

PATHWAYS TO INDEPENDENCE LTD

England & Wales · Charity number 292579

Details

Other names	HOMELESS AND OFFENDER PROJECTS AND ENTERPRISES LIMITED, HOPE (KENT) LIMITED, HOPE
Status	Registered
Legal form	Charitable company
Company number	01859070
Registered	1985-09-25
Register	View on the Charity Commission register

Contact

Address	Unit 1 Waterloo Gardens Milner Square London N1 1TY
Phone	02036689270
Email	enquiries@socialinterestgroup.org.uk
Website	www.socialinterestgroup.org.uk

Activities

Objects: TO PROVIDE SUPPORT AND RELIEF, INCLUDING REHABILITATION FROM THE CAUSES AND EFFECTS OF POVERTY, HOMELESSNESS, ILLNESS AND CRIMINAL BEHAVIOUR FOR PERSONS AGED 16 AND OVER IN THE COUNTY OF KENT AND SURROUNDING AREA BY PROVIDING OR ASSISTING IN THE PROVISION OF ACCOMMODATION, EDUCATION, TRAINING FOR EMPLOYMENT, ADVICE AND COUNSELLING AND OTHER SUPPORTIVE FACILITIES FOR SUCH PERSONS.

Activities: Pathways works with individuals and groups that are marginalised and disadvantaged. We aim to play an active role in seeking an inclusive and equal society by providing supported accommodation services to people who are homeless or in housing and who are offenders.

Classification

- **How:** Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information
- **What:** Education/training, The Prevention Or Relief Of Poverty, Accommodation/housing, Economic/community Development/employment
- **Who:** Other Defined Groups

Geography

- **Area of benefit:** COUNTIES OF KENT, SURREY, EAST SUSSEX AND WEST SUSSEX
- Kent
- Medway

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£2,336,000	£2,300,000	£1,943,000	17
2024-03-31	£2,072,000	£1,996,000	£1,900,000	17
2023-03-31	£1,922,000	£1,865,000	£1,816,000	19
2022-03-31	£1,707,000	£1,694,000	£1,240,000	20
2021-03-31	£1,727,021	£1,665,773	£1,170,926	19

Trustees

Name	Role	Appointed
CATHY KANE		2024-11-28
Claire Barton		2022-02-04
Dylan Kerr		2021-01-19
Kobi Boakye		2024-11-28
Rebecca Escott-New		2025-12-17
Stuart Jenkin		2021-01-19

Accounts



Social
Interest
Group

Pathways to Independence

PATHWAYS TO INDEPENDENCE LTD

Annual Report

Trustees' Report & Consolidated
Financial Statements

Year ended 31 March 2025

Charity no. 292579
Company no. 01859070

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

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

Directors and Charity trustees

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

Chair

Karl Marlowe

Other Trustees

Dylan Kerr

Stuart Jenkin

Jeff Loo (left 19th March 2025)

Claire Barton

Cathy Kane (appointed 28th November 2024)

Kobi Boakye (appointed 28th November 2024)

Company Secretary

Michael Rutherford (left 5th September 2025)

Ian Hanham (appointed 5th September 2025)

Senior Leadership Team

Group Chief Executive

Gill Arukpe (left 30th April 2025)

Cathy Kane (Interim appointed 17th February 2025)

Director of Finance & Resources

Michael Rutherford (left 5th September 2025)

Ian Hanham (Interim appointed 29th 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 01859070

Charity registration number 292579

www.socialinterestgroup.org.uk

enquiries@socialinterestgroup.org.uk

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 Activities

Objectives

Purposes and Aims

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

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

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

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

Activities

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

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

Chief Executive Statement

As we conclude the financial year, I feel immense pride and gratitude reflecting on SIG Pathways to Independence's journey. This year is particularly special for us, marking our 40th anniversary and a significant leadership transition. In April 2025, we bid farewell to Gill Arukpe MBE, visionary founder of Social Interest Group (SIG), of which SIG Pathways 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 Pathways remains a beacon of innovation, compassion, and resilience.

Across the year, SIG Pathways successfully supported 192 individuals. Our residential services achieved an impressive 78% success rate in securing positive move-on outcomes to independent or step-down accommodation. We take pride in the fact that 99% of individuals accessing our services remained out of hospital throughout their time with us, and a remarkable 95% did so without any recalls or new convictions.

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 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 Pathways, building on forty years of impact 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 Pathways, 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 Pathways into this next chapter, and I am genuinely excited about what we can achieve together.



Cathy Kane, Interim Group Chief Executive
9th October 2025

A Year in Numbers



69%
Positive move-on across all services.

5%
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 Pathways to Independence's impactful services supported 192 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 Pathways to Independence 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.

Forty Years Tackling Homelessness in Kent

SIG Pathways to Independence marked its 40th anniversary with a special anniversary event. As we look back on our journey from the humble beginnings of the Homeless Offenders Project Enterprises (HOPE) to a force for change in Kent, we are a dedicated partner in supporting Medway Council's strategy for addressing homelessness and rough sleeping. Since joining Social Interest Group in January 2020, we have significantly strengthened our impact and broadened our services and approaches, achieving remarkable success.

Our award-winning outreach initiatives have redefined engagement with some of the most hard-to-reach individuals in our community. Our collaboration with the Forward Trust at Medway Maritime Hospital is a shining example, earning admiration from commissioners and partner agencies. Additionally, our Peer-to-Peer Project, funded by Medway Council Public Health, has empowered countless individuals through the power of shared experience since 2021.

Awards for Transforming Housing Conversations in Kent

SIG Pathways earned recognition for its impactful approach to participatory democracy, successfully driving policy changes. Staff and service residents were celebrated at Medway Council's *Make a Difference Awards* for their contributions to Medway's Homelessness and Rough Sleeping Strategy. The SIG Pathways Medway Team attended the event alongside Medway Council's Housing Team and Arts and Homelessness International, acknowledging their collaborative work on the compelling legislative theatre performance earlier this year.

This powerful play brought the realities of homelessness to life, engaging local residents, sector partners, and policymakers in Medway, including the council's Policy Team. Its purpose was to reveal systemic barriers and inspire more effective, compassionate solutions. The ceremony honoured Medway Council Employees who exemplify exceptional service, enhancing the significance of this recognition.

In September, at the prestigious Kent Housing Group Excellence Awards, which showcases the impactful work being done across Kent in the housing sector, SIG Pathway's Peer to Peer Project team, in collaboration with Medway Council and Arts International, was honoured with the *Innovator of the Year Award*, marking the second time the team has been recognised for its compelling legislative theatre production.

Three Years of Excellence for Medway Accommodation Services

SIG Pathways accommodation services, commissioned by Medway Council, have proudly achieved 'A' grades for the third consecutive year within the Medway Quality Assessment Framework (QAF). This year, we earned A Grades in 'Assessment, Support and Risk' and 'Access, Diversity and Inclusion'. These outstanding results highlight our team's dedication and exceptional support, and the comprehensive policies and procedures we have established. We

view this recognition as an affirmation of our commitment and are eager to continue enhancing our high-quality, supported accommodation services for the Medway community.

Thank You

This report and all the work SIG Pathways 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.

Transformation Journeys

David's Story

David, a former resident of SIG Pathways, has dedicated nearly two years to serving as a Peer Mentor under the SIG Pathways Peer to Peer Programme, funded by Medway Council. In this role, he has greatly impacted the lives of many individuals at risk of rough sleeping, with substance use as a main need. Over the past year, he has taken the lead in organising engaging weekly sports activities, which not only draw service residents but also attract participants from wider support services. These events consistently enjoy strong attendance, highlighting David's ability to build a sense of community and camaraderie among diverse groups.

One of David's most innovative approaches has been his groundbreaking outreach initiatives. Each week, he collaborates with the Forward Trust at Medway Maritime Hospital, where he has established a vital connection with individuals needing support. Through his outreach, David not only uses his own life experiences to inspire others but also actively helps those who are struggling to find their footing.

Recently, he took to the streets of Medway in his role as Peer Mentor, demonstrating a commitment to bringing compassion and understanding to marginalised populations. In his outreach efforts, David goes beyond simple interactions; he personally connects with individuals, sharing his own story to impart hope and offer practical support. His relatable experiences enable him to make a real difference, providing immediate assistance and the emotional support and encouragement many desperately need.

David's work exemplifies how lived experience can be a powerful catalyst for change in others' lives. He shows those he supports that transformation is not only possible but that assistance is readily available, illustrating that through empathy and shared understanding, individuals can overcome their challenges. This effort has garnered significant admiration from commissioners and various agencies, underscoring the importance of such partnerships in addressing homelessness.

Sarah's Story

I moved to Rochester with a partner, but after a year, our relationship broke down. I found myself on the street, where I met other people who became my friends, though I was the only woman among them. On the streets, I never felt secure, even when I was with others. Sometimes, when I was alone, especially on Friday or Saturday nights, that was when I felt most vulnerable.

Some of my friends were housed in accommodations, but I was not offered a place because I kept returning to my abusive boyfriend. I had been reducing my alcohol intake. Then, the week before Christmas, I bought four cans. After drinking two, I realised I didn't want any more, so I

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quit. I was then sick for about a week, but I kept going. SIG Pathways found me doing street counts during their outreach efforts. I had reached my breaking point; I knew I had to make a change. I told them I was ready to stop drinking. They realised I was serious and offered me accommodation.

While I was quite alcohol dependent at that time, Pathways was amazing. It's been quite a journey, but now I feel safe. SIG Pathways has given me the stability and time to get myself together. It's a high-support environment, so we must follow certain rules, and counselling is available to us. The counselling has really helped; my counsellor doesn't give advice but lets me figure things out through the questions she asks. I am going to community rehab next week, and once I complete that, I can apply for a home through Home Start and take it from there.

Lately, I've been attending my appointments and sitting in the garden reading. I visit my parents on weekends and see my son and his family. Their support is vital, and I am so grateful they are there for me. They are relieved that I am no longer on the streets because, in the past, when they received a phone call at night or someone knocked on the door in the evening, they feared something terrible had happened to me. Seeing me stable brings them peace of mind.

Now, I take life day by day. I get up in the morning and work through each day. Once I have my own place, I'd like to have a small job doing what I did before, working as a home helper or maybe in a charity shop. I consider myself one of the lucky ones.

Financial Review

SIG Pathways made an operating surplus of £36k (2023/24 - £73k) at the operating profit level before a past service surplus pension gain of £7k (2023/24 - £11k). This results in an unrestricted fund balance of £1,913k at 31st March 2025 (2023/24 - £1,877k k). In addition, it had a restricted fund balance of £30k (2023/24 - £30k).

The pensions reserve at the end of the year was £nil (2024 - £7k deficit) and relates to the past service deficit liability relating to the defined benefit and retirement Local Government Pension Schemes. SIG Pathways cannot influence the actuarial gains/losses or balance sheet liability, and losses and increased liability could be seen in the future. New legislation with effect from 23rd September 2020 allows Employers (known as Deferred employer) to enter into an agreement with the administering authority to defer the obligation to make the exit payment (enter into a Deferred Debt Agreement) and continue to make contributions at the secondary rate as determined by the actuarial valuation until the termination of the deferred debt agreement. This is available to us even if the last member leaves. We will be reviewing this to put in place.

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

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

Principal risks and uncertainties

SIG Pathways to Independence operates in a complex and high-risk environment, supporting individuals with significant needs and often traumatic histories. Our residents have complex backgrounds, often with multiple exclusion homelessness, experience of criminal justice

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systems and substance use. 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 local authority commissioners and community partners including statutory services.

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 Pathways to Independence, aligned with SIG's risk appetite statements and strategic priorities.

Risk	Risk Description	Mitigation
Financial Sustainability	The organisation faces financial risks due to funding volatility and rising operational costs.	Dynamic monthly budgeting, engagement with funders, and strategic partnerships to ensure financial resilience.
Operational Delivery and Service Continuity	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.
Reputational Risk	Potential reputational damage from lack of updated regulatory scrutiny, incidents, or public perception.	Quality assurance, incident protocols, and proactive stakeholder communication.
Harm to Individuals	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.
Regulatory and Legislative Compliance	Risks of non-compliance with evolving legal and regulatory requirements.	Policy reviews, training, and legal oversight to ensure compliance.
Governance and Strategic Oversight	Risks related to leadership transitions and board capacity.	Succession planning, recruitment, and enhanced governance reporting.
Technology and Data Integrity	Risks from cybersecurity threats, fragmented systems, and data quality issues.	Security testing, a new IT strategy, and data governance improvements.

Reserves policy and going concern

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

The trustees evaluated the commitment to future expenditure against likely future income streams, weighing each element according to size, probability, spread of risk and operational impact. During the year, the trustees reviewed the level of reserves required in light of the ongoing challenging financial environment. The trustees agreed that the free reserves target should be approximately £150k, the same level as last year. The charity needs to maintain sufficient funds to cover any potential loss in contract income and short-term cash flow, to have approximately three months of expenditure available at all times, and to cover costs if the charity winds up. The unrestricted free reserves, excluding the past service pension plan, are £1,913k at 31st March 2025 (£1,877k at 31st March 2024). This comprises the designated fund and the property revaluation reserve.

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

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

Plans for the Future

SIG Pathways 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 Pathways to lead with integrity, inclusion, and impact in the years ahead.

Structure, governance and management

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

Social Interest Group is the sole member of SIG Pathways to Independence, and the non-executive trustees of Social Interest Group are appointed as the trustees.

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

Appointment of trustees

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

Trustees are recruited by the Nominations Committee using specialist recruitment agents and by advertisement. A rigorous interview process takes place, which includes residents and participants. Candidates attend board meetings and visit projects before being confirmed for the 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 Pathways is a member of Social Interest Group, of which it is a subsidiary. It provides all support functions, senior management and strategic guidance. All Social Interest Group companies support the charity's charitable objectives: SIG Equinox Care, SIG Penrose Options, SIG Investments and SIG Pathways to Independence.

Remuneration policy for key management personnel

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

Policy for employment of disabled persons

In April 2019, we became a Disability Confident Employer.

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

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

Employee information

The charity takes its investment in its staff's professional development seriously and aims to provide different learning opportunities. The charity aims to see staff develop and share learning so that value can be added and staff can 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 a highly challenging year. We confirm that the charity pays at least the London Living Wage to our employees working in London.

Statement on use of volunteers

At SIG Pathways, we greatly value the contributions of our volunteers, who play a vital role in achieving our mission. In the financial year ending 31 March 2025, we engaged six volunteer peer mentors who collectively contributed 3,155 hours of service and two volunteer counsellors who collectively offered 336 hours. Their efforts enhance our programs and help us maintain a strong connection with the community we serve.

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

Statement of responsibilities of the trustees

The trustees (who are also directors of the charity for 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 an accurate 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 charity's 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

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responsible for safeguarding the assets of the charity and the Group and, hence, for 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 the financial statements may differ from legislation in other jurisdictions.

The member of the charity is guaranteed to contribute an amount not exceeding £1 to the charity's assets in the event of winding up. The total number of such guarantees at the year-end was one (2024: one). The non-executive trustees are not members of the Charity.

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



Dr Karl Marlowe
Chair

Independent auditor's report

Opinion

We have audited the financial statements of Pathways to Independence (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.

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

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

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, 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 15, 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

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

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 regulation
- 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

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

identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

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

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

Use of our report

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



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

15 October 2025

Pathways to Independence Ltd
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
Income from:									
Charitable Activities	3	2,318	-	-	2,318	2,057	-	-	2,057
Donations and legacies	2	3	-	-	3	2	-	-	2
Investment income		15	-	-	15	10	-	3	13
Total income		<u>2,336</u>	<u>-</u>	<u>-</u>	<u>2,336</u>	<u>2,069</u>	<u>-</u>	<u>3</u>	<u>2,072</u>
Expenditure on:									
Charitable activities	4	(2,300)	-	-	(2,300)	(1,996)	-	-	(1,996)
Total expenditure		<u>(2,300)</u>	<u>-</u>	<u>-</u>	<u>(2,300)</u>	<u>(1,996)</u>	<u>-</u>	<u>-</u>	<u>(1,996)</u>
NET INCOME	5	36	-	-	36	73	-	3	76
Other recognised gains and losses									
Actuarial gains on defined benefit pension schemes		-	-	7	7	-	-	8	8
Net movement in funds		<u>36</u>	<u>-</u>	<u>7</u>	<u>43</u>	<u>73</u>	<u>-</u>	<u>11</u>	<u>84</u>
Reconciliation of funds									
Total funds brought forward		1,877	30	(7)	1,900	1,804	30	(18)	1,816
Total funds carried forward	17a	<u>1,913</u>	<u>30</u>	<u>-</u>	<u>1,943</u>	<u>1,877</u>	<u>30</u>	<u>(7)</u>	<u>1,900</u>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 17a to the financial statements.

Pathways to Independence Ltd
For the year ended 31 March 2025

Balance Sheet

		£'000	2025 £'000	£'000	2024 £'000
	Note				
Fixed assets					
Tangible assets	10		1,217		1,249
Current assets					
Debtors	11	165		297	
Cash at bank and in hand		1,156		641	
		<u>1,321</u>		<u>938</u>	
Liabilities					
Creditors: amounts falling due within one year	12	(595)		(257)	
Net current assets			<u>726</u>		<u>681</u>
Total Assets less current liabilities					1,930
Creditors: amounts falling due after one year			<u>-</u>		<u>(23)</u>
Net assets excluding pension scheme provision					1,907
Defined benefit pension scheme provision			<u>-</u>		<u>(7)</u>
NET ASSETS			<u>1,943</u>		<u>1,900</u>
FUNDS					
Restricted funds			30		30
Unrestricted funds					
General funds		1,404		1,336	
Pension reserve		-		(7)	
Designated funds		97		97	
Revaluation reserve		<u>412</u>		<u>444</u>	
Total Unrestricted funds			<u>1,913</u>		<u>1,870</u>
TOTAL FUNDS	17a		<u>1,943</u>		<u>1,900</u>

Approved by the trustees on 9th October 2025 and signed on their behalf by



Karl Marlowe
Chair

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

Pathways to Independence Ltd
For the year ended 31 March 2025

Cash Flow Statement

	Note	£'000	2025 £'000	£'000	2024 £'000
Cash flows from operating activities:					
Net income for the reporting period (as per the statement of financial activities)		43		84	
Depreciation charges		32		31	
Movement in long-term pension deficit liability		(7)		(11)	
Decrease / (increase) in debtors		132		(187)	
Increase in creditors		353		8	
Net cash provided /(used in) by operating activities			553		(75)
Cash flows from investing activities:					
Purchase of fixed assets		-		(7)	
Net cash used in investing activities			-		(7)
Cashflows from financing activities					
Repayments of borrowing		(38)		(13)	
Net cash (used in) financing activities			(38)		(13)
Change in cash and cash equivalents in the year	18		515		(95)
Cash and cash equivalents at the beginning of the year			641		736
Cash and cash equivalents at the end of the year			1,156		641

Notes to the Financial Statements

1 Accounting Policies

a) Statutory information

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

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

b) Basis of preparation

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

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

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

c) Public benefit entity

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

d) Going concern

The Company continues to be profitable and with net assets. The Trustees have looked at the performance to 31st March 2025 and the post year end period. They have also taken into consideration the underlying cashflows expected over a period of at least twelve months from the date of signing this report. The Trustees consider that the outlook presents challenges and uncertainty in terms of Service Users and contract renewals. The Trustees have instigated measures to manage liquidity.

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

Stress testing has emphasized the Company's ability to continue operating for the foreseeable future even with severe impacts on revenue generation and cost pressures from increases in National Insurance and Living Wage. Based on the above, the Trustees believe the company will continue to operate as a going concern.

e) Income

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

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

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

f) Fund accounting

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

Pathways to Independence Ltd
Notes to the Financial Statements
For the year ended 31 March 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 Pathways to Independence's charitable activities.

i) Leases

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

j) Tangible fixed assets

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

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

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

k) Debtors

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

l) Cash at bank and in hand

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

m) Creditors and provisions

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

n) Financial instruments

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

o) Pensions

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due. The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected unit credit method, and is based on actuarial advice.

Pathways to Independence Ltd
Notes to the Financial Statements
For the year ended 31 March 2025

The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost. The cost of plan introductions, benefit changes, settlements and curtailments are recognised as incurred.

2 Donations

	Unrestricted funds 2025 £'000	Unrestricted funds 2024 £'000
Donation and gifts	<u>3</u>	<u>2</u>

3 Charitable activities – supporting vulnerable people

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

Pathways to Independence Ltd
Notes to the Financial Statements
For the year ended 31 March 2025

4a Analysis of expenditure (current year)

	Charitable activities £'000	Governance costs £'000	Support costs £'000	2025 Total £'000	2024 Total £'000
Staff costs (Note 6)	797	-	431	1,228	1,003
Recruitment & training	-	-	38	38	32
Subsistence & travel	8	-	3	11	12
Premises Costs	332	-	12	344	360
Office running costs	140	-	17	157	104
Insurance	-	-	29	29	18
Information technology	-	-	55	55	43
Legal & Professional	-	-	24	24	16
Depreciation	32	-	-	32	34
Audit fees	-	6	-	6	6
Other Costs	373	-	3	376	368
Total expenditure 2025	<u>1,682</u>	<u>6</u>	<u>612</u>	<u>2,300</u>	
Total expenditure 2024	<u>1,571</u>	<u>(5)</u>	<u>430</u>		<u>1,996</u>

Pathways to Independence Ltd
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)	720	-	283	1,003
Recruitment & training	-	-	32	32
Subsistence & travel	10	-	2	12
Premises Costs	350	-	10	360
Office running costs	80	-	24	104
Insurance	-	-	18	18
Information technology	-	-	43	43
Legal & Professional	-	-	16	16
Depreciation	34	-	-	34
Audit fees	-	6	-	6
Other Costs	377	(11)	2	368
Total expenditure 2024	<u>1,571</u>	<u>(5)</u>	<u>430</u>	<u>1,996</u>

Pathways to Independence Ltd
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	32	34
Operating lease rentals:		
Property	349	350
Auditor's remuneration (including VAT):		
Audit	6	6

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	801	687
Social security costs	78	64
Employer's contribution to pension schemes	36	28
Agency costs	313	224
	<u>1,228</u>	<u>1,003</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 (2024: £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 (2024: £Nil). No charity trustee received payment for professional or other services supplied to the charity (2024: £Nil).

7

Staff numbers

	2025 £'000	2024 £'000
Operational	<u>14</u>	<u>17</u>

8

Related party transactions

SIG Pathways was charged £621,158 for central office functions provided by the parent charity Social Interest Group (2024: £438,822). SIG Pathways was owed/owed the following amounts to fellow subsidiaries; £85,980 was owed to SIG at the yearend (2024: owed £41,170). £215,228 was owed to Penrose Options at the yearend (2024: owed £31,285). £58,216 was owed to Safe Ground at the yearend (2024: owed £nil). £1,803 was owed to Equinox at the yearend (2024: owed £nil).

9

Taxation

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

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

Pathways to Independence Ltd
Notes to the Financial Statements
For the year ended 31 March 2025

10 Tangible fixed assets

	Freehold property £'000	Leasehold property £'000	Fixtures & fittings £'000	Office Equipment £'000	Motor Vehicles £'000	Other fixed assets £'000	Total £'000
Cost							
At the start of the year	1,150	179	46	123	12	133	1,643
At the end of the year	<u>1,150</u>	<u>179</u>	<u>46</u>	<u>123</u>	<u>12</u>	<u>133</u>	<u>1,643</u>
Depreciation							
At the start of the year	63	28	46	123	11	123	394
Charge for the year	23	5	-	-	1	3	32
At the end of the year	<u>86</u>	<u>33</u>	<u>46</u>	<u>123</u>	<u>12</u>	<u>126</u>	<u>426</u>
Net book value							
At the end of the year	<u>1,064</u>	<u>146</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7</u>	<u>1,217</u>
At the start of the year	<u>1,087</u>	<u>151</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>10</u>	<u>1,249</u>

Pathways provides security of its freehold properties to SIG Penrose Options, who is also a member of the Social Interest Group.

Pathways to Independence Ltd
Notes to the Financial Statements
For the year ended 31 March 2025

11 Debtors

	2025	2024
	£'000	£'000
Trade debtors	79	185
Amounts due from Group undertakings	-	42
Pension contributions	3	3
Prepayments	41	28
Other debtors	42	5
Accrued Income	-	34
	<u>165</u>	<u>297</u>

12 Creditors: amounts falling due within one year

	2025	2024
	£'000	£'000
Bank loan	-	15
Trade creditors	60	56
Taxation and social security	10	8
Other creditors	35	75
Amounts due to Group undertakings	361	31
Accruals	129	72
	<u>595</u>	<u>257</u>

13 Creditors: amounts falling due after one year

	2025	2024
	£'000	£'000
Bank loans	<u>-</u>	<u>23</u>

14 Loans and overdrafts

	2025	2024
	£'000	£'000
Bank loans	<u>-</u>	<u>38</u>
Payable within one year	-	15
Payable after one year	-	23

The bank loan was secured by way of a first legal charge over a freehold property owned by the Charity. The loan was settled during the year.

15 Pension Schemes

Defined Contribution Schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

Kent County Council Pension Fund ("Scheme")

The charity operates a pension scheme providing benefits based on final pensionable pay for 1 employee and 8 ex-employees. The assets of the scheme are held separately from those of the charity, being invested in an independently administered fund. The charity is an employing body within the Kent County Council Pension Fund which itself is part of the Local Government Pension Scheme. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The most recent valuation was at 31 March 2022.

Pathways to Independence Ltd
Notes to the Financial Statements
For the year ended 31 March 2025

- 15** The independent actuary also prepares an annual valuation specific to the Charity for the sole purpose of accounting and reporting details of the Fund under the provisions of Financial Reporting Standard (FRS102) and the details that follow are drawn from that report for the year ended 31 March 2025. The accounts are prepared under the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019). It should be noted that the figures presented are only for the purposes of FRS 102 and have no validity in other circumstances. In particular, they are not relevant for calculation undertaken for funding purposes or for other statutory purposes under UK legislation.

The pension charge for the year was £18,187 (2024 - £16,930) and is shown under pension costs; defined benefit, in Note 6. The contributions of the company for the year were 29.1% (2024: 29.1%).

The Department for Work and Pensions (DWP) published an announcement on 5 June 2025 noting the plan to introduce new legislation in response to the Virgin Media vs NTL Trustees ruling. The legislation will allow affected pension schemes to retrospectively obtain written actuarial confirmation that historic changes to scheme rules met the required standards. The new legislation is hoped to provide clarity to affected schemes. No further information has been provided at this time.

We still await further information but at this time are hopeful there will be no impact on the LGPS.

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	1
Deferred	3	3
Pensioners	5	5

Financial assumptions

	2025 % pa	2024 % pa
Rate of discount	5.75	4.90
Earnings increases	3.90	2.95
Expected rate of increase of pensions in payment	2.90	3.95

Kent County Council Pension Fund ("Scheme")

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

Other material assumptions

	years	years
Life expectancies in retirement:		
Male currently aged 65	20.7	20.8
Female currently aged 65	23.3	23.3
Male currently aged 45	22.0	22.0
Female currently aged 45	24.7	24.7

	2025 £'000	2024 £'000
Fair value of plan assets	1,300	1,277
Present value of defined benefit obligation	1,177	(1,284)
Effect of asset ceiling	(123)	
Net defined asset / (liability)	-	(7)

Pathways to Independence Ltd
Notes to the Financial Statements
For the year ended 31 March 2025

The surplus in 2024/25 is not considered recoverable, and therefore has not been recognised in the financial statements in accordance with FRS102.

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

	2025 £'000	2024 £'000
Opening fair value of employer assets	1,277	1,248
Interest income	62	60
Experience on plan assets	(21)	(13)
Contributions by the employer	15	14
Contributions by scheme members	2	2
Benefits paid and expenses	(35)	(33)
	<u>1,300</u>	<u>1,278</u>

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

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

	2025 £'000	2024 £'000
Debt Instruments	387	363
Equity Instruments	807	799
Property	106	115
	<u>1,300</u>	<u>1,277</u>

Reconciliation of opening and closing balances of defined benefit obligation

	2025 £'000	2024 £'000
Opening defined benefit obligation	1,284	1,266
Current service cost	10	10
Interest cost	62	60
Actuarial losses / (gains)	(146)	(21)
Benefits paid and expenses	(35)	(33)
Other	2	2
Closing defined benefit obligation	<u>1,177</u>	<u>1,284</u>

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

	2025 £'000	2024 £'000
Current service cost	10	10
Net interest expense	-	-
Other costs and income	1	1
Defined benefit costs recognised in the SOFA	<u>11</u>	<u>11</u>

Pathways to Independence Ltd
Notes to the Financial Statements
For the year ended 31 March 2025

Amounts taken to other comprehensive income

	2025 £'000	2024 £'000
Return on scheme assets excluding interest income	(21)	(13)
Actuarial changes related to obligations	146	21
Effect of asset ceiling	(123)	-
Other gains and losses	-	-
	<u>2</u>	<u>8</u>

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

	General unrestricted £'000	Pension Reserve £'000	Restricted £'000	Total funds £'000
Tangible fixed assets	1,217	-	-	1,217
Net current assets/(liabilities)	696	-	30	726
Long term liabilities	-	-	-	-
Defined benefit pension provision	-	-	-	-
	<u>1,913</u>	<u>-</u>	<u>30</u>	<u>1,943</u>

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

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

17a Movements in funds (current year)

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

	At 1 April 2024 £'000	Income & gains £'000	Expenditure & losses £'000	Transfers £'000	At 31 March 2025 £'000
Restricted Funds:					
Move on fund	30	-	-	-	30
Total restricted funds	<u>30</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30</u>
General funds	1,336	2,336	(2,268)	-	1,404
Pension reserve	(7)	7			-

Pathways to Independence Ltd
Notes to the Financial Statements
For the year ended 31 March 2025

Revaluation reserve	444	-	(32)	-	412
Designated funds					
Development fund	25	-	-	-	25
Counselling	7	-	-	-	7
Legacy	39	-	-	-	39
Major repairs					
Sinking fund	26	-	-	-	26
Total designated funds	97	-	-	-	97
Total funds including pension fund	1,900	2,343	(2,300)	-	1,943

Purposes of restricted funds

Move on fund

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

Pathways to Independence Ltd
Notes to the Financial Statements
For the year ended 31 March 2025

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

Development fund

Trustees agree to hold a designated development fund to finance developments within the business plan in terms of the structure and resources of the organisation and any increase or change in services provided. In 2019/20 we incurred costs to cover external support on organisational development (including all client policies being reviewed), to help embed our Trauma Informed and Psychologically Informed Environment approach. Funds were also expended on a pension (defined benefit pension liability) and strategy review. We hope it will also help us to adapt to survive in the changing funding environment and improve our service provision for clients. The fund will be available for qualifying developing business needs in 2025/26.

Counselling

Development of added value services for clients such as counselling, anger management support, restorative justice and life and work-related skills. We have further counselling service planned across services during 2025/26.

Legacy

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

Major repairs sinking fund

This fund is used for major works and decoration required at our properties. We have some works planned and will assess need across other services during 2025/26.

17b Movements in funds (prior year)

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

Pathways to Independence Ltd
Notes to the Financial Statements
For the year ended 31 March 2025

18 Analysis of changes in net debt

	At 1 April 2024 £'000	Cash flows £'000	At 31 March 2025 £'000
Cash at bank and in hand	641	515	1,156
Loans falling due within one year	(15)	15	-
Loans falling due after more than one year	(23)	23	-
	<u>603</u>	<u>553</u>	<u>1,156</u>

19 Operating lease commitments receivable as a lessor

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

	2025 £'000	2024 £'000
Less than one year	60	10
One to five years	-	3
	<u>60</u>	<u>13</u>

20 Operating lease commitments receivable as a lessee

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

	2025 £'000	2024 £'000
Less than one year	320	242
One to five years	78	132
Over five years	25	31
	<u>423</u>	<u>405</u>

21 Guarantees and ultimate parent undertaking

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

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. 292579 | Company no. 01859070

@socialinterestgroup

www.socialinterestgroup.org.uk



Accounts

Charity registered number 292579
Company registration number 01859070

Pathways to Independence Ltd

Report and financial statements

For the year ended 31 March 2024



**Pathways to
Independence**

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

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

Directors and Charity trustees

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

Chairman

Karl Marlowe

Other trustees

Dylan Kerr

Stuart Jenkin

Jeff Loo

Claire Barton

Company Secretary

Michael Rutherford

Senior Leadership Team

Group Chief Executive

Gill Arukpe

Director of Finance & Resources

Michael Rutherford

Director of People & Culture

Maria Speight

Director of Services & Support

Angela Henry

Paul Addicott (Appointed 15th Jul 2024)

Director of Development, Marketing & Communications

Greg Tythe

Director of External Affairs & Impact

Adam Moll (Appointed 1st Apr 2023)

Director of Housing & Maintenance

Matthew Costin

Director of Compliance, Risk & Internal Audit

Jenny Ralls

Registered Office

1 Waterloo Gardens

Milner Square

London

N1 1TY

Auditor

Buzzacott LLP

130 Wood St

London

EC2V 6DL

Bankers

Lloyds Bank plc

25 Gresham Street

London

EC2V 7HN

Solicitors

Russell Cook LLP

2 Putney Hill

London

SW15 6AB

DWF LLP

1 Scott Place

2 Hardman Street

Manchester

M3 3AA

Company registration number

01859070

Charity registration number

292579

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

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

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

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

Objectives

Purposes and Aims

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

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

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

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

Activities

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

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

Chief Executive Statement

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

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

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

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

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

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

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

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

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

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

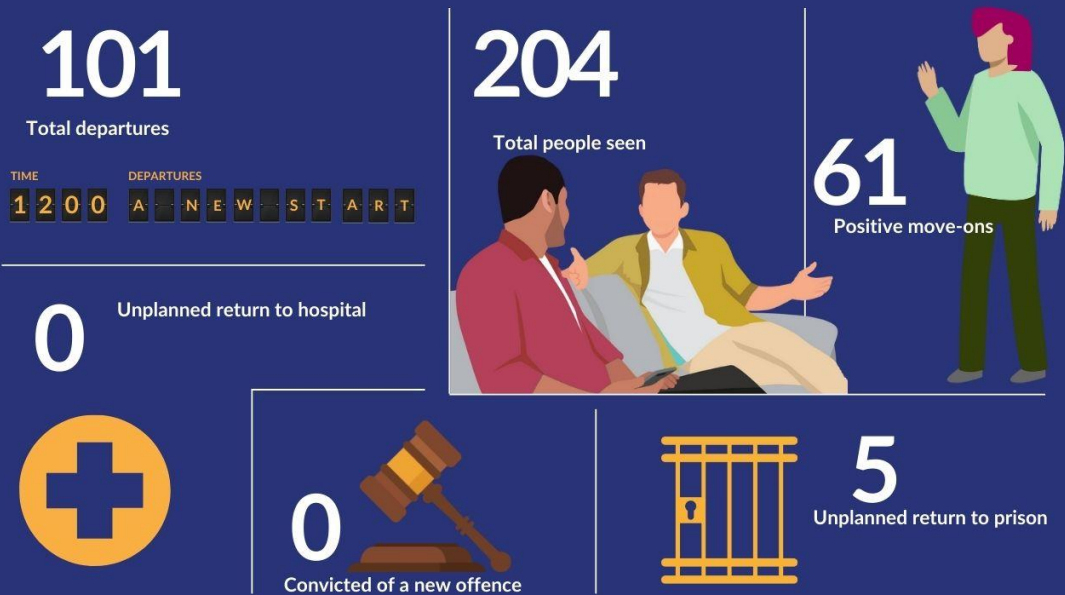
Looking ahead, we are committed to continuously raising the bar in service delivery, care, and support to provide impactful social change for individuals and wider communities. Standing at a crossroads for public services, we are more determined than ever to play our part in building a more just and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

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

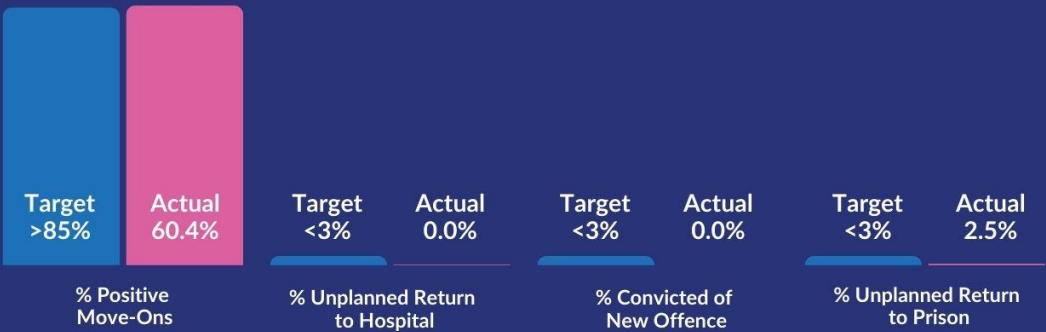
Gill Arukpe, Group Chief Executive
27th November 2024

Impact & Results

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



SIG Penrose Performance Metrics



Empowering Change

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

"I feel safe and have enjoyed living here."

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

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

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

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

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

Our Focus

Promoting a Positive Safety Culture

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

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

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

Creating a Sustainable Workforce

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

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

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

Creating an Empowering and Inclusive Culture

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

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

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

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

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

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

Building Inclusive Communities

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

Supporting Systems Change

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

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

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

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

Business Continuity

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

Carbon Management Plan

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

Significant Events

Medway Accommodation Services Receive 'A' Grade

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

Upgrading our Medway Homeless Project

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

Overcoming Barriers to Support Services

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

Award-Winning Teams

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

Recognising our People

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

Arts to Influence Legislation

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

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

Financial Review 2023/24

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

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Trustee report
For the year ended 31 March 2024

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

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

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

Principle risks and uncertainties

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

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

Reserves policy and going concern

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

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

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

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

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

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

Business Development

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

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

Thank You

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

Structure, governance and management

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

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

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

Appointment of trustees

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

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

Trustee induction and training

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

Related parties and relationships with other organisations

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

Remuneration policy for key management personnel

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

Policy for employment of disabled persons

In April 2019, we became a Disability Confident Employer.

The Charity's policy is not to discriminate against persons covered by the Disability Discrimination Act 1995 because of their disability, whether in or applying for employment or in the delivery of services. The key areas of our policy cover recruitment and employment (disabled applicants not being considered any less favourably on the grounds of their disability), service delivery (disabled applicants, residents and participants not being treated less favourably on account of their disability) and information (ensuring information is accessible to all).

Employee information

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

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

Statement on use of volunteers

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

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

Statement of Responsibilities of the Trustees

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

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

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

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

In so far as the trustees are aware:

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

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

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

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



Dr Karl Marlowe
Chairman

Opinion

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

In our opinion, the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

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

based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

are capable of detecting irregularities, including fraud is detailed below:

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

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and the parent charity and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements;
- We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements.
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of representatives of management and the review of minutes of Trustee meetings.

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

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

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

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

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

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

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

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

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

Use of our report

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

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

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

02 December 2024

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

Statement of Financial Activities

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

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 17a to the financial statements.

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

Balance Sheet

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

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



Karl Marlowe
Chair



Gill Arukpe
Chief Executive

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

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

Cash Flow Statement

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

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

Notes to the Financial Statements

1 Accounting Policies

a) Statutory information

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

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

b) Basis of preparation

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

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

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

c) Public benefit entity

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

d) Going concern

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

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

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

e) Income

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

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

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

f) Fund accounting

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

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

1 Accounting Policies (continued)

g) Expenditure and irrecoverable VAT

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

h) Central support costs

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

i) Leases

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

j) Tangible fixed assets

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

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

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

k) Debtors

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

l) Cash at bank and in hand

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

m) Creditors and provisions

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

n) Financial instruments

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

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

1 Accounting Policies (continued)

o) Pensions

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected unit credit method, and is based on actuarial advice.

The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost. The cost of plan introductions, benefit changes, settlements and curtailments are recognised as incurred.

2 Donations

	Unrestricted funds 2024 £'000	Unrestricted funds 2023 £'000
Donation and gifts	<u><u>2</u></u>	<u><u>2</u></u>

3 Charitable activities – supporting vulnerable people

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

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

4a Analysis of expenditure (current year)

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

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

4b Analysis of expenditure (previous year)

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

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

5 Net income / (expenditure) for the year

This is stated after charging :

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

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

Staff costs were as follows

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

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

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

7 Staff numbers

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

8 Related party transactions

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

9 Taxation

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

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

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

10 Tangible fixed assets - Group

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

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

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

11 Debtors

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

12 Creditors: amounts falling due within one year

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

13 Creditors: amounts falling due after one year

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

14 Loans and overdrafts

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

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

15 Pension Schemes

Defined Contribution Schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

Kent County Council Pension Fund ("Scheme")

The charity operates a pension scheme providing benefits based on final pensionable pay for 1 employee and 8 ex-employees. The assets of the scheme are held separately from those of the charity, being invested in an independently administered fund. The charity is an employing body within the Kent County Council Pension Fund which itself is part of the Local Government Pension Scheme. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The most recent valuation was at 31 March 2023.

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

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

The independent actuary also prepares an annual valuation specific to the Charity for the sole purpose of accounting and reporting details of the Fund under the provisions of Financial Reporting Standard (FRS102) and the details that follow are drawn from that report for the year ended 31 March 2023. The accounts are prepared under the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019). It should be noted that the figures presented are only for the purposes of FRS 102 and have no validity in other circumstances. In particular, they are not relevant for calculation undertaken for funding purposes or for other statutory purposes under UK legislation.

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

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

Number of active members in the scheme

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

Financial assumptions

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

Kent County Council Pension Fund ("Scheme")

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

Other material assumptions

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

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

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

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

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

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

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

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

Reconciliation of opening and closing balances of defined benefit obligation

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

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

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

Amounts taken to other comprehensive income

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

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

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

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

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

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

17a Movements in funds (current year)

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

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

Purposes of restricted funds

Move on fund

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

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

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

Development fund

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

Counselling

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

Legacy

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

Major repairs sinking fund

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

17b Movements in funds (prior year)

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

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

18 Analysis of changes in net debt

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

19 Operating lease commitments receivable as a lessor

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

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

20 Operating lease commitments receivable as a lessee

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

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

21 Guarantees and ultimate parent undertaking

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

Accounts

Charity registered number 292579
Company registration number 01859070

Pathways to Independence Ltd

Report and financial statements

For the year ended 31 March 2023



**Pathways to
Independence**

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

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

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 – 8th
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

01859070

Charity registration number **292579**

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

The Trustees present their report and the audited financial statements for the year ended 31st 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 Pathways to Independence as set out in the Articles of Association are for the public benefit:

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

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

SIG Pathways works with, single homeless people who are vulnerable due to social and health reasons and inequalities of access to a home and health care services, and have multiple complex support needs. They may be recovering from substance misuse, suffering from mental health problems and around 50% of the clients we work with are in the criminal justice system, have committed offences and may have been homeless and spent time in prison. All of our clients want to help themselves back into independent living.

SIG Pathways has been serving marginalised and socially excluded people within communities across Kent and Medway for many years and has a proven track record in improving the lives. Our support enables clients to significantly improve their opportunities in life and allows them to develop fulfilling and settled lives within their local community.

'Housing related support needs' is the mainstay of SIG Pathways work and encompass any skill deficiency or personal issue that affects a person's life in a way that it inhibits their ability to maintain their own independent accommodation.

Using the Theory of Change, (a support model used across the SIG Group), a resident's journey is measured a minimum of every three months during their stay with SIG Pathways through regular key-work sessions with an allocated Support Coach. Life skill activities, group work and brokerage to other support and care services are provided during their stay, with aim to develop skills to sustain independent accommodation and not fall back into homelessness or prison.

SIG Pathways provide a peer mentoring service, temporary accommodation service in Maidstone, and a Rough Sleeper Initiative (RSI) project in Medway and supported accommodation for single people and prison leavers who are homeless.

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 numbers 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 of time in hospital, prison and being homeless. Often requiring a high degree of support for harm-reduction, trauma, reablement after long-term mental ill-health and disorders, increase in suicidal idealisation, depression, anxiety, neurodiversity, 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 finances 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 yet.

We have worked hard to make working at SIG Pathways to Independence 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 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 Ministry of Justice and HMPPS in the development of solutions for people in prison and those experiencing homelessness, stepping down from hospital or returning from prison or lives living on the street.

SIG Pathways to Independence is exceptionally skilled at helping people leaving prison to resettle in the community. We officially opened our first Independent Approved Premises (IAP) called Penrose Drive, via SIG Pathways sister charity, SIG Penrose, in which 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. 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 Pathways 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 'G Arukpe', is positioned above the name of the signatory.

Gill Arukpe, Group Chief Executive
6th December 2023

Strategic Report

Results and Impacts

SIG Pathways Services

SIG Pathways supported 144 people. Over 71% of move-on were positive, including transferring into independent living and step-down accommodation. None of our residents experienced unplanned returns to hospital during their time in our care. 9% of residents returned to prison. No residents were convicted of a new offence.

KPI	TARGET	ACTUAL	
% positive move-on	>85%	71.6%	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%	0.0%	
% Convicted of new offence	<3%	0.0%	
% Unplanned return to prison	<3%	9.0%	

Total departures	95
Positive move-on	68
Total clients seen	144
Unplanned return to hospital	0
Convicted of a new offence	0
Unplanned return to prison	13

Client Transformations

Simon's Story

Simon was referred to SIG Pathways from Fleming House Approved Premises in Maidstone, where he resided for three months after serving a 2½-year prison term for arson. His long history with the criminal justice system is linked to alcohol dependence. At the time of his referral, Simon had been turned away from other supported accommodation services. SIG Pathways was Simon's only offer of accommodation on the understanding that he would accept extra support and measures needed to ensure the safety of other residents in SIG Pathway's services.

SIG Pathways undertook extensive risk management and assessments to manage the risk around arson and created a Code of Conduct unique to Simon, which he agreed to and signed before his stay. Simon's history of arson offences, alcohol use, and poor mental health meant he experienced rock-bottom periods resulting in self-neglect and relapse. As his behaviour is linked to his alcohol use, he received two in-patient detoxes. Whilst at SIG Pathways, Simon has learnt that keeping busy is crucial to his progress and achieving sobriety. Despite experiencing low moods, he remains committed to engaging in SIG Pathways' regular support sessions for encouragement and new activities, including community engagement.

Having introduced Simon to volunteering and encouraging him to use his lived experience for social good, he now holds down two volunteer placements. One with a specialist homeless accommodation provider to councils across Kent and the other, a small charity helping people experiencing homelessness. He takes great pride in both his roles. Simon feels the security of stable accommodation and appreciates his fellow residents at SIG Pathways. He shares how *'without SIG Pathways' accommodation and help, he didn't believe he had a future'*. SIG Pathways' patience, encouragement, and belief in him have made all the difference, and they are always there to pick him up when he needs it.

Simon still has a way to go, but his progress is outstanding, supported by The Probation Service and alcohol recovery service, Open Road. He is an example to other SIG Pathways residents that anything is possible.

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 <https://socialinterestgroup.org.uk/about-us/our-theory-of-change/>

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

To support SIG Pathways' ambition to provide more accommodation services in Kent, SIG Housing Trust continues its journey to becoming a registered social housing provider 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 Pathways via SIG was awarded Investors in People, an important accreditation. 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.

High Commendation Award

Our Peer2Peer Project in Medway was highly commended at the Kent Housing Group Excellence Awards in the Community Project award category. The project has run since September 2021 and provides volunteers as peer mentors with lived experience of substance and alcohol use and homelessness. Each meets weekly with people at the highest risk of drug or alcohol overdose or disengagement with treatment services, helping them engage in treatment and healthy activities, including sports and arts-based engagement. All peer mentors are trained in harm reduction and undertake an eight-week training course funded by Health Education England.

Influencing Positive Change in Medway

The Medway team participated in several Street Counts this year and continues attending the Medway Homelessness Forum, Medway Complex Needs and Blue Light Project meetings, and chairing the Medway Rough Sleeper Task & Finish Group.

Financial Review 2022/23

SIG Pathways made a surplus of £57k (2021/22 - £13k) at the operating profit level before a past service surplus pension gain of £519k (2021/22 - £69k). This results in an unrestricted fund balance of £1,804k at 31st March 2023 (2021/22 - £1,733k). In addition, it had a restricted fund balance of £30k (2021/22 - £30k).

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

Given the wider economic environment and on-going changes and increased competition within the sector, the trustees consider the results 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.

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

Principle risks and uncertainties

SIG Pathways to Independence 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 usage on our premises. This is not surprising in view of the activities undertaken by SIG Pathways. To mitigate these risks, we have robust risk management policies, a pandemic strategy and contingency plans, well trained staff, incident and near miss reporting and learning, a safeguarding officer, a clinical lead and people safe systems, testing procedures and good relationships with experts by experience and co-production with our residents and participants, responsible officers, and the police. In addition, SIG Pathways is experiencing great difficulties in procuring properties either for rent or outright purchase, given that we cannot expand at the rate of demand or that we may lose contracts.

Another significant risk is the pension deficit contributions made to TPT and 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

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

The trustees evaluated the commitment to future expenditure against likely future income streams weighing each element according to size, probability, spread of risk and operational impact. During the year the trustees reviewed the level of reserves required in light of the ongoing challenging financial environment. The trustees agreed the free reserves target should be approximately £150k, a reduction of £150k. The charity needs to maintain sufficient funds to cover any potential loss in contract income and short-term cash flow and to have approximately three months of expenditure available at all times and to cover costs in the event of the charity winding up. The unrestricted free reserves, excluding the past service pension plan, are £1,914k at 31st March 2023 (£1,733k at 31st March 2022). This comprises of the designated fund and the property revaluation reserve.

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

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

Plans for the Future

At SIG Pathways to Independence, 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 homes** for people requiring longer-term support through sister charity SIG Housing Trust's ambitious property strategy, with support from key partners, benefactors and developers.

Decreasing the number of people rough sleeping, leaving hospital and prison with no accommodation by providing **excellent supported accommodation** services and **person-centred move-on** packages.

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** run by SIG Penrose a sister charity within the Group and demonstrating its impact on people leaving prison at the highest risk.

Identifying opportunities within the prison estate to roll out SIG 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 their 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.

SIG Pathways will continue to support the SIG Group's Growth and development strategy to support a minimum of 1,000 people in Kent, triple the collective Group 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

Contract Extension with Medway Council Public Health

SIG Pathways retained and grew its Community Peer to Peer Outreach Work. This funding has come from a universal grant for additional drug treatment, crime and harm-reduction funding. Our Medway project, in partnership with Medway Council Public Health for vulnerable people street-based or living in supported accommodation, has been extended to 2025. This service comprises two full-time roles, an Outreach Coordinator and an Outreach Worker, to deliver assertive outreach with peer mentors and support the existing treatment service outreach team. It works exclusively with people at risk of overdose who are either not under treatment services or not engaging with them. The team works across Medway's supported housing provision. It feeds into other projects, providing outreach to people experiencing rough sleeping to reduce drug-related deaths and increase harm-reduction support for people with substance and alcohol use disorders, working with Forward Trust, Open Road and other agencies. Since its inception, this project has gone from strength to strength.

Accommodation Based Housing Related Support Services, Medway

SIG Pathways retained its Housing Related Support Services across Medway from April. Comprising two lots totalling 52 units. The service supports statutory and non-statutory ex-prisoners and people experiencing homelessness, providing supported accommodation, help and support. Maidstone Services were recommissioned by Maidstone Borough Council to provide housing and accommodation support, for people aged 18+ who present as homeless with support needs, who may be owed a main duty, or is housed at the discretion of Maidstone Borough Council.

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.

In March this year, we started talking to Reddico, a Kent-based digital agency and B Corp, looking to grow its support in Kent. We met Reddico's Community Team to share the valuable work SIG Pathways does. Reddico knew what they wanted to do - to build Welcome and Move-on Kits for residents to support their arrival into SIG Pathways' services and move on into independent living, making them feel optimistic about their future. Reddico bought the items, including shampoo, hand towels, shaving kits, sanitary products, kitchenware, dry goods and rucksacks, and their staff assembled the kits to be ready on demand and deliver them to SIG Pathways' project sites.

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 support residents and participants in our services on their recovery journeys.

SIG Run Club launch

March saw the launch of SIG's first-ever Run Club. Run Club is a place for SIG Pathways 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.

Thank You

On behalf of SIG Pathways, 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 made the decision 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.

Equality, Diversity, and Inclusion Workshops

SIG Pathways collectively embraced a journey of learning to contribute to positively changing the working culture across SIG, ensuring respectful and decent behaviour and positive interactions between staff, participants, and residents. This year has been busy, progressive and rewarding. We have two on-site EDI Ambassadors, each offering additional support and information on protected characteristics on a 1:1 basis should staff need it, covering Faith and Religion, Age, Menopause, Marriage and Civil Partnership, Gender Reassignment, Gender, Race, Maternity and Paternity. October saw the rollout of SIG's 'Introduction to Facilitation,' a three-part course that our Ambassadors attended intending to lead more workshops, support sessions and learning forums into 2023.

In response to the increasing number of residents using racially motivated language and anti-social behaviour towards one another, Pathway's developed the first influential workshop utilising the EDI Ambassadorial Model, encouraging solutions-focused conversations on race and providing a unique opportunity for residents to connect with staff and peers, which was very successful.

Structure, governance and management

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

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

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

Appointment of Trustees

The trustees are listed on page three. They hold office for an initial period of three years with the possibility of a second term of three years plus in exceptional 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 Pathways 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, Penrose Options, 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, 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.

The member 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 one (2022: one). The non-executive trustees are not members of the Charity.

The trustees' annual report, which includes the strategic report, has been approved by the board of trustees on 6th December 2023 and signed on their behalf.



Dr Karl Marlowe

Chairman

Opinion

We have audited the financial statements of Pathways to Independence (the 'charitable company') for the year ended 31 March 2023 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 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;
- 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. This description forms part of our auditor's report.

Use of our report

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

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

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

22 December 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
Income from:									
Donations and legacies	2	2	-	-	2	2	-	-	2
Charitable activities		1,920	-	-	1,920	1,705	-	-	1,705
Total income		1,922	-	-	1,922	1,707	-	-	1,707
Expenditure on:									
Charitable activities	4a	(1,865)	-	-	(1,865)	(1,694)	-	-	(1,694)
Total expenditure		(1,865)	-		(1,865)	(1,694)	-	-	(1,694)
Net income for the year	5	57	-	-	57	13	-	-	13
Transfers between funds		14	-	(14)	-	15	-	(15)	-
Other recognised gains and losses									
Actuarial gains on defined benefit pension schemes	15	-	-	519	519	-	-	69	69
Designated funds		-	-	-	-	(13)	-	-	(13)
Net movement in funds		71	-	505	576	15	-	54	69
Reconciliation of funds:									
Total funds brought forward		1,733	30	(523)	1,240	1,718	30	(577)	1,171
Total funds carried forward	17	1,804	30	(18)	1,816	1,733	30	(523)	1,240

Balance Sheet

	Note	£'000	2023 £'000	£'000	2022 £'000
Fixed assets					
Tangible assets	10		<u>1,273</u>		<u>1,315</u>
			1,273		1,315
Current assets					
Debtors	11	110		190	
Cash at bank and in hand		<u>736</u>		<u>602</u>	
		846		792	
Liabilities					
Creditors: amounts falling due within one year	12	<u>(249)</u>		<u>(295)</u>	
Net current assets			597		497
Total assets less current liabilities			1,870		1,812
Creditors: amounts falling due after one year	13		<u>(36)</u>		<u>(49)</u>
Net assets excluding pension scheme provision			1,834		1,763
Defined benefit pension scheme provision	15		<u>(18)</u>		<u>(523)</u>
Total net assets			1,816		1,240
The funds of the charity	17a				
Restricted income funds			30		30
Unrestricted income funds					
General funds		1,263		1,181	
Pension reserve		<u>(18)</u>		<u>(523)</u>	
Designated funds		97		108	
Revaluation reserve		<u>444</u>		<u>444</u>	
Total Unrestricted funds			1,886		1,210
Total Charity funds			1,816		1,240

Approved by the trustees on 6th December 2023 and signed on their behalf by



Chair - Dr Karl Marlowe

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

Cash Flow Statement

	2023 £'000	2022 £'000
Cash flows from operating activities:		
Net income for the reporting period (as per the statement of financial activities)	576	69
Depreciation charges	51	55
Movement in long-term pension deficit liability	(505)	(54)
Decrease / (increase) in debtors	80	39
Increase in creditors	(46)	57
Net cash provided by operating activities	156	166
Cash flows from investing activities:		
Purchase of fixed assets	(9)	(5)
Net cash used in investing activities	(9)	(5)
Cashflows from financing activities		
Repayments of borrowing	(13)	(14)
Payment of obligations under finance leases	-	(7)
Net cash (used in) financing activities	(13)	(21)
Change in cash and cash equivalents in the year	134	140
Cash and cash equivalents at the beginning of the year	602	462
Cash and cash equivalents at the end of the year	736	602

Notes to the Financial Statements

1 Accounting Policies

a) Statutory information

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

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

b) Basis of preparation

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

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

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

c) Public benefit entity

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

d) Going concern

The Company continues to be profitable and with net assets. The Trustees have looked at the performance to 31st March 2023 and the post year end period. They have also taken into consideration the underlying cashflows expected over a period of at least twelve months from the date of signing this report. The Trustees consider that the outlook presents challenges and uncertainty in terms of Service Users and contract renewals. The Trustees have instigated measures to manage liquidity.

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

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

e) Income

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

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

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

f) Fund accounting

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

1 Accounting policies (continued)

g) Expenditure and irrecoverable VAT

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

h) Central support costs

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

i) Leases

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

j) Tangible fixed assets

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

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

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

k) Debtors

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

l) Cash at bank and in hand

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

m) Creditors and provisions

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

n) Financial instruments

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

o) Pensions

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due. The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected unit credit method, and is based on actuarial advice.

The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost. The cost of plan introductions, benefit changes, settlements and curtailments are recognised as incurred.

2 Donations

	Unrestricted funds 2023 £'000	Unrestricted funds 2022 £'000
Donation and gifts	<u>2</u>	<u>2</u>

3 Charitable activities – supporting vulnerable people

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

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)	725	-	266	991	886
Recruitment & training	-	-	46	46	24
Subsistence & travel	13	-	1	14	8
Premises Costs	274	-	10	284	270
Office running costs	66	-	17	83	91
Insurance	-	-	18	18	12
Information technology	-	-	42	42	27
Bank charges	-	-	-	-	-
Legal & Professional	-	-	24	24	7
Depreciation	55	-	-	55	58
Audit fees	-	6	-	6	4
Other Costs	297	-	5	302	307
Total expenditure 2023	1,430	6	429	1,865	
Total expenditure 2022	1,419	4	271		1,694

Pathways to Independence Ltd
Notes to the Financial Statements
For the year ended 31 March 2023

4b Analysis of expenditure (prior year)

	Charitable activities £'000	Governance costs £'000	Support costs £'000	2022 Total £'000
Staff costs (Note 6)	707	-	179	886
Recruitment & training	-	-	24	24
Subsistence & travel	7	-	1	8
Premises Costs	263	-	7	270
Office running costs	77	-	14	91
Insurance	-	-	12	12
Information technology	-	-	27	27
Legal & Professional	-	-	7	7
Depreciation	58	-	-	58
Audit fees	-	4	-	4
Other Costs	307	-	-	307
Total expenditure 2022	1,419	4	271	1,694

5 Net income / (expenditure) for the year

This is stated after charging :

	2023 £'000	2022 £'000
Depreciation	51	55
Operating lease rentals:		
Property	256	274
Auditor's remuneration (excluding VAT):		
Audit	6	5
	<u>6</u>	<u>5</u>

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

Staff costs were as follows

	2023 £'000	2022 £'000
Salaries and wages	713	627
Redundancy and termination costs	-	3
Social security costs	63	62
Employer's contribution to defined contribution pension schemes	29	22
Agency costs	186	172
	<u>991</u>	<u>886</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).

No trustees' expenses were paid or reimbursed £Nil (2022: £nil).

7 Staff numbers

	2023 £'000	2022 £'000
Operational	18	19
Administration	1	1
	<u>19</u>	<u>20</u>

8 Related party transactions

SIG Pathways was charged £422,676 for central office functions provided by the parent charity Social Interest Group (2022: £278,755). Pathways owed the following amounts to fellow subsidiaries;

£15,196 to SIG at the yearend (2022: was owed £28,985).

£26,299 to Penrose Options at the year-end (2022: owed £112,190).

9 Taxation

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

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

10 Tangible fixed assets

	Freehold Property £'000	Leasehold Property £'000	Fixtures & fittings £'000	Office Equipment £'000	Motor Vehicles £'000	Other fixed assets £'000	Total £'000
Cost of valuation							
At the start of the year	1,150	170	46	123	12	126	1,627
Additions in year		9					9
Disposals in year	-	-	-	-	-	-	-
At the end of the year	1,150	179	46	123	12	126	1,636
Depreciation							
At the start of the year	23	20	41	115	5	108	312
Charge for the year	23	3	5	4	3	13	51
At the end of the year	46	23	46	119	8	121	363
Net book value							
At the end of the year	1,104	156	-	4	4	5	1,273
At the start of the year	1,127	150	5	8	7	18	1,315

All of the above assets are used for charitable purposes.

11 Debtors

	2023 £'000	2022 £'000
Trade debtors	81	130
Amounts due from Group undertakings	-	29
Pension contributions	3	-
Prepayments	26	27
Accrued Income	-	4
	110	190

12 Creditors: amounts falling due within one year

	2023 £'000	2022 £'000
Bank loan	15	13
Obligations under finance leases	-	10
Trade creditors	4	7
Taxation and social security	6	2
Other creditors	10	86
Amounts due to Group undertakings	141	112
Accruals	74	65
	<u>250</u>	<u>295</u>

13 Creditors: amounts falling due after one year

	2023 £'000	2022 £'000
Bank loans	36	49
Obligations under finance leases	-	-
	<u>36</u>	<u>49</u>

14 Loans and overdrafts

	2023 £'000	2022 £'000
Bank loans	<u>51</u>	<u>64</u>
Payable within one year	15	15
Payable after one year	<u>36</u>	<u>49</u>

The bank loan is secured by way of a first legal charge over a freehold property owned by the Charity.

15 Pension Schemes

Defined Contribution Schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

Kent County Council Pension Fund ("Scheme")

The charity operates a pension scheme providing benefits based on final pensionable pay for 1 employee and 8 ex-employees. The assets of the scheme are held separately from those of the charity, being invested in an independently administered fund. The charity is an employing body within the Kent County Council Pension Fund which itself is part of the Local Government Pension Scheme. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The most recent valuation was at 31 March 2023.

The independent actuary also prepares an annual valuation specific to the Charity for the sole purpose of accounting and reporting details of the Fund under the provisions of Financial Reporting Standard (FRS102) and the details that follow are drawn from that report for the year ended 31 March 2023. The accounts are prepared under the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019). It should be noted that the figures presented are only for the purposes of FRS 102 and have no validity in other circumstances. In particular, they are not relevant for calculation undertaken for funding purposes or for other statutory purposes under UK legislation.

The pension charge for the year was £11,890 (2022 - £16,000) and is shown under pension costs; defined benefit, in Note 6. The contributions of the company for the year were 19.50% and employees are 6.8% and 6.5%.

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

15 Pathways to Independence Ltd
Notes to the Financial Statements
For the year ended 31 March 2023
Pension Schemes (continued)
Number of active members in the scheme

	2023 No.	2022 No.
Active	1	2
Deferred	3	4
Pensioners	5	4

Financial assumptions

	2023 % pa	2022 % pa
Rate of discount	4.80	2.60
Earnings increases	2.90	3.20
Expected rate of increase of pensions in payment	3.90	4.20

Kent County Council Pension Fund ("Scheme")

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

Other material assumptions

Life expectancies in retirement:	years	years
Male currently aged 65	21.1	21.6
Female currently aged 65	23.5	23.6
Male currently aged 45	22.3	22.9
Female currently aged 45	25.0	25.1

	2023 £'000	2022 £'000
Fair value of plan assets	1,248	1,237
Present value of defined benefit obligation	(1,266)	(1,760)
Net defined liability to be recognised	(18)	(523)

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

	2023 £'000	2022 £'000
Opening fair value of employer assets	1,237	1,241
Interest income	32	25
Experience on plan assets	(15)	1
Contributions by the employer	14	13
Contributions by scheme members	2	2
Benefits paid and expenses	(22)	(45)
	1,248	1,237

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

	2023 £'000	2022 £'000
Debt Instruments	284	297
Equity Instruments	839	795
Property	125	145
	1,248	1,237

15

Pension Schemes (continued)
Kent County Council Pension Fund ("Scheme")
Present values of defined benefit obligation, fair value of assets and defined benefit liability

Reconciliation of opening and closing balances of defined benefit obligation

	2023 £'000	2022 £'000
Opening defined benefit obligation	1,760	1,818
Current service cost	14	16
Interest cost	45	36
Actuarial losses / (gains)	(524)	(68)
Benefits paid and expenses	(31)	(44)
Other	2	2
Closing defined benefit obligation	<u>1,266</u>	<u>1,760</u>

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

	2023 £'000	2022 £'000
Current service cost	14	16
Net interest expense	13	11
Other costs and income	1	1
Defined benefit costs recognised in the SOFA	<u>28</u>	<u>28</u>

Amounts taken to other comprehensive income

	2023 £'000	2022 £'000
Return on scheme assets excluding interest income	(15)	(1)
Actuarial changes related to obligations	534	(68)
Other gains and losses	<u>519</u>	<u>(69)</u>

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

	General unrestricted £'000	Pension Reserve £'000	Restricted £'000	Total funds £'000
Tangible fixed assets	1,273	-	-	1,273
Net current assets/(liabilities)	567	-	30	597
Long term liabilities	(36)	(18)	-	(54)
	<u>1,804</u>	<u>(18)</u>	<u>30</u>	<u>1,816</u>

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

	General unrestricted £'000	Pension Reserve £'000	Restricted £'000	Total funds £'000
Tangible fixed assets	1,315	-	-	1,315
Net current assets/(liabilities)	467	-	30	497
Defined benefit pension provision	(49)	(523)	-	(572)
	<u>1,733</u>	<u>(523)</u>	<u>30</u>	<u>1,240</u>

17a Movements in funds (current year)

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

	At 1 April 2022 £'000	Income & gains £'000	Expenditure & losses £'000	Transfers £'000	At 31 March 2023 £'000
Restricted funds:					
Move on fund	30	-	-	-	30
Total restricted funds	<u>30</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30</u>
General funds	<u>1,181</u>	<u>1,922</u>	<u>(1,865)</u>	<u>24</u>	<u>1,262</u>
Pension reserve	(523)	519		(14)	(18)
Revaluation reserve	444	-	-	-	444
Designated funds					
Development fund	25	-	-	-	25
Counselling	7	-	-	-	7
Legacy	39	-	-	-	39
Major repairs Sinking fund	37	-		(10)	27
Total designated funds	<u>108</u>	<u>-</u>	<u></u>	<u>(10)</u>	<u>98</u>
Total funds including pension fund	<u>1,240</u>	<u>2,441</u>	<u>(1,865)</u>	<u>-</u>	<u>1,816</u>

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

Purposes of designated funds

Development fund

Trustees agree to hold a designated development fund to finance developments within the business plan in terms of the structure and resources of the organisation and any increase or change in services provided. In 2019/20 we incurred costs to cover external support on organisational development (including all client policies being reviewed), to help embed our Trauma Informed and Psychologically Informed Environment approach. Funds were also expended on a pension (defined benefit pension liability) and strategy review. We hope it will also help us to adapt to survive in the changing funding environment and improve our service provision for clients. The fund will be available for qualifying developing business needs in 2023/24.

Counselling

Development of added value services for clients such as counselling, anger management support, restorative justice and life and work-related skills. We have further counselling service planned across services during 2023/24.

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

Legacy

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

Major repairs sinking fund

This fund is used for major works and decoration required at our properties. We have some works planned and will assess need across other services during 2023/24.

17b Movements in funds (prior year)

	At 1 April 2021 £'000	Income & gains £'000	Expenditure & losses £'000	Transfers £'000	At 31 March 2022 £'000
Restricted funds:					
Move on fund	30	-	-	-	30
Total restricted funds	<u>30</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30</u>
General funds	<u>1,153</u>	<u>1,707</u>	<u>(1,694)</u>	<u>15</u>	<u>1,181</u>
Pension reserve	(577)	69	-	-	(523)
Revaluation reserve	444	-	-	-	444
Designated funds					
Development fund	25	-	-	-	25
Counselling	7	-	-	-	7
Legacy	39	-	-	-	39
Major repairs sinking fund	50	-	(13)	-	37
	<u>121</u>	<u>-</u>	<u>(13)</u>	<u>-</u>	<u>108</u>
Pension reserve					
Total funds including pension fund	<u>1,171</u>	<u>1,776</u>	<u>(1,707)</u>	<u>-</u>	<u>1,240</u>

18 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 £'000	2022 £'000
Less than one year	209	159
One to five years	23	25
Over five years	37	37
	<u>269</u>	<u>221</u>

19 Guarantees and ultimate parent undertaking

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

Accounts

Charity registered number 292579
Company registration number 01859070

Pathways to Independence Ltd

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

Pathways to Independence Ltd was established in October 2013 following the merger of two well established, Kent based charities; Medway Cyrenians and Hope (Kent) Limited. Pathways joined the Social Interest Group on the 19th January 2021.

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 – 4th
February 2022)

Dylan Kerr

Stuart Jenkin

Lindsey Wishart (Treasurer)
(Resigned – 25th May 2022)

Jeff Loo (Appointed – 4th February
2022)

Claire Barton (Appointed – 4th
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 – 25th
April 2022)

Maria Speight (Appointed – 11th
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

01859070

Charity registration number **292579**

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

The trustees present their report and the audited financial statements for the year ended 31st 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 Pathways to Independence Ltd as set out in the Articles of Association are for the public benefit:

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

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

Pathways works with vulnerable, single homeless people who have additional support needs; they may be recovering from substance misuse, suffering from mental health problems and around 50% of the clients we work with have committed offences and are homeless because they have spent some time in prison. All of our clients want to help themselves back into independent living.

Pathways has been serving marginalised and socially excluded clients within communities across Kent and Medway for many years and has a proven track record in improving the lives of homeless people. Our support enables clients to significantly improve their opportunities in life and allows them to develop fulfilling and settled lives within their local community.

'Housing related support needs' is the mainstay of Pathways work and encompass any skill deficiency or personal issue that affects a person's life in such a way that it inhibits their ability to maintain their own independent accommodation.

A resident's journey is measured at a minimum of every three months during their stay with Pathways through regular key-work sessions with an allocated support coach. The aim is to develop skills so that the individual can sustain independent accommodation and not fall back into homelessness.

Pathways provide a peer mentoring service, Housing First service in Maidstone, and a rough sleeper project in Medway

Chief Executive's Statement

I'm very proud of what we achieved at the Social Interest Group (SIG) this year, of which Pathways to Independence 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 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.

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. 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, and the number of women being exploited, trafficked and living in abusive and controlled environments is increasing. These impacts are why all of us at SIG Pathways 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.

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 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

Our Development Team worked closely with operations to secure contracts delivering Peer Mentoring and Training in Kent. We also retained and grew our Kent and Medway contracts. We secured several smaller but vital pots of funding to support other services. We enhanced our support by proactively promoting our spot purchase offers, 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.

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 Pathways for rising to the challenges we face each day and overcoming them together. I've seen strength and innovation, and I know the future will continue to be bright for the people we support and us.



Gill Arukpe, Group Chief Executive
27th September 2022

Strategic Report

Results and Impacts

In 21/22 we supported 197 people across our different services.

Residential Services

SIG Pathways to Independence Ltd (trades as SIG Pathways) provides supported housing for vulnerable, single homeless people with additional support needs across Kent and Medway. Over 75% of move-on in FY2021-22 were positive. None of our residents experienced returns to prison or unplanned returns to hospital during their time in our care. 3.6% of residents were convicted of a new offence.

KPI	TARGET	ACTUAL
% Positive move-ons	>85%	75.3%
% unplanned return to hospital	<3%	0%
% convicted of new offence	<3%	3.6%
% unplanned return to prison	<3%	0%

- 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	73
Positive move-ons	55
Total clients seen	197
Unplanned returns to hospital	0
Convicted of a new offence	7
Unplanned return to prison	0

Client Transformations

Tom's Story

Tom is still on his journey with Pathways. He joined us at the beginning of this year after nearly dying from alcohol poisoning. It was not his first time in the hospital close to death. He had previously been through twelve hospital detox programmes. But this time, something was different; he wanted to succeed.

Tom drank from age 13; to make things go away and sometimes to give himself some confidence. He found it helped in his job as a door-to-door salesman. His drinking became more of a problem at age 26 when his Dad died. However, despite being an alcoholic, he still managed to hold down jobs which enabled him to pay for his alcohol. At the height of his drinking, Tom consumed at least 2 litres of vodka and four cans of strong beer daily. He remembers very little of the last 23 years, but he was violent towards men, which got him into trouble with the Police from time to time. His Mum felt unable to remain in contact with him. By the end of last year, he was living in shared accommodation with other drinkers.

This year his New Year celebrations resulted in a spell in hospital, then detox. He realised he couldn't return to his previous home, so he was referred to Pathways. Tom now has a Key Worker and a team of supporters at Pathways helping him. They have engaged several partner agencies who regularly work with him to help him stay off the alcohol, and Pathways worked with him to remain healthy. They helped build his confidence and broker opportunities for Tom to reengage with his community and family. He now volunteers weekly in a timber yard, has got back in touch with his Mum, and spends most of his evenings and weekends helping at a local sports club. Tom has made a very positive start, and ultimately, he would like to get back into employment and find a home.

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

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 new digital interactive Best Practice Guide for staff 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. We developed a live void dashboard through Microsoft PowerBI to see the voids across Pathways and drill down into each service to provide an up-to-date picture.

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. Insight, Resonate and Amplify were delivered in our new contract in Kent. 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

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

New Peer Mentoring Service in Medway

We partnered with Health Education England to develop our peer mentoring offer as the need for residents and participants to have support from those with lived experience is increasing. We set up and ran a Peer Mentor Project in Medway to support vulnerable people who are either street-based or living in supported accommodation. The project works exclusively with people at risk of overdose who are either not under a treatment service or not engaging with a treatment service. The Project started in September, and we recruited and trained seven Peer Mentors with lived experience. The service receives referrals from community partners and has worked with over 30 men and women. The Peer Mentor Group has also set up regular badminton and swimming groups.

We completed an initial service report sent to commissioners in March 2022. Although the data was from a small cohort and early in the project's life, the feedback from people accessing the service is encouraging, given the challenges they present:

- 84% are motivated to work with their Peer Mentor and find them helpful.
- 84% have improved mental health.
- 100% have improved physical health.
- 72% have reduced their drug misuse levels.
- 100% feel less likely to offend since having a mentor.

The report was well-received by commissioners and received positive feedback. Funded until the end of May 2022, we continue to work with Health Education England to invest in peer mentoring as a support mechanism and grow the reach of our Peer Mentoring Program across Kent.

What participants using the service have to say:

'My Peer mentor has given me ideas on managing my mental health better and engaging with Turning Point. My mental health has improved since working with the Peer Mentor.'

'It is good to meet and be supported by someone who has walked the walk'.

Meet Simon, one of our Peer Mentors:

Simon has been a resident with Pathways for several months now. With one eye on the future and hopefully returning to employment, he undertakes several volunteering assignments to maintain his knowledge and experience. Simon's volunteering is very much around his areas of interest and previous knowledge. He provides IT expertise to local Sue Ryder charity shops. He is also an office-based helpline advisor for UNLOCK, a charity providing support, information and advice to improve people's lives with criminal records. Simon's interest in volunteering led him to Pathways' Inspiring Change project. After undertaking an induction, he is now a Peer Mentor. Simon described the need for peer mentors at Pathways: "People who have spent a long time in prison struggle to get into the community. Many were sentenced before the internet existed, so they need a helping hand now."

So far, as a Peer Mentor, Simon has accessed training for himself on dealing with challenging behaviour, confidentiality and benefits so he can support residents more effectively. His practical support includes offering basic computer skills to residents so they can familiarise themselves with the local area and support services and search for jobs online.

Medway' A Grade' for Quality Assessment Framework (QAF):

Medway Council's Quality Assessment Framework Team audited our Medway accommodation services commissioned by the council. These work with ex-offenders and people experiencing homelessness. The service is audited annually by Medway Council and graded against a performance matrix covering various areas, which on this occasion focused on Health & Safety & Safeguarding. Extensive work from the whole team paid off as we were awarded an 'A' grade for our Quality Assessment Framework (QAF) in both areas.

with the report commending the comprehensive range of policies and procedures in place and the staff support. We are incredibly proud of this achievement.

Link House Report

Research has shown comparatively high rates of homelessness amongst the offending population, with various studies highlighting a strong connection between homelessness and reoffending (HMIP, 2020). At the beginning of the year, the Research and Policy Unit of Kent, Surrey, and Sussex Community Rehabilitation Company (CRC) published and presented the findings of their independent evaluation of our Link Project in Maidstone. The Link Project works with people who are homeless, multiply disadvantaged and have complex needs relating to substance misuse, mental health, physical health and offending.

The Kent County Council Homeless Connect Service is not commissioned to work with this group. Many do not meet the Local Authority criteria for temporary accommodation or are classed as a lower priority than other disadvantaged groups. Following the initiation of the Link Project, the KSS CRC Research and Policy Unit was commissioned to evaluate the role of supported accommodation in reducing reoffending and improving outcomes for clients in the Link Project. The critical question was, does supported accommodation help rehabilitate people on probation?

The study was a longitudinal evaluation between February 2020 and March 2021. Although the evaluation period coincided with two national lockdowns, which hindered the remit of the research and limited move-on from the service, the residents interviewed reported substantial improvements in their self-efficacy, wellbeing and independent living skills. Moving forward, we recognise that to be a leader in the sector for robust evaluation; we need a dedicated resource. Our ambition is for an internal Evaluation Lead to collate evidence, work with research partners and steering groups and, where possible, commission (independent) evaluations of our services.

Financial Review 2021/22

Pathways made a surplus of £13k (2020/21 - £61k) at the operating profit level before a past service surplus pension payment of £69k (2020/21 - £1k). This results in an unrestricted fund balance of £1,733k at 31st March 2022 (2020/21 - £1,718k). In addition, it had a restricted fund balance of £30k (2020/21 - £30k).

The pensions reserve at the end of the year was £523k and relates to the past service deficit liability relating to the defined benefit and retirement Local Government Pension Schemes. Pathways has no ability to influence the actuarial gains/losses or balance sheet liability and could see losses and increased liability in future. New legislation with effect from 23rd September 2020 allows Employers (known as Deferred employer) to enter into an agreement with the administering authority to defer the obligation to make the exit payment (enter into a Deferred Debt Agreement) and continue to make contributions at the secondary rate as determined by the actuarial valuation until the termination of the deferred debt agreement. This is available to us even if the last member leaves. We will be reviewing this to put in place.

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.

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 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

Pathways to Independence Ltd 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 usage on our premises. This is not surprising in view of the activities undertaken by Pathways. To mitigate these risks, we have robust risk management policies, a pandemic strategy and contingency plans, well trained staff, incident and near miss reporting and learning, a safeguarding officer, a clinical lead and people safe systems, testing procedures and good relationships with experts by experience and co-production with our residents and participants, responsible officers, and the police. In addition, Pathways is experiencing great difficulties in procuring properties either for rent or outright purchase, given that we cannot expand at the rate of demand or that we may lose contracts.

Another significant risk is the pension deficit contributions made to TPT and 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

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

The trustees evaluated the commitment to future expenditure against likely future income streams weighing each element according to size, probability, spread of risk and operational impact. The trustees consider that

in light of the ongoing challenging financial environment the reserves target should be approximately £300k. The charity needs to maintain sufficient funds to cover any potential loss in contract income and short-term cash flow and to have approximately three months of expenditure available at all times and to cover costs in the event of the charity winding up. The unrestricted free reserves, excluding the past service pension plan, are £1,733k at 31st March 2022 (£1,718k at 31st March 2021). This comprises of the designated fund and the property revaluation reserve.

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

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

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. Alcohol and substance misuse remain among the UK's most destructive and costly addictive behaviours. Our focus next year includes staff training on trauma-informed practice, shame awareness and sharing the 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 and Fundraising

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.

Insight Programme Delivery in Kent and Medway

In Q3, we delivered the first of our programmes under the Live Well Kent and Medway contracts, providing our *Insight* self-awareness programme both face-to-face and digitally to participants referred into the Shaw Trust's Live Well Programme. Although recruitment, overseen by the Shaw Trust, proved a challenge due to the difficult circumstances of many of the targeted participants, the three people who took part provided highly positive feedback including:

"A brilliant course with fresh and innovative content, delivered by a highly-skilled, self-reflecting facilitator. This by far exceeds similar courses I've attended and other programmes that fall vastly short. Keep it up! Thank you so much."

LWK (Live Well Kent) commissioned a further course to be delivered across Medway, recognising the value and impact on participants to date.

Medway Supported Housing Contract

We successfully retendered our Homeless and Ex-Offender supported accommodation services in Medway. Both services have three-year contracts with a further 2-year extension being possible.

Medway Enhanced Hostel Provision

We secured an extension to our Enhanced Hostel provision funding until Jul 22 under the Medway Rough Sleeper Initiative (RSI) funding. The project offers extra support to RSI clients in Medway with complex needs. The service has worked with 24 clients since its inception, including 11 in the past financial year. The project has received positive feedback from Medway Council, the RSI team, and the commissioner.

Maidstone Supported Housing Contract

We secured a 6-month extension of our supported housing service for ex-offenders in Maidstone. The service is the only one of its kind in Kent and closely manages relationships with central and local government stakeholders. In February, we started working with Maidstone Council and the Department for Levelling Up, Housing and Communities (DLUHC) to submit a proposal to access Rough Sleeper Accommodation Programme (RSAP) Funding to secure and expand the service for a further 2.5 years. The outcome of this bid will be June 2022.

Maidstone Housing First Pilot

In Q2, we began mobilising a new 12-month contract of a Housing First pilot in partnership with Maidstone Council, offering engagement and support to offenders with a complex history of unstable housing, offending and hardest to engage in Maidstone district whilst Maidstone Borough Council source accommodation for said individuals on their caseload.

Link House Contract Extension

Pathways were delighted to have secured funding from the Link Project consortium and Maidstone Borough Council to run the Link House Service until March 2022. During that time, SIG and Pathways developed and submitted a bid to the Ministry of Justice to transform the service offer and move away from reliance on solely 'housing-related' funding sources. Although unsuccessful, we undertook extensive consultations and partnership collaboration in designing and developing the pilot to capture evidence of local and regional needs across Kent. Our pilot Steering Group consisted of critical representatives from Kent Probation Seetec, Maidstone and Folkestone and Hythe Council) and HMPPS, and together helped us identify gaps in existing services and understand and gain feedback from residents, participants, and local delivery staff across multiple agencies

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 Pathways 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. 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. Pathways' celebration recognised different backgrounds and heritage, led by two residents. They prepared a meal for all residents, bringing people together. Residents raved about the food, and there was nothing left over.

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

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

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

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

Appointment of Trustees

The trustees are listed on page three. They hold office for an initial period of three years with the possibility of a second term of three years plus in exceptional 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

Pathways 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, 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 (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 27th September 2022 and signed on their behalf.



Dr Karl Marlowe
Chairman

Opinion

We have audited the financial statements of Pathways to Independence Ltd (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;

- 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. 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

Pathways to Independence Ltd

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
Income from:									
Donations and legacies	2	2	–	–	2	8	–	–	8
Charitable activities		1,705	–	–	1,705	1,586	133	–	1,719
Total income		1,707	–	–	1,707	1,594	133	–	1,727
Expenditure on:									
Charitable activities	4a	(1,694)	–	–	(1,694)	(1,563)	(103)	–	(1,666)
Total expenditure		(1,694)	–	–	(1,694)	(1,563)	(103)	–	(1,666)
Net income for the year	5	13	–	–	13	31	30	–	61
Transfers between funds		15	–	(15)	–	–	–	–	–
Other recognised gains and losses									
Actuarial gains on defined benefit pension schemes	15	–	–	69	69	–	–	1	1
Revaluation of tangible fixed assets		–	–	–	–	73	–	–	73
Designated funds		(13)	–	–	(13)	–	–	–	–
Net movement in funds		15	–	54	69	104	30	1	135
Reconciliation of funds:									
Total funds brought forward		1,718	30	(577)	1,171	1,614	–	(578)	1,036
Total funds carried forward	17	1,733	30	(523)	1,240	1,718	30	(577)	1,171

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 17 to the financial statements.

Pathways to Independence Ltd
Balance Sheet
As at 31 March 2022

	Note	£'000	2022 £'000	£'000	2021 £'000
Fixed assets					
Tangible assets	10		<u>1,315</u>		<u>1,365</u>
			1,315		1,365
Current assets					
Debtors	11	190		229	
Cash at bank and in hand		<u>602</u>		<u>462</u>	
		792		691	
Liabilities					
Creditors: amounts falling due within one year	12	<u>(295)</u>		<u>(238)</u>	
Net current assets			497		453
Total assets less current liabilities			1,812		1,818
Creditors: amounts falling due after one year	13		<u>(49)</u>		<u>(70)</u>
Net assets excluding pension scheme provision			1,763		1,748
Defined benefit pension scheme provision	15		<u>(523)</u>		<u>(577)</u>
Total net assets			1,240		1,171
The funds of the charity	17a				
Restricted income funds			30		30
Unrestricted income funds					
General funds		1,181		1,153	
Pension reserve		<u>(523)</u>		<u>(577)</u>	
Designated funds		108		121	
Revaluation reserve		<u>444</u>		<u>444</u>	
Total Unrestricted funds			1,210		1,141
Total Charity funds			1,240		1,171

Approved by the trustees on 27th September 2022 and signed on their behalf by



Dr Karl Marlowe
Chair

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

Pathways to Independence Ltd
Cashflow statements
For the year ended 31 March 2022

	2022 £'000	2021 £'000
Cash flows from operating activities:		
Net income for the reporting period (as per the statement of financial activities)	69	61
Depreciation charges	55	48
Movement in long-term pension deficit liability	(54)	–
Decrease / (increase) in debtors	39	(18)
Increase in creditors	57	70
Net cash provided by operating activities	166	161
Cash flows from investing activities:		
Purchase of fixed assets	(5)	(35)
Net cash used in investing activities	(5)	(35)
Cashflows from financing activities		
Repayments of borrowing	(14)	(12)
Payment of obligations under finance leases	(7)	(12)
Net cash (used in) financing activities	(21)	(24)
Change in cash and cash equivalents in the year	140	102
Cash and cash equivalents at the beginning of the year	462	360
Cash and cash equivalents at the end of the year	602	462

1 Accounting Policies

a) Statutory information

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

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

b) Basis of preparation

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

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

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

c) Public benefit entity

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

d) Going concern

The Company continues to be profitable and with net assets. The Trustees have looked at the performance to 31st March 2022 and the post year end period. They have also taken into consideration the underlying cashflows expected over a period of at least twelve months from the date of signing this report. The Trustees consider that the outlook presents challenges and uncertainty in terms of Service Users and contract renewal, and the ever-changing impact of COVID-19. The Trustees have instigated measures to manage liquidity.

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

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

e) Income

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

Income from government and other grants, whether "capital" grants or "revenue" grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred. Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

1 Accounting Policies (continued)

f) Interest receivable

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

g) Fund accounting

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

h) Expenditure and irrecoverable VAT

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

i) Central support costs

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

j) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to net income/(expenditure) for the year so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Operating lease 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:

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

l) Debtors

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

1 Accounting Policies (continued)

m) Cash at bank and in hand

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

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.

p) Pensions

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due. The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected unit credit method, and is based on actuarial advice. The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost. The cost of plan introductions, benefit changes, settlements and curtailments are recognised as incurred.

2 Donations

	Unrestricted funds 2022 £'000	Unrestricted funds 2021 £'000
Donation and gifts	2	8

3 Charitable activities – supporting vulnerable people

Pathways activities are to relieve people in need, including but not limited to those with mental health illness, those currently suffering from substance misuse or other addictive behaviour patterns, ex-offenders, the homeless, poor people, aged, disabled (whether physically or mentally) or chronically sick. This is achieved by providing support in the form of housing, or accommodation, or services including but not limited to medical, social, welfare, rehabilitative, resettlement, care services, education, training, employment, mentoring and other similar services. Pathways income is predominantly contractual income from local authorities 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)	707	–	179	886	753
Recruitment & training	–	–	24	24	15
Subsistence & travel	7	–	1	8	7
Premises Costs	263	–	7	270	436
Office running costs	77	–	14	91	38
Insurance	–	–	12	12	11
Information technology	–	–	27	27	56
Bank charges	–	–	–	–	–
Legal & Professional	–	–	7	7	58
Depreciation	58	–	–	58	48
Audit fees	–	4	–	4	5
Other Costs	307	–	–	307	239
Total expenditure 2022	1419	4	271	1,694	
Total expenditure 2021	1,262	5	399		1,666

4b Analysis of expenditure (prior year)

	Charitable activities £'000	Governance costs £'000	Support costs £'000	2021 Total £'000
Staff costs (Note 6)	677	–	76	753
Recruitment & training	–	–	15	15
Subsistence & travel	6	–	1	7
Premises Costs	433	–	3	436
Office running costs	–	–	38	38
Insurance	–	–	11	11
Information technology	–	–	56	56
Legal & Professional	13	–	45	58
Depreciation	–	–	48	48
Audit fees	–	5	–	5
Other Costs	133	–	106	239
Total expenditure 2021	1,262	5	399	1,666

5 Net income / (expenditure) for the year

This is stated after charging :

	2022 £'000	2021 £'000
Depreciation	55	48
Operating lease rentals:		
Property	274	433
Auditor's remuneration (excluding VAT):		
Audit	5	5

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	627	497
Redundancy and termination costs	3	–
Social security costs	62	47
Employer's contribution to defined contribution pension schemes	22	62
Operating costs of defined benefit pension schemes	–	–
Agency costs	172	147
	886	753

No employee earned more than £60,000 during the year (2021: One).

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £nil (2021: £134k). 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	19	13
Administration	1	6
	20	19

8 Related party transactions

Pathways was charged £278,755 for central office functions provided by the parent charity Social Interest Group (2021: £Nil).

Pathways was owed £28,985 by SIG at the year-end (2021: owed £Nil).

Pathways owed £112,190 to Penrose Options at the year-end (2021: £Nil).

9 Taxation

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

The Charity is part of 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

	Freehold Property £'000	Leasehold Property £'000	Fixtures & fittings £'000	Office Equipment £'000	Motor Vehicles £'000	Other fixed assets £'000	Total £'000
Cost of valuation							
At the start of the year	1,150	170	46	118	12	126	1,622
Additions in year				5			5
Disposals in year	-	-	-	-	-	-	-
At the end of the year	1,150	170	46	123	12	126	1,627
Depreciation							
At the start of the year	-	17	32	112	3	93	257
Charge for the year	23	3	9	3	2	15	55
At the end of the year	23	20	41	115	5	108	312
Net book value							
At the end of the year	1,127	150	5	8	7	18	1,315
At the start of the year	1,150	155	14	6	9	33	1,365

All of the above assets are used for charitable purposes.

11 Debtors

	2022	2021
	£'000	£'000
Trade debtors	130	181
Amounts due from Group undertakings	29	–
Other debtors	–	5
Prepayments	27	43
Accrued Income	4	–
	<u>190</u>	<u>229</u>

12 Creditors: amounts falling due within one year

	2022	2021
	£'000	£'000
Bank loan	13	14
Obligations under finance leases	10	16
Trade creditors	7	29
Taxation and social security	2	9
Other creditors	86	7
Amounts due to Group undertakings	112	–
Accruals	65	163
	<u>295</u>	<u>238</u>

13 Creditors: amounts falling due after one year

	2022	2021
	£'000	£'000
Bank loans	49	63
Obligations under finance leases	–	7
	<u>49</u>	<u>70</u>

14 Loans and overdrafts

	2022	2021
	£'000	£'000
Bank loans	<u>64</u>	<u>77</u>
Payable within one year	15	14
Payable after one year	<u>49</u>	<u>63</u>

The bank loan is secured by way of a first legal charge over a freehold property owned by the Charity.

15 Pension Schemes

Defined Contribution Schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

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

The charity operates a pension scheme providing benefits based on final pensionable pay for 1 employee and 10 ex-employees. The assets of the scheme are held separately from those of the charity, being invested in an independently administered fund. The charity is an employing body within the Kent County Council Pension Fund which itself is part of the Local Government Pension Scheme. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The most recent valuation was at 31 March 2022.

The independent actuary also prepares an annual valuation specific to the Charity for the sole purpose of accounting and reporting details of the Fund under the provisions of Financial Reporting Standard (FRS102) and the details that follow are drawn from that report for the year ended 31 March 2022. The accounts are prepared under the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019). It should be noted that the figures presented are only for the purposes of FRS 102 and have no validity in other circumstances. In particular, they are not relevant for calculation undertaken for funding purposes or for other statutory purposes under UK legislation.

The pension charge for the year was £16,000 (2021 – £12,180) and is shown under pension costs; defined benefit, in Note 6. The contributions of the company for the year were 19.50% and employees are 6.8% and 6.5%.

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

Number of active members in the scheme

	2022	2021
	No.	No.
Active	2	2
Deferred	4	4
Pensioners	4	4

Financial assumptions

	2022	2021
	% pa	% pa
Rate of discount	2.60	2.00
Earnings increases	3.20	3.80
Expected rate of increase of pensions in payment	4.20	2.80

Other material assumptions

	years	years
Life expectancies in retirement:		
Male currently aged 65	21.6	21.6
Female currently aged 65	23.7	23.6
Male currently aged 45	23.0	22.9
Female currently aged 45	25.1	25.1

15 Pension Schemes (continued)

Kent County Council Pension Fund ("Scheme")

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

	2022	2021
	£'000	£'000
Fair value of plan assets	1,237	1,241
Present value of defined benefit obligation	(1,760)	(1,818)
Net defined liability to be recognised	(523)	(577)

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

	2022	2021
	£'000	£'000
Opening fair value of employer assets	1,241	937
Interest income	25	22
Experience on plan assets	1	262
Contributions by the employer	13	48
Contributions by scheme members	2	2
Benefits paid and expenses	(45)	(30)
	1,237	1,241

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

	2022	2021
	£'000	£'000
Debt Instruments	297	314
Equity Instruments	795	799
Property	145	128
	1,237	1,241

Reconciliation of opening and closing balances of defined benefit obligation

	2022	2021
	£'000	£'000
Opening defined benefit obligation	1,818	1,515
Current service cost	16	13
Interest cost	36	35
Actuarial losses / (gains)	(68)	282
Benefits paid and expenses	(44)	(29)
Other	2	2
Closing defined benefit obligation	1,760	1,818

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

	2022 £'000	2021 £'000
Current service cost	16	13
Net interest expense	11	13
Other costs and income	1	1
Defined benefit costs recognised in the SOFA	<u>28</u>	<u>27</u>

Amounts taken to other comprehensive income

	2022 £'000	2021 £'000
Actual return on scheme assets	(26)	(284)
Less: calculated interest element	25	22
Return on scheme assets excluding interest income	(1)	(262)
Actuarial changes related to obligations	(68)	282
Other gains and losses		-
	<u>(69)</u>	<u>20</u>

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

	General unrestricted £'000	Pension Reserve £'000	Restricted £'000	Total funds £'000
Tangible fixed assets	1,315	-	-	1,315
Net current assets/(liabilities)	467	-	30	497
Defined benefit pension provision	(49)	(523)	-	(572)
	<u>1,733</u>	<u>(523)</u>	<u>30</u>	<u>1,240</u>

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

	General unrestricted £'000	Pension Reserve £'000	Restricted £'000	Total funds £'000
Tangible fixed assets	1,365	-	-	1,365
Net current assets/(liabilities)	423	-	30	453
Defined benefit pension provision	(70)	(577)	-	(647)
	<u>1,718</u>	<u>(577)</u>	<u>30</u>	<u>1,171</u>

17a Movements in funds (current year)

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

	At 1 April 2021 £'000	Income & gains £'000	Expenditure & losses £'000	Transfers £'000	At 31 March 2022 £'000
Restricted funds:					
Move on fund	30	–	–	–	30
Total restricted funds	<u>30</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>30</u>
General funds	<u>1,153</u>	<u>1,707</u>	<u>(1,694)</u>	<u>15</u>	<u>1,181</u>
Pension reserve	(577)	69	–	(15)	(523)
Revaluation reserve	444	–	–	–	444
Designated funds					
Development fund	25	–	–	–	25
Counselling	7	–	–	–	7
Legacy	39	–	–	–	39
Major repairs sinking fund	50	–	(13)	–	37
Total designated funds	<u>121</u>	<u>–</u>	<u>(13)</u>	<u>–</u>	<u>108</u>
Total funds including pension fund	<u>1,171</u>	<u>1,776</u>	<u>(1,707)</u>	<u>–</u>	<u>1,240</u>

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

Purposes of designated funds

Development fund

Trustees agree to hold a designated development fund to finance developments within the business plan in terms of the structure and resources of the organisation and any increase or change in services provided. In 2019/20 we incurred costs to cover external support on organisational development (including all client policies being reviewed), to help embed our Trauma Informed and Psychologically Informed Environment approach. Funds were also expended on a pension (defined benefit pension liability) and strategy review. We hope it will also help us to adapt to survive in the changing funding environment and improve our service provision for clients. The fund will be available for qualifying developing business needs in 2022/23.

Purposes of designated funds (Continued)

Counselling

Development of added value services for clients such as counselling, anger management support, restorative justice and life and work-related skills. We have further counselling service planned across services during 2022/23.

Legacy

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

Major repairs sinking fund

This fund is used for major works and decoration required at our properties. We have some works planned and will assess need across other services during 2022/23.

17b Movements in funds (prior year)

	At 1 April 2020 £'000	Income & gains £'000	Expenditure & losses £'000	Transfers £'000	At 31 March 2021 £'000
Restricted funds:					
Move on fund	–	–	–	30	30
Total restricted funds	–	–	–	30	30
General funds	1,122	1,727	(1,666)	(30)	1,153
Pension reserve	(578)	1	–	–	(577)
Revaluation reserve	371	73	–	–	444
Designated funds					
Development fund	25	–	–	–	25
Counselling	7	–	–	–	7
Legacy	39	–	–	–	39
Major repairs sinking fund	50	–	–	–	50
	121	–	–	–	121
Pension reserve					
Total funds including pension fund	1,036	1,801	(1,666)	–	1,171

18 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	159	73
One to five years	25	73
Over five years	37	46
	<u>221</u>	<u>192</u>

19 Guarantees and ultimate parent undertaking

Pathways is a company limited by guarantee not having a share capital. The Social Interest Group became the sole member of Pathways on the 19 January 2021. Each member has guaranteed to pay £1 in the event that Pathways 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.

Accounts

Charity Registration No. 292579

Company Registration No. 01859070 (England and Wales)

PATHWAYS TO INDEPENDENCE LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

PATHWAYS TO INDEPENDENCE LTD

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr R M Bibi	(Appointed 1 February 2021)
	Mr S R Jenkin	(Appointed 1 February 2021)
	Ms L M Wishart	(Appointed 1 February 2021)
	Mr K H Marlowe	(Appointed 1 February 2021)
	Mr D A Kerr	(Appointed 1 February 2021)

Secretary	Mr M Rutherford
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Charity number	292579
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Company number	01859070
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Registered office	1 Milner Square Waterloo Gardens London N1 1TY
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Auditor	Crossley Financial Accounting Limited Star House Star Hill Rochester Kent
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PATHWAYS TO INDEPENDENCE LTD

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PATHWAYS TO INDEPENDENCE LTD

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2021

The Trustees present their report and financial statements for the year ended 31 March 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's [governing document], the Companies Act 2006 and "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) (effective 1 January 2019)".

Objectives and activities

Purposes and Aims

Our charity's purpose as set out in the objects contained in the company's articles of association is to:

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

Our Vision

Our vision is of a society where nobody's past creates an unfair barrier to a successful future, and everybody has a home.

Ensuring our work delivers our aims

Overview of the year 2020-21

The impact of the Worldwide pandemic

The last financial year has been like no other in recent memory, with the UK living through a worldwide Corona virus pandemic and UK businesses having to adapt to the Government restrictions and enforcements, including three National lockdowns, where people were told to work from home, unless work could not be completed from the home environment.

This environmental factor caused considerable stress on the organisation, as whilst businesses closed and staff were furloughed in non essential work, Pathways continued to operate to deliver frontline supports services to some of the community's most vulnerable people. Indeed, during his financial year, Pathways management and staff opened and mobilised the new Link Project, getting it up to full capacity, as well as re-opening Hamond House in Chatham, which had been closed for several months owing to a fire in September 2019, which caused the service to close and relocate all 11 residents.

Initially, in March and April 2020, there was a paucity of Government guidance with regards to homeless services and how they should operate, so Pathways leadership guided staff and implemented rules based on current guidance at the time. It was an incredibly anxious time for staff, as there was a national shortage of PPE and they had to mix with residents and those outside their own family, as the core part of their work environment. Equally, it was a highly anxious time for residents, as whilst in each service the residents live together, they are single households all of whom share essential communal living spaces, such as kitchens and bathrooms – all at a time when Government was saying to limit mixing with others and not to share facilities.

Early spring 2021 saw the roll out of the vaccination programme to Pathways staff, as they were categorised as part of social care workers in the vaccination prioritisation groupings, owing to their work with vulnerable, homeless population. The vaccination offer to residents themselves soon followed and staff focussed their energies on enabling residents to access the vaccination centre in a joint effort with Medway and Maidstone councils.

PATHWAYS TO INDEPENDENCE LTD

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2021**

Pathways services continued to operate throughout the whole of the three national lockdowns, initially scaling back to run skeleton rotas in the services and to try to 'bubble' teams to protect staffing numbers if whole teams had to isolate. Head office staff were required to work from home, with operational service and housing management operating a hybrid, dependent on need.

Pathways worked closely with the council at emergency, contingency planning meetings, examining ideas of staff pooling, moving out extremely vulnerable residents and using Public Health Guidance to limit any risks to health. Where there were suspected cases, contingency plans were enacted to limit the contact of the resident as much as possible. Pathways did suffer from two staff cases of Corona and several suspected cases in clients, though early on in the pandemic, testing was extremely limited and isolation relied on to limit any outbreaks. Fortunately, no service outbreaks were reported, which would have required assistance from PHE and the PHE helpline proved invaluable for senior management to use as guidance for infection control when there were uncontrollable and challenging situations, such as resident hospital discharges to shared living arrangements.

Aside from the health challenges themselves, the national restrictions impacted on the services as visitors were no longer allowed to the services and movement outside the service was limited by national lockdown guidance measures, such as going out only for essentials. These measures proved extremely hard on those living in shared accommodation and struggling with multiple issues, such as substance misuse, as other services limited their frontline services and many only performed telephone consultation. This put additional pressures on Pathways staff and much energy went into trying to encourage residents to stay in the service, limit contact with others outside and to keep them on track with their recovery journey. Isolation for residents for a major factor and as the national turned to the digital platform, those on low incomes did not have the necessary equipment to get online. Pathways executive team and trustees successfully applied to the National Lottery for support to enable wi-fi and equipment roll out across the services, which proved extremely beneficial in the short term and is likely to have a long lasting legacy effect on digital inclusion.

The Lottery grant also enabled Pathways to mitigate financial losses created by the pandemic in the sterilisation, cleaning and quarantining of rooms that were necessary for public health reasons but were not factored into the usual business model of void management. Pathways is extremely grateful to the National Lottery for its support this year.

Joining the SIG Group

Alongside the daily operations of running the charity in unprecedented times, the previous financial year saw the Pathways Trustees work with the Executive Team to put in place a strategy for change to underpin the way Pathways operates. Several options were discussed and trustees were minded to pursue some form of group structure, whereby resource functions could be outsourced to the parent company and where a smaller charity can benefit from more established central resource functions, such as business development, Human Resources and IT security.

Pathways worked with Eastside Primetime to identify potential partners. SIG was approached by PTI in the late spring of 2020 and a series of discussions were had between Chairs of Trustees and a plan of engagement was developed between the two organisations, as both felt there were mutual benefits in seriously exploring PTI joining the SIG Group. This development plan went well and PTI secured funding assistance for capacity building from Kent Community Fund to assist with the legal costs associated with the due diligence process.

The due diligence process went smoothly and PTI joined the SIG Group on 19th January 2021, keeping all staff and terms and conditions in place.

Pathways looks forward to 2021/22 and beyond to work with SIG to grow and develop the business across Kent and Medway.

PATHWAYS TO INDEPENDENCE LTD

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2021**

How our activities deliver public benefit

The Trustees have had due regard to the public benefit guidance published by the Charity Commission.

Pathways has been serving marginalised and socially excluded clients within communities across Kent and Medway for many years and has a proven track record in improving the lives of homeless people. Our support enables clients to significantly improve their opportunities in life and allows them to develop fulfilling and settled lives within their local community.

We are satisfied that when reviewing the charities strategic aims and objectives, as well as all activities and policies, that Pathways meets public benefit requirements.

Who used and benefited from our services?

The Link Project is an innovative partnership between PTI, Kent Surrey Sussex CRC (Seetec), National Probation Service, Maidstone Borough Council, Medway Council, Canterbury City Council and Tunbridge Wells Council. The service offers 31 supported accommodation beds to those who have been involved in the criminal justice system, left custody and are released under licence into the community.

This project opened at the beginning on 2020 and its opening was accelerated by the needs driven by the pandemic, as the service took in several referrals from the 'everyone in' directive from central government, which saw hundreds of rough sleepers moved off the streets and into any available accommodation.

Initially the project was set up with the aim of moving residents through on a 6 monthly cycle. This would have always been a challenging aim, however, it was more challenging with the onset of the pandemic, as the usual movement in the sector ceased and residents and those in the private sector, stayed put. In spite of this nine residents move on in a planned and positive way during the year.

In Medway Pathways is commissioned to run 52 supported accommodation beds for single homeless, including 15 supported beds for those who have been involved in the criminal justice system and maybe on licence and need additional support measures around their offending behaviours. During the year, 28 formerly homeless Medway residents move on in a planned and positive way, mostly into Kent Home choice accommodation or private rented independent accommodation.

In addition to the main Housing related support, Pathways secured Rough Sleeper Initiative money for the third time to run an enhanced hostel service, which gives additional support hours to five complex needs rough sleepers who have been encouraged to come into supported accommodation. Since the project started in 2018, Pathways have housed 18 RSI Complex Needs Clients. Pathways have also housed another 22 RSI Clients during this time, a total of 40 formerly homeless and rough sleeping clients have been accommodated from Medway's streets since the start of the project with positive move on and low eviction rates. This is a considerable achievement and excellent return for RSI funding investment.

Areas of work

'Housing related support needs' is the mainstay of Pathways work and encompass any skill deficiency or personal issue that affects a person's life in such a way that it inhibits their ability to maintain their own independent accommodation. Pathways uses the 'Homelessness Star' assessment tool to measure an individual's 'journey' within the following key outcome areas:

1. Motivation and taking responsibility
2. Self-care and living skills
3. Managing money and personal administration
4. Social networks and relationships
5. Drug and alcohol misuse
6. Physical health

PATHWAYS TO INDEPENDENCE LTD

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2021**

7. Emotional and mental health
8. Meaningful use of time
9. Managing tenancy and accommodation
10. Offending

Whilst this tool is a deficiency-based model, it is seen by the homelessness sector as an effective tool to measure a support journey and in keeping with the developing trauma informed approaches, PTI Support Coaches use it with a strengths based approach, working with the client to understand and plan what they can do and building from there.

A client's journey is measured at a minimum of every three months during their stay with Pathways through regular key-work sessions with an allocated support coach. The aim is to develop skills so that the individual can sustain independent accommodation and not fall back into homelessness.

Achievements

Both our two major contracts attracted some public accolades. The Link project received a Kent Housing Group extraordinary award for opening and supporting clients during the pandemic, including responding proactively to the 'everyone in' directive from central government, as part of a major campaign to protect the health of homeless people.

Two support coaches from the Medway services team were 'Pride of Medway' 2020 finalists in the 'care and support' category, having been nominated for their excellent support work and care of a particular complex needs homeless resident.

Counselling

PTI is hugely grateful to the small number of volunteers who work in our organisation and this year this was difficult owing to people being required to 'stay at home' and only travel to essential activities. Sadly, this limited Pathways' ability to engage with volunteers.

Nonetheless, PTI has been fortunate in attracting a succession of student counsellors over the past few years and in this last year using a digital platform, 6 clients have successfully completed counselling sessions, with a further 4 clients still receiving counselling from Pathways.

Comments from clients included:

"It enabled me to talk to someone, it was really helpful".

Christmas Celebrations in the services

Whilst Christmas 2020 looked very different for everyone in the UK, Pathways residents were still supported and many grouped together within their household bubble to celebrate with a small budget allocated to them.

In spite of the pandemic, Pathways received support from local church KICC, who donated food and Turkey hampers to our residents which Pathways staff and management distributed. These were gratefully received and Pathways is grateful to be the recipient of this kind support for many years now.

Gardening

Being out in nature and looking after the environment, is something we are keen to support clients to do, though outdoor space in our services is often limited. Nonetheless, with the help of staff this year, 3 gardening sessions were held with eight clients taking part.

PATHWAYS TO INDEPENDENCE LTD

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2021**

Partnership working with other organisations

Pathways continues to look for opportunities to collaborate with, or work alongside, other relevant organisations working with the same or similar client group. The following are examples of the work undertaken this year in this respect:

Outreach Work with Rough Sleepers

In 'normal times', Pathways staff are instrumental in planning and hosting multi-agency rough sleeper counts in the Medway area, in partnership with AMAT, Medway council and other local voluntary sector organisations. This year, only the main annual count took place and four staff volunteered to work through the night as part of the multi disciplinary team.

In addition, Pathways has retained the Chair for the overarching Medway Homeless Forum which meets twice a year, as well as being instrumental in its subsidiary Task and Finish groups, chairing the Rough Sleeper and Ex-Offender Task and Finish meetings during the year. These groups have continued to meet virtually and our Medway Head of Support steps down as Chair of the Homelessness Group after four years, having grown the forum with the council during this time. He will continue to be an integral and supportive member of this group.

Blue Light Group

The Blue Light Group started as a national Alcohol Concern initiative encouraging key agencies to work together in a co-ordinated manner, to target those clients who are frequent users of the 'blue light services' and has been adopted in the Medway area. It has grown to become a multi-disciplinary group and perhaps indicative of the complex needs of those the group seeks to target.

Pathways is a proactive key member of this group and regularly accommodates clients referred through this pathway. This year, most of the meetings were cancelled but is gaining force again in 2021/22 and Pathways continues to be a proactive member.

Hep C outreach clinics

Hepatitis C is an infectious disease that can infect the liver and transmitted through blood to blood contact, such as through the sharing of drug paraphernalia. Fortunately, it is a disease that can be treated and ten Medway residents accessed the outreach Hep C Trust clinics that have been run by the trust into our services.

MHS nominations

Pathways continues to welcome the partnership working with our local Housing Association, MHS Homes, who allow staff to nominate clients who have completed their package of support in supported housing and who are ready for a 'starter tenancy' with them. Four clients were housed in this reporting period which is a fantastic opportunity for independent living.

Healthy eating club

Local accommodation provider AMAT has a training kitchen and chef and invited other organisations to take part in a healthy eating group. Four Medway clients took up this offer and attended the sessions, producing some lovely dinners to share back at the service.

Welfare Benefits

The Universal Credit roll out, although only affecting DWP payments for our clients rather than Housing Benefit, continues to cause problems regarding compliance with stringent terms for our vulnerable clients.

PATHWAYS TO INDEPENDENCE LTD

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2021**

Throughout 2020/21 our Welfare Benefits Officer held a series of virtual training events for staff to inform and advise them about changes and advise them on ways to support clients. She took on complex cases to support and successfully challenging sanctions or unfavourable decisions. The officer left the business at the end of 2020 but had significantly improved the upskilling of the PTI support staff. PTI has joined a benefits online platform to assist with queries.

Financial Review

Pathways ended 2020/21 with a Surplus of £61,248 (2019/20 – deficit of £63,823), before adjustments for the actuarial losses on the defined benefit pension scheme.

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

Income

Income has increased in 2020/21 to £1,727,021 compared to (2019/20 - £1,517,624), mainly to the changes in the funding sources.

Most of the income continues to come from rental income and service charges.

Our Housing Related Support contract income from Medway Council has remained stable and includes funding from the Rough Sleeper Initiative providing additional, more intensive support to a small number of clients and Maidstone including the Link project.

As a result of the pandemic, we also received a grant from the Lottery which was fully spent in the year.

Expenditure

Expenditure has increased in 2020/21 £1,665,773 from £1,581,447 in the previous year

Housing Associations, landlords of several of our accommodation services, have continued to squeeze us via reduced allowances and charging for office spaces, meaning increased rent and service charges for us.

Unrestricted funds stand at £1,140,785 at 31 March 2021 (2019/20: £1,035,777). Within this fund we have designated funds of £38,545 legacy, £50,000 for major repairs, £25,000 for development (external support for organisational development and communications), £7,400 for counselling. We also have £575,860 in a general fund, £443,980 revaluation reserve.

As detailed below, we have a large pension liability on our balance sheet and require significant reserves in place to allow for that. In addition, for our sector the future funding landscape remains uncertain.

Local Government defined benefit pension liability continues to be a source of concern for the trustees. We have made an actuarial gain this year of £1,000 (2019/20 – loss £283,000), despite previous years actuarial gains and losses on the pension. The balance sheet liability stands at £577,000, a slight improvement on 2019/20 where it stood at £578,000.

Pathways has no ability to influence the actuarial gains/losses or balance sheet liability and could see losses and increased liability in future.

PATHWAYS TO INDEPENDENCE LTD

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2021**

New legislation with effect from 23rd September 2020 allows Employers (known as Deferred employer) to enter into an agreement with the administering authority to defer the obligation to make the exit payment (enter into a Deferred Debt Agreement) and continue to make contributions at the secondary rate as determined by the actuarial valuation until the termination of the deferred debt agreement. This is available to us even if the last member leaves. We will be reviewing this to put in place.

Reserves Policy and going concern

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

The trustees evaluated the commitment to future expenditure against likely future income streams weighing each element according to size, probability, spread of risk and operational impact. The trustees consider that in light of the ongoing challenging financial environment the reserves target should be approximately £300k. The charity needs to maintain sufficient funds to cover any potential loss in contract income and short-term cash flow and to have approximately three months of expenditure available at all times and to cover costs in the event of the charity winding up. The unrestricted free reserves, excluding the past service pension plan, are £1,140,785 at 31st March 2021. This comprises of the designated fund and the property revaluation reserve.

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

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

Future financial challenges and plans

We face a challenging year in 2021/22. We have shown resilience and the ability to create and capitalise upon opportunities, by securing ongoing funding with partners in Maidstone to March 2022. We have been successful in joining the MOJ dynamic framework to be able to bid on future accommodation contracts. We will continue this drive for exploring new markets and business models both to deliver our services and to complement them. We will be seeking funding to deliver a pilot through the MOJ Local Leadership Innovation Fund. This will engage a range of local partners and will involve putting forward units of accommodation. Whilst we will put forward a compelling bid for the fund there will be no guarantees and we must continue to focus on the management and potential selling of units within the accommodation portfolio to local authorities.

We have been engaged in a conversation with Medway Council regarding upcoming funding for Peer Mentors. If successful, it would build the reputation within the area and will give access to funding from Health Education England for training of Staff and Peers. This is a good opportunity that we will be keen not to miss.

Shaw Trust and Porchlight have received significant funding and will be putting out a tender to become one of their approved providers. We will be putting forward a bid to join this in the hope to pick up work and engage with both organisations in a deeper way. If we do not get on to the APL this will limit our ability to grow in the area.

At the time of writing we are in the Covid-19 pandemic which has resulted in additional unbudgeted spending in keeping our clients and staff safe. This has also been an opportunity to apply for grant funding and we have been successful in being awarded a grant from The National Lottery Community Fund of £97,574 in August 20 and £7,500 from Thanet Council. These grant funds will help to offset rent losses, extra expenses incurred because of the pandemic and allow to install Wi-Fi and purchase compatible equipment in our services for the clients to use.

PATHWAYS TO INDEPENDENCE LTD

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2021**

Plans for Future Periods

The 2020/21 period was an exceptional year with exceptional challenges and although all existing contracts were extended or secured until 2021/22, this has delayed the tender and procurement process to allow for contractual stability beyond March 2022.

There must be a continued drive to reduce the exposure of over reliance on commissioned services and consider alternative sources of income. As well as new business models, the organisation will consider alternative client markets, where the organisational expertise of running supported accommodation services may be applied to other arenas, such as health, as the right support delivered at the right time is often a more cost effective way to prevent escalation into more costly statutory services. This is something that can be focused on through the experience of the SIG Group.

Pathways must continue to focus on the delivery of our newly established services in Maidstone, looking to establish this as integral to the homelessness offer in Kent, with an adequate funding stream, whilst continuing to deliver and develop quality services in Medway and Kent.

Delayed from 2020/21, Medway will be going through a re commissioning process in the autumn of 2021, with current contracts ending 31 March 2022. Pathways intends to participate fully in this process and work with our Commissioners and others to help reshape homelessness services, starting from local needs. As stated below under risks, the recommissioning process has not started but we are confident we will secure continued business.

We retain our objective of transforming the charity into working in both a psychologically and trauma informed way. To this end, having rolled out a new suite of policies to underpin this transformation, Pathways now needs to assimilate these with the SIG Group and embed these across all the charities in the group.

Risks and uncertainties

Our Medway services will be part of a recommissioning process, with new contracts awarded to start April 2022. While this represents a great opportunity for Pathways to be involved and potentially expand our offer, it also represents a risk. At the date of this report the recommissioning process has not started, but indications are that the financial envelope will be the same, presenting challenges in recruiting and retaining enough staff to run and manage the number of buildings and risks presented by the cohort.

Pathways is delighted to have secured funding from the Link project consortium and Maidstone BC to run the Link service until March 2022, during which time SIG PTI is developing and submitting a bid to the Ministry of Justice to transform the service offer and move away from reliance on solely 'housing' related funding sources.

SIG-Pathways will be considering alternative sources of funding and business models to ensure that the charity can continue to adapt and thrive in these uncertain times.

Structure, Governance and Management

Governing Document

Pathways is a charitable company limited by guarantee, governed by Articles of Association. The Articles of Association were amended on the 20th January 2021. The Social Interest Group is the sole Member of the company and, in the event of the company winding up, is limited in liability to £1.

The non-executive trustees of the Social Interest Group are the trustees of Equinox Care.

All 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.

PATHWAYS TO INDEPENDENCE LTD

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2021**

The trustees carried out a self assessment review to see how we measure up against the Charity Code of Governance and found that we are compliant with the principles of the code. We will carry out this process on an annual basis and will undertake an external review of our charity governance every 3 years.

Decision-making

The board of trustees meet at least quarterly to consider reports and representation from the senior management team. The Executive Director is appointed by the trustees to manage the day to day operations of the charity and implement the strategic plan. Sub-committees are formed to consider specific projects when required.

Trustees are required to disclose all relevant interests and register them with the Company Secretary and, in accordance with the charity's Conflict of Interests policy, withdraw from decisions where a conflict of interest arises.

Risk Management

The Board of Trustees has assessed the major risks to which the charity is exposed, in particular those related to the operations of the charity and its finances and is satisfied that, as far as possible, the systems are in place to mitigate exposure to the major risks.

The main risk identified are:

- Loss of financial support from local authorities
- Defined benefit pension scheme liability
- Significant losses from contract delay, arrears and voids
- Data protection compliance
- Insufficient Trustees to cover all areas of work
- Impact of emergencies, flood, fire etc, business continuity
- Organisations systems and or data corrupted/extracted by Cyber attack
- Health and safety failure

Senior management review risks and take mitigating actions through an annual action plan throughout the year, reporting at least annually to the board and updating as necessary.

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

This report was approved by the Trustees, on

2021 and signed on their behalf by:

Mr J A Gilbourne	(Resigned 1 February 2021)
L E A Blake	(Resigned 1 February 2021)
S L Miller	(Resigned 1 February 2021)
P Nancoo	(Resigned 1 February 2021)
A C Skinner	(Resigned 1 February 2021)
A J Vincent	(Resigned 1 February 2021)
P L H Whaley	(Resigned 1 February 2021)
Mr R M Bibi	(Appointed 1 February 2021)
Mr S R Jenkin	(Appointed 1 February 2021)
Ms L M Wishart	(Appointed 1 February 2021)
Mr K H Marlowe	(Appointed 1 February 2021)
Mr D A Kerr	(Appointed 1 February 2021)

PATHWAYS TO INDEPENDENCE LTD

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) ***FOR THE YEAR ENDED 31 MARCH 2021***

The Trustees' report was approved by the Board of Trustees.



.....
Mr K H Marlowe

Dated: 8th December 2021

PATHWAYS TO INDEPENDENCE LTD

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF PATHWAYS TO INDEPENDENCE LTD

Opinion

We have audited the financial statements of Pathways to Independence Ltd (the 'charity') for the year ended 31 March 2021 which comprise the statement of financial activities, the statement of financial position, the statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and 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 incoming resources and application of resources, 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 charity 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 charity'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 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 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.

We have nothing to report in this regard.

PATHWAYS TO INDEPENDENCE LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF PATHWAYS TO INDEPENDENCE LTD

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees, who are also the directors of the charity for the purpose 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 charity'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

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

Risks

Based on our understanding of the company and industry, we identified that the principle risks of non-compliance with laws and regulations related to compliance with the House in Multiple Occupation Licence, health and safety and various legislation governing safeguarding vulnerable adults and we considered the extent to which non-compliance might have a material effect on the financial statements of the company.

We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011 and Companies Act 2006.

In addition, we considered provisions of other laws and regulations that do not have a direct impact on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These include data protection, employment and environmental.

We evaluated managements incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to revenue recognition, posting inappropriate journals entries to increase income or reduce expenditure, and management bias in accounting estimates and judgmental areas of the financial statements such as provisions for bad and doubtful debts, accruals and carrying value of fixed assets.

PATHWAYS TO INDEPENDENCE LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF PATHWAYS TO INDEPENDENCE LTD

Audit response

Audit procedures performed by the engagement team included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud, and review of the reports made by management
- Understanding of management's internal controls designed to prevent and detect irregularities.
- Reviewing relevant meeting minutes
- Review of tax compliance
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of testing of expenses
- Testing transactions entered into outside the normal course of business
- System walkthroughs are used to develop an in depth understanding of the entity's control environment, however, minimal reliance is placed on control within the audit approach. Substantive test of details are carried out, with a broad scope, in order to adequately explore all aspects of revenue recognition.
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risk of material misstatement due to fraud
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment, by for example, forgery, or intentional misrepresentation, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://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 charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



S Meah FCCA (Senior Statutory Auditor)
for and on behalf of Crossley Financial Accounting Limited

20 December 2021
.....

Chartered Accountants
Statutory Auditor

Star House
Star Hill
Rochester
Kent

Crossley Financial Accounting Limited is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

PATHWAYS TO INDEPENDENCE LTD

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
<u>Income from:</u>							
Donations and legacies	3	7,696	-	7,696	6,363	-	6,363
Charitable activities	4	1,586,603	132,574	1,719,177	1,509,318	-	1,509,318
Investments	5	148	-	148	1,943	-	1,943
Total income		1,594,447	132,574	1,727,021	1,517,624	-	1,517,624
<u>Expenditure on:</u>							
Charitable activities	6	1,563,340	102,433	1,665,773	1,576,447	5,000	1,581,447
Net incoming/(outgoing) resources		31,107	30,141	61,248	(58,823)	(5,000)	(63,823)
<u>Other recognised gains and losses</u>							
Revaluation of tangible fixed assets		72,901	-	72,901	-	-	-
Actuarial gain/(loss) on defined benefit pension schemes		1,000	-	1,000	(283,000)	-	(283,000)
Net movement in funds		105,008	30,141	135,149	(341,823)	(5,000)	(346,823)
Fund balances at 1 April 2020		1,035,777	-	1,035,777	1,377,600	5,000	1,382,600
Fund balances at 31 March 2021		1,140,785	30,141	1,170,926	1,035,777	-	1,035,777

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

PATHWAYS TO INDEPENDENCE LTD

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	10		1,365,209		1,304,927
Current assets					
Debtors	11	228,626		210,602	
Cash at bank and in hand		461,389		359,536	
		690,015		570,138	
Creditors: amounts falling due within one year	13	(237,735)		(161,128)	
Net current assets			452,280		409,010
Total assets less current liabilities			1,817,489		1,713,937
Creditors: amounts falling due after more than one year	14		(69,563)		(100,160)
Provisions for liabilities			(577,000)		(578,000)
Net assets			1,170,926		1,035,777
Income funds					
Restricted funds	16		30,141		-
<u>Unrestricted funds</u>					
Designated funds	17	120,945		120,945	
General unrestricted funds		575,860		543,753	
Revaluation reserve		443,980		371,079	
			1,140,785		1,035,777
			1,170,926		1,035,777

PATHWAYS TO INDEPENDENCE LTD

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 MARCH 2021

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2021, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 8th December 2021.



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Mr K H Marlowe
Trustee

Company Registration No. 01859070

PATHWAYS TO INDEPENDENCE LTD

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	20		160,925		(37,588)
Investing activities					
Purchase of tangible fixed assets		(35,531)		(118,353)	
Proceeds on disposal of tangible fixed assets		456		4,138	
Investment income received		148		1,943	
Net cash used in investing activities			(34,927)		(112,272)
Financing activities					
Repayment of bank loans		(12,626)		(12,104)	
Payment of obligations under finance leases		(11,519)		(10,481)	
Net cash used in financing activities			(24,145)		(22,585)
Net increase/(decrease) in cash and cash equivalents			101,853		(172,445)
Cash and cash equivalents at beginning of year			359,536		531,981
Cash and cash equivalents at end of year			461,389		359,536

PATHWAYS TO INDEPENDENCE LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Charity information

Pathways to Independence Ltd is a private company limited by guarantee incorporated in England and Wales. The registered office is 1 Milner Square, Waterloo Gardens, London, N1 1TY.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "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) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

The Company continues to be profitable and with net assets. The Trustees have looked at the performance to 31st March 2021 and the post year end period. They have also taken into consideration the underlying cashflows expected over a period of at least twelve months from the date of signing this report. The Trustees consider that the outlook presents challenges and uncertainty in terms of Service Users and contract renewal, and the ever changing impact of COVID-19. The Trustees have instigated measures to manage liquidity.

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

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

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the Trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

PATHWAYS TO INDEPENDENCE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the company and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

Charitable activities and Governance costs are costs incurred on the company's operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

All expenditure is inclusive of irrecoverable VAT

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

All assets costing more than £750 are capitalised.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

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

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

PATHWAYS TO INDEPENDENCE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.7 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.8 Provisions

Provisions are recognised when the charity has a legal or constructive present obligation as a result of a past event, it is probable that the charity will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in net income/(expenditure) in the period in which it arises.

PATHWAYS TO INDEPENDENCE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.9 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected unit credit method, and is based on actuarial advice.

The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost. The cost of plan introductions, benefit changes, settlements and curtailments are recognised as incurred.

1.10 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to net income/(expenditure) for the year so as to produce a constant periodic rate of interest on the remaining balance of the liability.

PATHWAYS TO INDEPENDENCE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Judgements

Critical judgements, apart from those involving estimations that are applied in the preparation of the financial statements are discussed below;

Leases

Management exercises judgement in determining the classification of leases as finance or operating leases at the inception of the lease. Management considers the likelihood of exercising the break clauses or extension options in determine the lease term. Where the lease term constitutes substantially all the economic life of the asset, or where the present value of minimum lease payments amount to substantially all of the fair value of the property, the lease is classified as a finance lease. All other leases are classified as operating leases.

Land and buildings

Management exercise judgement over the split of property owned between land and buildings. This effects the calculation of depreciation each year and the carrying value of property.

Estimates

The key assumptions about the future and other key sources of estimation uncertainty at the reporting period end that may have a significant risk of causing material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below;

Management estimate the value of debts that are not recoverable based on knowledge of the clients and the probability of recovery.

PATHWAYS TO INDEPENDENCE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

2 Critical accounting estimates and judgements

(Continued)

Costs

Accounting for pension costs involves judgement about uncertain events, including estimated retirement dates, mortality rates, the determination of discount rates for measuring scheme obligations and net interest expense and assumptions for inflation rates.

These assumptions are based on the environment and they may vary from year to year, which would affect the future net income and assets, as will any differences between the assumptions applied and the actual outcome.

Retirement benefit assumptions are based on an actuarial valuation which is performed each year by an independent expert. These assumptions are used to determine the projected benefit obligation at the year end and hence the deficit recorded on the company's balance sheet, and pension expenses for the following year.

The assumptions used are provided in note 15.

The discount rate and inflation rate have a significant effect on the amounts reported.

3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2021 £	2020 £
Donations and gifts	7,696	6,363

PATHWAYS TO INDEPENDENCE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

4 Charitable activities

	Unrestricted funds	Restricted funds	Total 2021	Unrestricted funds
	2021 £	2021 £	£	2020 £
SSTS grant	123,989	-	123,989	371,128
Housing related support - KCC	74,541	-	74,541	73,992
Housing related support - Medway	210,989	30,000	240,989	253,124
Other	104,645	102,574	207,219	3,341
Service charges	32,005	-	32,005	19,623
Rental income	1,040,434	-	1,040,434	698,552
Maidstone commission contract	-	-	-	89,558
	<u>1,586,603</u>	<u>132,574</u>	<u>1,719,177</u>	<u>1,509,318</u>
Analysis by fund				
Unrestricted funds	1,586,603	-	1,586,603	1,509,318
Restricted funds	-	132,574	132,574	-
	<u>1,586,603</u>	<u>132,574</u>	<u>1,719,177</u>	<u>1,509,318</u>

5 Investments

	Unrestricted funds	Unrestricted funds
	2021 £	2020 £
Bank interest receivable	<u>148</u>	<u>1,943</u>

PATHWAYS TO INDEPENDENCE LTD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2021

6 Charitable activities

	Provision of accommodation	Provision of accommodation	Education and welfare	Total 2020
	2021 £	2020 £	2020 £	£
Wages and salaries	430,168	508,323	-	508,323
Net interest expense	-	1,000	-	1,000
Travel	6,125	11,550	-	11,550
Volunteer expenses	-	749	-	749
Premises expenses	433,088	383,786	-	383,786
Residents welfare	108,499	9,817	5,000	14,817
Legal and professional	12,603	14,255	-	14,255
Bad debts & recoverables	20,417	240	-	240
Move in fund	3,749	7,869	-	7,869
Client expenses	462	3,427	-	3,427
National insurance	40,693	46,712	-	46,712
Pension costs	58,865	28,461	-	28,461
Security staff costs	147,355	123,023	-	123,023
Staff costs	-	116	-	116
	<u>1,262,024</u>	<u>1,139,328</u>	<u>5,000</u>	<u>1,144,328</u>
Share of support costs (see note 7)	403,749	437,119	-	437,119
	<u>1,665,773</u>	<u>1,576,447</u>	<u>5,000</u>	<u>1,581,447</u>
Analysis by fund				
Unrestricted funds	1,563,340	1,576,447	-	1,576,447
Restricted funds	102,433	-	5,000	5,000
	<u>1,665,773</u>	<u>1,576,447</u>	<u>5,000</u>	<u>1,581,447</u>

PATHWAYS TO INDEPENDENCE LTD

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

7 Support costs

	Support costs £	Governance costs £	2021 £	Support costs £	Governance costs £	2020 £
Staff costs	75,618	-	75,618	126,609	-	126,609
Recruitment	2,754	-	2,754	13,135	-	13,135
Training	11,587	-	11,587	21,017	-	21,017
Depreciation	47,693	-	47,693	59,058	-	59,058
Travel	1,088	-	1,088	2,004	-	2,004
Training	11,587	-	11,587	21,017	-	21,017
Other office costs	200,026	-	200,026	112,124	-	112,124
Legal and professional	45,296	-	45,296	77,154	-	77,154
Insurance	10,582	-	10,582	8,636	-	8,636
Mortgage and lease interest	3,370	-	3,370	8,460	-	8,460
Profit or loss on disposal of fixed assets	397	-	397	3,576	-	3,576
Audit fees	-	5,338	5,338	-	5,346	5,346
	<u>398,411</u>	<u>5,338</u>	<u>403,749</u>	<u>431,773</u>	<u>5,346</u>	<u>437,119</u>
Analysed between Charitable activities	<u>398,411</u>	<u>5,338</u>	<u>403,749</u>	<u>431,773</u>	<u>5,346</u>	<u>437,119</u>

8 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

PATHWAYS TO INDEPENDENCE LTD

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

9 Employees

Number of employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Project support	13	16
Administration and management	6	7
	<u>19</u>	<u>23</u>

Employment costs

	2021 £	2020 £
Wages and salaries	496,614	622,271
Social security costs	46,924	55,359
Other pension costs	61,806	32,475
	<u>605,344</u>	<u>710,105</u>

The total employee benefits of the key management personnel of the Charity were £134,409 (2020 - £112,464).

The number of employees whose annual remuneration was £60,000 or more were:

	2021 Number	2020 Number
In the band £60,001 - £70,000	<u>1</u>	<u>-</u>

PATHWAYS TO INDEPENDENCE LTD

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

10	Tangible fixed assets	Freehold property £	Leasehold property £	Fixtures and fittings £	Office Motor vehicles equipment £	Other fixed assets £	Total £
	Cost or valuation						
	At 1 April 2020	1,087,893	170,352	34,069	112,577	12,100	1,533,122
	Additions	4,055	-	12,727	5,118	-	13,631
	Disposals	-	-	(508)	-	-	(4,684)
	Revaluation	58,052	-	-	-	-	58,052
	At 31 March 2021	1,150,000	170,352	46,288	117,695	12,100	1,622,021
	Depreciation and impairment						
	At 1 April 2020	14,848	13,995	22,505	96,979	1,008	228,194
	Depreciation charged in the year	-	2,808	9,460	14,815	2,420	47,694
	Eliminated in respect of disposals	-	-	(448)	-	-	(4,228)
	Revaluation	(14,848)	-	-	-	-	(14,848)
	At 31 March 2021	-	16,803	31,517	111,794	3,428	256,812
	Carrying amount						
	At 31 March 2021	1,150,000	153,549	14,771	5,901	8,672	1,365,209
	At 31 March 2020	1,073,044	156,357	11,563	15,599	11,092	1,304,927

PATHWAYS TO INDEPENDENCE LTD

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

10 Tangible fixed assets

(Continued)

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts. The depreciation charge in respect of such assets amounted to £11,041 (2020 - £13,250) for the year.

	2021 £	2020 £
Office equipment	-	11,041

Land and buildings with a carrying amount of £1,150,000 were revalued by Drakes Property Ltd and Cooke & Co Ltd, independent valuers not connected with the charity on the basis of market value. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties.

At 31 March 2021, had the revalued assets been carried at historic cost less accumulated depreciation and accumulated impairment losses, their carrying amount would have been approximately £676,153 (2020 - £688,103).

11 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	180,721	55,228
Other debtors	5,000	1,201
Prepayments and accrued income	42,905	154,173
	<u>228,626</u>	<u>210,602</u>

12 Loans and overdrafts

	2021 £	2020 £
Bank loans	<u>76,458</u>	<u>89,084</u>
Payable within one year	13,735	11,729
Payable after one year	<u>62,723</u>	<u>77,355</u>

The bank loan is secured by way of a first legal charge over a freehold property owned by the Charity.

PATHWAYS TO INDEPENDENCE LTD

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

13 Creditors: amounts falling due within one year

	Notes	2021 £	2020 £
Bank loans	12	13,735	11,729
Obligations under finance leases		15,792	11,346
Other taxation and social security		8,579	19,343
Trade creditors		28,788	61,066
Other creditors		7,463	10,724
Accruals and deferred income		163,378	46,920
		<u>237,735</u>	<u>161,128</u>

14 Creditors: amounts falling due after more than one year

	Notes	2021 £	2020 £
Bank loans	12	62,723	77,355
Obligations under finance leases		6,840	22,805
		<u>69,563</u>	<u>100,160</u>

Obligations under finance leases and hire purchase contracts, included above are secured over the assets financed.

15 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

PATHWAYS TO INDEPENDENCE LTD

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

15 Retirement benefit schemes

(Continued)

Defined benefit schemes

The charity operates a pension scheme providing benefits based on final pensionable pay for 1 employee and 10 ex employees. The assets of the scheme are held separately from those of the charity, being invested in an independently administered fund. The charity is an employing body within the Kent County Council Pension Fund which itself is part of the Local Government Pension Scheme. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The most recent valuation was at 31 March 2021.

The independent actuary also prepares an annual valuation specific to the Charity for the sole purpose of accounting and reporting details of the Fund under the provisions of Financial Reporting Standard (FRS102) and the details that follow are drawn from that report for the year ended 31 March 2021. The accounts are prepared under the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019). It should be noted that the figures presented are only for the purposes of FRS 102 and have no validity in other circumstances. In particular, they are not relevant for calculation undertaken for funding purposes or for other statutory purposes under UK legislation.

The pension charge for the year was £12,180 (2019 - £14,350) and is shown under pension costs; defined benefit, in Note 9. The contributions of the company for the year were 19.50% and employees are 6.8% and 6.5%.

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

Other information

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

Key assumptions

	2021 %	2020 %
Discount rate	2.00%	2.35%
Expected rate of increase of pensions in payment	2.80%	2.00%
Expected rate of salary increases	3.80%	3.00%
	=====	=====

Mortality assumptions

The assumed life expectations on retirement at age 65 are:

	2021 Years	2020 Years
Retiring today		
- Males	21.6	21.8
- Females	23.6	23.7
	=====	=====
Retiring in 20 years		
- Males	22.9	23.2
- Females	25.1	25.2
	=====	=====

PATHWAYS TO INDEPENDENCE LTD

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

15 Retirement benefit schemes

(Continued)

Amounts recognised in the income statement:

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

Amounts taken to other comprehensive income:

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

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

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

Movements in the present value of defined benefit obligations:

	2021 £
Liabilities at 1 April 2020	1,515,000
Current service cost	13,000
Benefits paid	(29,000)
Actuarial gains and losses	282,000
Interest cost	35,000
Other	2,000
At 31 March 2021	1,818,000

PATHWAYS TO INDEPENDENCE LTD

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

15 Retirement benefit schemes

(Continued)

The defined benefit obligations arise from plans which are wholly or partly funded.

Movements in the fair value of plan assets:

	2021 £
Fair value of assets at 1 April 2020	937,000
Interest income	22,000
Return on plan assets (excluding amounts included in net interest)	262,000
Benefits paid	(29,000)
Contributions by the employer	48,000
Contributions by scheme members	2,000
Other	(1,000)
At 31 March 2021	<u>1,241,000</u>

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

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

16 Restricted funds

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

	Balance at 1 April 2019 £	Resources expended £	Balance at 1 April 2020 £	Movement in funds		Balance at 31 March 2021 £
				Incoming resources £	Resources expended £	
Education and welfare	5,000	(5,000)	-	-	-	-
Improving digital inclusion	-	-	-	5,000	(4,859)	141
Move on fund	-	-	-	30,000	-	30,000
Corona virus community support grant	-	-	-	97,574	(97,574)	-
	<u>5,000</u>	<u>(5,000)</u>	<u>-</u>	<u>132,574</u>	<u>(102,433)</u>	<u>30,141</u>

PATHWAYS TO INDEPENDENCE LTD

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

17 Designated funds

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

	Balance at 1 April 2019	Resources expended	Transfers	Balance at 1 April 2020	Movement in funds Incoming resources	Balance at 31 March 2021
	£	£	£	£	£	£
Development fund	25,000	(30,409)	30,409	25,000	-	25,000
Counselling	7,400	(2,085)	2,085	7,400	-	7,400
Legacy	38,545	-	-	38,545	-	38,545
Major repairs sinking fund	50,000	(30,924)	30,924	50,000	-	50,000
	<u>120,945</u>	<u>(63,418)</u>	<u>63,418</u>	<u>120,945</u>	<u>-</u>	<u>120,945</u>

Designated fund: Development fund

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

Designated fund: Major repair sinking fund

This fund is used for major works and decoration required at our properties. We have some works planned and will assess need across other services during 2020/21.

Designated fund: Counselling

Development of added value services for clients such as counselling, anger management support, restorative justice and life and work-related skills. In 2020/21 we are continuing our counselling service.

Designated fund: Legacy

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

PATHWAYS TO INDEPENDENCE LTD

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

17 Designated funds

(Continued)

General funds: all funds

At all times, free unrestricted or undesignated reserves are held sufficient to meet a minimum of three months' operational costs, based on previous expenditure. This fund also contains the actuarial losses/gains from our defined benefit pension scheme: this does not cover our full balance sheet liability but ring fences gains made, as we may well experience losses in the future.

General Funds: Revaluation reserve

This fund is a result of the gains on revaluation of our two owned properties in Chatham and Ramsgate in 2015/16, 2018/19 and 2020/21, adjusted for depreciation.

18 Analysis of net assets between funds

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Fund balances at 31 March 2021 are represented by:						
Tangible assets	1,365,209	-	1,365,209	1,304,927	-	1,304,927
Current assets/ (liabilities)	422,139	30,141	452,280	409,010	-	409,010
Long term liabilities	(69,563)	-	(69,563)	(100,160)	-	(100,160)
Provisions and pensions	(577,000)	-	(577,000)	(578,000)	-	(578,000)
	<u>1,140,785</u>	<u>30,141</u>	<u>1,170,926</u>	<u>1,035,777</u>	<u>-</u>	<u>1,035,777</u>

19 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 £	2020 £
Within one year	72,952	91,023
Between two and five years	73,440	140,642
In over five years	46,000	51,750
	<u>192,392</u>	<u>283,415</u>

PATHWAYS TO INDEPENDENCE LTD

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

20	Cash generated from operations		2021	2020
			£	£
	Surplus/(deficit) for the year		61,248	(63,823)
	Adjustments for:			
	Investment income recognised in statement of financial activities		(148)	(1,943)
	Depreciation and impairment of tangible fixed assets		47,693	59,058
	Movements in working capital:			
	(Increase) in debtors		(18,023)	(61,861)
	Increase in creditors		70,155	30,981
	Cash generated from/(absorbed by) operations		160,925	(37,588)
21	Analysis of changes in net funds			
		At 1 April 2020	Cash flows	At 31 March 2021
		£	£	£
	Cash at bank and in hand	359,536	101,853	461,389
	Loans falling due within one year	(11,729)	(2,006)	(13,735)
	Loans falling due after more than one year	(77,355)	14,632	(62,723)
	Obligations under finance leases	(34,151)	11,519	(22,632)
		236,301	125,998	362,299