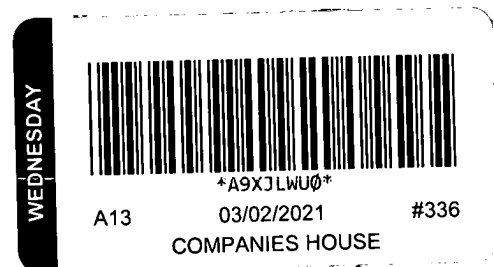


Company number: 08466743  
Charity Number: 1151455

# Penrose Options

Report and financial statements  
For the year ended 31 March 2020



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## **Penrose Options**

### **Reference and administrative information**

**For the year ended 31 March 2020**

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#### **Reference and administrative details of the charity, its trustees and advisors**

Penrose Options is referred to as Penrose throughout this document. Penrose Housing Association was set up as an Industrial & Provident Society, an exempt charity, in 1969 by two ex-offenders and a number of volunteers to provide housing for ex-offenders. It converted to be a company limited by guarantee, registered with the Charity Commission and changed its name on the 28<sup>th</sup> March 2013. Penrose joined the Social Interest Group on the 1<sup>st</sup> October 2014.

#### **Directors and Charity Trustees**

The directors of Penrose are its trustees for the purposes of charity law and throughout this document are collectively referred to as the trustees. The current trustees and those that served during the year ended 31<sup>st</sup> March 2020 are as follows:

##### **Chairman**

Karl Marlowe

##### **Auditor**

Sayer Vincent LLP  
Invicta House  
108 – 114 Golden Lane  
London  
EC1Y 0TL

##### **Other trustees**

Craig Brown (Resigned – 21 December 2019)  
Zelda Peters (Resigned – 19 January 2020)  
Rami Bibi (Appointed – 26 February 2020)  
Dylan Kerr (Appointed – 26 February 2020)  
Stuart Jenkin  
Lindsey Wishart (Treasurer)

##### **Bankers**

Lloyds Bank plc  
25 Gresham Street  
London  
EC2V 7HN

##### **Company secretary**

Michael Rutherford (Appointed – 27 May 2020)  
Paul Lynas (Resigned – 27 May 2020)

##### **Solicitors**

Russell Cooke LLP  
2 Putney Hill  
London  
SW15 6AB

##### **Executive Officers**

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

Gill Arukpe

##### **Senior Director of Operations**

Cassie Newman (Appointed – 26 February 2020)

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

Michael Rutherford

##### **Director of Governance**

Paul Lynas

##### **Company registration number**

08466743

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

Zainah Baker (Appointed – 7 May 2019)

##### **Charity registration number**

1151455

##### **Registered Office**

1 Waterloo Gardens  
Milner Square  
London  
N1 1TY

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

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

## **Penrose Options**

### **Trustees report**

#### **For the year ended 31 March 2020**

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The trustees present their report and the audited financial statements for the year ended 31<sup>st</sup> March 2020.

Reference and administration information set out on pages 1 and 2 form a part of this report. The financial statements comply with current statutory requirements, the 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**

##### **Purposes and aims**

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

- To relieve people in need, including but not limited to those with mental health illness, those currently suffering from substance misuse or other addictive behaviour, offenders, ex-offenders, the homeless, poor people, aged, disabled (whether physically or mentally) or chronically sick by all or any of the following means:
  - a) Providing support in the form of housing, or accommodation, or services including but not limited to medical, social, welfare, rehabilitative, resettlement and care services
  - b) Providing education, training, employment, mentoring and other similar services.
- To further such other exclusively charitable purposes according to the law of England and Wales as the trustees in their absolute discretion from time to time determine.

The trustees review the aims, objectives and activities of the charity each year. This report looks at what the charity has achieved and the outcomes of its work in the reporting period. The trustees report the success of each key activity and the benefits the charity has brought to those groups of 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 in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.

##### **Activities**

Our services are as far reaching as our service user profile.

We provide practical support for people who may be vulnerable or struggle with day to day living, helping them to recover from mental illness, learn how to deal with behaviours associated with personality disorders and offending, recover from substance and alcohol misuse or are just needing support or care because they are facing issues due to a complex and chaotic life. We also provide very specialist technical, therapeutic and practical support.

We specialise in working with people who have been excluded from other services as they present personal or public safety risks.

We provide resettlement coordination and gateway services within four large prisons in London and support by rehabilitating offenders on leaving prison pan London. We provide them with behavioural programmes, access to housing and employment aiming to reduce re-offending .

## **Penrose Options**

### **Trustees report**

#### **For the year ended 31 March 2020**

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In Luton we provide floating support and social services for over 2,000 a year that prevent people from becoming homeless or help secure accommodation should they need it.

We have specialist services in Luton working with women who have been sexually exploited and may have substance and alcohol issues.

#### **Criminal Justice Services ("CJS")**

We are a partner within the London CRC providing resettlement and rehabilitation of offenders and ex-offenders pan London. Over the last year we have provided successful job fairs across London, increasing the number of offenders getting into work.

We provided meaningful programs that address multiple issues, behaviour and training needs of the offenders we support.

Our community criminal justice team services team rehabilitates and resettles offenders in the community. We manage the post sentence supervision for all adult males sentenced to less than 12 months in custody, as part of the London Community Rehabilitation Company. Penrose is a tier 2 partner within MTC Novo's solution for the London Community Rehabilitation Company.

#### **Forensic Intensive Psychological Treatment Service ("FIPTS")**

FIPTS provides accommodation and support services with assessment and treatment for adults with a diagnosed personality disorders and or shows traits of having offending history. We partner local specialist community mental health teams, who provide clinical interventions, helping to make this a safe service. The Penrose specialist support team works in a co-production framework with the clinical team and the service user to ensure the service users test the skills they have learnt in a safe environment to help with their diagnosed personality disorder and aims to prevent them from reoffending because of it. The service provides public protection and reduces recidivism. It is funded by the Department of Health and the HMPPS.

#### **Focus**

The Focus Project is a residential resettlement support service for men aged 18 to 65, with diagnosed severe and enduring mental health illness or disorder, a history of offending and high, medium and low support around complex needs that challenge services and the wider community. Penrose work with clients for up to two years to assist move on to lower supported or independent accommodation. The high support service is funded by Lambeth Clinical Commissioning Group and the medium and low support service is funded by Lambeth Integrated Mental Health Team. We provide motivational life skills, support in medication compliance, understanding how to keep well and help to access what is available in the local community helping service users to have better fulfilled lives.

#### **Jigsaw**

The Jigsaw project provides six self-contained flats with access to 24-hour support and floating support for clients who have moved on into independent housing who require on-going support and help. We encourage and motivate service users with maintaining a healthy independent life, reducing the likelihood of relapse and return to hospital care. Typically, our clients have other complex needs, including forensic history and substance and alcohol issues. We support our clients to develop the skills, strategies and connections they need, to maintain their recovery, live healthy and active lives, achieve community reintegration and good quality of life. The service is funded by the South London and Maudsley NHS Foundation Trust.

## Penrose Options

### Trustees report

For the year ended 31 March 2020

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#### Luton Services

Penrose have a number of services in Luton: **Biscot House** provides temporary accommodation with support for single homeless men who have chaotic and complex lives due to homelessness, mental ill health and/or substance and alcohol issues; **Bridge House** provides supported accommodation for homeless families; **Links** is a weekly social group open to people who feel isolated and lonely due to mental illness and is accessible to the whole community in Luton; a mental health floating support service helping people maintain their homes and lives; **Steps** provides an accommodation assessment and support service for clients on mental health wards in Luton aiming to ensure they are not homeless when discharged from hospital; **Synergy** provides a universal floating support service for people who are at risk of losing their homes or require new ones. In 2018/19 the service worked with 2,016 people and is now established to support a broad range of social issues providing practical support for families and single people; **The House** provides supported accommodation for women who are living with trauma and often controlled and sexually exploited and may have additional issues with substances and or alcohol.; **Roots** provides a therapeutic growing space. Funding is mixed and provided by Luton Borough Council, Wellbeing & Prevention Team, Comic Relief and Luton Drug & Alcohol Partnership.

#### Holman House

Holman House is a 19-room supported living project in Bedford offering related support for individuals who are homeless and have mental health and substance and or alcohol issues. The service is commissioned by Bedford Borough Council. The maximum stay is two years with the focus being on working with Penrose staff and external partners to develop confidence, self-esteem, effective support networks, mental stability, physical wellbeing and access to employment and volunteering.

#### New Hope

This is a Care Quality Commission registered community based forensic mental health service for males stepping down from inpatient hospital care, many of whom are ex-offenders with a diagnosis of mental ill health, who typically also have substance issues. The service has been rated "Good" by CQC in recent inspections. The service provides 24-hour intensive support and rehabilitation for clients, with the aim of enabling them to move on to greater independence and stop them from reoffending. The service is funded by South London and Maudsley NHS Trust.

#### Croydon Service

The service provides a range of community forensic mental health step-down services for people that have been discharged from inpatient forensic mental health care and/or specialist forensic mental health secure care. The service users may have enduring mental health needs and ongoing issues with comorbid substance misuse and non-compliance. They may also have an Autistic Spectrum Disorder diagnosis and/or exhibit behaviour that challenges. The service includes high, medium and low supported housing and we deliver 32 beds across the tiered service model.

All Penrose service are provided using a psychological informed environment and enabling environment. Staff are trained and supported to use reflective practice, so they continually improve the outcomes for our service users and reduce risks as far as possible. The organisation continually reviews and audits the way it works, to ensure it continually learns and improves; ensuring safeguarding and risk mitigation is a priority.

**Strategic Report**

**Achievements, performance and beneficiaries of our services**

The charity's main activities and who it tries to help are described above. All its charitable activities focus on providing sustainable support that inspires positive change for the marginalised and excluded to the point where they achieve healthy independence and are undertaken to further Penrose's charitable purposes for the public benefit.

In 2019/20 we supported 12,970 people across 16 different services.

**Residential Services**

- Across Penrose residential services, we supported 1,778 Service Users during the year. Over 80% of move-ons in the financial year were positive, including transferring into independent living and step-down accommodation. Less than 1% of our service users experienced returns to prison or unplanned returns to hospital during their time in our care.

KPI	Target	Actual
% positive move-ons	>85%	81.2%
% Unplanned return to hospital	<3%	0.3%
% Convicted of new offence	<3%	0.1%
% Unplanned return to prison	<3%	0.6%

- Positive Move on means people that secure independent accommodation or move into a safe location for continued support.

Total departures	1,327
Positive move-ons	1,078
Total clients seen	1,778
Unplanned return to hospital	6
Convicted of a new offence	1
Unplanned return to prison	10

- Total Departures means every Service user that has left the service across the year

- 868 completed support packages were delivered by our Synergy service in Luton, with 95% of Service Users stating the service had given them more choice and control.
- 31 clients were supported across Luton residential services, including, the delivery of 3,028 keywork sessions, 604 individual life skill sessions and 52 group activities.
- 140 Service Users were supported by Penrose Roots, including the training and development of 39 volunteers.
- 20,916 hours of care support were delivered to 75 clients by Penrose Community Links, our CQC registered intensive floating support service. Only 8 (11%) were hospitalised during our period of support.

## **Penrose Options**

### **Trustees report**

#### **For the year ended 31 March 2020**

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- Our Criminal Justice Services supported 8,313 people in 4 London prisons and supervised 2,550 men on their licence and post sentence supervision (PSS) periods after release from custody.
- 82% of our PSS Service Users completed their order without being breached and returned to custody and 86% rated their experience with us as positive or very positive.
- Our CJS employability services continued to grow and flourish. 242 service users attended our job fairs in custodial and community settings, alongside 84 organisations providing training and employment opportunities. 92% of attendees rated the event as worthwhile or very worthwhile.

#### **Significant events**

##### **Participation in Luton's Pilot Year of Culture**

Staff and volunteers from the Penrose Community Based Recovery Service, which incorporates many of our Luton based services, were involved in one of Luton's Pilot Year of Culture People Power and Passion, projects designed to assess the impact of arts and culture on the town. This was in commemoration of one of the town's most famous moments in history, the 1919 Peace Days Riots.

The service was awarded a runner-up award for its part in community involvement. As a result, the PPP organisers provided additional funding for those involved in the arts by offering drama and rap workshops and one-to-one sessions in 2020.

It also won the prestigious, Community Project of The Year award at the Luton & Bedfordshire annual Community Awards ceremony. The awards celebrate the unsung heroes in the community and applaud those that seek to make the lives of others, easier, happier and more fulfilled.

Penrose Roots to Recovery garden is a therapeutic growing space for people aged 16+. The project offers, skills, learning and employability, reduces social isolation, and promotes mental and physical wellbeing. The aim is to bring people together as a group, giving them a renewed sense of purpose and reawakening old skills and interests. It promotes recovery from drug and alcohol addiction, mental ill health, offending behaviour, homelessness and unemployment.

##### **Miller House**

Our Friends Road Service held a BBQ and official naming of the houses as, Miller House(s). This is in honour of the late Antony Miller, Director of Operations for Mental Health & Social Care who was instrumental in our successfully winning the tender for the project. It was a fitting tribute to Antony and as his niece Cherelle stated, "...he did not have any children, but this is his legacy and as a family, we are so honoured that he will forever be remembered through the service." There are also two memorial benches in the garden, standing as a reminder of Antony's life for years to come.

##### **World Mental Health Day**

For World Mental Health Day, the Social Interest Group, observed the day in various way. In Luton, Penrose took part in a Recovery walk, which was a long walk visiting many of the organisations in the town that help those who need support with mental health problems, homelessness, addiction and many other issues. The group then visited Victoria House where a presentation about the organisation was given, followed by a Q & A and distribution of leaflets. Following the walk, the Volunteer & Community

## **Penrose Options**

### **Trustees report**

#### **For the year ended 31 March 2020**

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Programme Coordinator, was interviewed by Three Counties Radio during which she spoke at length about the work that Penrose does in the community which includes: help with housing related issues, assistance in completing benefit claims, the recovery community garden, the Bicycle workshops, street art and the Connects social group.

#### **Financial review**

Penrose made a surplus of £288k (2018/19 - £529k) at the operating profit level before a past service deficit pension payment of £110k (2018/19 - £121k). This results in an unrestricted fund balance of £1,741k (2018/19 - £1,563k) at 31st March 2020. In addition, it had a restricted fund balance of £3k (2018/19 - £3k).

The restricted reserve transactions relate to the House. The balance carried forward into the new financial year is £3k.

The pensions reserve at the year-end was £326k in deficit and relates to the past service deficit liability relating to the defined benefit Social Housing Pension Scheme. The triennial valuations in 2008, 2011, 2014 and 2017 resulted in member organisations being charged a levy to bring the scheme back into surplus. The charity has closed its participation in this pension scheme but remains liable for an element of the deficit.

Given the status of the charity as a subsidiary undertaking in the Social Interest Group, the wider economic environment and on-going changes and increased competition within the sector, the trustees consider the results to be acceptable. The focus remains on developing new services and 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 offenders with mental health histories. The Ministry of Justice funds our Criminal Justice Service via the prime contractor MTC Novo. The trustees are appreciative of the funding received from all of 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.

#### **Principal risks and uncertainties**

Penrose has a risk management strategy which is overseen by the trustees. The risk register is reviewed quarterly by the Executive Management Team, in consultation with all managers, and subsequently by the trustees.

The principal risks of the charity are that a service user commits a serious act or is the victim of harm and/or abuse and that there is class A and/or B drug use by a service user on our premises. This is not surprising in view of the activities undertaken by the charity. To mitigate these risks, we have robust risk management policies, well trained staff, panic alarms, testing procedures, and good relationships with Care Plan Approach care co-ordinators, responsible officers, and the police.

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

The trustees have established the level of reserves they feel Penrose should have. Reserves are needed to bridge the funding gaps between spending on services and receiving resources through contracts for provision of services, as well as to cover the impact on working capital of increasing demand for its services and unforeseen budgetary variances. Reserves are also held to cover risks faced by Penrose including possible loss of contract income.

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



## **Penrose Options**

### **Trustees report**

#### **For the year ended 31 March 2020**

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trustees consider that in the light of the ongoing challenging financial environment the reserves target should be approximately £500k. This amount is appropriate for the charity as a subsidiary undertaking in a group situation. The unrestricted free reserves, excluding the past service pension liability, are £1,649k at 31<sup>st</sup> March 2020. It is held at this higher level because of the pension liability. The trustees will continue to review the reserves policy and position.

The trustees do not consider there are any material uncertainties about the charity's ability to continue as a going concern.

#### **Fundraising disclosures**

Penrose does not engage in public fundraising and does not use professional fundraisers or commercial participators. Penrose nevertheless observes and complies with the relevant fundraising regulations and codes. During the year there was no non-compliance of these regulations and codes and Penrose received no complaints relating to its fundraising practice.

#### **Plans for the future**

We are in the second year of our 3-year strategy and are delivering our 'Making Change, Changing Lives' programme which looks to empower our staff to be the best they can be, so we can deliver the highest quality services possible.

The areas where we work in health and social care continue to undergo transformation. We are working closely with the NHS Mental Health Trusts that we partner to support them in their 'Local transformation plans' seeking to create new ways of working by developing innovative local solutions.

We are participating in the MOJ review of the national probation service and the CRCs with the upcoming changes to the probation service.

We continue to work with local authorities and clinical teams to develop our commissioned services to adapt to the increasing complex needs of those who require our support.

We have also invested this year into a model and quality innovation team whose role it is to strengthen the activities and programs we can offer to our Service Users and staff teams. This new way of working will allow us to increase our service experience for our service users and help us attract additional funding from areas we have not been able to do before such as corporate and private sector businesses and social impact funders.

We aim to be able to create a team of flexible workers that can act quickly as we win and develop new business. We are also considering the merits of creating our own staffing agency to reduce the cost of flexible staff within the sector.

We will continue to grow our service provision to provide support to those who have the highest and most complex needs and are the most vulnerable in our society.

The Covid 19 pandemic has had a tremendous impact on the Group but we are managing it well. It has made us have to work and provide services differently and learn new ways of working quickly. It has been an expensive time for the group with additional cost for providing PPE and covering staff during their times shielding or unwell.

The Group prepared well for the pandemic and lockdown ensuring business continuity plans (BCUs) were reviewed and thoroughly tested before the lockdown came into place. We brought all services and

### **Trustees report**

**For the year ended 31 March 2020**

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central services down to minimum operating numbers and all staff that were able, worked from home. As a charity using public funding meant we were unable to furlough any staff whose work could not be done at home or if they had to shield for medical reasons. These costs had to be met by the charity even though in many cases we had to back fill the staff who could not be on site. By testing the BCU's ahead of lockdown we were able to identify gaps in provision, technology and equipment and ensured it was in place when needed. During the first lockdown we procured sufficient PPE for staff and worked with our commissioners and local authorities to ensure they knew our ongoing needs. We also increased our infection control procedure and paid for deep cleaning of services when a resident or staff member tested positive. We speedily took steps to manage the risk of spreading the virus and took steps ensure safety. Financially, we incurred significant additional staff costs, some of which were offset as we accessed all available Covid grants that were opened through local authorities and worked internally through the fundraising team to apply for other relevant funds. The structures we put in place at the beginning have held steady throughout the pandemic reducing impact on staff and service users. The staff have worked tirelessly as a team to protect each other and those we support. We have acts of incredible kindness and thoughtfulness across the group and sparks of creativity within teams on how to continue delivering high quality services in such strange times. It was remarked by one commissioner that they wished all providers had the same forethought that we did and showed the same resilience to weather and overcome challenges as us. We will continue in 2020/21 to seek additional funding to cover any potential losses and we will continue to adapt our services in line with Government changes, always keeping the people we support and the staff that diligently and professional go about their work, at the centre of everything we do.

### **Criminal Justice Services**

We are responsible for the coordination and implementation of offender resettlement activities within four adult male London resettlement prisons. During the last year we worked with 1,663 offenders whilst in prison. At the same time, we supervised 6,259 offenders in the community. Data collected evidenced that the highest issues remain around domestic violence, mental illness, alcohol misuse and substance misuse. This has been the case for many years. With an additional factor that there remains a higher percentage of black and minority ethnic people given sentences in prison than their white counter parts.

During the next year we will continue to increase the drive to develop solutions that supply accommodation on release, together with employment and behaviour programmes. We will also engage in trying to galvanise greater use of alternatives to prisons especially for people with mental illness.

There are many changes ahead in the criminal justice system. Penrose continues to have dialogue with the Ministry of Justice so that it can continue its legacy and participate in future developments with the aim of continuing to deliver services under the new regime.

### **Mental health**

We will drive for improvement in the community care of adults and young people suffering with mental illness to reduce the need to stay in hospital. We will provide practical solutions, therapies and treatment programmes within our floating support, community links, social prescriptions, residential and non-residential recovery programmes. We will do this by delivering open dialogue, peer mentors, recovery centres, and early crisis interventions.

## **Penrose Options**

### **Trustees report**

**For the year ended 31 March 2020**

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#### **Residential services**

We have a range of supported houses, registered care homes and floating support services. This year has seen the continued move towards generalist supported housing for mixed social needs. We will continue to provide supported housing, registered care homes and a range of floating support services that respond flexibly to the increasing complexity of need.

#### **Generic services**

Penrose Synergy in Luton is now locally known as Penrose Universal Services as it has responded to local needs and demands and now stretches its profile to help people across the whole social care needs spectrum. It supports those with individual traumas and pressure of life over housing, homelessness, social services, children's and adults' services and probation. The Penrose Synergy model of service delivery has proved its worth, working with over 2,000 individuals and families a year. The model is transferable and cost effective. The model is versatile and can be adapted to meet a variety of funding streams. Penrose has developed Community Links from delivering Synergy Universal Services in Luton and is now rolling this out in other geographical areas. The service can be block contracted or spot purchased.

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

Penrose is a company limited by guarantee not having a share capital (Number 8466743) and is registered as a charity with the Charity Commission (Number 1151455). Penrose's governing instruments are its Articles of Association dated 28<sup>th</sup> March 2013 and amended on 1<sup>st</sup> November 2018. The sole member of Penrose is the Social Interest Group with effect from 1<sup>st</sup> October 2014 and as of 1<sup>st</sup> November 2018 the non-executive trustees of the Social Interest Group were appointed as the trustees of Penrose Options.

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.

#### **Appointment of Trustees**

The trustees are listed on page 1. They hold office for an initial period of three years with the possibility of a second term of three years or can be extended in exceptional circumstance where the Trustee has specific required skills. The board consists of no fewer than three and no more than nine persons appointed by the trustees at any time at a meeting or in writing. No person under the age of 18 may be appointed as a trustee.

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

#### **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 of Penrose and its recent financial performance. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

**Related parties and relationships with other organisations**

Penrose is a member of the Social Interest Group of which it is a subsidiary. The holding company provides all support functions, senior management and strategic guidance. The chair of Penrose is a trustee of the holding company. Penrose is supported in its charitable objectives by other Social Interest Group companies: Equinox Care and SIG Investments.

**Remuneration policy for key management personnel (noted on page 2)**

The Group Chief Executive's remuneration is set by the Social Interest Group non-executive trustees. 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**

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

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

**Employee information**

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

The Executive Management Team meet on a weekly basis and updates from this meeting and the monthly Senior Managers Team meeting are disseminated to the Managers' meeting and then to the individual projects monthly staff meeting. In addition, the Company Secretary visits all projects on a regular basis to provide "Board Feedback".

Penrose 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.

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 Penrose 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 Penrose for the purposes of company law) are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 Penrose and of the incoming resources and application of resources, including the income and expenditure, of Penrose 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

## Penrose Options

### Trustees report

For the year ended 31 March 2020

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- 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 a going concern basis unless it is inappropriate to presume that Penrose 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 Penrose and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of Penrose 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 charitable 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 one. The trustees are not members of the charity and have no beneficial interest in it.

### Auditor

Sayer Vincent LLP was re-appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The trustees' annual report, which includes the strategic report, was approved by the board of trustees on 20 January 2020 and signed on their behalf by



Dr Karl Marlowe  
Chairman

## Independent auditor's report

### To the members of

#### Penrose Options

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### Opinion

We have audited the financial statements of Penrose Options (the 'charitable company') for the year ended 31 March 2020 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- The trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### Other information

The other information comprises the information included in the trustees' annual report, including the strategic report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the

## **Independent auditor's report**

### **To the members of**

#### **Penrose Options**

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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' annual report, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report, including 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' annual 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 statement of responsibilities of the trustees set out in the trustees' annual report, 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

## Independent auditor's report

### To the members of

#### Penrose Options

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or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

### Use of our report

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the 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.

Helen Elliott (Senior statutory auditor)  
25 January 2021  
for and on behalf of Sayer Vincent LLP, Statutory Auditor  
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL



## Penrose Options

### Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2020

	Note	Unrestricted £'000	Restricted £'000	Pensions £'000	2020 Total £'000	Unrestricted £'000	Restricted £'000	Pensions £'000	2019 Total £'000
<b>Income from:</b>									
Donations and legacies	2	3	-	-	3	10	-	-	10
Charitable activities	3	9,466	-	-	9,466	8,576	52	-	8,628
<b>Total income</b>		<b>9,469</b>	<b>-</b>	<b>-</b>	<b>9,469</b>	<b>8,586</b>	<b>52</b>	<b>-</b>	<b>8,638</b>
<b>Expenditure on:</b>									
Charitable activities	4a	(9,181)	-	-	(9,181)	(8,057)	(52)	-	(8,109)
<b>Total expenditure</b>		<b>(9,181)</b>	<b>-</b>	<b>-</b>	<b>(9,181)</b>	<b>(8,057)</b>	<b>(52)</b>	<b>-</b>	<b>(8,109)</b>
<b>Net income before transfers</b>	5	<b>288</b>	<b>-</b>	<b>-</b>	<b>288</b>	<b>529</b>	<b>-</b>	<b>-</b>	<b>529</b>
Transfers between funds		(110)	-	110	-	(121)	-	121	-
<b>Net income before other recognised gains and losses</b>		<b>178</b>	<b>-</b>	<b>110</b>	<b>288</b>	<b>408</b>	<b>-</b>	<b>121</b>	<b>529</b>
Actuarial gain/(losses) on defined benefit pension schemes	13	-	-	1,020	1,020	-	-	(630)	(630)
<b>Net movement in funds</b>		<b>178</b>	<b>-</b>	<b>1,130</b>	<b>1,308</b>	<b>408</b>	<b>-</b>	<b>(509)</b>	<b>(101)</b>
<b>Reconciliation of funds:</b>									
Total funds brought forward		1,563	3	(1,456)	110	1,155	3	(947)	211
<b>Total funds carried forward</b>	15	<b>1,741</b>	<b>3</b>	<b>(326)</b>	<b>1,418</b>	<b>1,563</b>	<b>3</b>	<b>(1,456)</b>	<b>110</b>

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

# Balance sheet

Company no. 8466743

As at 31 March 2020

	Note	£'000	2020 £'000	£'000	2019 £'000
<b>Fixed assets:</b>					
Tangible assets	10		92		92
			92		92
<b>Current assets:</b>					
Debtors	11	2,707		2,223	
Cash at bank and in hand		557		276	
		3,264		2,499	
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	12	(1,612)		(1,025)	
<b>Net current assets</b>			1,652		1,474
<b>Total assets less current liabilities</b>			1,744		1,566
<b>Net assets excluding pension provision</b>			1,744		1,566
Defined benefit pension scheme liability	13		(326)		(1,456)
<b>Total net assets</b>	14		1,418		110
<b>The funds of the charity:</b>	15				
Restricted income funds			3		3
Unrestricted income funds:					
General funds		1,741		1,563	
Pension reserve		(326)		(1,456)	
<b>Total unrestricted funds</b>			1,415		107
<b>Total charity funds</b>			1,418		110

Approved by the trustees on 20 January 2021 and signed on their behalf by



Carl Marlowe  
Chair

**Statement of Cash Flows**

**For the year ended 31 March 2020**

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
<b>Cash flows from operating activities:</b>		
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	<b>1,308</b>	<b>(101)</b>
Depreciation charges	<b>40</b>	<b>34</b>
Movement in long-term pension deficit liability	<b>(1,130)</b>	<b>487</b>
(Increase) in debtors	<b>(484)</b>	<b>(818)</b>
Increase in creditors	<b>587</b>	<b>324</b>
<b>Net cash used in operating activities</b>	<b>321</b>	<b>(74)</b>
<b>Cash flows from investing activities:</b>		
Purchase of fixed assets	<b>(40)</b>	<b>(79)</b>
<b>Net cash used in investing activities</b>	<b>(40)</b>	<b>(79)</b>
<b>Change in cash and cash equivalents in the year</b>	<b>281</b>	<b>(153)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>276</b>	<b>429</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>557</b>	<b>276</b>

**1 Accounting policies**

**a) Statutory information**

Penrose Options is a charitable company limited by guarantee and is incorporated in England and Wales.

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

**b) Basis of preparation**

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

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

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

**c) Public benefit entity**

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

**d) Going concern**

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

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

**e) Income**

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

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

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

**f) Interest receivable**

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

**g) Fund accounting**

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

**1 Accounting policies (continued)**

**h) Expenditure and irrecoverable VAT**

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

**i) Central support costs**

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

**j) Operating leases**

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

**k) Tangible fixed assets**

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over their useful lives.

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

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

**l) Debtors**

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

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

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

**n) Creditors and provisions**

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

**1 Accounting policies (continued)**

**o) Financial instruments**

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

**p) Pensions**

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

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

**2 Income**

Penrose has received a donation of £nil (2019 – £nil) from its parent undertaking, the Social Interest Group, and £3,000 (2019 – £10,000) from other donors.

**3 Charitable activities**

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

## Penrose Options

### Notes to the financial statements

For the year ended 31 March 2020

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

	Charitable activities £'000	Governance costs £'000	Support costs £'000	2020 Total £'000	2019 Total £'000
Staff costs (Note 6)	6,208	–	1,111	7,319	6,119
Recruitment & training	–	–	132	132	190
Subsistence & travel	–	–	55	55	79
Premises	682	–	214	896	863
Office running costs	36	–	35	71	166
Insurance	–	–	23	23	43
Information technology	–	–	208	208	133
Legal & Professional	–	–	67	67	47
Depreciation	40	–	–	40	34
Auditor's fees	–	14	–	14	39
Other costs	242	5	109	356	396
<b>Total expenditure 2020</b>	<b>7,208</b>	<b>19</b>	<b>1,954</b>	<b>9,181</b>	
<b>Total expenditure 2019</b>	<b>6,656</b>	<b>40</b>	<b>1,413</b>		<b>8,109</b>

**Penrose Options**

**Notes to the financial statements**

**For the year ended 31 March 2020**

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

	Charitable activities £'000	Governance costs £'000	Support costs £'000	2019 Total £'000
Staff costs (Note 6)	5,405	-	714	6,119
Recruitment & training	-	-	190	190
Subsistence & travel	-	-	79	79
Premises	706	-	157	863
Office running costs	142	-	24	166
Insurance	-	-	43	43
Information technology	-	-	133	133
Legal & Professional	-	-	47	47
Depreciation	14	-	20	34
Auditors fees	-	39	-	39
Other costs	389	1	6	396
<b>Total expenditure 2019</b>	<b>6,656</b>	<b>40</b>	<b>1,413</b>	<b>8,109</b>



for the year ended 31 March 2020

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

This is stated after charging:

	2020 £'000	2019 £'000
Depreciation	40	3
Operating lease rentals:		
Property	677	68
Auditor's remuneration (excluding VAT):		
Audit	14	1
	<u>731</u>	<u>72</u>

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

Staff costs were as follows:

	2020 £'000	2019 £'000
Salaries and wages	5,689	5,06
Redundancy and termination costs	41	2
Social security costs	530	43
Employer's contribution to defined contribution pension schemes	99	8
Operating costs of defined benefit pension schemes	11	3
Agency costs	949	46
	<u>7,319</u>	<u>6,11</u>

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

No employee salaries exceeded £60,000 (2019: nil).

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £Nil (2019: £Nil). Key management personnel are provided by the Social Interest Group.

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2019: £Nil). No charity trustee received payment for professional or other services supplied to the charity (2019: £Nil).

No trustees' expenses were paid or reimbursed (2019: £Nil).

**Staff numbers**

The average number of employees calculated on an average headcount basis during the year was:

	2020 No.	2019 N
Operational staff	212.7	214
Administration	1.0	1
	<u>213.7</u>	<u>215</u>

for the year ended 31 March 2020

**Related party transactions**

Penrose was charged £1,893,000 for central office functions provided by the parent charity Social Interest Group (2019: £1,349,000).

Penrose Options was owed from SIG £1,796,000 at the year end. (2019: £1,428,000)

Penrose Options owed £477,000 to Equinox Care at the year end (2019: owed £104,000).

Penrose Options owed £20,000 Milner Gibson Limited at the year end (2019: £20,000)

Penrose Options owed £8,000 to SIG Investments at the year end (2019: £Nil)

**Taxation**

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

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

**Tangible fixed assets**

	Motor Vehicles £'000	Fixtures fittings & Equipment £'000	Leasehold improvements £'000	Total £'000
<b>Cost or valuation</b>				
At the start of the year	5	179	59	243
Additions in year	-	14	26	40
At the end of the year	5	193	85	283
<b>Depreciation</b>				
At the start of the year	2	94	55	151
Charge for the year	1	24	15	40
At the end of the year	3	118	70	191
<b>Net book value</b>				
At the end of the year	2	75	15	92
At the start of the year	3	85	4	92

All of the above assets are used for charitable purposes.

**Debtors**

	2020 £'000	2019 £'000
Trade debtors	627	57
Staff loans	3	-
Amounts due from group undertakings	1,796	1,45
Other debtors	67	7
Prepayments	214	10
	<b>2,707</b>	<b>2,22</b>

for the year ended 31 March 2020

2 Creditors: amounts falling due within one year

	2020 £'000	2019 £'000
Trade creditors	399	25
Taxation and social security	316	13
Pension contributions	39	5
Other creditors	136	13
Amounts due to Group undertakings	505	15
Accruals	217	25
	<b>1,612</b>	<b>1,02</b>

3 Pension scheme

The Pensions Trust – Social Housing Pension Scheme (“Scheme”)

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

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

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

The Scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 3 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension scheme in the UK.

The last triennial valuation of the Scheme overall for funding purposes was carried out as at 30 September 2017. This valuation revealed a deficit of £1,522m. A Recovery Plan has been put in place with the aim of removing the deficit by 30 September 2026. The Scheme is classified as a 'last-man standing arrangement'. Therefore the charity is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the Scheme. Following consultation between the Pension Trustees and Employers, a new recovery plan to recover the overall scheme deficit has been agreed. This is based on a fair share of liabilities approach. This is effective from 1 April 2019.

Number of active members in the scheme

	Number
Active	5
Deferred	1
Pensioners	

Financial assumptions

	2020 % pa	2019 % pa
Rate of discount	2.66	2.3
Price inflation (RPI)	2.60	3.2
Price inflation (CPI)	1.60	2.2
Earnings increases	2.60	3.2
Allowance for commutation of pension for cash at retirement	75%	75

**Pension schemes (continued)**

**Other material assumptions**

Life expectancies in retirement:	years	years
Male currently aged 65	21.50	21.8
Female currently aged 65	23.30	23.5
Male currently aged 45	22.90	23.2
Female currently aged 45	24.50	24.7

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

	2020 £'000	2019 £'000
Fair value of plan assets	4,542	4,321
Present value of defined benefit obligation	(4,868)	(5,777)
Net defined liability to be recognised	(326)	(1,456)

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

	2020 £'000	2019 £'000
Opening fair value of employer assets	4,321	4,071
Interest income	102	101
Experience on plan assets	39	1
Contributions by the employer	150	181
Withdrawals by Employees	-	-
Benefits paid and expenses	(70)	(51)
Closing fair value of employer assets	4,542	4,321

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

	2020 £'000	2019 £'000
Opening defined benefit obligation	5,777	5,331
Current service cost	-	-
Expenses	7	-
Interest cost	135	131
Contributions by members	-	-
Withdrawals by Employees	-	-
Actuarial (gains)/losses	(981)	35
Benefits paid and expenses	(70)	(51)
Closing defined benefit obligation	4,868	5,777

**3 Pension schemes (continued)**

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

	2020 £'000	2019 £'000
Current service cost	-	-
Expenses	7	-
Net interest expense	33	3
Defined benefit costs recognised in the SOFA	40	3
Actual return on plan assets	141	12

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

	2020 £	2019 £
Actuarial (loss) on recognising full scheme liability	-	(28)
Actuarial gain/(loss) on plan obligations	981	(35)
Actuarial gain on plan assets	39	1
	1,020	(63)

**1a Analysis of net assets between funds (current year)**

	General unrestricted £'000	Pension reserve £'000	Restricted £'000	Total fund £'000
Tangible fixed assets	92	-	-	92
Net current assets	1,649	-	3	1,652
Defined benefit pension provision	-	(326)	-	(326)
<b>Net assets at 31 March 2020</b>	<b>1,741</b>	<b>(326)</b>	<b>3</b>	<b>1,418</b>

**1b Analysis of net assets between funds (prior year)**

	General unrestricted £'000	Pension reserve £'000	Restricted £'000	Total fund £'000
Tangible fixed assets	92	-	-	92
Net current assets/(liabilities)	1,471	-	3	1,474
Long term liabilities	-	(1,456)	-	(1,456)
<b>Net assets at 31 March 2019</b>	<b>1,563</b>	<b>(1,456)</b>	<b>3</b>	<b>110</b>

for the year ended 31 March 2020

ia Movements in funds (current year)

	At 1 April 2019 £'000	Income & gains £'000	Expenditure & losses £'000	Transfers £'000	At 31 March 2020 £'000
<b>Restricted funds:</b>					
Roots	3	-	-	-	
<b>Total restricted funds</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>General funds</b>	<b>1,563</b>	<b>9,469</b>	<b>(9,181)</b>	<b>(110)</b>	<b>1,741</b>
<b>Pension reserve</b>	<b>(1,456)</b>	<b>1,020</b>	<b>-</b>	<b>110</b>	<b>(326)</b>
<b>Total funds including pension fund</b>	<b>110</b>	<b>10,489</b>	<b>(9,181)</b>	<b>-</b>	<b>1,415</b>

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

ib Movements in funds (prior year)

	At 1 April 2018 £'000	Income & gains £'000	Expenditure & losses £'000	Transfers £'000	At 31 March 2019 £'000
<b>Restricted funds:</b>					
Roots	3	-	-	-	
The House		52	(52)	-	
<b>Total restricted funds</b>	<b>3</b>	<b>52</b>	<b>(52)</b>	<b>-</b>	
<b>General funds</b>	<b>1,155</b>	<b>8,586</b>	<b>(8,057)</b>	<b>(121)</b>	<b>1,563</b>
<b>Pension reserve</b>	<b>(947)</b>	<b>-</b>	<b>(630)</b>	<b>121</b>	<b>(1,456)</b>
<b>Total funds including pension fund</b>	<b>211</b>	<b>8,638</b>	<b>(8,739)</b>	<b>-</b>	<b>110</b>

**Purposes of restricted funds**

Comic Relief gave an award to be spent on LINKS weekly social group for those in need.

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

5 Operating lease commitments

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

	Property 2020 £'000	2019 £'000
Less than one year	494	46
One to five years	567	36
	<b>1,061</b>	<b>82</b>

**7 Guarantees and ultimate parent undertaking**

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