trustee.

Trustees are recruited by the Nominations Committee using specialist recruitment agents and by advertisement. A rigorous interview process takes place, which includes residents and participants. Candidates attend board meetings and visit projects before being confirmed for a post by the Chairperson.

### **Trustee induction and training**

New Trustees must familiarise themselves with the content of the Articles of Association, their legal obligations under charity and company law, the organisational structure and its recent financial performance. Trustees are encouraged to attend appropriate external training events that will facilitate the undertaking of their role. All Trustees have participated in Safeguarding training.

### **Related parties and relationships with other organisations**

SIG Penrose is a member of Social Interest Group, of which it is a subsidiary. It provides all support functions, senior management and strategic guidance. All Social Interest Group companies support The Charity's charitable objectives: Equinox Care, Safe Ground, SIG Housing Trust and Pathways to Independence.

### **Remuneration policy for key management personnel**

Social Interest Group non-executive Trustees set the Group Chief Executive's remuneration. They and all other staff are remunerated by a job evaluation process and market rates, which external consultants review.

### **Policy for employment of disabled persons**

In April 2019, we became a Disability Confident Employer.

The Charity's policy is not to discriminate against persons covered by the Disability Discrimination Act 1995 because of their disability, whether in or applying for employment or in the delivery of services.

The key areas of our policy cover recruitment and employment (disabled applicants not being considered any less favourably on the grounds of their disability), service delivery (disabled applicants and residents and participants not being treated less favourably on account of their disability), and information (ensuring information is accessible to all).

### **Employee information**

The Charity takes its investment in its staff's professional development seriously and aims to provide different learning opportunities. The Charity aims to see staff develop and share learning so that value can be added and staff contribute to our growth and success. We introduced a new core training programme based around the Care Certificate, which comprises face-to-face and e-learning to ensure all modules are covered.

The Trustees would like to thank all staff and volunteers for their hard work and dedication during the year in a highly challenging climate. 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 company law) are responsible for preparing the Trustees' annual report and financial statements in accordance with applicable law and UK Accounting Standards (UK GAAP).

Company Law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Charity and the Group and of the incoming resources and application of resources, including the income and expenditure, of the Group for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates which are reasonable and prudent
- State whether the applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on an ongoing concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose the charity's financial position with reasonable accuracy at all times and enable them to ensure that the financial statements comply with the Companies Act 2006. The Trustees are also responsible for safeguarding the Charity's and the Group's assets and taking reasonable steps to prevent and detect fraud and other irregularities.

In so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees are responsible for maintaining the integrity of the corporate and financial information on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the Charity guarantee to contribute an amount not exceeding £1 to the charity's assets in the event of winding up. At year-end, there were five such guarantees (2023: five).

The non-executive Trustees are members of the Charity, the executive trustee is not a member of the Charity and has no beneficial interest in it.

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



Dr Karl Marlowe

Chairman

## **Independent Auditor's report to the members of Penrose Options**

### **Opinion**

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

In our opinion, the financial statements:

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

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

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

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

### **Other information**

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

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

## **Independent Auditor's report to the members of Penrose Options**

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report, which is also the directors' report for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report, which is also the directors' report for the purposes of company law, has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

## **Independent Auditor's report to the members of Penrose Options**

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 17, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibilities for the audit of the financial statements**

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

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the 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;

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

- Tested and reviewed journal entries to identify unusual transactions;
- Tested the authorisation of expenditure; and
- Investigated the rationale behind significant or unusual transactions.

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

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

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

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

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

### Use of our report

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



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

02 December 2024

**Penrose Options**  
**Statement of Financial Activities (incorporating an income and expenditure account)**  
**For the year ended 31 March 2024**  
**Statement of Financial Activities**

	Note	Unrestricted funds £'000	Restricted funds £'000	Pension Reserve £'000	2024 Total Funds £'000	Unrestricted funds £'000	Restricted funds £'000	Pension Reserve £'000	2023 Total Funds £'000
<b>Income from:</b>									
Charitable Activities	2	17,475	224	-	17,699	13,394	246	-	13,640
Donations and legacies	2	4	-	-	4	3	-	-	3
Investment income	3	-	-	164	164	-	-	-	-
<b>Total income</b>		<u>17,479</u>	<u>224</u>	<u>164</u>	<u>17,867</u>	<u>13,397</u>	<u>246</u>	<u>-</u>	<u>13,643</u>
<b>Expenditure on:</b>									
Charitable activities	4	(16,978)	(224)	-	(17,202)	(13,058)	(246)	166	(13,138)
Total expenditure		<u>(16,978)</u>	<u>(224)</u>	<u>-</u>	<u>(17,202)</u>	<u>(13,058)</u>	<u>(246)</u>	<u>166</u>	<u>(13,138)</u>
<b>NET INCOME</b>	5	501	-	164	665	339	-	166	505
<b>Other recognised gains and losses</b>									
Actuarial losses on defined benefit pension schemes		-	-	(212)	(212)	-	-	(354)	(354)
Net movement in funds		501	-	(48)	453	339	-	(188)	151
<b>Reconciliation of funds</b>									
Total funds brought forward		2,484	3	(574)	1,913	2,145	3	(386)	1,762
Total funds carried forward	15a	<u>2,985</u>	<u>3</u>	<u>(622)</u>	<u>2,366</u>	<u>2,484</u>	<u>3</u>	<u>(574)</u>	<u>1,913</u>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 15a to the financial statements.

**Penrose Options  
Balance Sheet  
For the year ended 31 March 2024**

**Balance Sheet**

	Note	£'000	2024 £'000	£'000	2023 £'000
<b>Fixed assets</b>					
Tangible assets	10		287		268
<b>Current assets</b>					
Debtors	11	4,152		3,712	
Cash at bank and in hand		<u>1,049</u>		<u>705</u>	
		5,201		4,417	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	12	<u>(2,500)</u>		<u>(2,198)</u>	
<b>Net current assets</b>			<u>2,701</u>		<u>2,219</u>
<b>Total assets less current liabilities</b>			<u>2,988</u>		<u>2,487</u>
<b>Net assets excluding pension scheme provision</b>			2,988		2,487
Defined benefit pension scheme provision			<u>(622)</u>		<u>(574)</u>
<b>NET ASSETS</b>			<u>2,366</u>		<u>1,913</u>
<b>FUNDS</b>					
Restricted funds			3		3
Unrestricted funds					
General funds		2,985		2,484	
Pension reserve		<u>(622)</u>		<u>(574)</u>	
Total Unrestricted funds			<u>2,363</u>		<u>1,910</u>
<b>TOTAL FUNDS</b>	15a		<u>2,366</u>		<u>1,913</u>

Approved by the trustees on 27<sup>th</sup> November 2024 and signed on their behalf by



Karl Marlowe  
Chair



Gill Arukpe  
Chief Executive

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

**Penrose Options**  
**Cash Flow Statements**  
For the year ended 31 March 2024

**Cash Flow Statements**

	Note	£'000	2024 £'000	£'000	2023 £'000
<b>Cash flows from operating activities:</b>					
Net income for the reporting period (as per the statement of financial activities)		453		151	
Depreciation charges		82		44	
Movement in long-term pension deficit liability		48		188	
(Increase) in debtors		(440)		(248)	
Increase in creditors		302		712	
<b>Net cash provided by operating activities</b>			<b>445</b>		<b>847</b>
<b>Cash flows from investing activities:</b>					
Purchase of fixed assets		(101)		(247)	
<b>Net cash used in investing activities</b>			<b>(101)</b>		<b>(247)</b>
<b>Change in cash and cash equivalents in the year</b>			<b>344</b>		<b>600</b>
Cash and cash equivalents at the beginning of the year			705		105
<b>Cash and cash equivalents at the end of the year</b>	16		<b>1,049</b>		<b>705</b>

## **Notes to the Financial Statements**

### **1 Accounting Policies**

#### **a) Statutory information**

SIG Penrose is a charitable company limited by guarantee and is incorporated in England & Wales. The registered office is 1 Waterloo Gardens, Milner Square, London, N1 1TY.

#### **b) Basis of preparation**

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

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

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

#### **c) Public benefit entity**

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

#### **d) Going concern**

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

#### **e) Income**

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

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

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

#### **f) 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.

#### **g) Expenditure and irrecoverable VAT**

Expenditure is recognised once there is a legal obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure on charitable activities includes the costs of delivering services undertaken to further the purposes of the charity and their associated support costs. Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

**Penrose Options**  
**Notes to the Financial Statements**  
**For the year ended 31 March 2024**

**1 Accounting Policies (continued)**

**h) Central support costs**

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

**i) Leases**

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

**j) Tangible fixed assets**

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

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

- Fixtures, fittings and office equipment      25% straight line
- Leasehold improvements                      Straight line over the term of the lease
- Motor Vehicles                                      25% straight line

**k) Debtors**

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

**l) Cash at bank and in hand**

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

**m) Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at their settlement amount. Dilapidation provisions are held in the balance sheet at the year end, based on the estimates of cost of returning the property to the landlord at the end of the lease.

**n) Financial instruments**

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

**o) Pensions**

SIG Penrose makes contributions into a defined benefit pension scheme, which is now closed to new SIG Penrose entrants, and a number of defined contribution schemes. 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 2021. The liability figure from the valuation is rolled forward to the relevant accounting date and are used in conjunction with the charity's fair share of the Scheme's total assets to calculate the charity's net deficit or surplus at the accounting period start and end dates.

**Penrose Options**  
**Notes to the Financial Statements**  
**For the year ended 31 March 2024**

**1 Accounting Policies (continued)**

**p) 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.

**2 Donations**

	<b>Unrestricted funds 2024 £'000</b>	Unrestricted funds 2023 £'000
Donation and gifts	<u><b>4</b></u>	<u><b>3</b></u>

**3 Charitable activities – supporting vulnerable people**

SIG Penrose's activities are to relieve people in need, including but not limited to those with mental health illness, those currently suffering from substance misuse or other addictive behaviour patterns, ex-offenders, the homeless, poor people, aged, disabled (whether physically or mentally) or chronically sick. This is achieved by providing support in the form of housing, or accommodation, or services including but not limited to medical, social, welfare, rehabilitative, resettlement, care services, education, training, employment, mentoring and other similar services. SIG Penrose's income is predominantly contractual income from local authorities and NHS Trusts, and rental income and service charges from residents.

**Penrose Options**  
**Notes to the Financial Statements**  
**For the year ended 31 March 2024**

4a **Analysis of expenditure (current year)**

	Charitable activities £'000	Governance costs £'000	Support costs £'000	<b>2024 Total £'000</b>	2023 Total £'000
Staff costs (Note 6)	9,255	-	2,257	<b>11,512</b>	8,807
Recruitment & training	-	-	217	<b>217</b>	234
Subsistence & travel	47	-	14	<b>61</b>	38
Premises Costs	2,519	-	81	<b>2,600</b>	1,970
Office running costs	238	-	195	<b>433</b>	298
Insurance	-	-	141	<b>141</b>	117
Information technology	-	-	340	<b>340</b>	271
Legal & Professional	-	-	127	<b>127</b>	154
Depreciation	82	-	31	<b>113</b>	74
Audit fees	-	45	-	<b>45</b>	55
Other Costs	1,408	187	18	<b>1,613</b>	1,120
Total expenditure 2024	<u>13,549</u>	<u>232</u>	<u>3,421</u>	<b><u>17,202</u></b>	
Total expenditure 2023	<u>10,327</u>	<u>55</u>	<u>2,756</u>		<u>13,138</u>

**Penrose Options**  
**Notes to the Financial Statements**  
**For the year ended 31 March 2024**

4b **Analysis of expenditure (previous year)**

	Charitable activities £'000	Governance costs £'000	Support costs £'000	2023 Total £'000
Staff costs (Note 6)	7,056	-	1,751	8,807
Recruitment & training	-	-	234	234
Subsistence & travel	30	-	8	38
Premises Costs	1,904	-	66	1,970
Office running costs	187	-	111	298
Insurance	-	-	117	117
Information technology	-	-	271	271
Legal & Professional	-	-	154	154
Depreciation	44	-	30	74
Audit fees	-	55	-	55
Other Costs	1,106	-	14	1,120
<b>Total expenditure 2023</b>	<b>10,327</b>	<b>55</b>	<b>2,756</b>	<b>13,138</b>

**Penrose Options**  
**Notes to the Financial Statements**  
**For the year ended 31 March 2024**

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

This is stated after charging :

	2024 £'000	2023 £'000
Depreciation	82	44
Operating lease rentals:		
Property	2,519	1,888
Auditor's remuneration (including VAT):		
Audit	<u>18</u>	<u>17</u>

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

Staff costs were as follows

	2024 £'000	2023 £'000
Salaries and wages	7,909	6,395
Redundancy and termination costs	-	8
Social security costs	733	601
Employer's contribution to defined contribution pension schemes	156	119
Operating costs of defined benefit pension schemes	8	7
Agency costs	<u>2,706</u>	<u>1,677</u>
	<u><b>11,512</b></u>	<u><b>8,807</b></u>

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

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £Nil (2023: £Nil). These were borne by the parent entity Social Interest Group. Redundancy costs of £Nil were paid in the year (2023: £8,000).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2023: £). No charity trustee received payment for professional or other services supplied to the charity (2023: £None).

**7 Staff numbers**

	2024 £'000	2023 £'000
Operational	267.7	357.3
Administration	<u>0</u>	<u>1</u>
	<u><b>267.7</b></u>	<u><b>358.3</b></u>

**8 Related party transactions**

SIG Penrose was charged £3,504,122 for central office functions provided by the parent charity Social Interest Group (2023: £2,785,713 ).

SIG Penrose Options was owed by SIG (its parent Company) £2,562,074 at the year-end (2023: £2,687,678).

SIG Penrose Options was owed £6,872 by SIG Equinox Care (a subsidiary of SIG) at the year-end (2023: owed £333,158).

SIG Penrose Options was owed by SIG Pathways (a subsidiary of SIG) £31,285 at the year-end (2023: was owed £26,299).

SIG Penrose Options owed £20,000 Milner Gibson Limited (a subsidiary of SIG) at the year-end (2023: owed £20,000)

SIG Penrose Options owed £167,061 to SIG Housing Trust (a subsidiary of SIG) at the year-end (2023: owed £24,470)

SIG Penrose Options was owed by SIG Safe Ground (a subsidiary of SIG) £96,152 at the year-end (2023: £Nil).

**Penrose Options**  
**Notes to the Financial Statements**  
**For the year ended 31 March 2024**

**9 Taxation**

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

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

**10 Tangible fixed assets**

	Motor vehicles	Fixtures, fittings & Equipment	Leasehold improvements	Total
	£'000	£'000	£'000	£'000
<b>Cost of valuation</b>				
At the start of the year	28	297	249	574
Additions in year	-	5	96	101
At the end of the year	<u>28</u>	<u>302</u>	<u>345</u>	<u>675</u>
<b>Depreciation</b>				
At the start of the year	9	184	113	306
Charge for the year	6	33	43	82
At the end of the year	<u>15</u>	<u>217</u>	<u>156</u>	<u>388</u>
<b>Net Book Value</b>				
At the end of the year	<u>13</u>	<u>85</u>	<u>189</u>	<u>287</u>
At the start of the year	<u>19</u>	<u>113</u>	<u>136</u>	<u>268</u>

All of the above assets are used for charitable purposes.

**11 Debtors**

	2024 £'000	2023 £'000
Trade debtors	899	441
Staff loans	11	5
Amounts due from group undertakings	2,696	2,714
Other debtors	309	372
Prepayments	237	180
	<u>4,152</u>	<u>3,712</u>

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

	2024 £'000	2023 £'000
Trade creditors	697	218
Taxation and social security	303	151
Pension contributions	66	56
Other creditors	236	216
Amounts due to Group undertakings	187	378
Accruals	1,011	1,179
	<u>2,500</u>	<u>2,198</u>

**Penrose Options**  
**Notes to the Financial Statements**  
**For the year ended 31 March 2024**

**13 Pension Schemes**

**The Pensions Trust - Social Housing Pension Scheme ("Scheme")**

SIG Penrose participates in the Scheme, a multi-employer scheme which provides benefits to some 500 non-associated employers. The Scheme is a defined benefit scheme in the UK.

For financial years ending on or before 28 February 2019, it had not been possible for the charity to obtain sufficient information to enable it to account for the Scheme as a defined benefit scheme, therefore the charity accounted for the Scheme as a defined contribution scheme.

For financial years ending on or after 31 March 2019, it is possible to obtain sufficient information to enable the charity to account for the Scheme as a defined benefit scheme. For accounting purposes, an actuarial valuation for the scheme was carried out with effective date of 31 March 2018. The liability figure from the valuation is rolled forward to the relevant accounting date and is used in conjunction with the charity's fair share of the Scheme's total assets to calculate the charity's net deficit or surplus at the accounting period start and end dates.

The Scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension scheme in the UK.

The last triennial valuation of the Scheme overall for funding purposes was carried out as at 30 September 2020. This valuation revealed a deficit of £1,560m. A Recovery Plan has been put in place with the aim of removing this deficit by 31 March 2028. The Scheme is classified as a 'last-man standing arrangement'. Therefore, the charity is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the Scheme. Following consultation between the Pension Trustees and Employers, a new recovery plan to recover the overall scheme deficit has been agreed. This is based on a full share of liabilities approach. This is effective from 1 April 2022.

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

**Number of active members in the scheme**

	2024 No.	2023 No.
Active	3	3
Deferred	48	49
Pensioners	<u>19</u>	<u>18</u>

**Financial assumptions**

	2024 % pa	2023 % pa
Rate of discount	5.21	5.16
Price inflation (RPI)	3.14	3.19
Price inflation (CPI)	2.78	2.77
Earnings increases	3.78	3.77
Allowance for commutation of pension for cash at retirement	<u>75%</u>	<u>75%</u>

**Other material assumptions**

	Years	Years
Life expectancies in retirement:		
Male currently aged 65	20.50	21.00
Female currently aged 65	23.00	23.40
Male currently aged 45	21.80	22.20
Female currently aged 45	<u>24.40</u>	<u>24.90</u>

	2024 £'000	2023 £'000
Fair value of plan assets	3,432	3,476
Present value of defined benefit obligation	<u>(4,054)</u>	<u>(4,050)</u>

**Penrose Options**  
**Notes to the Financial Statements**  
**For the year ended 31 March 2024**

	Net defined liability to be recognised				<u>(622)</u>	<u>(574)</u>
<b>13</b>	<b>Pension Schemes (continued)</b>					
	<b>Reconciliation of opening and closing balances of the fair value of plan assets</b>				<b>2024</b>	<b>2023</b>
					<b>£'000</b>	<b>£'000</b>
	Opening fair value of employer assets				3,476	5,502
	Interest income				171	170
	Experience on plan assets				(272)	(2,193)
	Contributions by the employer				194	182
	Withdrawals by Employees				-	-
	Benefits paid and expenses				<u>(137)</u>	<u>(185)</u>
					<u><b>3,432</b></u>	<u><b>3,476</b></u>
	<b>Reconciliation of opening and closing balances of defined benefit obligation</b>				<b>2024</b>	<b>2023</b>
					<b>£'000</b>	<b>£'000</b>
	Opening defined benefit obligation				4,050	5,888
	Expenses				7	7
	Interest cost				194	179
	Actuarial losses / (gains)				(60)	(1,839)
	Benefits paid and expenses				<u>(137)</u>	<u>(185)</u>
	Closing defined benefit obligation				<u><b>4,054</b></u>	<u><b>4,050</b></u>
	Actual return on plan assets				<u>(101)</u>	<u>(2,023)</u>
	<b>Net actuarial gain/(loss) on defined benefit pension scheme</b>				<b>2024</b>	<b>2023</b>
					<b>£'000</b>	<b>£'000</b>
	Actuarial gain / (loss) on plan obligations				60	1,839
	Actuarial gain on plan assets				<u>(272)</u>	<u>(2,193)</u>
	Defined benefit costs recognised in the SOFA				<u>(212)</u>	<u>(354)</u>
<b>14a</b>	<b>Analysis of net assets between funds (current year)</b>					
		General unrestricted £'000	Pension Reserve £'000	Restricted £'000	<b>Total funds</b> £'000	
	Tangible fixed assets	287	-	-	<b>287</b>	
	Net current assets/(liabilities)	2,698	-	3	<b>2,701</b>	
	Defined benefit pension provision	<u>-</u>	<u>(622)</u>	<u>-</u>	<u><b>(622)</b></u>	
		<u><b>2,985</b></u>	<u><b>(622)</b></u>	<u><b>3</b></u>	<u><b>2,366</b></u>	
<b>14b</b>	<b>Analysis of net assets between funds (prior year)</b>					
		General unrestricted £'000	Pension Reserve £'000	Restricted £'000	<b>Total funds</b> £'000	
	Tangible fixed assets	268	-	-	268	
	Net current assets/(liabilities)	2,216	-	3	2,219	
	Defined benefit pension provision	<u>-</u>	<u>(574)</u>	<u>-</u>	<u>(574)</u>	

**Penrose Options**  
**Notes to the Financial Statements**  
**For the year ended 31 March 2024**

<u>2,484</u>	<u>(574)</u>	<u>3</u>	<u>1,913</u>
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**15a Movements in funds (current year)**

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

	At 1 April 2023 £'000	Income & gains £'000	Expenditure & losses £'000	Transfers £'000	At 31 March 2024 £'000
<b>Restricted Funds:</b>					
Roots for Life	3			-	3
Lottery - Roots	-	193	(193)	-	-
Community engagement	-	4	(4)	-	-
Community response fund (Luton)	-	27	(27)	-	-
<b>Total restricted funds</b>	<u>3</u>	<u>224</u>	<u>(224)</u>	<u>-</u>	<u>3</u>
<b>General funds</b>	2,484	17,479	(16,978)	-	2,985
<b>Pension reserve</b>	(574)	-	(48)	-	(622)
<b>Total funds including pension fund</b>	<u>1,913</u>	<u>17,703</u>	<u>(17,250)</u>	<u>-</u>	<u>2,366</u>

**15b Movements in funds (prior year)**

	At 1 April 2022 £'000	Income & gains £'000	Expenditure & losses £'000	Transfers £'000	At 31 March 2023 £'000
<b>Restricted Funds:</b>					
Roots	3	-	-	-	3
Corona Virus Grants	-	246	(246)	-	-
<b>Total restricted funds</b>	<u>3</u>	<u>246</u>	<u>(246)</u>	<u>-</u>	<u>-</u>
<b>General funds</b>	2,145	13,397	(13,058)	-	2,484
<b>Pension reserve</b>	(386)	-	(188)	-	(574)
<b>Total funds including pension fund</b>	<u>1,762</u>	<u>13,643</u>	<u>(13,492)</u>	<u>-</u>	<u>1,913</u>

**Purposes of restricted funds**

- Tesco - Bags of Help awarded a grant specifically to be used on Roots for Life.
- Lottery – Roots – The grant is used to fund the works of the Roots to Recovery project in Luton and Bedford
- Cost of living workshops – The workshops provide advice and guidance to help individuals to develop a personal toolkit of knowledge and skills as they prepare for independent living.
- Community response fund (Luton) – to fund an activities coordinator in a service.

**Penrose Options**  
**Notes to the Financial Statements**  
**For the year ended 31 March 2024**

**16 Analysis of changes in net debt**

	At 1 April 2023	Cash flows	At 31 March 2024
Cash at bank and in hand	<u>705</u>	<u>344</u>	<u>1,049</u>
Total	<u>705</u>	<u>344</u>	<u>1,049</u>

The charity held no debt during the period, as such the above analysis of cash and cash equivalents serves as a reconciliation of changes in net debt.

**17 Operating lease commitments**

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

	2024 £'000	2023 £'000
Less than one year	2,196	2,097
One to five years	1,741	1,883
One to five years	<u>2,039</u>	<u>2,366</u>
	<u>5,976</u>	<u>6,346</u>

**18 Guarantees and ultimate parent undertaking**

Penrose Options, trading as SIG Penrose, is a company limited by guarantee not having a share capital. Social Interest Group became the sole member of Penrose Options on the 1<sup>st</sup> October 2014. Each member has guaranteed to pay £1 in the event that Penrose Options was wound up. Social Interest Group is the ultimate parent undertaking. Its charity registered number is 158402. Its company registered number is 9122052. Its registered office is: 1 Waterloo Gardens, Milner Square, London N1 1TY.

**19 Post balance sheet events**

After the year end, SIG Penrose acquired the freehold of Faringdon Avenue for £2.3m. This had previously been leased by Penrose on a 20 year lease, with the assistance of a bank loan for £2.3m.

**PENROSE OPTIONS**

England & Wales - Charity number 1151455

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# Accounts

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# Penrose Options

Report and financial statements

For the year ended 31 March 2023



**Penrose**

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

Penrose Housing Association was set up as an Industrial & Provident Society, an exempt charity, in 1969 by two ex-offenders and several volunteers to provide housing for ex-offenders. It became a company limited by guarantee, registered with the Charity Commission and changed its name to Penrose Options on the 28th of March 2013. It traded as Penrose and joined the Social Interest Group (SIG) as a wholly owned subsidiary on the 1st of October 2014. Penrose Options now trades as SIG Penrose and strives to address inequality of access to health, employment, training, and social care support for people in a range of settings, including prison, hospitals, rough sleeping, homeless or at risk of homelessness. SIG Penrose specialises in working with people who have struggled in other services as they present personal or public safety risks and as an alternative to hospital inpatient care.

### Directors and Charity Trustees

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

**Chairman**

Karl Marlowe

**Other Trustees**

Dylan Kerr

Stuart Jenkin

Jeff Loo

Claire Barton

**Company Secretary**

Michael Rutherford

**Executive Officers****Group Chief Executive**

Gill Arukpe

**Senior Director of Operations**

Cassie Newman (Resigned – 8<sup>th</sup>  
September 2023)

**Director of Finance & Resources**

Michael Rutherford

**Director of People & Culture**

Maria Speight

**Registered office**

1 Waterloo Gardens  
Milner Square  
London  
N1 1TY

**Auditor**

Buzzacott LLP  
130 Wood St  
London  
EC2V 6DL

**Bankers**

Lloyds Bank plc  
25 Gresham Street  
London  
EC2V 7HN

**Solicitors**

Russell Cooke LLP  
2 Putney Hill  
London  
SW15 6AB

**DWF LLP**

1 Scott Place  
2 Hardman Street  
Manchester  
M3 3AA

Company registration number

**08466743**

Charity registration number

**1151455**

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

[enquiries@socialinterestgroup.org.uk](mailto:enquiries@socialinterestgroup.org.uk)

The Trustees present their report and the audited financial statements for the year ended 31<sup>st</sup> of March 2023. The reference and administration information set out on the previous page form part of this

report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

## Objectives

### Purposes and Aims

The objects of SIG Penrose as set out in the Articles of Association are for the public benefit:

- To relieve people in need, including but not limited to those with mental health illness, those currently suffering from substance misuse, alcohol or other addictive behaviour, people in the criminal justice system, the homeless, poor people, aged, disabled (whether physically or mentally) or chronically sick, and to assist and relieve such persons' family, dependents and other carers who are in need as a result of that person's problems;
  - a) Providing support in the form of housing, or accommodation, or services including but not limited to medical, social, welfare, rehabilitative, resettlement and care services
  - b) Providing education, training, employment, mentoring and other similar services
- To further such other exclusively charitable purposes according to the law of England and Wales as the Trustees in their absolute discretion from time to time determine.

The Trustees review the aims, objectives and activities of the Charity each year. This report looks at what the Charity has achieved and the outcomes of its work in the reporting period. The Trustees report the success of each key activity and the benefits the Charity has brought to the people that it is set up to help. The review also helps the Trustees ensure the Charity's aims, objectives and activities remain focused on its stated purposes.

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and planning its future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives that have been set.

### Activities

Our services are as far-reaching as our resident and participant profiles.

We provide practical social support and health care solutions, supported housing in residential accommodation, resource centres, floating support and Housing First services. Our specialist rehabilitation, technical and therapeutic support aids recovery, reduces reoffending and changes behaviour. In Luton, we provide floating support and social services that prevent people from becoming homeless or help secure accommodation should they need it, and specialist services, working with women who have been sexually exploited and may have substance and alcohol issues. On the 8<sup>th</sup> of August, SIG Penrose's flagship service, Penrose Drive (an Independent Approved Premises), opened its doors to men who served long sentences and require a level of supervision on release from prison. We currently operate across London, Bedfordshire and Luton and have the ambition to grow.

## Chief Executive's Statement

With figures showing 1 in 4 adults predicted to experience a common mental health disorder, and 10% will experience depression in their lifetime, our services find themselves amid a mental health crisis. The pandemic's legacy effects have made access to primary and secondary healthcare increasingly difficult. Economic and social imbalances continue to grow with substantial increases in homelessness and number of people in prison.

The number of families and single people in temporary accommodation is rising daily. We continue to see a rise in people referred to us who have spent long periods in hospitals, prison and being homeless. Often requiring a high degree of support for harm-reduction, reablement after long-term mental ill-health and disorders, increase in suicidal tendencies, depression, dual diagnosis, alcohol dependency, and illegal and prescription substance use.

Charities are under severe financial strain. Facing soaring energy bills and declining incomes as some grant givers and commissioners cut back against a significant rising demand in people needing our support and care. The recruitment issues in the sector continue to make staff retention and growth challenging as we compete to hire and retain the best people. Research shows a high percentage of the sector using their reserves to support contracted work, which is not sustainable. I am pleased to say we have not had to do this.

We have worked hard to make working at SIG Penrose a rewarding experience personally and professionally and to find the best ways to offer support to reduce the impacts of rising fuel and living costs. We kept salaries at the London and Living Wage, carried out a salary review, gave two staff pay awards and increased our bank pay hourly rate by 3%.

This year, we joined the lobby for the government to provide more help to our sector. In January, we launched a new vision and mission: to stop the inequity of access to public services and opportunities for a good home, health care, social support, and employment. We will address the imbalance through new partnership working, influencing policy change and driving local systems change to bridge gaps in provision and break down barriers.

We remain committed to supporting local authorities, health trusts and the Ministry of Justice and HMPPS in the development of solutions for people experiencing homelessness, stepping down from hospital or returning from prison or living on the street. SIG Penrose is exceptionally skilled at finding solutions that support people with the highest support needs.

This year, we took on an additional units of accommodation, opening up a vital new housing pathway in Kensington and Chelsea for a range of people, including refugees. We officially opened our first Independent Approved Premises (IAP), Penrose Drive to support men in the criminal justice system requiring high supervision, where we have been delivering our programmes.

We continue to secure our long-term financial stability through contract retention, growth and income diversification. We retendered for and won several crucial long-running service contracts, helping people secure and retain accommodation and supporting various social needs. Our Housing and Maintenance Team increased rental income, helping improve our free funds to utilise and deliver new activities, programmes and service innovations.

Finding ways to take the pressure off the NHS across mental health, personality disorders, homelessness and substance and alcohol use remains a priority. We grew our Peer Mentoring Programme and volunteering driven by our certified peer mentoring training course funded by Health Education England. We continue to utilise trainees with lived experience across projects, focusing on people at the highest risk of suicide and self-harm, drug and alcohol overdose and disengagement with treatment services.

I look back at all our achievements across SIG Penrose and the Group during 2022/23. Not only have we supported thousands of people, but we continue to overcome the challenges we face, changing how we work to improve and enhance the quality and performance of our services and implementing new services and projects to grow and extend our impact.

A handwritten signature in purple ink, appearing to read 'Gill Arukpe', is positioned above the printed name.

**Gill Arukpe, Group Chief Executive**  
**6<sup>th</sup> December 2023**

## Strategic Report

### Results and Impacts

#### Penrose Options Services

Penrose Options supported 2,483 people. Of these, we supported 2,308 residents living and recovering from poor mental health and disorders, homelessness, and trauma. Over 85% of move-on were positive, including transferring into independent living and step-down accommodation. Less than 1% of residents experienced unplanned returns to prison and to hospital during their time in our care.

KPI	TARGET	ACTUAL	
% positive move-on	>85%	85.1%	Positive Move-on means people who secure independent accommodation or move into a safe location for continued support from our residential services.
% Unplanned return to hospital	<3%	0.3%	
% Convicted of new offence	<3%	0.0%	
% Unplanned return to prison	<3%	0.5%	

Total departures	1,767
Positive move-on	1,504
Total clients seen	2,483
Unplanned return to hospital	8
Convicted of a new offence	0
Unplanned return to prison	12

#### Luton Residential Services

- 924 Key Worker sessions
- 908 life skill sessions
- 170 group activities with a total of 492 client attendance to the activities

#### Synergy and Mental Health Floating Support Services

SIG Penrose's Community Based services include Synergy, STEPS Hospital Discharge service and Blended Worker roles embedded within the Community Mental Health Transformation (CMHT).

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

SIG Penrose is a lead VCSO in Luton, delivering services alongside the NHS and offering support for patients with Severe Mental Illness (SMI). We are already seeing innovation in our services, with Luton Penrose 'blended workers' delivery model, working closely with East London NHS Foundation Trust (ELFT). SIG Penrose was the first VCSO to pilot the 'blended teams' approach in Luton, supporting East London Foundation NHS Trust (ELFT). The Blended Work Initiative with ELFT has been running for 18 months. SIG Penrose's Blended Workers Team comprise two Mental Health Transition Workers and an Outreach Worker, fully funded by ELFT.

Based in the Community Mental Health Team's local offices, the team accesses NHS equipment and databases and is starting to adopt the Dialog+ approach to patient-led care and joint support planning. SIG Penrose's Housing Related Support specialism enables NHS Care Coordinators to refer directly, bolstered by SIG Penrose's attendance at Multi-Disciplinary Team Meetings (MDTs) and Triage Meetings.

This year, we continued to develop and establish these ways of working with ELFT's Transformation Lead, focusing on the need for supported housing as part of acute Mental Health services and co-designing procedures and governance as the framework for future blended teams. Two Mental Health Housing Leads and a Mental Health Community Engagement Coordinator role have been created as part of improved working practices.

SIG Penrose is a lead at the BLMK VCSO Strategy Group, agreeing on Terms of Reference, reviewing and feeding into the NHS Joint Forward Plan, and contributing to discussions on the NHS Winter Plans 23/34, focusing on 'Virtual Wards' and Patient Flow. SIG Penrose expects to be part of a working group to develop proposals with VCSOs at the heart of the plans.

## **Client Transformations**

### **Joseph's Story**

Resettlement can be a challenging time for many. Joseph needed help to resettle in the community. He was living in temporary accommodation when he came to Penrose Synergy Universal for support to live in the community and manage his accommodation. He was using drugs and was engaging with Resolutions, a drug recovery service. He was struggling financially, was in rent arrears and needed help to set up a Repayment Plan.

Synergy contacted the Council to set up a payment plan consisting of weekly payments to help Joseph get back on track. The council had moved him to more secure and settled sheltered accommodation. Still, with no white goods or furniture on the property, Joseph wasn't optimistic about his future as he owned nothing. Synergy used its Luton Borough Council's *Household Fund* to buy white goods and furniture for Joseph, including a fridge, washing machine, microwave, plates, a bed and bedding, which was of great help to him, and soft furnishings like rugs for the lounge and bedroom to ensure it felt more homely. Due to his change of address, Joseph needed Synergy's help to change from Employment and Support Allowance to Universal Credit. Synergy persuaded Universal Credit to accept Joseph's application by phone as he couldn't manage an online account. During such challenging times, Synergy signed Joseph up to local food banks, ensuring he had additional support. Joseph engaged well with SIG Penrose, has settled into his home and was very grateful for the help.

## Our Focus

### Cost of living and inflation support

We prudently capped our fuel charges for all our accommodations in the Group before the beginning of the financial year, ensuring fuel increases would not heavily impact us before 2024. We started discussions with commissioners during the year regarding uplifts to service contracts. In conjunction with the two pay increases for frontline staff, we began creating a comprehensive remuneration strategy for the Group. SIG already pays the Living Wage in and outside of London. However, we engaged an external consultant to benchmark salaries against peer and competitor organisations. We started exploring realistic options for ongoing support for staff and people using our services, working through our EDI Ambassador Group and Staff Council.

### Recruitment

With thousands of Support Worker vacancies per week across the UK, we plan to attract new candidates into health and social care as a career choice. We focused on coherent recruitment, robust training programmes, onboarding processes and apprenticeships. Part of this work included building a dedicated careers microsite and implementing a New Applicant Tracking System (ATS) that went live at the end of the year to streamline the recruitment process.

### Brand Refresh

We undertook the brand refresh to strengthen and galvanise the Group and enhance our excellent reputation in supporting the hardest-to-reach to create positive change for people and communities. We worked with staff, residents, and participants across the Group to shape the vision of our rebranding and launched our new visual identity in June. This momentous change project supports our growth as we take on new areas of work and new subsidiaries, expanding our horizons on a public stage.

### Theory of Change rollout

Our newly developed Theory of Change articulates our unique approach to positively impacting the lives we support. This transformation journey focuses on three elements to make a crucial difference: identity, relationships and community. We launched the Theory of Change at our Staff Conference in October as we begin embedding it into our working methods to ensure best practice is achieved and evidenced. Learn more about our Theory of Change at [www.socialinterestgroup.org.uk](http://www.socialinterestgroup.org.uk).

### Reimagining the way we work

'Reimagine the way we work' is an organisation-wide review to use SIG's central resources better to maximise impact and income and improve quality whilst reducing risk. We launched several initiatives and implemented changes over the year to enhance the quality and performance of our services:

### Housing Management

We undertook a housing management review, working with an external housing consultant to understand how we continually improve our housing management function and accommodations. Alongside this, we rolled out a programme of property evaluations through the Best Practice Team, comprising site visits, surveys, and focus groups to gain insights into service and property satisfaction levels and any improvement needs. This significant piece of work is ongoing into 2023.

### Greater use of technology within our service model

We launched STARS, a new Staff Rota System, to embed the latest technology. STARS is a web-based application accessed through a desktop, laptop, or mobile phone, regardless of a user's location. The system allows frontline staff to view the calendar for their service and upcoming shifts, check rotas and search for available bank shifts, staff contacts, and service details. The application also provides driving directions and the latest news for each service. An all-staff webinar introduced the system, and

resources made available on the staff intranet included 'How to' videos. We continue to develop new functionality into 2023.

### **Quality and Performance**

We grew our Compliance, Risk and Audit Team to develop further Risk Management, Governance, Safeguarding and Health and Safety within SIG. We launched new Quality and Performance meetings to support operational teams to focus on essential priorities and reduce duplication. Meetings provide a platform to share what is working well, what they are proud of, and where we, as a SIG community, need to improve processes, best practices, and training.

### **Staff Safety**

We are committed to creating the safest environment for staff. This year, we added two new modules to our staff risk management training to enhance support for the growing number of people coming to us with highly complex support and care needs. Additionally, we set up a Quality Review Group and Safeguarding Review Group to strengthen how we capture trends, concerns and learnings across the Group and ensure staff meet the expected standards of our Quality Handbook, a digital best practice guide introduced last year.

### **Activity Forum**

We launched our new Activity Forum, bringing together Activity Coordinators and Programme Facilitators from across the Group to look at how we consistently deliver interventions and activities. Discussions ensure the inclusion of participants, residents, and staff with a commitment to take forward initiatives. *SIG Run Club* is one such initiative.

### **Property Strategy**

With move-on options for residents continuing to dwindle, the Housing and Maintenance Team took on more accommodation units to provide greater opportunities for residents. Rental income increased to 36% of our revenue model to help towards our future sustainability. Our journey to becoming a registered social housing provider continues as part of our long-term ambition to buy accommodation to strengthen our income and retention of contracts and ensure we can provide long-term housing for people in the greatest need.

## **Significant Events**

### **Investors in People**

SIG was awarded Investors in People, an important accreditation, particularly in supporting our growth plans. We worked over many months with staff to achieve this. We continue our Investors in People journey, using the findings from the review to shape our 3-year strategic plan starting next year. We started developing our reward and recognition strategy to ensure we make working at SIG a rewarding experience personally and professionally by offering growth and development.

### **ISO90001**

We received ISO9001 accreditation in January. ISO remains a necessary certificate held by SIG, assuring stakeholders that we have effective systems and processes and work to improve continuously. SIG has maintained certification since its inception.

### **Enabling Environments Award**

All three Offender Personality Disorder (OPD) accommodation sites achieved the Enabling Environments Award by the Royal College of Psychiatry. This is an extraordinary achievement and places our OPD services among the best in providing the highest quality. Feedback from residents and participants using the service is central to evidencing an enabling culture and treating them as a community working towards achieving their positive outcomes rather than service users receiving care and support.

## Penrose Drive Official Launch

In November, we officially launched Penrose Drive, our first Independent Approved Premises, in partnership with HM Prison and Probation Service. The service builds on our work in the CFO Activity Hubs and our recent OPD Enabling Environments Award to help those in our care lead positive, independent lives and turn their back on crime. Penrose Drive is a crucial bridge into the community, helping prison leavers reintegrate safely into society while protecting the public. The service combines a comprehensive range of meaningful behavioural programmes, training and purposeful activities to reduce the risk of reoffending, improve self-confidence and resilience, and further employment, training and education opportunities.

## LGBTQIA+ Healthwatch Luton Consultation

The Bedfordshire, Luton and Milton Keynes Integrate Care System (BLMK ICS) commissioned the Denny Review in April 2022 to understand and tackle local communities' health inequalities. Our EDI programme expanded into community consultation with an invitation to facilitate their 'Denny Engagement' of local LGBTQIA+ community members disproportionately affected by COVID-19 across the region. Our EDI Ambassadors offer additional support and information on protected characteristics covering Faith and Religion, Age, Menopause, Marriage and Civil Partnership, Gender Reassignment, Gender, Race, Maternity and Paternity. Luton Healthwatch commissioned a programme of work for our EDI Ambassadors to facilitate online and face-to-face consultations to learn more about LGBTQIA+ community members' experiences accessing health and social care services and identify priority areas to reduce inequalities. Their feedback will help shape and plan for the Integrated Care System by improving services to meet people's expectations across BLMK.

## Voluntary Sector Safeguarding

Healthwatch Luton invited SIG Penrose to join a new strategic co-production initiative for VSOs in Luton. SIG Penrose is now a part of a VSO sub-group of the Luton Safeguarding Adults Board (LSAB). The LSAB meets quarterly and aims to safeguard the most vulnerable in the community while adhering to 'Making Safeguarding Personal.' The VSO sub-group involves experts by experience and provides a space for VSOs to learn about adult safeguarding and shape the strategic pathways of the LSAB.

## Financial Review 2022/23

SIG Penrose made a surplus of £505k (2021/22 - £556k) during the year. This results in an unrestricted fund balance of £2,484k at 31st March 2022 (2021/22 - £2,145k). In addition, it had a restricted fund balance of £3k (2021/22 - £3k).

The pensions reserve at the end of the year was £574k and relates to the past service deficit liability relating to the defined benefit Social Housing Pension Scheme. The triennial valuations in 2008, 2011, 2014, 2017 and 2020 resulted in member organisations being charged a levy to bring the scheme back into surplus. These triennial valuation deficit contributions are reflected in the SoFA and provisions of SIG Penrose. The charity closed its participation in this pension scheme but remains liable for an element of the deficit.

Given the wider economic environment and on-going changes and increased competition within the sector, the Trustees consider the results in respects to revenue levels to be acceptable. 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**

SIG Penrose has a risk management strategy, which is overseen by the Trustees. The risk register is reviewed monthly by the Executive Management Team, in consultation with all managers, and subsequently by the Trustees at each quarterly Board meeting. The principal risks are that a resident or participant commits a serious act and that there is class A and/or B drug use on our premises. This is not surprising in view of the activities undertaken by SIG Penrose. To mitigate these risks, we have robust risk management policies, a pandemic strategy and contingency plans, well trained staff, incident and near miss reporting and learning, a safeguarding officer, a clinical lead and people safe systems, testing procedures and good relationships with experts by experience and co-production with our residents and participants, responsible officers, and the police. In addition, SIG Penrose is experiencing great difficulties in procuring properties either for rent or outright purchase, given that we cannot expand at the rate of demand or that we may lose contracts.

Another significant risk is the pension deficit contributions made to TPT and to the KCC to fund the shortfall in the pension liability of the schemes. The risk is regularly reviewed to ensure any contributions are affordable and do not place a significant financial burden on the Charity.

### **Reserves policy and going concern**

Reserves are needed to innovate solutions for our stakeholders, (both residents, participants and commissioners) and bridge the funding gaps between spending on services and recovering these from subsidiaries by providing working capital. In addition, reserves are required to facilitate investment in fixed assets in the form of properties for leasing to subsidiaries for the provision of their services. The Trustees evaluated the commitment to future expenditure against likely future income streams and believe that a regular review of reserve levels is appropriate. SIG Penrose aim to make a small surplus for retention and reinvestment purposes, which increases the free reserves. Following a review of the reserves required following growth, the reserves target increased to £880k, an increase of £380k. The actual free reserves, excluding the past service pension liability, as at 31st March 2023 are £2,487k (21/22 - £2,148k). It is held at this higher level because on the pension liability. The Trustees will continue to review the reserves policy and position.

Actions to strengthen the financial position going forward include diversification of funding, including the growth of the business development team to secure additional funds through fundraising and securing and opening a number of new projects, as well as the closure of projects that were not financially viable. In addition, there are concerted management efforts to increase occupancy and reduce void rates and minimise the use of expensive agency staff.

After making enquiries, the Board of Trustees has a reasonable expectation that SIG Penrose has adequate resources to continue in operational existence for at least 12 months from the date of approval of the financial statements. SIG Penrose has financial resources together with long-term cash generating assets. As a consequence, the Board of Trustees believe that SIG Penrose is well placed to manage its business risks successfully. For this reason, they continue to adopt the going concern basis in preparing SIG Penrose's financial statements. Whilst the Pension deficit is large, there is a robust repayment plan to reduce this over time, and that there are no material uncertainties related to events or conditions that may cause significant doubt about the ability of SIG Penrose to continue as a going concern have been identified by key management personnel after taking into account the relevant facts and circumstances.

## Plans for the Future

At SIG Penrose, we pride ourselves on being a learning organisation, constantly developing and innovating to adapt to changes in our environments, and ensuring we continue to focus on delivering the best possible outcomes to the people we support. Over the next five years, our ambitions include:

Delivering **permanent, quality social homes** for people requiring longer-term support through SIG Housing Trust's ambitious property strategy, with support from key partners, benefactors and developers.

Decreasing the number of people rough sleeping by providing **excellent supported accommodation** services and **person-centred move-on** packages alongside the expansion of our **award-winning Synergy** model.

Becoming an employer of choice by developing a **Staff Academy of Learning**, ensuring all our staff feel safe, valued and invested, and adding value by enhancing our volunteering offer and increasing volunteer numbers to over 300.

Working with the NHS and Integrated Care Boards to **shift more mental health treatment and recovery services from the hospital to the community** by offering evidence-based and innovative alternative delivery models.

Deploying an External Affairs Team to ensure we make positive social change by sharing **frontline and lived experiences to have a meaningful influence on policy development** and provide opportunities for our participants and residents to be heard at the highest levels of government.

Supporting a fairer, more impactful criminal justice system by working collaboratively with HMPPS and other key partners to deliver positive resettlement outcomes. **Expanding our promising Approved Premises delivery model** and demonstrating its impact on people leaving prison at the highest risk.

Identifying opportunities within the prison estate to roll out sister charity, SIG **Safe Ground's unique approach to providing visitor centres**. Influence and shape cultural change in how people in prison are supported through Safe Ground's methodology and our External Affairs Team.

Extending our specialist gender-based services to women with multiple complex needs and significant enduring trauma by building on our therapeutic model of trauma and shame-informed practice to create positive, female-led environments and responding to the need to restore trust in external frameworks and wider systems change, working through our **'I Am More Than' Project and Theory of Change** to break the stigma and shaming narrative for women with complex needs and risks.

Growth and development to support a minimum of 30,000 people, triple income to £60 million and continue to grow and flourish, adding **three new charities** to the Group to expand and enhance our range and offer to the people we support.

## **New Business**

### **Complex Needs Hub, Royal Borough of Kensington and Chelsea**

In April, we successfully bid for a large complex needs contract commissioned via the Royal Borough of Kensington and Chelsea. The new agreement merged several arrangements supporting people experiencing multiple disadvantages in the Borough. SIG Penrose mobilised the Complex Needs Hub through the summer and worked with three current support providers and landlords of 18 properties to enable a smooth transition for 154 residents and existing staff teams. The new service went live on the 1<sup>st</sup> of July 2022 and was well received by its residents, participants, transferring staff, commissioners and external partners. The service provides accommodation-based housing and floating support. It delivers trauma-informed and relational support, facilitating in-reach from external partners and offers a range of coproduced group activities in properties and the hub setting.

### **Intensive Housing Management Support, Havering**

SIG Penrose was successful in a tender for a long-term contract for subleasing several shared housing units in the Havering area, working closely with Havering Borough Council. Based in Romford, the service provides intensive housing management support to enable sustainable independent living for people experiencing multiple disadvantages. The service links to SIG Penrose's new Faringdon service, a 25-bed 24-hour assessment and stabilisation service, which provides specialist housing, programmes and support services in the community for people experiencing homelessness or at risk of homelessness and further embeds SIG Penrose in the Borough.

## **Retained Contracts**

### **New Hope Forensic Mental Health Service, Lewisham**

New Hope forensic mental health service was tendered by commissioners and successfully retained. SIG Penrose has delivered the service in Lewisham for over 20 years, the first of its kind. It uses trauma-informed approaches and a Psychologically Informed Environment to provide a supportive environment for people moving from inpatient care with severe and enduring mental health needs. The service offers 24-hour supported accommodation, can support up to thirteen male residents, and has provided a safe environment for hundreds of residents over the years, enabling them to progress to independent living or lower support provision successfully.

### **Synergy Universal Integrated Support Service, Luton**

Synergy has delivered high-quality universal floating support to Luton citizens since 2012. In 2022, Commissioners retendered the service, and SIG Penrose successfully retained the contract. Synergy is well-established and respected in the Luton social care landscape, receiving many drop-in self-referrals and referrals from over 200 local organisations and agencies. The service offers a one-stop solution for local people and referrers, working collaboratively with multiple partner agencies and organisations, community, and faith groups to achieve positive outcomes, including Roots Community-Based Recovery Services, operating across Luton and Bedford. The Synergy team proactively engage in local multiagency team meetings, strategy sessions, working groups and boards, including Luton Homeless Partnership, Community Mental Health Transformation Board and Blended Team Initiative, Live Well Luton and Luton Mental Health Collaborative.

## Other Group Activities

### Fundraising

We recruited a grant writer in the year to help build on our first-year successes. Our funding priorities remain capacity-building grants to develop and enhance our services and technology and implement our strategic ambitions and plans.

### NW London Cancer Screening Outreach

SIG secured a health inequalities grant from NHS NW London, NW London Integrated Care System and RM Partners West London Cancer Alliance to deliver cancer outreach activities across our NW London services. Led by our Group Clinical Lead, activities focused on understanding the barriers when accessing NHS national screening services and gathering feedback to understand the changes residents and participants would like to see. Our insights and findings were shared at an event attended by charities, community groups, Public Health and cancer specialists as part of a roundtable discussion. We plan to continue work in this area next year with further funding from the NW London Integrated Care System.

### SIG Run Club launch

March saw the launch of SIG's first-ever Run Club. Run Club is a place for SIG Penrose staff, residents, and participants to share their journey to improved well-being. The club is made up of a mix of running abilities. Whether members have never run before or are experienced marathon runners, it is a place where they can support each other to become more active and healthier. Initially started as a virtual support group to share individual journeys, the group now arranges in-person meet-ups to officially organised running events and support each other's running challenges. The club hopes to start fundraising for SIG next year.

### Root's Food for Thought Project

The Harpur Trust came on board this year with a multiyear grant to support Roots to Recovery over the next three years. This first year's grant goes towards expanding Roots into Bedford by establishing a new Community Garden on a donated site, sponsoring a Project Support Officer role to oversee implementation and develop a weekly programme of group activities for the local community.

### BLMK Heads Up Suicide Prevention

Bedford, Luton and Milton Keynes Clinical Commissioning Group funded 'Growing Futures,' a pilot project to extend Roots community-based recovery service. This funding has come from a grant for suicide prevention. It will pay for new group activities supporting male inpatients on Luton Hospital mental health wards and men in contact with the criminal justice system who are at higher risk of self-harm and suicide, working alongside East London Foundation NHS Trust, Luton and Bedfordshire Probation Service and Luton Recovery College.

### Renewal Funding for Roots to Recovery

Roots to Recovery is an inclusive community engagement programme supporting the social prescription service, community groups, GPs and mental health trusts to reduce social isolation and promote wellbeing through its therapeutic community garden, training and social activity programme. The service has received a Community Investment Fund grant from the Bedford and Luton Community Foundation for the past four years. This year's grant continues to make a significant difference in allowing the service to meet the growing demand by scaling up its social activities programme and covering shortfalls in funding.

## **Bedford Borough Council Cost of Living Grant**

We secured a community grant from the council to support resilience and sustainability. The grant will cover cost-of-living workshops and additional activities for residents at our Holman House service to prepare them to move on and live independently and provide further enrichment and learning activities for those who remain in our care. Holman House is a 19-bed residential service supporting people in increasing their levels of independence.

## **Renewal Funding for Project CATE**

We secured continuation funding for project CATE from the Bedfordshire Police and Crime Commissioner's Office to provide a specialist women's outreach service in Bedfordshire, operating out of SIG Penrose's Luton Synergy service. The service bridges gaps in providing much-needed access to current support provisions. It offers additional trauma-informed wraparound support coordination, enabling engagement for hard-to-reach vulnerable women and ensuring they remain engaged.

## **Health Education England**

We continued our partnership with Health Education England to develop our Peer Mentoring Training Programme to support the increasing need for people with lived experience to help residents and participants in our services on their recovery journeys.

## **Renewal Funding for Mental Health Hospital Discharge Service**

Mental health in-patient services continue to see increased demand for beds. SIG Penrose's STEPS accommodation assessment and housing-related support service for patients discharged from mental health wards in Luton and Dunstable Hospital continued seeing increased demand from people outside Luton across Central Beds and Bedford Borough. Crucially, the STEPS' delivery model comprises a dedicated STEPS Worker to ensure the perspective and needs of every patient discharged from the hospital are understood to find suitable accommodation, supporting timely discharge and helping maintain hospital bed capacity and flow in the system. This year, the service was again supported by the Bedford and Luton Community Foundation (BLCF), which has sponsored our STEPS Worker role since 2020.

## **Thank You**

On behalf of SIG Penrose, we want to thank all our funders for their support. This new and vital funding has enabled us to extend our activities, launch new projects and pieces of work, and make a difference in the lives of the people we support across our services.

## **Communications**

Our focus this year has been on sustainability, growth and development. We decided to focus on quality rather than quantity of content, which meant reducing social media posting to focus on refreshing our vision, mission and brand and supporting the implementation of our Theory of Change. As part of our strategic aims to make positive social change, we also started developing plans for our own External Affairs Team to showcase our work and impact and share the lived experience and voices of the people using our services to ensure they are understood and heard.

## **Shadow Minister Visits Luton Synergy**

Sarah Owen, Luton MP and Shadow Minister for Homelessness, Rough Sleeping and Faith, visited SIG Penrose Synergy Universal office. The visit was part of SIG's strategic partnership working model, which aims to form stronger alliances with partners and agencies for greater collaboration and efficiency. The visit introduced Ms Owen to the Synergy service, which carries out vital work in the community, working with families experiencing or at risk of homelessness and broader initiatives, including Mental Health Floating Support, STEPS accommodation assessment and support service for people discharged from mental health wards in Luton and Bridge House, which supports women and children. Discussions centred on funding for families experiencing homelessness and working together

to help other areas of local need. Safeguarding the vulnerable and safe spaces for victims of domestic abuse, including SIG Penrose's specialist women's outreach project CATE, funded by the Bedfordshire Police and Crime Commissioner, was also discussed.

### **Synergy Universal Floating Support 10<sup>th</sup> Anniversary Celebration**

SIG Penrose celebrated the tenth anniversary of the achievements of our Synergy Universal Housing-Related Floating Services in Luton. Synergy provides vital work in the community, including working with people and families experiencing or at risk of homelessness. Hosting an event to celebrate, we welcomed over 100 guests, including the Mayor of Luton, Luton South MP and Shadow Minister for Rough Sleeping, Luton North MP and Bedfordshire Police and Crime Commissioners Commissioning Team – all strong supporters of SIG Penrose's work across Luton and Bedfordshire. Since its commissioning by Luton Borough Council in 2012, SIG Penrose has developed nine new initiatives working with Synergy, offering a range of accommodation and community-based support interventions across Luton and Bedford.

### **Drink and Drug News National Conference**

SIG Penrose Roots to Recovery team and several Roots members attended and presented at the June DDN National Conference in Birmingham to talk about Roots to Recovery, a 1.2-acre Community Garden. Roots to Recovery is part of a range of community-based recovery services across Luton and Bedford, supporting over 95 community members each week to make new friends, learn new skills, grow vegetables to share within the community and 'reset' in nature. Staff and members shared their experiences running the Community Garden and working collaboratively in the community, supporting social prescribing, greening up the borough through local conservation and environmental work, and improving mental health and wellbeing. The conference attracts over 500 delegates from across the UK with lived experience, patient groups, treatment providers, recovery community members and policymakers.

### **Structure, governance and management**

Penrose Options, trading as SIG Penrose, is a company limited by guarantee not having a share capital (Number 08466743) and is registered as a charity with the Charity Commission (Number 115455).

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

All the Trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 6 to the accounts.

### **Appointment of Trustees**

The Trustees are listed on page 3. They hold office for an initial period of three years with the possibility of a second term of three years plus in exceptional circumstance where the trustee has specific skills, this can be extended by the board. The board consists of no fewer than three and no more than nine persons appointed by the members and the executive Trustees. No person under the age of 18 may be appointed as a trustee.

Trustees are recruited by the Nominations Committee using specialist recruitment agents and by advertisement. A rigorous interview process takes place, which includes residents and participants. Candidates attend a board meeting and visit projects before being confirmed in post by the Chairperson.

## **Trustee induction and training**

New Trustees must familiarise themselves with the content of the Articles of Association, their legal obligations under charity and company law, the organisational structure and its recent financial performance. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role. All Trustees have participated in Safeguarding training.

## **Related parties and relationships with other organisations**

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

## **Remuneration policy for key management personnel**

The Group Chief Executive's remuneration is set by Social Interest Group non-executive Trustees. Their remuneration and all other staff are remunerated in accordance with a job evaluation process and market rates, which is reviewed by external consultants.

## **Policy for employment of disabled persons**

In April 2019 we became a Disability Confident Employer.

It is the Charity's policy not to discriminate against persons falling under the Disability Discrimination Act 1995 for reasons of their disability whether in, or applying for, employment or in the delivery of services.

The key areas of our policy cover recruitment and employment (disabled applicants not being considered any less favourably on the ground of their disability) service delivery (disabled applicants and residents and participants not being treated less favourably on account of their disability) and information (ensuring information is accessible to all).

## **Employee information**

The Charity requires line managers to conduct one-to-one meetings with their staff on a regular basis together with an annual appraisal.

The Executive Management Team meet on a weekly basis and updates from this meeting and the monthly Senior Managers Team meeting are disseminated to the Managers' meeting and then to the individual projects' monthly staff meeting.

The Charity takes its investment in its staff's professional development seriously and aims to provide different learning opportunities. It is the Charity's aim to see staff develop and share learning so that value can be added, and staff contribute to our growth and success. We introduced a new core training programme based around the Care Certificate made up of face-to-face and e-learning to ensure all modules are covered.

The Trustees would like to thank all staff and volunteers for their hard work and dedication during the year, in a climate that continues to be extremely challenging. We confirm that the Charity pays at least the London Living Wage to our employees working in London.

## Statement of responsibilities of the Trustees

The Trustees (who are also directors of the Charity for the purposes of company law) are responsible for preparing the Trustees' annual report and the financial statements in accordance with applicable law and UK Accounting Standards (UK GAAP).

Company Law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and the Group and of the incoming resources and application of resources, including the income and expenditure, of the Group for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates which are reasonable and prudent
- State whether the applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on an ongoing concern basis unless it is inappropriate to presume that the Charity will continue in operation.

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

In so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Members of the Charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at the year-end was five (2022: 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 6<sup>th</sup> December 2023 and signed on their behalf.



Dr Karl Marlowe

Chairman

## Opinion

We have audited the financial statements of Penrose Options (the 'charitable company') for the year ended 31 March 2023 which the comprise the statement of financial activities, the balance sheet and statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Basis for opinion

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

## Conclusions relating to going concern

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

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

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

## Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, has been prepared in accordance with applicable legal requirements.

## Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the strategic report.

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

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

## Responsibilities of Trustees

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

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

## Auditor's responsibilities for the audit of the financial statements

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

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;

## Independent Auditor's Report to the Members of Penrose Options

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements;
- We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements.
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of representatives of management and the review of minutes of Trustee meetings.

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

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

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

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

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

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

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

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

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

## Use of our report

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

Hugh Swainson (Senior Statutory Auditor)

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

Penrose Options  
Statement of Financial Activities (incorporating an income and expenditure account)  
For the year ended 31 March 2023

## Statement of Financial Activities

	Note	Unrestricted £'000	Restricted £'000	Pension reserve £'000	2023 Total £'000	Unrestricted £'000	Restricted £'000	Pension reserve £'000	2022 Total £'000
<b>Income from:</b>									
Donations and legacies		3	-	-	3	3	-	-	3
Charitable activities	3	13,394	246	-	13,640	9,684	214	-	9,898
<b>Total income</b>		<b>13,397</b>	<b>246</b>	<b>-</b>	<b>13,643</b>	<b>9,687</b>	<b>214</b>	<b>-</b>	<b>9,901</b>
<b>Expenditure on:</b>									
Charitable activities	4a	(13,058)	(246)	166	(13,138)	(9,257)	(214)	126	(9,345)
<b>Total expenditure</b>		<b>(13,058)</b>	<b>(246)</b>	<b>166</b>	<b>(13,138)</b>	<b>(9,257)</b>	<b>(214)</b>	<b>126</b>	<b>(9,345)</b>
<b>Net income for the year</b>		<b>339</b>	<b>-</b>	<b>166</b>	<b>505</b>	<b>430</b>	<b>-</b>	<b>126</b>	<b>556</b>
<b>Net income before other recognised gains and losses</b>		<b>339</b>	<b>-</b>	<b>166</b>	<b>505</b>	<b>430</b>	<b>-</b>	<b>126</b>	<b>556</b>
Actuarial (losses) on defined benefit pension schemes	13	-	-	(354)	(354)	-	-	363	363
<b>Net movement in funds</b>		<b>339</b>		<b>(188)</b>	<b>151</b>	<b>430</b>	<b>-</b>	<b>489</b>	<b>919</b>
<b>Reconciliation of funds:</b>									
Total funds brought forward		2,145	3	(386)	1,762	1,715	3	(875)	843
<b>Total funds carried forward</b>	15	<b>2,484</b>	<b>3</b>	<b>(574)</b>	<b>1,913</b>	<b>2,145</b>	<b>3</b>	<b>(386)</b>	<b>1,762</b>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 15 to the financial statements.

Penrose Options  
Balance Sheet  
As at 31 March 2023  
**Balance Sheet**

	Note	£'000	2023 £'000	£'000	2022 £'000
<b>Fixed assets</b>					
Tangible assets	10		<u>268</u>		<u>65</u>
			268		65
<b>Current assets</b>					
Debtors	11	3,712		3,464	
Cash at bank and in hand		<u>705</u>		<u>105</u>	
		4,417		3,569	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	12	<u>(2,198)</u>		<u>(1,486)</u>	
<b>Net current assets</b>			<u>2,219</u>		<u>2,083</u>
<b>Total assets less current liabilities</b>			<u>2,487</u>		<u>2,148</u>
<b>Net assets excluding pension scheme provision</b>			<u>2,487</u>		<u>2,148</u>
Defined benefit pension scheme provision	13		<u>(574)</u>		<u>(386)</u>
<b>Total net assets</b>	14		<u>1,913</u>		<u>1,762</u>
<b>The funds of the charity</b>	15				<u>3</u>
Restricted income funds			3		
Unrestricted income funds					
General funds		2,484		2,145	
Pension reserve		<u>(574)</u>		<u>(386)</u>	<u>1,759</u>
Total Unrestricted funds			<u>1,910</u>		<u>1,762</u>
			1,913		1,762
<b>Total Charity funds</b>			<u>1,913</u>		<u>1,762</u>

Approved by the Trustees on 6<sup>th</sup> December 2023 and signed on their behalf by



Chair - Karl Marlowe

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

## Cash Flow Statement

	2023 £'000	2022 £'000
<b>Cash flows from operating activities:</b>		
Net income for the reporting period (as per the statement of financial activities)	151	918
Depreciation charges	44	35
Movement in long-term pension deficit liability	188	(489)
(Increase) in debtors	(248)	(599)
Increase / (decrease) in creditors	712	156
	<hr/>	<hr/>
<b>Net cash provided by operating activities</b>	847	21
<b>Cash flows from investing activities:</b>		
Purchase of fixed assets	(247)	(17)
	<hr/>	<hr/>
<b>Net cash used in investing activities</b>	(247)	(17)
<b>Change in cash and cash equivalents in the year</b>	<hr/> 600	<hr/> 4
Cash and cash equivalents at the beginning of the year	105	101
<b>Cash and cash equivalents at the end of the year</b>	<hr/> <hr/> 705	<hr/> <hr/> 105

## Notes to the Financial Statements

### 1 Accounting Policies

#### a) Statutory information

Penrose Options is a charitable company limited by guarantee and is incorporated in England & Wales. The registered office is 1 Waterloo Gardens, Milner Square, London, N1 1TY.

#### b) Basis of preparation

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

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

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

#### c) Public benefit entity

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

#### d) Going concern

The Trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

The Trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

The Trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

#### e) Income

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

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

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

#### f) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

#### g) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund. Unrestricted funds are donations and other income received or generated for the charitable purposes. Designated funds are unrestricted funds earmarked by the Trustees for particular purposes.

## 1 Accounting Policies (continued)

### h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure on charitable activities includes the costs of delivering services undertaken to further the purposes of the charity and their associated support costs. Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

### i) Central support costs

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

### Operating leases

### j)

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

### k) Tangible fixed assets

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

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

- Fixtures, fittings and office equipment    25% straight line
- Leasehold improvements                      Straight line over the term of the lease
- Motor Vehicles                                    25% straight line

### l) Debtors

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

### m) Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

### n) Creditors and provisions

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

### o) Financial instruments

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

**1 Accounting Policies (continued)**

**p) Pensions**

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

SIG Penrose entrants, and a number of defined contribution schemes. For financial years ending on or before 28 February 2019, it has not been possible for the charity to obtain sufficient information to enable it to account for the Scheme as a defined benefit scheme, therefore the charity has accounted for the Scheme as a defined contribution scheme.

For financial years ending on or after 31 March 2019, it is possible to obtain sufficient information to enable the charity to account for the Scheme as a defined benefit scheme. For accounting purposes, an actuarial valuation for the scheme was carried out with effective date of 31 March 2018. The liability figure from the valuation is rolled forward to the relevant accounting date and are used in conjunction with the charity's fair share of the Scheme's total assets to calculate the charity's net deficit or surplus at the accounting period start and end dates.

**2 Donations**

SIG Penrose has received a donation of £nil (2022: £nil) from its parent undertaking, Social Interest Group and £3,086 (2022: £2,802) from other donors.

**3 Charitable activities – supporting vulnerable people**

SIG Penrose's activities are to relieve people in need, including but not limited to those with mental health issues, those currently suffering from substance misuse or other addictive patterns, ex-offenders, the homeless, poor people, aged, disabled (whether physically or mentally) or chronically sick. This is achieved by providing support in the form of housing, accommodation, or services including but not limited to medical, social, welfare, rehabilitative, resettlement, care services, education, training, employment, mentoring and other similar services. SIG Penrose income is predominantly contracted income from local authorities and NHS Trusts, and rental income and service charges from residents.

4a Analysis of expenditure (current year)

	Charitable activities £'000	Governance costs £'000	Support costs £'000	2023 Total £'000	2022 Total £'000
Staff costs (Note 6)	7,056	-	1,751	<b>8,807</b>	6,856
Recruitment & training	-	-	234	<b>234</b>	96
Subsistence & travel	30	-	8	<b>38</b>	34
Premises Costs	1,904	-	66	<b>1,970</b>	1,086
Office running costs	187	-	111	<b>298</b>	193
Insurance	-	-	117	<b>117</b>	82
Information technology	-	-	271	<b>271</b>	188
Legal & Professional	-	-	154	<b>154</b>	56
Depreciation	44	-	30	<b>74</b>	62
Audit fees	-	55	-	<b>55</b>	17
Other Costs	1,106	-	14	<b>1,120</b>	675
Total expenditure 2023	<b>10,327</b>	<b>55</b>	<b>2,756</b>	<b>13,138</b>	
Total expenditure 2022	<b>8,620</b>	<b>29</b>	<b>1,956</b>		<b>9,345</b>

4b Analysis of expenditure (prior year)

	Charitable activities £'000	Governance costs £'000	Support costs £'000	2022 Total £'000
Staff costs (Note 6)	5,583	-	1,273	6,856
Recruitment & training	-	-	96	96
Subsistence & travel	29	-	5	34
Premises Costs	1,036	-	50	1,086
Office running costs	96	-	97	193
Insurance	-	-	82	82
Information technology	-	-	188	188
Legal & Professional	-	-	56	56
Depreciation	62	-	-	62
Audit fees	-	17	-	17
Other Costs	673	2	-	675
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditure 2022	7,479	19	1,847	9,345
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

This is stated after charging:

	<b>2023</b>	2022
	<b>£'000</b>	£'000
Depreciation	44	41
Operating lease rentals:		
Property	1,888	1,033
Auditor's remuneration (excluding VAT):		
Audit	17	17
	<u>          </u>	<u>          </u>

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

Staff costs were as follows

	<b>2023</b>	2021
	<b>£'000</b>	£'000
Salaries and wages	6,395	6,471
Redundancy and termination costs	8	7
Social security costs	601	603
Employer's contribution to defined contribution pension schemes	119	112
Operating costs of defined benefit pension schemes	7	7
Agency costs	1677	782
	<u>8,807</u>	<u>7,982</u>

No employee earned more than £60,000 during the year (2022: £nil).

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £nil (2022: nil). These were borne by the parent entity Social Interest Group. The charity Trustees were neither paid nor received any other benefits from employment with the charity in the year (2022: £nil). No charity trustee received payment for professional or other services supplied to the charity (2022: £nil). Redundancy costs of £4,000 were paid in July 2023. No Trustees' expenses were paid or reimbursed £Nil (2021: £nil).

**7 Staff numbers**

	<b>2023</b>	2022
	<b>£'000</b>	£'000
Operational	357.3	325.7
Administration	1.0	1.0
	<u>358.3</u>	<u>326.7</u>

**8 Related party transactions**

SIG Penrose was charged £2,785,713 for central office functions provided by the parent charity Social Interest Group (2022: £2,124,094).

SIG Penrose was owed by SIG (its parent Company) £2,687,678 at the yearend (2022: £2,451,247).

SIG Penrose owed £333,158 to Equinox Care (a subsidiary of SIG) at the yearend (2022: £504,613).

SIG Penrose was owed by Pathways (a subsidiary of SIG) £26,299 at the yearend (2022: £112,190).

SIG Penrose owed £20,000 Milner Gibson Limited (a subsidiary of SIG) at the yearend (2022: £20,000).

SIG Penrose owed £24,470 to SIG Housing Trust (a subsidiary of SIG) at the yearend (2022: £853).

## 9 Taxation

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

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

## 10 Tangible fixed assets

	Motor vehicles £'000	Fixtures, fittings & Equipment £'000	Leasehold improvements £'000	Total £'000
<b>Cost of valuation</b>				
At the start of the year	5	154	127	286
Additions in year	25	99	106	230
Transferred assets	-	44	16	60
Disposal in year	(2)	-	-	(2)
At the end of the year	<u>28</u>	<u>297</u>	<u>249</u>	<u>574</u>
<b>Depreciation</b>				
At the start of the year	5	121	95	221
Charge for the year	6	22	16	44
Transferred assets	-	41	2	43
Disposal in the year	(2)	-	-	(2)
At the end of the year	<u>9</u>	<u>184</u>	<u>113</u>	<u>306</u>
<b>Net Book Value</b>				
At the end of the year	<u>19</u>	<u>113</u>	<u>136</u>	<u>268</u>
At the start of the year	<u>-</u>	<u>33</u>	<u>32</u>	<u>65</u>

All of the above assets are used for charitable purposes.

## 11 Debtors

	2023 £'000	2022 £'000
Trade debtors	441	522
Staff Loans	5	9
Amounts due from group undertakings	2,714	2,563
Other debtors	372	194
Prepayments	180	176
	<u>3,712</u>	<u>3,464</u>

## 12 Creditors: amounts falling due within one year

	2023 £'000	2022 £'000
Trade creditors	218	51
Taxation and social security	151	12
Pension contributions	56	51
Other creditors	216	177
Amounts due to Group undertakings	378	526
Accruals	1,179	669
	<u>2,198</u>	<u>1,486</u>

### 13 Pension Scheme

#### The Pensions Trust - Social Housing Pension Scheme ("Scheme")

SIG Penrose Options participates in the Scheme, a multi-employer scheme which provides benefits to some 500 non-associated employers. The Scheme is a defined benefit scheme in the UK.

For financial years ending on or before 28 February 2019, it had not been possible for the charity to obtain sufficient information to enable it to account for the Scheme as a defined benefit scheme, therefore the charity accounted for the Scheme as a defined contribution scheme.

For financial years ending on or after 31 March 2019, it is possible to obtain sufficient information to enable the charity to account for the Scheme as a defined benefit scheme. For accounting purposes, an actuarial valuation for the scheme was carried out with effective date of 31 March 2018. The liability figure from the valuation is rolled forward to the relevant accounting date and is used in conjunction with the charity's fair share of the Scheme's total assets to calculate the charity's net deficit or surplus at the accounting period start and end dates.

The Scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension scheme in the UK.

The last triennial valuation of the Scheme overall for funding purposes was carried out as at 30 September 2020. This valuation revealed a deficit of £1,560m. A Recovery Plan has been put in place with the aim of removing this deficit by 30 September 2026. The Scheme is classified as a 'last-man standing arrangement'. Therefore, the charity is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the Scheme. Following consultation between the Pension Trustees and Employers, a new recovery plan to recover the overall scheme deficit has been agreed. This is based on a full share of liabilities approach. This is effective from 1 April 2019.

#### Number of active members in the scheme

	No.
Active	3
Deferred	49
Pensioners	<u>18</u>

#### Financial assumptions

	2023 %pa	2022 %pa
Rate of discount	5.16	3.09
Price inflation (RPI)	3.19	3.54
Price inflation (CPI)	2.77	3.17
Earnings increases	3.77	4.17
Allowance for commutation of pension for cash at retirement	<u>75%</u>	<u>75%</u>

#### Other material assumptions

	years	years
Life expectancies in retirement:		
Male currently aged 65	21.00	21.10
Female currently aged 65	23.40	23.70
Male currently aged 45	22.20	22.40
Female currently aged 45	<u>24.90</u>	<u>25.20</u>

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

	2023 £'000	2022 £'000
Fair value of plan assets	3,476	5,502
Present value of defined benefit obligation	<u>(4,050)</u>	<u>(5,888)</u>
Net defined liability to be recognised	<u>(574)</u>	<u>(386)</u>

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

	2023	2022
	£'000	£'000
Opening fair value of employer assets		
Interest income		
Experience on plan assets	5,502	5,074
Contributions by the employer	170	127
Withdrawals by Employees	(2,193)	278
Benefits paid and expenses	182	153
	-	-
	<u>(185)</u>	<u>(130)</u>
<b>Reconciliation of opening and closing balances of defined benefit obligation</b>	<b>3,476</b>	<b>5,502</b>

	2023	2022
	£'000	£'000
Opening defined benefit obligation		
Expenses		
Interest cost	5,888	5,949
Actuarial losses / (gains)	7	7
Benefits paid and expenses	179	147
	<u>(1,839)</u>	<u>(85)</u>
Closing defined benefit obligation	<u>(185)</u>	<u>(130)</u>
<b>Defined benefit costs recognised in the statement of financial activities (SOFA)</b>	<b>4,050</b>	<b>5,888</b>

	2023	2022
	£'000	£'000
Expenses		
Net interest expense	7	7
Defined benefit costs recognised in the SOFA	<u>9</u>	<u>20</u>
Actual return on plan assets	<u>16</u>	<u>27</u>
<b>Net actuarial gain/(loss) on defined benefit pension scheme</b>	<b>(2,023)</b>	<b>405</b>

	2023	2022
	£'000	£'000
Actuarial (loss) / gain on plan obligations	1,839	85
Actuarial gain on plan assets	<u>(2,193)</u>	<u>278</u>
	<u>(354)</u>	<u>363</u>

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

	General unrestricted £'000	Pension Reserve £'000	Restricted £'000	Total funds £'000
Tangible fixed assets	268	-	-	<b>268</b>
Net current liabilities	2,216	-	3	<b>2,219</b>
Defined benefit pension provision	-	(574)	-	<b>(574)</b>
	<u>2,484</u>	<u>(574)</u>	<u>3</u>	<u><b>1,913</b></u>

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

	General unrestricted £'000	Pension Reserve £'000	Restricted £'000	Total funds £'000
Tangible fixed assets	65	-	-	65
Net current liabilities	2,080		3	2,083
Defined benefit pension provision	-	(386)	-	(386)
	<u>2,145</u>	<u>(386)</u>	<u>3</u>	<u>1,762</u>

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

	At 1 April 2022 £'000	Income & gains £'000	Expenditure & losses £'000	Transfers £'000	At 31 March 2023 £'000
<b>Restricted funds:</b>					
Roots	3	-	-	-	3
Corona Virus Grants	-	-	-	-	-
Total restricted funds	<u>3</u>	<u>246</u>	<u>(246)</u>	<u>-</u>	<u>3</u>
<b>General funds</b>	<b>2,145</b>	<b>13,397</b>	<b>(13,058)</b>	<b>-</b>	<b>2,484</b>
<b>Pension reserve</b>	<b>(386)</b>	<b>-</b>	<b>(188)</b>	<b>-</b>	<b>(574)</b>
Total funds including pension fund	<u>1,762</u>	<u>13,643</u>	<u>(13,492)</u>	<u>-</u>	<u>1,913</u>

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

**15b Movements in funds (prior year)**

	At 1 April 2021 £'000	Income & gains £'000	Expenditure & losses £'000	Transfers £'000	At 31 March 2022 £'000
<b>Restricted funds:</b>					
Roots	3	-	-	-	3
Corona Virus Grants	-	214	(214)	-	-
Total restricted funds	<u>3</u>	<u>214</u>	<u>(214)</u>	<u>-</u>	<u>3</u>
<b>General funds</b>	<b>1,715</b>	<b>9,687</b>	<b>(9,257)</b>	<b>-</b>	<b>2,145</b>
<b>Pension reserve</b>	<b>(875)</b>	<b>363</b>	<b>126</b>	<b>-</b>	<b>(386)</b>
Total funds including pension fund	<u>843</u>	<u>10,264</u>	<u>(9,345)</u>	<u>-</u>	<u>1,762</u>

**Purposes of restricted funds**

Tesco - Bags of Help awarded a grant specifically to be used on Roots for Life.

Corona Virus Grants. These grants were received from Local Authorities to cover the increased costs of working as a result of the COVID-19 pandemic.

**16 Operating lease commitments**

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

	2023	2022
	£'000	£'000
Less than one year		
One to five years		
Over five years		
	2,097	1,030
	1,883	2,259
	2,366	641
	<u>6,346</u>	<u>3,930</u>

**17 Guarantees and ultimate parent undertaking**

Penrose Options, trading as SIG Penrose, is a company limited by guarantee not having a share capital. Social Interest Group became the sole member of Penrose Options on the 1 October 2014, previously all Trustees were members. Each member has guaranteed to pay £1 in the event that Penrose Options was wound up. Social Interest Group is the ultimate parent undertaking. Its charity registered number is 1158402. Its company registered number is 9122052. Its registered office is: 1 Waterloo Gardens, Milner Square, London N1 1TY.

**PENROSE OPTIONS**

England & Wales - Charity number 1151455

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# Accounts

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# Penrose Options

Report and financial statements

For the year ended 31 March 2022



**Social  
Interest  
Group**



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

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

Penrose Housing Association was set up as an Industrial & Provident Society, an exempt charity, in 1969 by two ex-offenders and several volunteers to provide housing for ex-offenders. It became a company limited by guarantee, registered with the Charity Commission and changed its name to Penrose Options on the 28th of March 2013. It traded as Penrose and joined the Group on the 1st of October 2014. Penrose strives to address inequality of access to health, employment, training, and social care support for people with complex needs. People that struggle with daily living, mental illness, personality disorders, trauma, substance and alcohol issues, homelessness, offending backgrounds, facing everyday challenges or needing support to overcome difficulties because of their complex, chaotic life. Penrose specialises in working with people excluded from other services as they present personal or public safety risks. It provides practical social support and health care solutions, supported housing in residential accommodation, resource centres, floating support and Housing First services. Penrose also provides specialist rehabilitation and technical and therapeutic support that aids recovery, reduces reoffending and changes behaviour. Penrose currently operates across London, Bedfordshire and Luton and has the ambition to grow.

### Directors and Charity trustees

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

#### Chairman

Karl Marlowe

#### Other trustees

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

Dylan Kerr

Stuart Jenkin

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

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

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

#### Company Secretary

Michael Rutherford

#### Executive Officers

##### Group Chief Executive

Gill Arukpe

##### Senior Director of Operations

Cassie Newman

##### Director of Finance & Resources

Michael Rutherford

##### Director of People & Culture

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

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

#### Registered office

1 Waterloo Gardens  
Milner Square  
London  
N1 1TY

#### Auditor

Buzzacott LLP  
130 Wood St  
London  
EC2V 6DL

#### Bankers

Lloyds Bank plc  
25 Gresham Street  
London  
EC2V 7HN

#### Solicitors

Russell Cooke LLP  
2 Putney Hill  
London  
SW15 6AB

#### DWF LLP

1 Scott Place  
2 Hardman Street  
Manchester  
M3 3AA

Company registration number

**08466743**

Charity registration number **1151455**

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

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

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

## **Objectives**

### **Purposes and Aims**

The objects of Penrose as set out in the Articles of Association are for the public benefit:

- To relieve people in need, including but not limited to those with mental health illness, those currently suffering from substance misuse, alcohol or other addictive behaviour, people in the criminal justice system, the homeless, poor people, aged, disabled (whether physically or mentally) or chronically sick, and to assist and relieve such persons' family, dependents and other carers who are in need as a result of that person's problems;
  - a) Providing support in the form of housing, or accommodation, or services including but not limited to medical, social, welfare, rehabilitative, resettlement and care services
  - b) Providing education, training, employment, mentoring and other similar services
- To further such other exclusively charitable purposes according to the law of England and Wales as the trustees in their absolute discretion from time to time determine.

The trustees review the aims, objectives and activities of the Charity each year. This report looks at what the Charity has achieved and the outcomes of its work in the reporting period. The trustees report the success of each key activity and the benefits the Charity has brought to the people that it is set up to help. The review also helps the trustees ensure the Charity's aims, objectives and activities remain focused on its stated purposes.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.

### **Activities**

Our services are as far-reaching as our resident and participant profiles.

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

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

## Chief Executive's Statement

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

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

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

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

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

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

### Property Strategy

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

### New Services

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

## Social Impact and Value

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

## ICT Strategy

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

## People and Culture

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

## Fundraising, Marketing and Development of New Services

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

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



**Gill Arukpe, Group Chief Executive**

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

# Strategic Report

## Results and Impacts

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

### Residential Services

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

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

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

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

### Luton Residential Services

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

### Luton Floating Support Services

#### Synergy Universal

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

#### Open Access/Living Well Luton

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

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

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

## **Client Transformations**

### **John's Story**

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

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

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

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

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

## Our Focus

### Equality, Diversity and Inclusion (EDI)

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

### Disability Confident

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

### Reflective Practice

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

### Best Practice

#### Project Boards

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

#### Theory of Change

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

#### Quality Handbook

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

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

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

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

### Quality and Performance

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

### Business Intelligence Reporting

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

## **ISO9001 Accreditation**

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

## **Voids Management**

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

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

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

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

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

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

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

## **People and Culture**

### Service Managers Development Programme

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

### Agency Reduction

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

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

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

## Significant Events

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

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

### CFO Activity Hubs

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

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

### Joining The RR3 Board Position

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

### Enabling Environments

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

## **Women's Floating Support**

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

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

## **Police and Crime Commissioner Visit**

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

## Financial Review 2021/22

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

The pensions reserve at the end of the year was £386k and relates to the past service deficit liability relating to the defined benefit Social Housing Pension Scheme. The triennial valuations in 2008, 2011, 2014, 2017 and 2020 resulted in member organisations being charged a levy to bring the scheme back into surplus. These triennial valuation deficit contributions are reflected in the liabilities of Penrose. The charity closed its participation in this pension scheme but remains liable for an element of the deficit.

Given the wider economic environment and on-going changes and increased competition within the sector, the trustees consider the results in respects to revenue levels to be disappointing but understandable. Therefore, it is essential that moving forward our focus remains on developing new services, new funding models, effective and financially efficient models of service delivery whilst addressing the issues causing the deficit.

The principal funding sources remain Local Authority block contracts largely for our resettlement projects alongside funding from Clinical Commissioning Groups and NHS Trusts towards our work with people recovering or living with mental ill health and or personality disorders, and the work we do with preventing homelessness and homeless people. The Ministry of Justice funds our Criminal Justice Service via the prime contractor MTC Novo. The trustees are appreciative of the funding received from its funders including those statutory commissioners for the work streams they support as well as the vital non-statutory funding received from individuals, trusts and foundations.

### Principle Risks and Uncertainties

Penrose has a risk management strategy, which is overseen by the trustees. The risk register is reviewed monthly by the Executive Management Team, in consultation with all managers, and subsequently by the trustees at each quarterly Board meeting. The principal risks are that a resident or participant commits a serious act and that there is class A and/or B drug use on our premises. This is not surprising in view of the activities undertaken by Penrose. To mitigate these risks, we have robust risk management policies, a pandemic strategy and contingency plans, well trained staff, incident and near miss reporting and learning, a safeguarding officer, a clinical lead and people safe systems, testing procedures and good relationships with experts by experience and co-production with our residents and participants, responsible officers, and the police. In addition, Penrose is experiencing great difficulties in procuring properties either for rent or outright purchase, given that we cannot expand at the rate of demand or that we may lose contracts.

Another significant risk is the pension deficit contributions made to TPT and to the KCC to fund the shortfall in the pension liability of the schemes. The risk is regularly reviewed to ensure any contributions are affordable and do not place a significant financial burden on the Charity.

### Reserves Policy and Going Concern

Reserves are needed to innovate solutions for our stakeholders, (both residents, participants and commissioners) and bridge the funding gaps between spending on services and recovering these from subsidiaries by providing working capital. In addition, reserves are required to facilitate investment in fixed assets in the form of properties for leasing to subsidiaries for the provision of their services. The trustees evaluated the commitment to future expenditure against likely future income streams and believe that a regular review of reserve levels is appropriate. Penrose aim to make a small surplus for retention and reinvestment purposes, which increases the free reserves. The target for Penrose is £500k. The actual free reserves, excluding the past service pension liability, as at 31st March 2022 are £2,148k (20/21 - £1,718k). It is held at this higher level because on the pension liability. The trustees will continue to review the reserves policy and position.

Actions to strengthen the financial position going forward include diversification of funding, including the growth of the business development team to secure additional funds through fundraising and securing and opening a number of new projects, as well as the closure of projects that were not financially viable. In addition, there are concerted management efforts to increase occupancy and reduce void rates and minimise the use of expensive agency staff.

After making enquiries, the Board of Trustees has a reasonable expectation that Penrose has adequate resources to continue in operational existence for at least 12 months from the date of approval of the financial statements. Penrose has financial resources together with long-term cash generating assets. As a consequence, the Board of Trustees believe that Penrose is well placed to manage its business risks successfully. For this reason, they continue to adopt the going concern basis in preparing Penrose's financial statements. Whilst the Pension deficit is large, there is a robust repayment plan to reduce this over time, and that there are no material uncertainties related to events or conditions that may cause significant doubt about the ability of Penrose to continue as a going concern have been identified by key management personnel after taking into account the relevant facts and circumstances.

## **Plans for the Future**

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

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

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

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

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

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

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

## **New Business**

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

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

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

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

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

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

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

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

## Fundraising

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

### Tackling Sexual Exploitation

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

### Lottery Funding for Roots to Recovery

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

### Our First Charity Runner

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

### Bedfordshire Therapy Project

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

## **Workforce Recruitment and Retention Fund**

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

## **Specialist STEPS Worker Funding**

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

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

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

## **Activity Coordinator Funding**

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

## **Thank You**

On behalf of Penrose, we want to thank all our funders for their support. This new and vital funding has enabled us to extend our activities, launch new projects and pieces of work, and make a difference in the lives of the people we support across our services.

## Communications

### Webinars

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

### The SIG Awards

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

### World Mental Health Day

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

### Black History Month

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

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

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

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

## Social Media Review

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

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

Key achievements over the year:

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

## Structure, Governance and Management

Penrose is a company limited by guarantee not having a share capital (Number 08466743) and is registered as a charity with the Charity Commission (Number 115455).

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

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

## Appointment of Trustees

The trustees are listed on page 3. They hold office for an initial period of three years with the possibility of a second term of three years plus in exceptional circumstance where the trustee has specific skills, this can be extended by the board. The board consists of no fewer than three and no more than nine persons appointed by the members and the executive trustees. No person under the age of 18 may be appointed as a trustee.

Trustees are recruited by the Nominations Committee using specialist recruitment agents and by advertisement. A rigorous interview process takes place, which includes residents and participants. Candidates attend a board meeting and visit projects before being confirmed in post by the Chairperson.

## Trustee Induction and Training

New trustees must familiarise themselves with the content of the Articles of Association, their legal obligations under charity and company law, the organisational structure and its recent financial performance. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role. All trustees have participated in Safeguarding training.

## Related Parties and Relationships with other Organisations

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

## Remuneration Policy for Key Management Personnel

The Group Chief Executive's remuneration is set by the Social Interest Group non-executive trustees. Their remuneration and all other staff are remunerated in accordance with a job evaluation process and market rates, which is reviewed by external consultants.

## Policy for Employment of Disabled Persons

In April 2019 we became a Disability Confident Employer.

It is the Charity's policy not to discriminate against persons falling under the Disability Discrimination Act 1995 for reasons of their disability whether in, or applying for, employment or in the delivery of services.

The key areas of our policy cover recruitment and employment (disabled applicants not being considered any less favourably on the ground of their disability) service delivery (disabled applicants and residents and participants not being treated less favourably on account of their disability) and information (ensuring information is accessible to all).

## Employee Information

The Charity requires line managers to conduct one-to-one meetings with their staff on a regular basis together with an annual appraisal.

The Executive Management Team meet on a weekly basis and updates from this meeting and the monthly Senior Managers Team meeting are disseminated to the Managers' meeting and then to the individual projects' monthly staff meeting.

The Charity takes its investment in its staff's professional development seriously and aims to provide different learning opportunities. It is the Charity's aim to see staff develop and share learning so that value can be added, and staff contribute to our growth and success. We introduced a new core training programme based around the Care Certificate made up of face-to-face and e-learning to ensure all modules are covered.

The trustees would like to thank all staff and volunteers for their hard work and dedication during the year, in a climate that continues to be extremely challenging. We confirm that the Charity pays at least the London Living Wage to our employees working in London.

## Statement of Responsibilities of the Trustees

The trustees (who are also directors of the Charity for the purposes of company law) are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and UK Accounting Standards (UK GAAP).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and the Group and of the incoming resources and application of resources, including the income and expenditure, of the Group for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates which are reasonable and prudent
- State whether the applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on an ongoing concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time, the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. The trustees are also responsible for safeguarding the

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

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assets of the Charity and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Members of the Charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at the year-end was five (2021: five).

The non-executive trustees are members of the Charity, the executive trustee is not a member of the Charity and does not have any beneficial interest in it.

The trustees' annual report, which includes the strategic report, has been approved by the board of trustees on 27<sup>th</sup> September 2022 and signed on their behalf.



**Dr Karl Marlowe**

**Chairman**

## Opinion

We have audited the financial statements of Penrose Options (the 'charitable company') for the year ended 31 March 2022 which comprise the statement of financial activities, the balance sheet and statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Basis for opinion

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

## Conclusions relating to going concern

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

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

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

## Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, has been prepared in accordance with applicable legal requirements.

## Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report including the strategic report.

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

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

## Responsibilities of trustees

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

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

## Auditor's responsibilities for the audit of the financial statements

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

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements;

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

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

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

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

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

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

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

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

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

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

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

### Use of our report

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



Hugh Swainson (Senior Statutory Auditor)

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

01 December 2022

**Penrose Options**

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

**For the year ended 31 March 2022**

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

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 15 to the financial statements.

Penrose Options  
Balance Sheet  
As at 31 March 2022

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

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



Dr Karl Marlowe  
Chair

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

Penrose Options  
Cashflow statements  
For the year ended 31 March 2022

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

## 1 Accounting Policies

### a) Statutory information

Penrose Options is a charitable company limited by guarantee and is incorporated in England & Wales. The registered office is 1 Waterloo Gardens, Milner Square, London, N1 1TY.

### b) Basis of preparation

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

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

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

### c) Public benefit entity

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

### d) Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

### e) Income

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

Income from government and other grants, whether "capital" grants or "revenue" grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred. Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

### f) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

### g) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund. Unrestricted funds are donations and other income received or generated for the charitable purposes. Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

**1 Accounting Policies (continued)**

**h) Expenditure and irrecoverable VAT**

Expenditure is recognised once there is a legal obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure on charitable activities includes the costs of delivering services undertaken to further the purposes of the charity and their associated support costs. Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

**i) Central support costs**

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

**j) Operating leases**

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

**k) Tangible fixed assets**

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

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

- Fixtures, fittings and office equipment      25% straight line
- Leasehold improvements                      Straight line over the term of the lease
- Motor Vehicles                                      25% straight line

**l) Debtors**

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

**m) Cash at bank and in hand**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**n) Creditors and provisions**

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

**o) Financial instruments**

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

## 1 Accounting Policies (continued)

### p) Pensions

Penrose makes contributions into a defined benefit pension scheme, which is now closed to new Penrose entrants, and a number of defined contribution schemes. For financial years ending on or before 28 February 2019, it has not been possible for the charity to obtain sufficient information to enable it to account for the Scheme as a defined benefit scheme, therefore the charity has accounted for the Scheme as a defined contribution scheme.

For financial years ending on or after 31 March 2019, it is possible to obtain sufficient information to enable the charity to account for the Scheme as a defined benefit scheme. For accounting purposes, an actuarial valuation for the scheme was carried out with effective date of 31 March 2018. The liability figure from the valuation is rolled forward to the relevant accounting date and are used in conjunction with the charity's fair share of the Scheme's total assets to calculate the charity's net deficit or surplus at the accounting period start and end dates.

### o) Financial instruments

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

### p) Pensions

Penrose makes contributions into a defined benefit pension scheme, which is now closed to new Penrose entrants, and a number of defined contribution schemes. For financial years ending on or before 28 February 2019, it has not been possible for the charity to obtain sufficient information to enable it to account for the Scheme as a defined benefit scheme, therefore the charity has accounted for the Scheme as a defined contribution scheme.

For financial years ending on or after 31 March 2019, it is possible to obtain sufficient information to enable the charity to account for the Scheme as a defined benefit scheme. For accounting purposes, an actuarial valuation for the scheme was carried out with effective date of 31 March 2018. The liability figure from the valuation is rolled forward to the relevant accounting date and are used in conjunction with the charity's fair share of the Scheme's total assets to calculate the charity's net deficit or surplus at the accounting period start and end dates.

## 2 Donations

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

## 3 Charitable activities – supporting vulnerable people

Penrose's activities are to relieve people in need, including but not limited to those with mental health issues, those currently suffering from substance misuse or other addictive patterns, ex-offenders, the homeless, poor people, aged, disabled (whether physically or mentally) or chronically sick. This is achieved by providing support in the form of housing, accommodation, or services including but not limited to medical, social, welfare, rehabilitative, resettlement, care services, education, training, employment, mentoring and other similar services. Penrose income is predominantly contracted income from local authorities and NHS Trusts, and rental income and service charges from residents.

4a Analysis of expenditure (current year)

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

4b Analysis of expenditure (prior year)

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

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

This is stated after charging:

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

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

Staff costs were as follows

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

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

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £nil (2021: nil). These were borne by the parent entity Social Interest Group. The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2021: £nil). No charity trustee received payment for professional or other services supplied to the charity (2021: £nil).

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

**7 Staff numbers**

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

**8 Related party transactions**

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

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

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

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

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

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

## 9 Taxation

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

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

## 10 Tangible fixed assets

	Motor vehicles £'000	Fixtures, fittings & Equipment £'000	Leasehold improvements £'000	Total £'000
<b>Cost of valuation</b>				
At the start of the year	5	198	101	304
Additions in year	-	-	17	17
Disposal in year	-	(44)	9	(35)
At the end of the year	<u>5</u>	<u>154</u>	<u>127</u>	<u>286</u>
<b>Depreciation</b>				
At the start of the year	4	139	78	221
Charge for the year	1	23	17	41
Disposal in the year	-	(41)	-	(41)
At the end of the year	<u>5</u>	<u>121</u>	<u>95</u>	<u>221</u>
<b>Net Book Value</b>				
At the end of the year	<u>-</u>	<u>33</u>	<u>32</u>	<u>65</u>
At the start of the year	<u>1</u>	<u>59</u>	<u>23</u>	<u>83</u>

All of the above assets are used for charitable purposes.

## 11 Debtors

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

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

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

**13 Pension Scheme**

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

Penrose Options participates in the Scheme, a multi-employer scheme which provides benefits to some 500 non-associated employers. The Scheme is a defined benefit scheme in the UK.

For financial years ending on or before 28 February 2019, it had not been possible for the charity to obtain sufficient information to enable it to account for the Scheme as a defined benefit scheme, therefore the charity accounted for the Scheme as a defined contribution scheme.

For financial years ending on or after 31 March 2019, it is possible to obtain sufficient information to enable the charity to account for the Scheme as a defined benefit scheme. For accounting purposes, an actuarial valuation for the scheme was carried out with effective date of 31 March 2018. The liability figure from the valuation is rolled forward to the relevant accounting date and is used in conjunction with the charity's fair share of the Scheme's total assets to calculate the charity's net deficit or surplus at the accounting period start and end dates.

The Scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension scheme in the UK.

The last triennial valuation of the Scheme overall for funding purposes was carried out as at 30 September 2020. This valuation revealed a deficit of £1,560m. A Recovery Plan has been put in place with the aim of removing this deficit by 30 September 2026. The Scheme is classified as a 'last-man standing arrangement'. Therefore, the charity is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the Scheme. Following consultation between the Pension Trustees and Employers, a new recovery plan to recover the overall scheme deficit has been agreed. This is based on a full share of liabilities approach. This is effective from 1 April 2019.

13 Pension Scheme (continued)

Number of active members in the scheme

	No.
Active	3
Deferred	51
Pensioners	16

Financial assumptions

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

Other material assumptions

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

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

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

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

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

**13 Pension Scheme (continued)**

**Reconciliation of opening and closing balances of defined benefit obligation**

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

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

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

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

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

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

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

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

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

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

	At 1 April 2021 £'000	Income & gains £'000	Expenditure & losses £'000	Transfers £'000	At 31 March 2022 £'000
<b>Restricted funds:</b>					
Roots	3	-	-	-	3
Corona Virus Grants	-	214	(214)	-	-
Total restricted funds	<u>3</u>	<u>214</u>	<u>(214)</u>	<u>-</u>	<u>3</u>
<b>General funds</b>	1,715	9,687	(9,131)	(126)	2,145
<b>Pension reserve</b>	<u>(875)</u>	<u>363</u>	<u>-</u>	<u>126</u>	<u>(386)</u>
Total funds including pension fund	<u>843</u>	<u>10,264</u>	<u>(9,345)</u>	<u>-</u>	<u>1,762</u>

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

**15b Movements in funds (prior year)**

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

**Purposes of restricted funds**

Tesco – Bags of Help awarded a grant specifically to be used on Roots for Life.

Corona Virus Grants. These grants were received from Local Authorities to cover the increased costs of working as a result of the COVID-19 pandemic.

**16 Operating lease commitments**

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

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

**17 Guarantees and ultimate parent undertaking**

Penrose Options is a company limited by guarantee not having a share capital. The Social Interest Group became the sole member of Penrose on the 1 October 2014, previously all trustees were members. Each member has guaranteed to pay £1 in the event that Penrose was wound up. Social Interest Group is the ultimate parent undertaking. Its charity registered number is 1158402. Its company registered number is 9122052. Its registered office is: 1 Waterloo Gardens, Milner Square, London N1 1TY.

**PENROSE OPTIONS**

England & Wales - Charity number 1151455

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# Accounts

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# Penrose Options

Report and financial statements

For the year ended 31 March 2021

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

Penrose Housing Association was set up as an Industrial & Provident Society, an exempt charity, in 1969 by two ex-offenders and several volunteers to provide housing for ex-offenders. It 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.

### Directors and Charity trustees

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

#### Chairman

Karl Marlowe

#### Other trustees

Rami Bibi

Dylan Kerr

Stuart Jenkin

Lindsey Wishart (Treasurer)

#### 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

#### Registered office

1 Waterloo Gardens  
Milner Square  
London  
N1 1TY

#### Auditor

Buzzacott LLP  
130 Wood St  
London  
EC2V 6DL

#### Bankers

Lloyds Bank plc  
25 Gresham Street  
London  
EC2V 7HN

#### Solicitors

Russell Cooke LLP  
2 Putney Hill  
London  
SW15 6AB

DWF LLP  
1 Scott Place  
2 Hardman Street  
Manchester  
M3 3AA

Company registration number **8466743**

Charity registration number **1151455**

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

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 Penrose as set out in the Articles of Association are for the public benefit:

- To relieve people in need, including but not limited to those with mental health illness, those currently suffering from substance misuse, alcohol or other addictive behaviour, people in the criminal justice system, the homeless, poor people, aged, disabled (whether physically or mentally) or chronically sick, and to assist and relieve such persons' family, dependents and other carers who are in need as a result of that person's problems;
  - a) Providing support in the form of housing, or accommodation, or services including but not limited to medical, social, welfare, rehabilitative, resettlement and care services
  - b) Providing education, training, employment, mentoring and other similar services
- To further such other exclusively charitable purposes according to the law of England and Wales as the trustees in their absolute discretion from time to time determine.

The trustees review the aims, objectives and activities of the Charity each year. This report looks at what the Charity has achieved and the outcomes of its work in the reporting period. The trustees report the success of each key activity and the benefits the Charity has brought to the people that it is set up to help. The review also helps the trustees ensure the Charity's aims, objectives and activities remain focused on its stated purposes.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.

### **Activities**

Our services are as far-reaching as our Service User profile.

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

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

## Chief Executive's Statement

### 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.

### Criminal Justice Services

Despite the Pandemic, we were able to demonstrate some impressive research and outcomes including, our Justice Data Lab reoffending results. 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, 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 Penrose is a rewarding experience personally and professionally by offering more growth and development opportunities. Everyone within Penrose 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.

**Penrose Options**  
**Trustee report**  
**For the year ended 31 March 2021**

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- 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.
- 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

The Charity's main activities focus on providing sustainable support that inspires positive change for marginalised and excluded people to the point where they achieve healthy independence and are undertaken to further Penrose's charitable purposes for the public benefit.

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

### Residential 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%.

## Rising to the Challenges of Covid-19

### Recruitment

As we moved towards lockdown, we prioritised recruiting Bank/Relief staff anticipating staff shortages. Our 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.

## **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.

## **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 to track PPE usage across each service to ensure supplies could be sourced and distributed 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.

## **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 services remained open and Covid-free.

## **Client Transformations**

### **Brian's Story**

Brian is a 63-year-old male referred to Penrose in January 2021. He received Universal Credit but did not have a bank account. Instead, his money went into a Noah Enterprise Account, which helped manage his finances due to his long history of alcohol abuse. Brian's living conditions were poor, and he needed support to apply for suitable accommodation. His previous application for sheltered accommodation was rejected. We appealed and referred Brian to Adult Social Care, who identified that he needed housing in sheltered accommodation with care needs. We reapplied on his behalf, and through bidding, housed Brian in sheltered accommodation in March. We made a Personal Independence Payment welfare benefit application on his behalf, given his underlying medical conditions. We also referred Brian to Age Concern, who will support him with weekly shopping and bi-weekly cleaning. We helped Brian open his own bank account. The council will help manage his finances once Noah Enterprise transfer his money into the new account. Brian is thrilled with the increased security and independence these changes bring to his life and is hopeful for the future.

## **Our Focus**

### **Equality Diversity and Inclusion**

One of the main objectives of our 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**

Penrose 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 Offender Personality Disorder service is a specialist women's service. 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 Penrose. 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 Penrose's services.

### **PIE Project Board**

We introduced the Psychologically Informed Environments (PIE) Project Board to embed PIE across Penrose. The board's role is to promote the 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 Penrose 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 Penrose. 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 are 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 Penrose, 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. In addition to evidencing that Penrose has and implements a robust Health and Safety Management System, we evidenced compliance with government advice on working safely during the Covid-19 pandemic.

## **Environment**

Penrose 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 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 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 implemented a Management Development Programme alongside recruitment of a Training and Development lead as part of the learning culture.

## 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.

## **Penrose Community Care and Support (PCCS) Pandemic Response**

PCCS is a pan-London specialist homecare service for individuals with mental and physical health challenges. By design, PCCS is a frontline, people-fronted support service. There was no way to avoid face-to-face and close contact with clients. However, we did adapt the service in the following ways: Individual Care Plans were updated with a Pandemic Risk Management Plan and modified to reflect different working practices. Details were visible on all staff devices giving clear guidance in-line with Public Health England to ensure client safety. We changed medication monitoring calls to doorstep services. PPE was sourced and delivered to Field Managers to allocate to staff.

Regular spot checks ensured staff awareness was maintained and compliance with safety directives. Staff tested weekly. We supported clients to access communication platforms like Zoom and MS Teams to attend virtual care reviews and Care Plan Assessments and additional online activities and helped with online food deliveries. Staff set appointments and attended vaccination centres with clients who needed support. PCCS delivered a continuous service throughout the Pandemic and successfully and safely provide 15,046 visits and 17,462 care hours to 68 clients.

## **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.

## Financial Review 2020/21

Penrose made a surplus of £110k (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 £1,714k at 31st March 2021 (2019/20 - £1,741k). In addition, it had a restricted fund balance of £3k (2019/20 - £3k).

The pensions reserve at the end of the year was £875k and relates to the past service deficit liability relating to the defined benefit Social Housing Pension Scheme. The triennial valuations in 2008, 2011, 2014, 2017 and 2020 resulted in member organisations being charged a levy to bring the scheme back into surplus. These triennial valuation deficit contributions are reflected in the liabilities of Penrose. The charity closed its participation in this pension scheme but remains liable for an element of the deficit.

Given the wider economic environment and on-going changes and increased competition within the sector, the trustees consider the results to be disappointing but understandable. Therefore, it is essential that moving forward our focus remains on developing new services, new funding models, effective and financially efficient models of service delivery whilst addressing the issues causing the deficit.

The principal funding sources remain Local Authority block contracts largely for our resettlement projects alongside funding from Clinical Commissioning Groups and NHS Trusts towards our work with people recovering or living with mental ill health and or personality disorders, and the work we do with preventing homelessness and homeless people. The Ministry of Justice funds our Criminal Justice Service via the prime contractor MTC Novo. The trustees are appreciative of the funding received from its funders including those statutory commissioners for the work streams they support as well as the vital non-statutory funding received from individuals, trusts and foundations.

### Principle Risks and Uncertainties

Penrose has a risk management strategy, which is overseen by the trustees. The risk register is reviewed monthly by the Executive Management Team, in consultation with all managers, and subsequently by the trustees at each quarterly Board meeting. The principal risks are that a 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 Penrose. To mitigate these risks, we have robust risk management policies, a pandemic strategy and contingency plans, well trained staff, incident and near miss reporting and learning, a safeguarding officer, a clinical lead and people safe systems, testing procedures and good relationships with experts by experience and co-production with our Service Users, responsible officers, and the police. In addition, Penrose is experiencing great difficulties in procuring properties either for rent or outright purchase, given that we cannot expand at the rate of demand or that we may lose contracts.

Another significant risk is the pension deficit contributions made to TPT and to the KCC to fund the shortfall in the pension liability of the schemes. The risk is regularly reviewed to ensure any contributions are affordable and do not place a significant financial burden on the Charity.

### Reserves Policy and Going Concern

Reserves are needed to innovate solutions for our stakeholders, (both 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. Penrose aim to make a small surplus for retention and reinvestment purposes, which increases the free reserves. The target for Penrose is £500k. The actual free reserves, excluding the past service pension liability, as at 31st March 2021 are £1,717k (19/20 - £1,744). It is held at this higher level because on the pension liability. The trustees will continue to review the reserves policy and position.

Actions to strengthen the financial position going forward include diversification of funding, including the growth of the business development team to secure additional funds through fundraising and securing and opening a number of new projects, as well as the closure of projects that were not financially viable. In addition, there are concerted management efforts to increase occupancy and reduce void rates and minimise the use of expensive agency staff.

After making enquiries, the Board of Trustees has a reasonable expectation that Penrose has adequate resources to continue in operational existence for at least 12 months from the date of approval of the financial statements. Penrose has financial resources together with long-term cash generating assets. As a consequence, the Board of Trustees believe that Penrose is well placed to manage its business risks successfully. For this reason they continue to adopt the going concern basis in preparing Penrose's financial statements. Whilst the Pension deficit is large, there is a robust repayment plan to reduce this over time, and that there are no material uncertainties related to events or conditions that may cause significant doubt about the ability of Penrose to continue as a going concern have been identified by key management personnel after taking into account the relevant facts and circumstances.

## **Plans for the Future**

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.

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 Penrose. 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.

## **New Business and Fundraising**

### **New Fundraising Department**

Penrose 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 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. 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 pieces of work.

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.

## Communications

### Achieving a One Team Ethos

Our staff intranet became a focal point for the communications team as Penrose 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 charity together in a way we hadn't expected; sentiments came flooding in from staff regarding how they had never felt so 'together' and how they looked forward to the next blog or story.

### Webinars

Penrose 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 charity joined to discuss matters close to them and share their experiences of the support they receive with the EMT. It wasn't all work, though, as we also hosted several quiz nights and 'Tea & Talk' wellbeing sessions that were well-received by all.

### Staff 'TEA & TALK'

Penrose 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.

### 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 Penrose 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

### New Website

We launched our new Website, which combined the individual websites of Penrose and the other 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 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.

## **Structure, Governance and Management**

Penrose is a company limited by guarantee not having a share capital (Number 8466743) and is registered as a charity with the Charity Commission (Number 115455).

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

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

## **Appointment of Trustees**

The trustees are listed on page 3. They hold office for an initial period of three years with the possibility of a second term of three years plus in exceptional circumstance where the trustee has specific skills, this can be extended by the board. The board consists of no fewer than three and no more than nine persons appointed by the members and the executive trustees. No person under the age of 18 may be appointed as a trustee.

Trustees are recruited by the Nominations Committee using specialist recruitment agents and by advertisement. A rigorous interview process takes place, which includes 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**

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

## **Remuneration Policy for Key Management Personnel**

The Group Chief Executive's remuneration is set by the Social Interest Group non-executive trustees. Their remuneration and all other staff are remunerated in accordance with a job evaluation process and market rates, which is reviewed by external consultants.

## **Policy for Employment of Disabled Persons**

In April 2019 we became a Disability Confident Employer.

It is the Charity's policy not to discriminate against persons falling under the Disability Discrimination Act 1995 for reasons of their disability whether in, or applying for, employment or in the delivery of services.

The key areas of our policy cover recruitment and employment (disabled applicants not being considered any less favourably on the ground of their disability) service delivery (disabled applicants and 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.

**Penrose Options**  
**Trustee report**  
**For the year ended 31 March 2021**

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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.



**Dr Karl Marlowe**

**Chairman**

## Opinion

We have audited the financial statements of Penrose Options (the 'charitable company') for the year ended 31 March 2021 which comprise the statement of financial activities, the balance sheet and statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

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

## Basis for opinion

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

## Conclusions relating to going concern

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

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

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

## Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, has been prepared in accordance with applicable legal requirements.

## **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report including the strategic report.

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

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

## **Responsibilities of trustees**

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

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

## **Auditor's responsibilities for the audit of the financial statements**

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

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements;

- 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.



22.12.2021

Hugh Swainson (Senior Statutory Auditor)

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

**Penrose Options**

**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	2	17	-	-	17	3	-	-	3
Charitable activities	3	10,637	62	-	10,699	9,466	-	-	9,466
<b>Total income</b>		<b>10,654</b>	<b>62</b>	<b>-</b>	<b>10,716</b>	<b>9,469</b>	<b>-</b>	<b>-</b>	<b>9,469</b>
<b>Expenditure on:</b>									
Charitable activities	4a	(10,543)	(62)	-	(10,605)	(9,181)	-	-	(9,181)
<b>Total expenditure</b>		<b>(10,543)</b>	<b>(62)</b>	<b>-</b>	<b>(10,605)</b>	<b>(9,181)</b>	<b>-</b>	<b>-</b>	<b>(9,181)</b>
<b>Net income for the year</b>	5	111	-	-	111	288	-	-	288
Transfers between funds		(137)	-	137	-	(110)	-	110	-
<b>Net (expenditure) / income before other recognised gains and losses</b>		<b>(26)</b>	<b>-</b>	<b>137</b>	<b>111</b>	<b>178</b>	<b>-</b>	<b>110</b>	<b>288</b>
Actuarial (losses) / gains on defined benefit pension schemes	13	-	-	(686)	(686)	-	-	1,020	1,020
<b>Net movement in funds</b>		<b>(26)</b>	<b>-</b>	<b>(549)</b>	<b>(575)</b>	<b>178</b>	<b>-</b>	<b>1,130</b>	<b>1,308</b>
<b>Reconciliation of funds:</b>									
Total funds brought forward		1,741	3	(326)	1,418	1,563	3	(1,456)	110
<b>Total funds carried forward</b>	15	<b>1,715</b>	<b>3</b>	<b>(875)</b>	<b>843</b>	<b>1,741</b>	<b>3</b>	<b>(326)</b>	<b>1,418</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.

Penrose Options  
Balance Sheet  
As at 31 March 2021

	Note	£'000	2021 £'000	£'000	2020 £'000
<b>Fixed assets</b>					
Tangible assets	10		<u>83</u>		<u>92</u>
			<b>83</b>		<b>92</b>
<b>Current assets</b>					
Debtors	11	2,865		2,707	
Cash at bank and in hand		<u>100</u>		<u>557</u>	
		<b>2,965</b>		<b>3,264</b>	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	12	<u>(1,330)</u>		<u>(1,612)</u>	
<b>Net current assets / (liabilities)</b>			<u><b>1,635</b></u>		<u>1,652</u>
<b>Total assets less current liabilities</b>			<u><b>1,718</b></u>		<u>1,744</u>
<b>Net liabilities excluding pension scheme provision</b>					
			<u><b>1,718</b></u>		<u>1,744</u>
Defined benefit pension scheme provision	13		<u>(875)</u>		<u>(326)</u>
<b>Total net liabilities</b>	14		<u><b>843</b></u>		<u>1,418</u>
<b>The funds of the charity</b>					
Restricted income funds	15		3		3
Unrestricted income funds					
General funds		1,715		1,741	
Pension reserve		<u>(875)</u>		<u>(326)</u>	
Total Unrestricted funds			<u><b>840</b></u>		<u>1,415</u>
<b>Total Charity funds</b>			<u><b>843</b></u>		<u>1,418</u>

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



Dr Karl Marlowe  
Chair

Penrose Options: A company limited by guarantee, Company Registration Number 8466743 (England and Wales)

Penrose Options  
Cashflow statements  
For the year ended 31 March 2021

	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)	(575)	1,308
Depreciation charges	30	40
Movement in long-term pension deficit liability	549	(1,130)
(Increase) in debtors	(158)	(484)
(Decrease) / increase in creditors	(282)	587
	<hr/>	<hr/>
<b>Net cash provided by operating activities</b>	<b>(436)</b>	<b>321</b>
<b>Cash flows from investing activities:</b>		
Purchase of fixed assets	(21)	(40)
	<hr/>	<hr/>
<b>Net cash used in investing activities</b>	<b>(21)</b>	<b>(40)</b>
<b>Change in cash and cash equivalents in the year</b>	<hr/> <b>(457)</b>	<hr/> <b>(281)</b>
Cash and cash equivalents at the beginning of the year	557	276
<b>Cash and cash equivalents at the end of the year</b>	<hr/> <b>100</b> <hr/>	<hr/> <b>557</b> <hr/>

## 1 Accounting Policies

### a) Statutory information

Penrose Options is a charitable company limited by guarantee and is incorporated in England & Wales. The registered office is 1 Waterloo Gardens, Milner Square, London, N1 1TY.

### b) Basis of preparation

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

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

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

### c) Public benefit entity

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

### d) Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

### e) Income

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

Income from government and other grants, whether "capital" grants or "revenue" grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred. Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

### f) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

### g) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund. Unrestricted funds are donations and other income received or generated for the charitable purposes. Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

**1 Accounting Policies (continued)**

**h) Expenditure and irrecoverable VAT**

Expenditure is recognised once there is a legal obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure on charitable activities includes the costs of delivering services undertaken to further the purposes of the charity and their associated support costs. Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

**i) Central support costs**

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

**j) Operating leases**

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

**k) Tangible fixed assets**

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

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

- Fixtures, fittings and office equipment      25% straight line
- Leasehold improvements                      Straight line over the term of the lease
- Motor Vehicles                                      25% straight line

**l) Debtors**

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

**m) Cash at bank and in hand**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**n) Creditors and provisions**

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

**o) Financial instruments**

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

## 1 Accounting Policies (continued)

### p) Pensions

Penrose makes contributions into a defined benefit pension scheme, which is now closed to new Penrose entrants, and a number of defined contribution schemes. For financial years ending on or before 28 February 2019, it has not been possible for the charity to obtain sufficient information to enable it to account for the Scheme as a defined benefit scheme, therefore the charity has accounted for the Scheme as a defined contribution scheme.

For financial years ending on or after 31 March 2019, it is possible to obtain sufficient information to enable the charity to account for the Scheme as a defined benefit scheme. For accounting purposes, an actuarial valuation for the scheme was carried out with effective date of 31 March 2018. The liability figure from the valuation is rolled forward to the relevant accounting date and are used in conjunction with the charity's fair share of the Scheme's total assets to calculate the charity's net deficit or surplus at the accounting period start and end dates.

### o) Financial instruments

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## 2 Donations

Equinox has received a donation of £nil (2020: £nil) from its parent undertaking, the Social Interest Group and £2,349 (2020: £3,000) from other donors.

## 3 Charitable activities – supporting vulnerable people

Penrose's activities are to relieve people in need, including but not limited to those with mental health issues, those currently suffering from substance misuse or other addictive patterns, ex-offenders, the homeless, poor people, aged, disabled (whether physically or mentally) or chronically sick. This is achieved by providing support in the form of housing, accommodation, or services including but not limited to medical, social, welfare, rehabilitative, resettlement, care services, education, training, employment, mentoring and other similar services. Penrose income is predominantly contracted income from local authorities and NHS Trusts, and rental income and service charges from service users.

4a Analysis of expenditure (current year)

	Charitable activities £'000	Governance costs £'000	Support costs £'000	2021 Total £'000	2020 Total £'000
Staff costs (Note 6)	6,643	-	1,339	7,982	7,319
Recruitment & training	-	-	112	112	132
Subsistence & travel	17	-	8	25	55
Premises Costs	1,111	-	67	1,178	896
Office running costs	206	-	97	303	71
Insurance	-	-	77	77	23
Information technology	-	-	194	194	208
Legal & Professional	-	-	29	29	67
Depreciation	30	-	-	30	40
Audit fees	-	29	-	29	14
Other Costs	613	-	33	646	356
Total expenditure 2021	<u>8,620</u>	<u>29</u>	<u>1,956</u>	<u>10,605</u>	
Total expenditure 2020	<u>7,208</u>	<u>19</u>	<u>1,954</u>		<u>9,181</u>

4b Analysis of expenditure (prior year)

	Charitable activities £'000	Governance costs £'000	Support costs £'000	2020 Total £'000
Staff costs (Note 6)	6,208	-	1,111	7,319
Recruitment & training	-	-	132	132
Subsistence & travel	-	-	55	55
Premises Costs	682	-	214	896
Office running costs	36	-	35	71
Insurance	-	-	23	23
Information technology	-	-	208	208
Legal & Professional	-	-	67	67
Depreciation	40	-	-	40
Audit fees	-	14	-	14
Other Costs	242	5	109	356
Total expenditure 2020	<u>7,208</u>	<u>19</u>	<u>1,954</u>	<u>9,181</u>

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

This is stated after charging:

	2021 £'000	2020 £'000
Depreciation	30	40
Operating lease rentals:		
Property	1,050	17
Auditor's remuneration (excluding VAT):		
Audit	14	14
	<u>14</u>	<u>14</u>

**6 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	6,471	5,689
Redundancy and termination costs	7	41
Social security costs	603	530
Employer's contribution to defined contribution pension schemes	112	99
Operating costs of defined benefit pension schemes	7	11
Agency costs	782	949
	<u>7,982</u>	<u>7,319</u>

No employee earned more than £60,000 during the year (2020: £nil).

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £nil (2020: nil). These were borne by the parent entity Social Interest Group. The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2020: £nil). No charity trustee received payment for professional or other services supplied to the charity (2020: £nil).

No trustees' expenses were paid or reimbursed £Nil (2020: £nil).

**7 Staff numbers**

	2021 £'000	2020 £'000
Operational	212.8	212.7
Administration	1.0	1.0
	<u>213.8</u>	<u>213.7</u>

**8 Related party transactions**

Penrose was charged £2,124,094 for central office functions provided by the parent charity Social Interest Group (2020: £1,893,000).

Penrose Options was owed from SIG £2,108,521 at the year end (2020: £1,796,000).

Penrose Options owed £378,490 to Equinox Care at the year end (2020: owed £477,000).

Penrose Options owed £20,000 Milner Gibson Limited at the year end (2020: £20,000)

Penrose Options owed £25,950 to SIG Investments at the year end (2020: £8,000)

## 9 Taxation

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

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

## 10 Tangible fixed assets

	Motor vehicles £'000	Fixtures, fittings & Equipment £'000	Leasehold improvements £'000	Total £'000
<b>Cost of valuation</b>				
At the start of the year	5	193	85	283
Additions in year	-	5	16	21
At the end of the year	<u>5</u>	<u>198</u>	<u>101</u>	<u>304</u>
<b>Depreciation</b>				
At the start of the year	3	118	70	191
Charge for the year	1	21	8	30
At the end of the year	<u>4</u>	<u>139</u>	<u>78</u>	<u>221</u>
<b>Net Book Value</b>				
At the end of the year	<u>1</u>	<u>59</u>	<u>23</u>	<u>83</u>
At the start of the year	<u>2</u>	<u>75</u>	<u>15</u>	<u>92</u>

All of the above assets are used for charitable purposes.

## 11 Debtors

	2021 £'000	2020 £'000
Trade debtors	389	627
Staff Loans	19	3
Amounts due from group undertakings	2,109	1,796
Other debtors	162	67
Prepayments	186	214
	<u>2,865</u>	<u>2,707</u>

12 Creditors: amounts falling due within one year

	2021 £'000	2020 £'000
Trade creditors	103	399
Taxation and social security	175	316
Pension contributions	45	39
Other creditors	184	136
Amounts due to Group undertakings	425	505
Accruals	398	217
	1,330	1,612

13 Pension Scheme

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

Penrose Options participates in the Scheme, a multi-employer scheme which provides benefits to some 500 non-associated employers. The Scheme is a defined benefit scheme in the UK.

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For financial years ending on or before 28 February 2019, it had not been possible for the charity to obtain sufficient information to enable it to account for the Scheme as a defined benefit scheme, therefore the charity accounted for the Scheme as a defined contribution scheme.

For financial years ending on or after 31 March 2019, it is possible to obtain sufficient information to enable the charity to account for the Scheme as a defined benefit scheme. For accounting purposes, an actuarial valuation for the scheme was carried out with effective date of 31 March 2018. The liability figure from the valuation is rolled forward to the relevant accounting date and is used in conjunction with the charity's fair share of the Scheme's total assets to calculate the charity's net deficit or surplus at the accounting period start and end dates.

The Scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension scheme in the UK.

The last triennial valuation of the Scheme overall for funding purposes was carried out as at 30 September 2020. This valuation revealed a deficit of £1,560m. A Recovery Plan has been put in place with the aim of removing this deficit by 30 September 2026. The Scheme is classified as a 'last-man standing arrangement'. Therefore the charity is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the Scheme. Following consultation between the Pension Trustees and Employers, a new recovery plan to recover the overall scheme deficit has been agreed. This is based on a full share of liabilities approach. This is effective from 1 April 2019.

13 Pension Scheme (continued)

Number of active members in the scheme

	No.
Active	3
Deferred	53
Pensioners	15

Financial assumptions

	2021 %pa	2020 %pa
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%

Other material assumptions

	years	years
Life expectancies in retirement:		
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

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

	2021 £'000	2020 £'000
Fair value of plan assets	5,074	4,542
Present value of defined benefit obligation	(5,949)	(4,868)
Net defined liability to be recognised	(875)	(326)

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

	2021 £'000	2020 £'000
Opening fair value of employer assets	4,542	4,321
Interest income	109	102
Experience on plan assets	325	39
Contributions by the employer	150	150
Withdrawals by Employees	-	-
Benefits paid and expenses	(52)	(70)
	5,074	4,542

13 Pension Scheme (continued)

Reconciliation of opening and closing balances of defined benefit obligation

	2021 £'000	2020 £'000
Opening defined benefit obligation	4,868	5,777
Current service cost	-	-
Expenses	7	7
Interest cost	115	135
Contributions by members	-	-
Withdrawals by Employees	-	-
Actuarial losses / (gains)	1,011	(981)
Benefits paid and expenses	(52)	(70)
Closing defined benefit obligation	<u>5,949</u>	<u>4,868</u>

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

	2021 £'000	2020 £'000
Current service cost	-	-
Expenses	7	7
Net interest expense	6	33
Defined benefit costs recognised in the SOFA	<u>13</u>	<u>40</u>

Actual return on plan assets	<u>434</u>	<u>141</u>
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Net actuarial gain/(loss) on defined benefit pension scheme

	2021 £'000	2020 £'000
Actuarial (loss) on recognising full scheme liability	-	-
Actuarial (loss) / gain on plan obligations	(1,011)	981
Actuarial gain on plan assets	325	39
	<u>(686)</u>	<u>1,020</u>

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

	General unrestricted £'000	Pension Reserve £'000	Restricted £'000	Total funds £'000
Tangible fixed assets	92	-	-	92
Net current liabilities	1,652	-	3	1,655
Defined benefit pension provision	(326)	(875)	-	(1,201)
	<u>1,418</u>	<u>(875)</u>	<u>3</u>	<u>546</u>

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

	General unrestricted £'000	Pension Reserve £'000	Restricted £'000	Total funds £'000
Tangible fixed assets	92	-	-	92
Net current liabilities	1,649	-	3	1,652
Defined benefit pension provision	-	(326)	-	(326)
	<u>1,741</u>	<u>(326)</u>	<u>3</u>	<u>1,418</u>

**15a 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	3	-	-	-	3
Corona Virus Grants	-	62	(62)	-	-
Total restricted funds	<u>3</u>	<u>62</u>	<u>(62)</u>	<u>-</u>	<u>3</u>
<b>General funds</b>	<u>1,741</u>	<u>10,654</u>	<u>(10,543)</u>	<u>(137)</u>	<u>1,715</u>
<b>Pension reserve</b>	<u>(326)</u>	<u>(686)</u>	<u>-</u>	<u>137</u>	<u>(875)</u>
Total funds including pension fund	<u>1,418</u>	<u>10,030</u>	<u>(10,605)</u>	<u>-</u>	<u>843</u>

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

**15b Movements in funds (prior year)**

	At 1 April 2019 £'000	Income & gains £'000	Expenditure & losses £'000	Transfers £'000	At 31 March 2020 £'000
<b>Restricted funds:</b>					
Roots	3	-	-	-	3
Total restricted funds	3	-	-	-	3
<b>General funds</b>	1,563	9,469	(9,181)	(110)	1,741
<b>Pension reserve</b>	(1,456)	1,020	-	110	(326)
Total funds including pension fund	110	10,489	(9,181)	-	1,418

**Purposes of restricted funds**

Tesco – Bags of Help awarded a grant specifically to be used on Roots for Life.

Corona Virus Grants. These grants were received from Local Authorities to cover the increased costs of working as a result of the COVID-19 pandemic.

**16 Operating lease commitments**

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

	2021 £'000	2020 £'000
Less than one year	512	494
One to five years	1,003	567
Over five years	741	-
	<u>2,256</u>	<u>1,061</u>

**17 Guarantees and ultimate parent undertaking**

Penrose Options is a company limited by guarantee not having a share capital. The Social Interest Group became the sole member of Penrose on the 1 October 2014, previously all trustees were members. Each member has guaranteed to pay £1 in the event that Penrose was wound up. Social Interest Group is the ultimate parent undertaking. Its charity registered number is 1158402. Its company registered number is 9122052. Its registered office is: 1 Waterloo Gardens, Milner Square, London N1 1TY.