

# 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)

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.



**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

TIME DEPARTURES  
1 2 0 0 A N E W S T A R T

## 3,198

Total people seen



## 1,798

Positive move-ons



## 7

Unplanned return to hospital



## 0

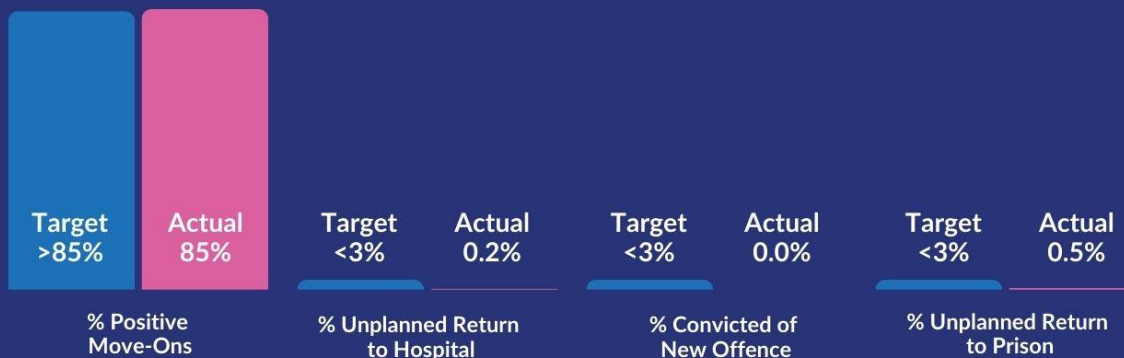
Convicted of a new offence



## 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

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.

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.

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**

				2024					2023
	Note	Unrestricted funds £'000	Restricted funds £'000	Pension Reserve £'000	Total Funds £'000	Unrestricted funds £'000	Restricted funds £'000	Pension Reserve £'000	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		<u>501</u>	<u>-</u>	<u>(48)</u>	<u>453</u>	<u>339</u>	<u>-</u>	<u>(188)</u>	<u>151</u>
<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**

		£'000	2024 £'000	£'000	2023 £'000
	Note				
<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

		2024	2023
		£'000	£'000
	Note	£'000	£'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>	<u><b>17,202</b></u>	
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
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**

**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	18	17

**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	2,706	1,677
	<b>11,512</b>	<b>8,807</b>

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	0	1
	<b>267.7</b>	<b>358.3</b>

**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**  
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**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**  
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**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**

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

**Financial assumptions**

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

**Other material assumptions**

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

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



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	Net defined liability to be recognised		<u>(622)</u>	<u>(574)</u>
13	<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>3,432</u>	<u>3,476</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>4,054</u>	<u>4,050</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>
14a	<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	-	287
	Net current assets/(liabilities)	2,698	3	2,701
	Defined benefit pension provision	-	-	(622)
		<u>2,985</u>	<u>3</u>	<u>2,366</u>
14b	<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	-	-	(574)

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	<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.

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**16 Analysis of changes in net debt**

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

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	2,039	2,366
	<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.