

Annual Report

2020



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“My son is getting out more with different people rather than just his parents.”

Sunderland direct payment user

A word from the Chair

The way people have worked together and embraced necessary changes, with the focus always on those who use our services, is what makes Penderels Trust a special organisation, able to withstand the turbulent environment we all find ourselves in.

It is probably an understatement to describe the last year as extraordinary, it has been a year of unforeseen and unpredictable change for all of us, affecting every aspect of our lives. The Covid-19 pandemic has tested the resilience and ingenuity of everyone involved with Penderels Trust with new challenges and new ways of working required to ensure that services continued to be available to the people who rely on them, at a time when many were feeling anxious and vulnerable.

As an organisation, Penderels Trust has not only faced up to the new conditions and consistently delivered services, but has remained financially stable, continued to develop plans and even taken on new tasks in some areas (for example, the distribution of PPE with partner organisations). It is also particularly gratifying to see that at last Penderels Trust's voice as an advocate for the people we serve, is starting to be heard amongst policy makers and influencers at this critical time.

I believe that it is the unique nature of this organisation that has enabled us to retain and attract special people and we welcomed new Trustees: Andrew Ford, Phil Collis and Andrew Reece to the Trustee body this year, all of whom bring a wealth of knowledge and experience to complement the skills and understanding of the existing Trustees and Executive Team who make up the Trust Board.

The Trustees owe every member of Penderels Trust staff a huge debt of thanks for working above and beyond what could have been expected, not least Gary Jones and the management team for their leadership and determination during this most challenging of times.

V. A. Cotterill

Veronica Cotterill
Chair

Chief Executive's Report

In this report, we are reflecting upon the performance of Penderels Trust during the year 2019-20, and under normal circumstances, we would be celebrating the fact that we have once again had a year in which the Trust has been successful and continued to support thousands of people across the country.

Penderels Trust continues to be the largest single provider of Direct Payment support and guidance across England and the range of our services has continued to increase throughout this year. We support over 14,000 people nationally with their direct payments, and have an increasing offer for people requiring Appointeeships and support with money management.

Over the 12 months covered by this report, our income has remained stable at around £5 million. Importantly, we have continued to diversify our income streams, meaning that we are not overly reliant on either specific contractual arrangements, or on one particular element of our service provision. This is an important step as it enables us to be a much more resilient organisation and demonstrates that we have been able to adapt to difficult circumstances over the past 5 or 6 years when austerity policies had significant impacts both social care and the third sector. This resilience has been truly tested in 2020, which is something I will come to later in my report.

In my report last year, I talked about the survey we undertook with our users to find out what is important to them, not just in their relationship with Penderels Trust but in the wider ways in which they receive support. We have used the results of this survey this year as part of our plan to build the profile of the Trust and of direct payment users more generally. To this end, we have been involved in initiatives with Skills for Care, Think Local

Act Personal (TLAP) and the Department for Health and Social Care around support for direct payment employers and for personal assistants (PAs). In early 2020, we reinvigorated our PA recruitment offer, an aspect of our support that we are keen to develop further throughout the coming years.

In this year, we were able to commence an investment of some funds following a bequest received in 2019. The investment is a new project for Penderels Trust, and will provide us with the ability to offer small grants each year to users to put towards an identified need. This process is a reinvigoration of the 'Beecham Award', a programme named after Julie and Jonathan Beecham who used Penderels Trust's services for many years, and whose parents (Terry and Jean) left this bequest to the Trust.

In 2019-20, we also took time to strengthen our internal governance, reviewing our reserves policy and appointing a number of new Trustees to our board. I am confident that this work has enabled us to become a much more robust organisation and allows a solid base upon which to build our future plans. Indeed, the tests of this resilience could not have been much higher in the events that have occurred subsequent to the year covered by this report.

When reflecting upon 2019-20 this year, however, we must talk about the events that have happened since

March. The Covid-19 pandemic has altered every aspect of life across the country and the way we work has had to change dramatically to deal with the consequences. As a test of our business continuity and ability to cope with catastrophic change, I cannot be more proud of the response of everyone at Penderels Trust.

As the scale of the pandemic became apparent in early March 2020, we very quickly took mitigating actions to protect our users, our staff, and the ongoing provision of our services. These actions meant that we had already organised for all staff to work from home prior to the introduction of 'lockdown' measures by the government, and had enacted a full range of measures to enable our direct work with users to continue without interruption. Later in the report, we will outline some of the actions that were taken, as well as highlighting some examples of the advice and guidance we have produced for our users that has been shared by external agencies.

Whilst the events of the past few months have been possibly the biggest challenge we may have to face as an organisation in terms of business continuity, I must highlight how well I think the whole team has pulled together and adapted. We have managed to continue doing our work and supporting our users throughout this period, and whilst the methods we use may have had to change, the level of support provided has not been affected – if

anything, our teams have been doing more than ever. Our teams have gone above and beyond what might be expected of them, with support being given in local areas including things like the distribution of PPE to DP users and their PAs. Each week throughout the pandemic, I have been able to highlight some great work done by individuals to support our users and their local communities. Everyone associated with Penderels Trust should be proud of the way that all of our staff have worked this year.

“A direct payment has made the care I receive more tailored to my needs.”

Lincolnshire
direct payment user

Importantly, we are ensuring that we learn from the events of the last few months to inform and improve our working practices going forward. We are already starting to see the impacts of a shift to online submission and transmission of payroll data, with significant reductions in printing and postage costs. We are now considering the need for office premises in a number of locations, and with the consent of our commissioners, are again likely to be able to achieve significant changes. With the shift to a greater proportion of home-working, we are also reflecting on how this might look across a range of our policies, including things like environmental sustainability as we cut out lots of non-essential travel.

This is not to say that we haven't had to deal with significant obstacles. As an organisation that has always been built upon the direct contact and relationships with our customers, the inability to meet with people either in their homes or our offices has been a severe problem logistically. When possible, we have

started to reintroduce some aspects of work, including home visits, particularly around our Money Management and Appointeeship services where we do need to meet with clients face-to-face in the course of our duties. In order to facilitate this, we have put in place a wide-range of Covid-secure processes, including ensuring that all staff who have to undertake visits are regularly tested - it is our duty to ensure that everyone gets the support that they need as safely as possible.

I want to use the final part of this message to thank everyone who has helped us to continue to run our services this year. This includes all of our staff who have been resilient and adaptable throughout this period, being prepared to change the ways in which they work almost overnight. I

would like to thank those who commission our services - the last 6 months have really demonstrated the importance of partnership working, and we hope to be able to continue to support you in your work as we move forward beyond the pandemic.

Finally, I want to thank all of our users, who without doubt have been amongst the most deeply affected groups in society this year. By working together, we have been able to find new ways of working that ensure the continuity of your support, but this has only been possible with the patience of everyone involved. Everyone at Penderels Trust is committed to continuing to provide the best service possible and we look forward to what we hope will be a much more positive time in 2021.

Governance

During the period of this annual report and onward into this financial year, the Trust has been governed by a total of 8 Trustees.

We wish to thank all Trustees for their valuable contribution.

Veronica Cotterill
(Chair)

Dick Harris
(Vice Chair)

John Finnie

Yvonne Barnes

Andrew Ford
(joined June 2019)

Andrew Reece
(joined March 2020)

Philip Collis
(joined September 2019)

Monica Macheng
(resigned November 2019)



Thank you to Dick Harris



Dick Harris, our Vice Chair, will retire from the Board of Trustees on 11th November 2020 at our Annual General Meeting. This will be the end of an era.

Dick was first involved with what was to become Penderels Trust way back in September 1987. Having moved up from London to take a job with the then-named Spastics Society in Coventry, Dick and his young family were busily looking for a home that would suit their needs.

It was suggested that the empty 'Penderels' house could be used as a stop-gap (and he could act as a caretaker in the meantime!). The family lived there for two months before moving into the home in Coventry where he and his wife still live today.

Dick has cerebral palsy and uses a wheelchair. He needs support with his personal and daily tasks and has a direct payment to employ his own personal assistants.

He has been formally involved with Penderels Trust as part of the Board of Trustees since the start and for many years as our Vice Chair. Dick recently left Leonard Cheshire, a major disability organisation, where he worked for many years in a number of roles.

Dick has been an invaluable part of our Board and our history and will be very much missed by everyone at Penderels Trust.



Developing the PA Market

Choice and control underpins the ethos of having a direct payment. For many people, this means employing their own personal assistant (PA) to provide care and support.

The PA role is different to other roles in social care. The PA works one-to-one with the individual and can make a real difference to their life.

At Penderels Trust, we recognise that having the right PA is so important and we are working hard to develop and promote the value of this vital role.

The Team

We have a dedicated team that is solely focused on our PA recruitment and development activity. This team manages all the PA roles that are advertised on our website and run the PA Finder registers for each area. The team is headed up by James Chaplin, who is an HR professional so brings this additional expertise to our work. James is supported by two PA Recruitment Assistants who also have HR experience.

Our two main services are:

- **PA Recruitment** - the placing and support to fill existing PA vacancies for our direct payment employers
- **PA Finder** - our online register of PAs who are looking for work.

PA Recruitment

We typically place over 250 adverts per quarter on behalf of our direct payment employers as part of our support service. These are placed on our website and shared on the major job sites including DWP's 'find-a-job' website and Indeed.com. All our PA advertisements include relevant key words to ensure they receive maximum exposure.

We have made many improvements to this service this year. We provide a quarterly report per local contract area and have added a number of new metrics to better understand what is happening in each area.

The report highlights vacancy information such as pay rate comparisons, gender requirement split and geographical spread of vacancies/successful recruitments. This is helping us to work with our local authority partners to build a clear picture of PA recruitment in their area on a quarter-by-quarter basis. We are also able to use this market intelligence to highlight areas where recruitment is more difficult e.g. in very rural areas, so we can target our marketing activity very precisely.

We introduced a feedback form for employers (or their Independent Living Adviser (ILA) if they prefer) to complete following the interview process so that we know if the job was successfully filled or not.

We are currently developing a new interactive and inclusive online job advertisement system that enables the employer's direct involvement in the creation of their own job advertisement. This will not only provide a more streamlined, efficient approach to the process, it will allow them to become more engaged and in control of their own recruitment activity.

PA Finder

PA Finder is our online PA register service. A recruiting employer can access PA Finder to see if there are any suitable

candidates before they place a job advertisement, making it a very quick and efficient way of recruitment.

We have re-vamped our PA Finder service reporting which is giving us a much clearer picture of performance by area, and overall.

The service works as a collaboration between the PA Recruitment Team and the local office teams. This provides sector expertise backed by local knowledge.

New marketing guidelines have been produced to guide teams in their promotional activities, supported by a suite of refreshed marketing materials, including digital resources. We recognise that each area has its own unique circumstances, challenges and opportunities and that flexibility will be required to carry out these marketing initiatives.

The number of PAs joining the PA Finder service has increased quarter-by-quarter since April. This may be due to a number of factors: increased marketing activity by Penderels Trust, increased awareness due to the Department of Health and Social Care (DHSC) social care recruitment campaign and higher levels of unemployment due to the Covid-19 pandemic.

All PAs registered on the PA Finder service received our 'Useful Training and Resources' email which included access to some great resources which we felt were relevant to them and would help develop their skills, improve employability and support their personal wellbeing. All featured items were free and quick to access.



PA Finder Update emails

Leaflets and posters

Update Reports

Representing the Sector

Penderels Trust's Regional Manager, Claire Bickford, is a member of the (DHSC) advisory group representing individual employers and PAs and Skills for Care's PA Framework Steering Group. As well as her ongoing contribution on matters affecting PAs and individual employers, Claire has been involved in a number of promotional initiatives this year.

These have included the widely publicised DHSC social care recruitment campaign, phase 2 of which included representation of the PA/individual employer relationship and Skills for Care's award nominated 'A Question of Care' online resource for people considering a career in social care. Claire ensured the resource included an accurate representation of what it was like to work as a PA for an individual employer. Claire also recently took part as a co-presenter of a sector webinar on effective recruitment of PAs, sharing ideas and resources.

PA Champions

We feel the best people to help develop the PA market are PAs themselves. We are seeking a small number of PA Champions, based in different geographical areas, to help us create resources and promote this unique role. As well as providing us with valuable experience of what it's really like to work as a PA, we feel they will be given the opportunity to develop new skills and experience different ways of working.

PA Peer Support Groups

We have set up a number of local PA groups on social media to give them a platform on which they can share experiences, ideas, news and link up. Penderels Trust has set these groups up but hope that the PAs will drive the content and growth of the group over time.

Meeting the Pandemic Challenge

Supporting our customers

As mentioned in the Chief Executive's report, 2020 has presented us with a challenge like never before with the Covid-19 pandemic.

In the early weeks of the pandemic, with so much information available and the situation changing daily, it was important we kept our users informed in a timely and appropriate way. We liaised with other sector organisations to ensure the information we shared was correct and consistent.

We quickly created a Covid-19 section on our website which included information specific to direct payment users, their PAs and families rather than sharing general information which is widely available. We also sent out information directly via post and email.

For individual employers in particular, there were many unanswered questions: How do I keep safe? Should I pay my PA? Who will provide my care? We put together a 'Frequently Asked Questions' document and updated it as often as required. We also produced a version for PAs answering questions from their perspective. These documents have since been shared by other organisations in the sector and via social media.

We produced a number of factsheets covering topics such as 'Being Prepared', 'Returning to Work for PAs' and 'Beware of Scams'. We also shared relevant information produced by other organisations via our social media channels and on our website.

For Personal Protective Equipment (PPE) supplies, we shared the 'Visual Use Guide' from Public Health England and directed enquiries to the Local Resilience Forums (LRFs) in each area. In some areas, we have taken a more active role

in the distribution of PPE; in North East Lincolnshire, we helped distribute PPE as part of the local authority distribution plan.

We had a number of individual employers who wished to recruit new staff. We supported them to create safe, workable interview spaces with appropriate PPE made available. Where possible, we encouraged employers to shortlist and interview via phone/video call.

We supported people at a local and individual level too. Our teams have built up local resource directories enabling them to signpost appropriately. On every call, a simple 'How are you?' ensured the vulnerable people we support were able to ask for help. In a small number of cases, this has highlighted someone in urgent need who has been referred quickly and appropriately.

As our face-to-face peer support groups have not been able to go ahead, we have facilitated a number of very successful virtual peer support group meetings which has allowed people to come along to ask questions, resolve queries or simply to chat or just listen. One of the participants was 85-year-old Jean from Coventry who had never used video calling before but was keen to join in. Jean's independent living adviser (ILA) gave her some support to get started and she was able to join the meeting. She said she was delighted to be able to be part of it and it really made her day.

We have also delivered an online 'Tips for Employers' training session.

Our 2020 Annual Quality Review focuses on our services during Covid-19 and has been sent to all direct payment users with the Autumn newsletter. We hope this will inform how we can further support people in the future as the pandemic challenge continues.



988

jobs advertised
in the last 12 months

1977

PA job applications received
in the last 12 months

526

PAs registered on PA Finder
in the last 12 months

Supporting our payroll customers

As a very busy service, we worked very hard to ensure our payroll service has continued as normal. We asked all customers to submit timesheets by email instead of posting to avoid delays. This has been very successful with some customers using email for the very first time, a number of whom were assisted remotely by our staff to do this.

The number of active email addresses we now have for customers has increased threefold which will help us continue the move to a much more efficient service where the majority of timesheets are submitted electronically rather than via post. End-of-year and quarterly submissions to HMRC went ahead as planned.

Supporting our staff

Regular staff communications were sent to ensure teams felt supported and connected. Our Chief Executive sends a weekly update sharing news, local initiatives and highlighting great work.

All team managers hold weekly video meetings and are available by phone/online during normal working hours.

All staff attended an online Mental Health Awareness training course and have access to our Employee Assistance Programme which offers 24/7 support.

We have created a staff zone on Microsoft Teams (called 'The Hive') which is an interactive area to share tips, fun ideas, parenting resources, Zoom quiz ideas and photos.

“I was able to have the staff I wanted.”

Lincolnshire direct payment user

We sent a survey to all staff asking how they felt about home working and if there are any other ways in which we can support them.

Moving Forwards

The pressures of the pandemic continue and we will ensure that our customers and staff are supported by providing the very best service we can in these challenging times.

There is much work being done to take the learning from the pandemic to improve the future for the social care sector, both for those who use the services and those who work within it. We will take an active role in this work to ensure the people we support and those who work for them are well represented at the highest levels.

Case example: Virtual Interviewing

Who did we support?

Sarah is a young woman living in a small town in the East Midlands. She lives with her husband and two small children. She has physical disabilities and severe anxiety. Sarah previously employed her sister to provide support, but her sister has a new job and Sarah needed to recruit someone new.

How did we support?

We helped Sarah to put together a job advertisement which reflected her support needs, interests and desired outcomes. We provided information on shortlisting and interviewing to get the best out of applicants.

The advert attracted 8 candidates and Sarah's husband helped her draw up a shortlist of 5. Sarah was very anxious about

carrying out the interviews as she had never done them before. She finds it very difficult to meet new people and do new things. Due to Covid-19, Sarah didn't want the candidates to come to the house so Sarah's Penderels Trust independent living adviser (ILA) suggested interviewing by video link. Sarah's husband contacted the candidates and arranged for Sarah to do the interviews by FaceTime.

Based on the discussions Sarah had with her ILA and our Guide to Interviewing factsheets, Sarah drew up her list of questions and carried out the video interviews herself.

Positive Outcomes

Sarah decided to recruit two of the candidates to share the hours. This arrangement provides more flexibility to cover annual leave and sickness. Sarah said later that she did not think she would be able to manage the recruitment process and had felt very anxious but was now feeling very proud of herself. She thanked her Penderels Trust ILA for 'keeping her spirits alive' during the process.

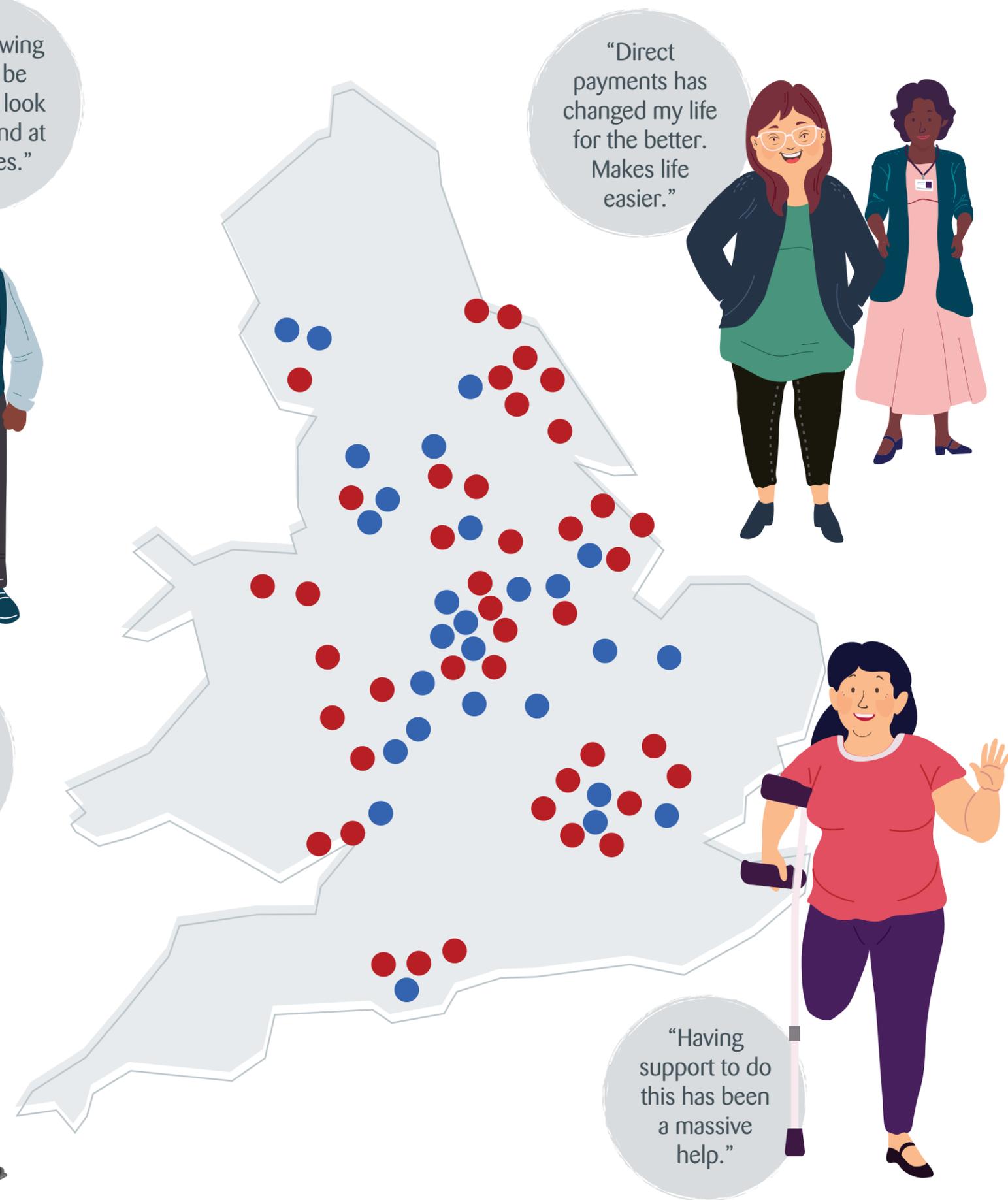
Sarah is delighted with how it is working out with her two PAs and says they are making a huge difference to her life. As well as assisting with household tasks, they share her interests in jewellery making which Sarah is unable to do on her own due to her physical disabilities. Sarah has grown in confidence and having the support of her PAs has improved her mental health and wellbeing.



Areas of support

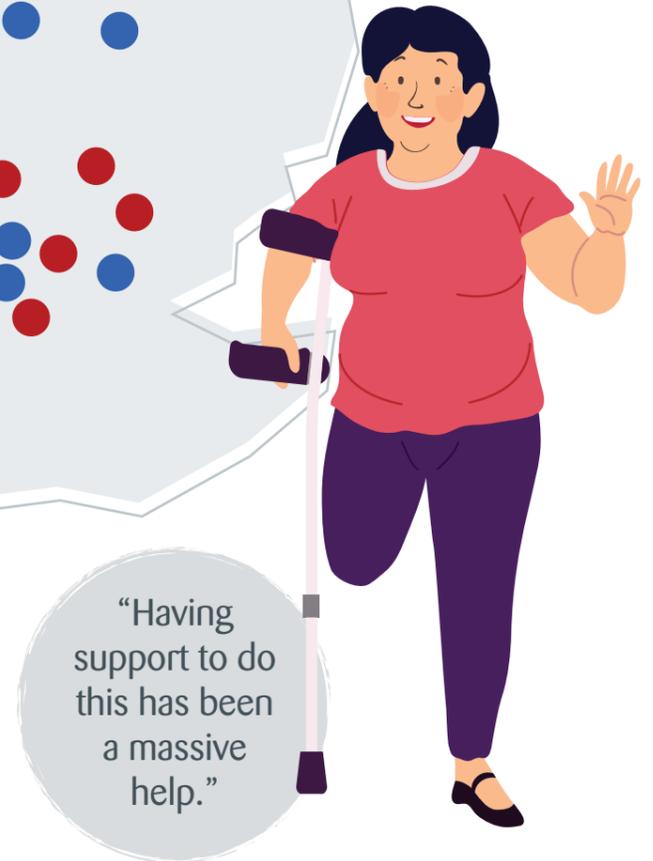
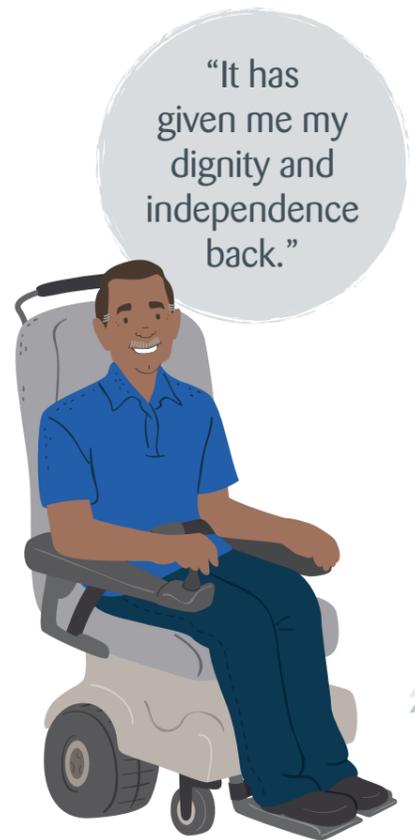
Local Authorities

- Barnsley
- Bath & North East Somerset
- Birmingham
- Bracknell Forest
- Brent
- Bristol
- Bournemouth
- Cambridgeshire
- City of London
- Coventry
- Cumbria
- Derby
- Derbyshire
- Doncaster
- Dorset
- Ealing
- East Riding of Yorkshire
- Flintshire
- Hartlepool
- Herefordshire
- Lincolnshire
- Middlesbrough
- Newport
- Nottinghamshire
- North East Lincolnshire
- North Lincolnshire
- Poole
- Rotherham
- Salford & Greater Manchester
- Sheffield
- Shropshire
- South Gloucestershire
- Sunderland
- Wakefield
- Waltham Forest
- Wandsworth
- Warwickshire
- Westminster
- Worcestershire
- Wrexham
- York



Clinical Commissioning Groups (Personal Health Budgets support)

- Birmingham
- Bolton
- Bristol
- Bury
- Cambridgeshire & Peterborough
- Central Midlands
- Coventry & Rugby and Warwickshire
- Dorset
- Gloucestershire
- Greater East Midlands
- Croydon
- Lincolnshire
- London Wandsworth & Merton
- Manchester
- Midlands & Lancashire
- Nene & Corby
- Nottinghamshire
- Northamptonshire
- North Cumbria
- North Tees
- Salford
- Sandwell
- Sheffield
- South London
- South Tees
- South Warwickshire
- Wakefield
- Wolverhampton
- Worcestershire



Trustees' Report and Financial Statements

For the year ended 31st March 2020

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31st March 2020.

The trustees have adopted the provisions of 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 2015).

Objectives and Activities

Principal activities, aims and objectives

Penderels Trust was established with the objective of enabling disabled individuals to live independent lives in the community by employing personal care assistants or agency support. More recently, with the implementation of personal budgets and personal health budgets, Penderels Trust has enabled individuals to establish and achieve personal life objectives in addition to a care-based support. Originally services were only delivered with the City of Coventry but, in line with our Articles, have now expanded nationally.

The principal activity of the charity is to enable disabled individuals to live independently in the community and achieve pre-determined life outcomes. In order to support them Penderels Trust provides a range of services, namely:

- Costing services, assisting with the recruitment of privately employed care staff or helping to set up agency support
- Payroll and auto enrolment services
- Managed accounts
- Appointeeship and Deputyships support
- Support planning and brokerage
- Training for professionals and advice on training for disabled individuals

- PA Finder service
- Peer and network support
- Suitable Persons services

Charitable services and activities provided are overseen from head office in Coventry and delivered from 12 regional offices in England and Wales, some of which provide services to one or more local authority or NHS areas.

Strategic aims

Our strategic aims are to:

- Continue to deliver high quality services that enable disabled people to live independent lives in the community via:
- Personal Health Budgets
- Managed Accounts
- Appointeeship and Deputyship services
- Continue to develop partnerships with both not for profit and private companies in order to strengthen our offering
- Build on our PA Finder service

Public benefit and significant activities

The trustees confirm that they have referred to the guidance contained in the Charities Commission's general guidance

on public benefit when reviewing charity's aims and objectives and in planning future activities. The trustees have also considered how planned activities will contribute to the aims and objectives of the charity.

Penderels Trust is of benefit to the public as it supports adults with physical and learning disabilities, sensory impairments and mental health support needs. We also support older people, children with disabilities and their families, carers and those of any age with special needs. Individuals are enabled to live independently by providing them with information, advice and support on independent living issues including how to employ their own staff or contact those from an agency. We also support individuals to achieve their personal aspirations and life goals by assisting them

to access services that meet their stated needs, or by purchasing equipment or services that assists them to maintain their independence.

We provide a payroll service to ensure individuals comply with their legal obligations as employers, particularly with regard to auto enrolment into a pension scheme. For those individuals who are the most vulnerable, we work in partnership with local authorities, the NHS and the Department of Work and Pensions to assist them to maintain their independent lifestyle without the anxiety created by money management. This may include debt management.

We engage with individuals in their own homes or by setting up support groups to enable them to discuss relevant issues and thereby act as a self-help group.

Strategic Report

Achievement and performance

Development, activities and achievements

The trustees consider the performance of the charitable company continues to be satisfactory.

In this, our 31st year of operation, officer time has been provided to assist around 14,600 (2018/2019: 15,100) individuals nationally.

The number of local authority areas has remained relatively stable at 39 local authority areas (2019: 40), with framework agreements being more prevalent than block contracts. We therefore provide services in just over a quarter of all of local authority areas in England and Wales. We also provide services in nearly 30 NHS or CCG commissioning areas (although there is an overlap in some areas), supporting them with the delivery of personal health budgets.

Managed Accounts service

We support over 6000 individuals through our Managed Accounts service. Those in receipt of a managed account are often individuals who may have experienced difficulty in managing their care and/or associated finances and are only able to maintain their independence with our support. All managed monies are held in a separate account and are audited annually.

Appointeeship services

We are appointed representative for the Department of Work and Pensions which enables us to deliver an appointeeship service. Individuals are supported to manage their state benefits with issues such as debt management and budgeting. The service is provided nationally and is likely to continue growing with referrals from private companies who are no longer able to provide an appointeeship service. We now work with around 1,420 individuals, spread across the country.

Suitable Persons

We work in partnership with local authorities by acting as a Suitable Person for those who are most at risk. We sign contracts on their behalf with both the local authority and care agencies and ensure that all services are provided to a high standard. Monthly client visits are often provided.

Deputyship services

For those who are the most vulnerable individuals in society, we work in partnership with a firm of solicitors whereby Penderels Trust is responsible for collecting information and undertaking associated tasks such as arranging care support, whilst the ultimate responsibility rests with the solicitor.

Payroll Bureau services

The number of people registered to receive support from the payroll bureau was 9,431, with 7,495 actively receiving support in this financial year. All employers, no matter how few staff they employ, must make a pension scheme available to their employees. Staff passing the relevant earnings threshold must be automatically enrolled. As a result of consulting with local authorities, pensions providers (the People's Pension and NEST), the Department for Work and Pensions (DWP) and the Pensions Regulator, we have established the staging dates for all of our existing service users, and have developed a price structure that is dependent upon the specific outcomes required for each individual.

Financial review

Principal funding sources

Restricted funds

The charity continued to receive an income via service level and grant agreements (restricted funds). During the year an income of £1,371,601 (2019: £1,242,172) from this source, which was then applied to the purposes specified under the terms of the respective agreements. After net expenditure on restricted funds, the total result for the year was a deficit of £7,452 (2019: £59,030 surplus).

Unrestricted funds

The charity continued with the stable growth of income from service level and grant agreements, the spot purchase of Direct Payment Support Services (TPSA) and administrative services such as payroll (Unrestricted funds). During the year generated an income of £3,486,682 as compared to 2019 income of £3,733,496 which was then applied for the advancement and aim of the charity's objectives.

Additional income of £118,948 (2019: £133,633) was generated from the bank deposits.

The continued growth in the number of service users contributed to us making a surplus of £332,792 (including donations) (2019: £578,843) for combined restricted and unrestricted funds.

Financial review

Investment policy and objectives

Penderels Trust's Articles authorises trustees to make and hold investments using the general funds of the charity. The board has approved an Investment Policy to ensure funds are not put at risk, are protected from inflation and earn the best possible income to protect the charity's finances from unexpected or increased fees and charges.

Funds may only be invested in financial institutions previously approved by the trustees. Any new financial institution submitted for trustees' approval must be a recognised financial institution that has a first-class reputation and is authorised and supervised by the Bank of England or the Building Society Commission. Only institutions with the highest short-term credit rating will be considered.

The Trust Reserves Policy is such that there are no investments in the medium to long term. Should the need arise the existing Investment Policy will be amended.

Reserves Policy

The Charities Commission defines reserves as 'that part of the charity's income funds which can be made available to spend for any or all of the charity's purposes once it has met its commitments and covered other planned expenditure'. The trustees are aware of the general legal duty to apply charitable funds within a reasonable time of receiving them.

Therefore, to justify the holding of reserves the charity needs a reserves policy which is based on a realistic assessment of the required reserves.

Income from restricted funds (income which must be applied to the purposes specified under the terms of the agreement or contract for which they were given), cannot be set aside for use in line with the reserves policy as any unused funds must be returned, carried forward or applied in line with the funding agencies requirements.

Unrestricted funds (money generated as a result of fees and charges, or interest on monies invested), is expendable at the discretion of the trustees in furthering the objects of the charity.

The Board of Trustees has identified that a minimum level of unrestricted funds should be set to counter balance trading uncertainty and provide a base level for stability. A target level of unrestricted funds has been set to allow for growth and for the charity to take advantage of strategic opportunities for the future growth.

The Board reviewed its Reserves Policy in March 2019 in order to ensure it remains appropriate for current requirements. It was agreed that the level of unrestricted funds kept should be set at a minimum level of three months operating costs plus an additional fund to cover redundancy costs for all staff plus legal costs associated with winding up of the Company.

The Board of Trustees has approved the Charity's Reserves Policy and identified the following reasons to hold reserves:

- To provide financial stability to enable us to continue to achieve our objective during challenging trading periods.
- To allow us to take advantage of strategic development opportunities and plan for future growth.
- To enable us to make investment decisions in accordance with the investment policy and enable us to consider opportunistic investments which may not be within strategic plan.

Trustees also feel that additional funds should be set aside to meet longer term commitments such as leases and redundancy payments. With the reserves for this financial year £2,621,152 the trustees believe sufficient funds exist to allow the continued operation of the company in the event of a significant drop in funding. Funds not required on an immediate basis will be invested in line with the investment policy. Trustees review this policy formally on an annual basis.

Principal risks and uncertainties

We have been informed by HMRC that some of our services are liable for VAT. We were sitting behind another not-for-profit organisation but their tribunal hearing has now ruled against them and they are having to charge VAT on some of their services. As a result, we are waiting for HMRC to advise how this will apply to us. There is a potential risk but it cannot be quantified at this time. This ruling is likely to have a considerable impact on the independent living sector as a whole. Additionally, we may further be at risk from sums levied in back tax as decided at the discretion of HMRC.

Changes to anti money-laundering legislation mean that Penderels Trust must implement some changes in the provision of Appointeeship services, specifically the implementation of individual bank accounts for each Appointeeship client.

This will involve additional investment in both IT and staff resources, the extent of which is unclear currently.

Other risks include:

- the continued reduction in the number of block contracts available, and therefore a reduction in predictable income
- a reduction in the number of providers available to deliver services
- our dependence on local authority funded business
- local authorities returning services to in-house provision
- reduction in income from investments.

Financial and risk management objectives and policies

The trustees regularly assess and review the major risks to which the charity is exposed, in particular those related to the operations, business and finances of the Charity. They are satisfied that systems are in place to mitigate exposure to the major risks.

A large proportion of the Trust's financial commitments are salary payments, including those at head office. However, maintenance of a strong infrastructure is essential to enable us to bid for new business, sustain our current service delivery, develop new initiatives, and maintain the quality service and high standards we are known for.

The austerity measures imposed by central government continue to have an impact on the market as local authorities look for innovative ways to provide social care that meets the needs of the community as a whole.

Plans for the future periods

Payroll Bureau

We have been looking at ways of making our payroll platform more digital for those

customers who are able to access online services. However, it is a complex process as we have to ensure it works alongside external agencies including HMRC and the pension provider. Our flexible service enables customers to use weekly, fortnightly and monthly pay cycles as well as the standard four-weekly one, whereas external agencies are only set up to receive one cycle type. We will continue to look at digital solutions for this service but will only introduce new ways of working when we are confident of a seamless service with HMRC and NEST, our pension provider.

All About People (AAP)

AAP offers the Trust the opportunity to deliver services that would have a much more direct commercial focus (e.g. delivery of payroll to private companies, other charitable trusts, training companies etc.) that would sit outside the current constitution of the organisation. It also provides an option for us to split any services which may be subject to VAT.

PA Finder Service

We have a well-developed PA Finder service which is providing innovative solutions to local problems such as recruitment of staff with culturally diverse needs. We now provide this service in eight geographical areas of the country, sometimes under contract and occasionally as added value to an existing piece of work. We will continue to develop this service, both geographically and by looking to meet the needs of local groups.

Other Opportunities

We plan to continue building relationships with organisations outside of our usual commissioning partners. We have continued to develop already established successful relationships with a firm of solicitors in the delivery of Deputyship services and are increasingly working with housing and Supported Living providers in the provision of appointeeship services.

Structure, Governance and Management

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Penderels Trust is a charitable company not having a share capital as defined by the Companies Act 2006. It is controlled by its Articles of Association. It was registered with the Charities Commission on 10th May 1988, and incorporated as a company limited by guarantee on 1st May 1998. It was established with the objective of enabling disabled people to live independent lives in the community. The governing document was revised in 2011 and again in 2014 to ensure the company complied with new legislation and the challenges facing the not for profit sector.

The Board of Trustees is named on page six. A number of the trustees have previously been users of our services and bring with them a wealth of experience regarding living independently as a person with a disability. Other trustees have business skills combined with an interest in shaping services for disabled individuals. They are all from diverse backgrounds and varying locations around England. The board is responsible for the overall direction of the company's operations, its compliance with legislative requirements, and financial stability. As a minimum, the board meets five times per year to approve strategic and operational recommendations from the senior management team.

Recruitment and appointment of new trustees

Replacement trustees are recruited as a result of the retirement, resignation or death of a member of the board. Vacancies are highlighted in our newsletter, on our website, by word of mouth, by personal invitation or by advertising. Anyone expressing an interest can contact the CEO or Chair prior to submitting a

formal expression of interest in writing to the board, stating relevant work or life experiences. Potential candidates may also receive a visit by a senior member of staff or meet with some of the trustees in an informal group. Individuals are then invited to attend a board meeting and make a brief presentation in addition to answering any queries existing board members may have. A vote will then be taken. After appointment trustees are subject to a period of induction, part of which includes meeting senior staff. They are also given the opportunity to attend relevant training events.

In 2018-19, we reviewed our Trustee recruitment procedures, introducing new, standard information that is distributed to interested parties. We have undertaken a skills analysis of the current board in order to develop a strategic approach to attracting new candidates who have skills and experiences that will complement the current team.

Organisational structure

The board of trustees is supported by the executive board consisting of Gary Jones, Chief Executive who is supported by Asitha Hingulage, Director of Finance, Deborah Burrows, Human Resources Manager, Kate Soanes, Contracts and Business Development Manager and Paula Walkington, Business Support Manager. They, in turn, are supported by four regional managers, plus marketing manager and bid writer. The regional managers are responsible for a number of service managers located in regional offices who oversee field and administrative teams.

Related parties

In 2010, All About People (Coventry) Limited (AAP) was formed with the objectives of securing additional income for Penderels Trust by broadening the range of services available to disabled individuals. Mr Richard Harris and Mr

Gary Jones are the directors of the Company. During the year 2019/20 there was no trading activity between AAP and

Penderels Trust. The Penderels Trust owns 100% of the issued share capital of AAP.

Reference and Administrative Details

Registered Company number
03560335 (England and Wales)

Registered Charity number
1073513

Registered office
1A Brandon Lane, Coventry CV3 3GU
www.penderelstrust.org.uk

Trustees

V A Cotterill
Chairperson - appointed 13.11.2019
R J Harris

Vice-Chairperson/Director
M Macheng-Midtsaeter
Chairperson - resigned 13.11.2019
G S Jones

Director
P Collis
Director - appointed 11.09.2019
A M Reece

Director - appointed 11.03.2020
J Finnie
Director
A J Ford

Director - appointed 25.06.2019
Y A Barnes
Director

Auditors

Armstrongs Accountancy Ltd
Chartered Accountants and
Statutory Auditor
1 & 2 Mercia Village, Torwood Close,
Westwood Business Park
Coventry CV4 8HX

Bankers

National Westminster Bank Plc
Coventry City Branch
24 Broadgate, Coventry CV1 1ZZ

Administration

Gary Jones,
Chief Executive/Director
Asitha Hingulage,
Director of Finance

Kate Soanes,
Contracts and Business
Development Manager
Deborah Burrows,
Human Resource Manager
Paula Walkington,
Business Support Manager

Funds held as custodian for others

The trust holds and manages a considerable sum of money on behalf of a number of local authorities referred to as Managed Accounts. Funding is paid out upon the receipt of appropriate authorisation to staff or agencies thereby enabling vulnerable individuals to remain in the community. The funds are closely monitored by senior managers and independently audited on an annual basis.

As per the requirements of the charities SORP (FRS102) the receipts, payments, assets and liabilities relating to these funds are not included in the Statement of Financial Activities (SOFA) and Balance Sheet of the Charity. The detailed information of these funds is provided in note 22 of the notes to the financial statements.

Going concern

The trustees have considered the reserves policy above and the working capital requirements for the period of 12 months from the date of this report and have reasonable expectation that the Charity has adequate resources to continue its operations for the foreseeable future. Accordingly, the trustees continue to adopt the going concern basis for the preparation of the annual report and accounts.

Trustees' Responsibility Statement

The trustees (who are also the directors of The Penderels Trust Limited for the purposes of company law) are responsible for preparing the Trustees' 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 the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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.

Statement as to disclosure of information to auditor

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- 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.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Statutory auditor

The auditors, Armstrongs Accountancy Ltd, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Trustees' report, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 11th November 2020 and signed on the board's behalf by:



V A Cotterill -Trustee

“It's given us better quality family time together.”

Wakefield direct payment user

Independent Auditors' Report to the members of The Penderels Trust Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of The Penderels Trust Limited (the 'charitable company') for the year ended 31 March 2020 which comprise the Statement of Financial Activities, the Balance Sheet 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 (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; 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 Auditors responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

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.

However, because not all the future events or conditions can be predicted, this statement is not a guarantee as to the Charity's ability to continue as going concern.

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 Report of the Independent Auditors 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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' 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.

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

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

Responsibilities for the financial statements and the audit

Trustees responsibilities for the financial statements

As explained more fully in the Trustees Responsibility 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.

Auditors' 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 a Report of the Independent Auditors 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.

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 Report of the Independent Auditors.

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 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 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.

Muhammed Shabbir ACA, FCCA (Senior Statutory Auditor)
for and on behalf of Armstrongs Accountancy Ltd
Chartered Accountants and Statutory Auditor
1 & 2 Mercia Village
Torwood Close
Westwood Business Park
Coventry
West Midlands
CV4 8HX

Date: 11th November 2020



Statement of Financial Activities

(Incorporating an income and expenditure account)
for the year ended 31 March 2020

	Notes	2020 Unrestricted fund £	2020 Restricted fund £	2020 Total funds £	2019 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	6,624	-	6,624	325,722
Charitable activities	4				
Direct payments support services		1,311,742	1,371,601	2,683,343	2,534,214
Payroll & administration services		2,174,940	-	2,174,940	2,441,454
Investment income	3	118,948	-	118,948	61,161
Other income		-	-	-	52,472
Total		3,612,254	1,371,601	4,983,855	5,415,023
EXPENDITURE ON					
Charitable activities	5				
Direct payments support services		2,576,658	1,379,053	3,955,711	4,056,728
Payroll & administration services		695,352	-	695,352	779,452
Total		3,272,010	1,379,053	4,651,063	4,836,180
NET INCOME/(EXPENDITURE)		340,244	(7,452)	332,792	578,843
RECONCILIATION OF FUNDS					
Total funds brought forward		2,190,175	98,185	2,288,360	1,709,517
TOTAL FUNDS CARRIED FORWARD		2,530,419	90,733	2,621,152	2,288,360

Balance Sheet

At 31 March 2020

	Notes	2020 £	2019 £
FIXED ASSETS			
Tangible assets	13	29,167	366,201
CURRENT ASSETS			
Debtors	14	1,113,314	1,051,217
Investments	15	1	1
Cash at bank and in hand		1,839,573	1,439,847
		<u>2,952,888</u>	<u>2,491,065</u>
CREDITORS			
Amounts falling due within one year	16	(360,903)	(568,906)
NET CURRENT ASSETS		<u>2,591,985</u>	<u>1,922,159</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,621,152</u>	<u>2,288,360</u>
NET ASSETS		<u>2,621,152</u>	<u>2,288,360</u>
FUNDS			
	18		
Unrestricted funds:			
General funds		2,530,419	2,190,175
Restricted funds:			
Restricted Funds		90,733	98,185
TOTAL FUNDS		<u>2,621,152</u>	<u>2,288,360</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 11th November 2020 and were signed on its behalf by:

V. A. Cotterill

V A Cotterill -Trustee

R. J. Harris

R J Harris -Trustee

Notes to the Financial Statements

For the year ended 31 March 2020

1. Accounting Policies

General information and basis of preparation

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements are prepared on a going concern basis under historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all years presented unless otherwise stated.

The charity has applied Updated Bulletin 1 as published on 2 February 2016 and does not include a cash flow statement on the grounds that it is applying FRS 102 Section 1A.

The Penderels Trust is a charitable company, limited by guarantee, registered in England & Wales. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1

per member of the charity. The address of the registered office is 1a Brandon Lane, Coventry, CV3 3GU. The nature of charity's operations and principal activities are to enable disabled individuals to live independently in the community and achieve pre-determined life outcomes, detailed objectives are listed in Trustees' Report.

Financial reporting standard 102 - reduced disclosure exemptions

The charitable company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland':

- the requirements of Section 7 Statement of Cash Flows.

Preparation of consolidated financial statements

The financial statements contain information about The Penderels Trust Limited as an individual company and do not contain consolidated financial information as the parent of a group. The charity is exempt under Section 399(2A) of the Companies Act 2006 from the requirements to prepare consolidated financial statements.

Income recognition

All incoming resources are recognised in the Statement of Financial Activities once the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised, the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS102). Further detail is given in the Trustees' Report.

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably, and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example, the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

Where practicable, gifts in kind donated for distribution to the beneficiaries of the charity are included in stock and donations in the financial statements upon receipt. If it is impracticable to assess the fair value at receipt or if the costs to undertake such a valuation outweigh any benefits, then the fair value is recognised as a component of donations when it is distributed and an equivalent amount recognised as charitable expenditure.

Gifts in kind donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. Where estimating the fair value is practicable upon receipt it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impracticable to fair

value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'

Fixed asset gifts in kind are recognised when receivable and are included at fair value. They are not deferred over the life of the asset.

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange of supplying goods and services in order to raise funds and is recognised when the entitlement occurred.

Investment income from interest on deposits is recognised when the amount can be measured reliably.

Expenditure recognition

All Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Support cost allocation

Support cost are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity. Where the support costs cannot be directly attribute to particular activity, they have been allocated to the charitable activities on the basis consistent of use of the resources.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

- Improvements to property
25% on cost
- Fixtures and fittings
15% on reducing balance
- Computer equipment
25% on reducing balance

The expected useful lives of the assets to the business are reassessed periodically.

Tangible fixed assets are stated at historic cost less accumulated depreciation. Costs includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. All expenditure of a capital nature is capitalised at cost as fixed assets with items costing below £1500 being fully depreciated during the year of purchase.

Taxation

The charity is exempt from corporation tax to the extent that its income and gains are applicable to charitable purposes only. Value Added Tax is not recoverable by the Charity and is therefore included in the relevant costs in the Statement Of Financial Activities (SOFA).

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees and which have not been designated for other purposes.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes. The cost of raising and administering such funds are charged against the specific fund.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the period of the lease.

Investments

Investments in subsidiaries are measured at cost less impairment.

Funds held as custodian for others

The Charity holds Managed Account funds under custodian arrangements. In accordance with the SORP, these receipts and payments and assets and liabilities are not included in the Statement of Financial activities (SOFA) and Balance Sheet of the Trust.

“I feel that we are in charge.”

Salford direct payment user

2. Donations and Legacies

	2020	2019
	£	£
Donations	703	325,722
Grants	5,921	-
	6,624	325,722

In March 2019 property at Halford Lane, Coventry was gifted to The Penderels Trust Limited. The transfer value of the property was £325,000.

Grants received, included in the above, are as follows:

	2020	2019
	£	£
Other grants	5,921	-

3. Investment Income

	2020	2019
	£	£
Deposit account interest	118,948	61,161

4. Income from Charitable Activities

Activity		2020	2019
		£	£
Service contracts	Direct payments support services	2,683,343	2,534,214
Admin fee income	Payroll & administration services	2,174,940	2,441,454
		4,858,283	4,975,668

5. Charitable Activities Costs

	Direct costs (See note 6)	Support costs (See note 7)	Totals
	£	£	£
Direct payments support services	2,757,704	1,198,007	3,955,711
Payroll & administration services	365,221	330,131	695,352
	3,122,925	1,528,138	4,651,063

“I have the freedom to choose who I want and when to support me.”

Lincolnshire direct payment user

6. Direct cost of Charitable Activities

	2020	2019
	£	£
Staff costs	2,589,308	2,546,643
Equipment hire & maintenance	22,541	50,292
Property costs	161,409	170,436
Insurance	-	335
Travelling and subsistence	57,338	63,696
Telephone	76,565	72,745
Printing, postage & stationery	76,585	65,096
Repair and maintenance	29,229	20,461
Other expenses	96,401	47,579
Recruitment costs	2,791	-
Staff training	6,692	3,285
Legal and professional charges	(948)	878
Advertising and promotion	-	25
Depreciation	5,014	5,814
	3,122,925	3,047,285

7. Support Costs

	Management	Governance costs	Totals
	£	£	£
Direct payments support services	1,123,029	74,978	1,198,007
Payroll & administration services	330,131	-	330,131
	1,453,160	74,978	1,528,138

Support costs are allocated in direct proportion to the Full time equivalent (FTE) hours for each service area. Support costs, included in the above, are as follows:

Management	2020	2019		
	Direct payments support services	Payroll & administration services	Total activities	Total activities
	£	£	£	£
Wages	665,874	121,736	787,610	828,481
Equipment hire & maintenance	120,940	14,057	134,997	171,004
Property costs	59,985	38,766	98,751	86,601
Insurance	17,867	738	18,605	27,838
Repair and maintenance	18,041	7,551	25,592	42,206
Telephone	17,773	7,734	25,507	18,639
Printing, postage & stationery	26,743	107,124	133,867	136,933
Bad debts	2,569	-	2,569	19,931
Travelling & subsistence	21,058	61	21,119	31,189
Staff training	39,955	10,751	50,706	47,586
Legal and professional charges	38,137	10,450	48,587	172,637
Other expenses	84,451	11,163	95,614	125,588
Advertising and promotion	1,015	-	1,015	821
Depreciation of tangible and heritage assets	7,019	-	7,019	8,017
Loss on sale of intangible fixed assets	1,602	-	1,602	-
	1,123,029	330,131	1,453,160	1,717,471

Governance cost

	2020 Direct payments support services £	2019 Total activities £
Wages	47,394	45,133
Auditors' remuneration	7,514	7,156
Insurance	3,207	3,054
Legal & professional charges	16,363	15,581
Other management expenses	500	500
	74,978	71,424

8. Net Income (expenditure)

Net income/(expenditure) is stated after charging/(crediting):

	2020 £	2019 £
Auditors' remuneration	7,514	7,156
Depreciation - owned assets	12,034	13,831
Hire of plant and machinery	157,538	221,296
Deficit on disposal of fixed assets	1,602	-

9. Trustees' Remuneration and Benefits

There were no trustees' remuneration or other benefits for the year ended 31 March 2020 nor for the year ended 31 March 2019.

Trustees' expenses

Expenses totalling £721 (2019 £809) were paid to trustees during the year ending 31st March 2020.

10. Staff Costs

	2020 £	2019 £
Wages and salaries	£3,142,905	3,140,452
Employers' NI contributions	229,022	226,750
Staff pension contributions	52,461	53,055
	3,424,388	3,420,257

No employee received emoluments of more than £60,000 in either year.

10. Staff Costs continued

Staff categories:

	2020 No.	2019 No.
Full time staff		
Independent living services	24	19
Management and administration	57	56
Total number of full-time staff	81	75
Part time staff		
Independent living services	40	38
Management and administration	54	46
Total number of part time staff	94	84
TOTAL NUMBER OF EMPLOYEES	175	159

Penderel's Trust's staff working 37 hours per week is categorised as full time staff and any member of staff working any less hours than the normal working hours is categorised as part time staff. The average number of hours worked by part time staff is 24 hours per week (2019: 23 hours per week).

"It has given me access to respite which I really need and appreciate."

Coventry direct payment user



11. Comparatives for the Statement of Financial Activities

	Unrestricted fund £	Restricted fund £	Totals fund £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	325,722	-	325,722
Charitable activities			
Direct payments support services	1,292,042	1,242,172	2,534,214
Payroll & administration services	2,441,454	-	2,441,454
Investment income	61,161	-	61,161
Other income	52,472	-	52,472
Total	4,172,851	1,242,172	5,415,023
EXPENDITURE ON			
Charitable activities			
Direct payments support services	2,873,586	1,183,142	4,056,728
Payroll & administration services	779,452	-	779,452
Total	3,653,038	1,183,142	4,836,180
NET INCOME	519,813	59,030	578,843
RECONCILIATION OF FUNDS			
Total funds brought forward	1,670,363	39,154	1,709,517
TOTAL FUNDS CARRIED FORWARD	2,190,176	98,184	2,288,360

12. Pension Costs

The Charity has three employees who are members of the West Midlands Pension Fund (Multi-Employer Defined Benefit Final Salary Scheme). The Fund is administered for the benefit of Local Authority employees and other bodies and is managed in accordance with the Local Government Pension Schemes Regulations 1997 (as amended).

The employer's contributions made to the Fund in the year were £17,309 (2019: £17,309) with an employers' contribution rate of 25.4% (2018: 25.4%) of pensionable pay and employees contribution of 6.5%, of pensionable pay.

In addition, the company participates in the People's Pension Scheme (run by B&CE HSM Ltd), into which it has auto enrolled its staff as appropriate since September 2014. The current rate of employers' contribution is 2%.

The company also has a Norwich Union Stakeholder Pension Scheme with employers contribution rate of 3% of pensionable pay, a Scottish Widow Pension Scheme with employers contribution rate of 6% of pensionable pay and a Scottish Equitable Pension Scheme with employers contribution rate of 2% of pensionable pay.

13. Tangible Fixed Assets

	Freehold property £	Improvements to property £	Fixtures and fittings £	Computer equipment £	Totals £
COST					
At 1 April 2019	325,000	23,254	64,800	208,824	621,878
Disposals	(325,000)	-	-	-	(325,000)
At 31 March 2020	-	23,254	64,800	208,824	296,878
DEPRECIATION					
At 1 April 2019	-	11,626	53,067	190,984	255,677
Charge for year	-	5,814	1,760	4,460	12,034
At 31 March 2020	-	17,440	54,827	195,444	267,711
NET BOOK VALUE					
At 31 March 2020	-	5,814	9,973	13,380	29,167
At 31 March 2019	325,000	11,628	11,733	17,840	366,201

14. Debtors: amounts falling due within one year

	2020 £	2019 £
Trade debtors	294,527	261,364
Other debtors	818,787	789,853
	1,113,314	1,051,217

15. Current Asset Investments

	2020 £	2019 £
Shares in group undertakings	1	1

The Penderels Trust owns 100% issued share capital of All About People (Coventry) Limited divided into 1 Ordinary share of £1 each.

“I have the freedom to choose who I want and when to support me.”

Lincolnshire direct payment user

16. Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	121,402	133,290
Social security and other taxes	58,260	50,027
Other creditors	181,241	385,589
	<u>360,903</u>	<u>568,906</u>

17. Analysis of Net Assets between funds

	Unrestricted fund	Restricted fund	2020 Total funds	2019 Total funds
	£	£	£	£
Fixed assets	29,167	-	29,167	366,201
Current assets	2,862,997	89,891	2,952,888	2,491,065
Current liabilities	(361,745)	842	(360,903)	(568,906)
	<u>2,530,419</u>	<u>90,733</u>	<u>2,621,152</u>	<u>2,288,360</u>

18. Movement in funds

	At 1.4.19	Net movement in funds	At 31.3.20
	£	£	£
Unrestricted funds			
General fund	2,190,175	340,244	2,530,419
Restricted funds			
Restricted Funds	98,185	(7,452)	90,733
TOTAL FUNDS	<u>2,288,360</u>	<u>332,792</u>	<u>2,621,152</u>

Net movement in funds, included in the above are as follows:

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Unrestricted funds			
General fund	3,612,254	(3,272,010)	340,244
Restricted funds			
Restricted Funds	1,371,601	(1,379,053)	(7,452)
TOTAL FUNDS	<u>4,983,855</u>	<u>(4,651,063)</u>	<u>332,792</u>

18. Movement in funds continued

Comparatives for movement in funds

	At 1.4.18	Net movement in funds	At 31.3.19
	£	£	£
Unrestricted Funds			
General fund	1,670,363	519,812	2,190,175
Restricted Funds			
Restricted Funds	39,154	59,031	98,185
TOTAL FUNDS	<u>1,709,517</u>	<u>578,843</u>	<u>2,288,360</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Unrestricted funds			
General fund	4,172,851	(3,653,039)	519,812
Restricted funds			
Restricted Funds	1,242,172	(1,183,141)	59,031
TOTAL FUNDS	<u>5,415,023</u>	<u>(4,836,180)</u>	<u>578,843</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.4.18	Net movement in funds	At 31.3.20
	£	£	£
Unrestricted funds			
General fund	1,670,363	860,056	2,530,419
Restricted funds			
Restricted funds	39,154	51,579	90,733
TOTAL FUNDS	<u>1,709,517</u>	<u>911,635</u>	<u>2,621,152</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Unrestricted funds			
General funds	7,785,105	(6,925,049)	860,056
Restricted funds			
Restricted funds	2,613,773	(2,562,194)	51,579
TOTAL FUNDS	<u>10,398,878</u>	<u>(9,487,243)</u>	<u>911,635</u>

Restricted funds

Restricted funds represent unspent balances received from service level and grant agreements with the purposes specified under the terms of the respective agreements.

19. Related Party Disclosures

There were no related party transactions for the year ended 31 March 2020.

20. Ultimate Controlling Party

Penderels Trust is a charitable company limited by guarantee. The members of the company have agreed to contribute £1 each to the assets of the company in the event of company being wound up.

Ultimate control of the company rests with the trustees who are also directors and members of the company.

21. Contingencies

The charity has been issued with a VAT certificate but has no VAT exemption. The company has been advised that VAT is likely to be applicable to some services but is awaiting confirmation from HMRC as to which services this will be. Pending notification from HMRC, no VAT has been charged to service users and no adjustments for the liability has been recognised in the financial statements.

“A direct payment enables me to have some freedom and normality.”

Hartlepool direct payment user



22. Managed Accounts

	2020 £	2019 £
Receipts		
Community care contributions	66,776,570	60,553,654
Personal contributions	4,357,452	3,890,471
Total receipts	71,134,022	64,444,125
Payments		
Care staff wages	29,025,862	26,827,787
Care staff wages-agency	41,611,587	37,194,802
Employers NI contributions	496,573	421,536
Total payments	71,134,022	64,444,125
Surplus/(deficit)	-	-

The Penderels Trust Limited has agreed to take on the payment of support monies under custodian arrangements. Local Authorities pay the required support monies directly to the Trust at varied time periods and The Trust disburses the support monies to the users of the services either weekly, fortnightly or monthly based on the arrangement. The receipts and payments and assets and liabilities regarding the Managed Accounts funds are not shown as part of SOFA and Balance Sheet of the Trust as per Charities SORP.

	2020 £	2019 £
Current assets		
Cash at bank	34,787,138	29,720,293
	34,787,138	29,720,293
Current liabilities		
Trade creditors	619,750	848,967
Social security and other taxes	1,445,192	1,616,891
Other creditors	196,847	101,920
Deferred income	32,525,349	27,152,515
	34,787,138	29,720,293
Net assets/liabilities	-	-

“I am able to work and my son can lead a fulfilled life style.”

Wakefield direct payment user



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