



Certitude Support

Consolidated Report and Financial Statements for
the year ended 31 March 2021



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Chair and Chief Executive Introduction

We are pleased to issue our Annual Report for the year ended 31 March 2021 which is the fifth year of the five-year strategy.

The last year has been an exceptional one. The impact of COVID-19 has been significant for everyone, not just nationally but globally. Across Certitude, we have experienced loss. People we support and colleagues have died as a result of COVID-19. While these numbers may be small, each person mattered, was loved by those who knew them and contributed to making Certitude what it is. Many more have experienced the loss of someone close to them. Our heartfelt condolences to those who have lost someone. We will remember them.

At the start of the pandemic, Certitude implemented its Business Continuity Plan and developed a Task Team approach to ensure people were supported to be as safe and well as possible. We quickly implemented working from home for central support functions to enable core organisational activity including recruitment and payroll to continue. PPE and food supplies were initial priorities followed by the development of a COVID-19 Hub on our intranet to ensure all staff had access to the most up to date guidance. Weekly Incident Management Team meetings have enabled us to monitor impact, minimise risk to people we support and our workforce and prioritise as appropriate. Board meetings were held using the Microsoft Teams platform and the attendance and commitment of Board members to this new way of meeting ensured effective governance throughout the year. The Board commissioned an independent review to identify and evaluate our learning from the first six months of the pandemic. The recommendations from the review have informed our work in more recent months and will continue to do so in the longer term.

Despite the pandemic, we were able to successfully complete the merger with Yarrow on the 1 April 2020. Colleagues throughout the year have worked together, albeit virtually, to successfully enable the integration of Yarrow into the Certitude Group. Further growth has been achieved during the year with the mobilisation of contracts to support people who have learning disabilities in Camden, Hillingdon and Westminster all taking place during lockdown.

The use of technology has become even more important in the last year, enabling people to stay connected and services to continue. Remote working has become the new way of working for many and through the roll out of Microsoft 365, colleagues across the Group have been able to carry on working together. The use of Microsoft Teams increased by 1025% in the early weeks of the pandemic, staff continued to access learning and development with over 6,800 e-learning modules completed. Our equality, diversity and inclusion work has grown in strength with firmly established BAME, LGBTQ+ and Disability virtual networks.

Supporting communities across London has continued albeit virtually. Connect & Do, our community arts-based programme moved online enabling people across London to carry on creating and connecting. Solidarity in a Crisis, our out of hours mental health helpline responded to a significant increase in demand during the early months of the pandemic. Our Fulfilling Lives programme, supporting people facing multiple disadvantages, experienced unanticipated benefits in people better accessing support when this moved online.

More than any other year, our appreciation goes to the staff and volunteers across the Certitude Group who have demonstrated such commitment and resilience in supporting people and each other to stay as safe and well as possible. Our continued strength as an organisation is a reflection of the values, perseverance and passion of everyone involved in Certitude including our voluntary Board members.



Eleri Ebenezer
Chair of the Certitude Board



Aisling Duffy
Chief Executive

Annual Report of the Board

The Board is pleased to present its report along with the financial statements of Certitude Support (referred to as Certitude) and its subsidiaries for the year ended 31 March 2021.

Certitude Support is a Registered Society incorporated under the Co-operative and Community Benefit Societies Act 2014, registration number 30891R (previously registered as an Industrial and Provident Society). The Society was formed as the parent of Southside Partnership (SSP) and Support for Living Limited (SFL) on 8 February 2010 and changed its name to Certitude Support on 16 April 2010. Certitude Support is an exempt charity as defined in Schedule 3 of the Charities Act 2011. Certitude Support has three subsidiaries: Support for Living Limited which is a Registered Society under the Co-operative and Community Benefit Societies Act 2014 with registration number 27062R, and Southside Partnership a registered charity, number 1010187 and registered company, registration number 2599171. On the 1 April 2020 Yarrow Housing Limited (Yarrow) joined the Certitude Group, becoming the third subsidiary of the Group. Yarrow is a Registered Society incorporated under the Co-operative and Community Benefit Societies Act 2014, registration number 26315R. The Rules for all entities and Articles of Association, for SSP were reviewed in light of Yarrow Housing joining Certitude on 1 April 2020.

The Registered Office is 31-33 Lumiere Court, 209 Balham High Road, London, SW17 7BQ, which is also one of the three principal offices from which the affairs of the charity are managed.

Ultimate responsibility for the governance of Certitude rests with a Board which is comprised of the following members, who served from 1 April 2020 and up to the date of approval of these financial statements. Their interest in the share capital of the Co-operative and Community Benefit Society is as follows:

| | 31/3/21 | 31/3/20 |
|--|----------------|----------------|
| The Board | | |
| Eleri Ebenezer (Chair) | 1 | 1 |
| Yinka Balogun | 1 | 1 |
| Matt Clark (from 4 January 2021) | 1 | |
| Nick Dimpleby | 1 | 1 |
| Adebayo Emanuel | 1 | 1 |
| Sola Fadojutimi | 1 | 1 |
| Prof. Sally Glen | 1 | 1 |
| Dianne Greyson | 1 | 1 |
| Holly Holder | 1 | 1 |
| Kate James | 1 | 1 |
| Philippa Laughton | 1 | 1 |
| Laura Sullivan (resigned 11 September 2020) | | 1 |
| John Turner | 1 | 1 |
| Sue Wickerson | 1 | 1 |
| Total | 13 | 13 |

There are no shareholders other than the Board members and it is Certitude's policy that shareholding ends when a person ceases to be a Board member. The day-to-day management of the Group is delegated to a Chief Executive and other members of the Leadership Team who, and at the date of approval of these Financial Statements, are as follows:

| | |
|--------------------------|---|
| Aisling Duffy | Chief Executive |
| Nicholas Campbell-Watts | Strategic Director of Quality & Performance |
| Caroline Fraser | Director of People & Organisational Development |
| Emma Main | Director of Mental Health |
| Mary Schumm | Director of Learning Disabilities |
| Marianne Selby-Boothroyd | Director of Development |
| Sanjay Shah | Director of Finance, IT & Housing |

The Financial Statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Society's Rules, the Charities Act 2011, the Co-operative and Community Benefit Societies Act 2014 and the Charities SORP (FRS 102). Certitude chooses to present its Financial Statements in line with the Charities SORP (FRS 102). The Board has decided that the Charities SORP best reflects the nature of the Group's financial activity.

Structure, Governance and Management

- The Rules
- Values and Vision
- Business Plan(s)
- Standing Orders
- Strategic Plan(s)
- Operational Policies

The Board regularly reviews its performance to identify any specific skills, experience, etc. which are lacking, and which should be sought in the appointment of any new members. The following areas are identified as of importance:

- Local knowledge of the geographical areas in which the Society undertakes a substantial part of its business
- Expertise in service provision and policy in the fields of social care and health
- Professional financial expertise
- An understanding of the life experiences of people we support, their relatives and carers
- Knowledge of the not-for-profit sector
- Commercial and related expertise
- Operational policies
- Diversity, seeking to reflect the rich diversity of London
- Expertise in strategic people management and governance
- Communications and marketing

The Board may have a maximum of 13 members and has powers to co-opt up to three others.

Prospective Board members who meet the identified needs at the time are interviewed by the Nominations Committee. Written references are obtained, together with an enhanced disclosure from the Disclosure and Barring Service, which includes a check against the Protection of Vulnerable Adults list. Successful candidates are invited to apply to become a shareholder shortly before their appointment to the Board.

Once appointed, Board members are provided with a comprehensive induction and Board Manual, located on the Board SharePoint site, and are trained in taking part in visits to services. Other induction activities are arranged according to individual need. Ongoing training takes the form of briefings at Board and Committee meetings, away days and occasional attendance at external conferences and events.

The Board has seven committees:

- Audit and Risk Committee
- Digital Steering Committee (newly formed in 2021)
- Finance and IT Committee
- Human Resources Committee
- Nominations Committee
- Quality, Performance and Compliance Committee
- Remuneration Committee

Certitude has Standing Orders which set out the delegation of day-to-day management to the Chief Executive and the Leadership Team, and the Terms of Reference of the Board and its committees. Once a year the Human Resources Committee sits as the Remuneration Committee. The objectives of each Committee Chair and the Board Chair are reviewed and approved by the Board.

Given the importance of safeguarding in our sector, the Board has continued to review governance and reporting in relation to safeguarding concerns and reinforcing the Board's commitment to quality, transparency, and continued learning. The Board has adopted the Charity Governance Code. Following a self assessment against the Code and as part of its action plan, progress against the equality, diversity, and inclusion strategy was reviewed and an updated action plan was approved by the Board during the year.

Through the Chief Executive, the Leadership Team has corporate responsibility for the overall formulation and implementation of the organisation's policies and procedures. In accordance with the guidelines as set down by the Board and various committees the Leadership Team advises the Board on the development and practical implementation of the Business Plan.

Objectives and Activities

The Objectives of the Society as set out in its Rules are for public benefit:

- to provide care and support for people who have learning disabilities or difficulties and/or autism, and/or experience mental ill health and/or physical disability or are elderly or infirm;
- to undertake any other charitable purpose

Public benefit

As a charity, we remain mindful of our commitment to public benefit by working to fulfil our charitable aims and we have referred to the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. Our response to COVID-19 has been planned around ensuring we are keeping everyone we support and our workforce safe during this very difficult period.

In the previous financial year we undertook a review of the organisation's brand. This work continues to be developed and we work towards more people in London being aware of who we are and what we do.

To express ourselves and explain our work in meaningful and unique ways, we introduced the "four Pillars of Certitude" which set us apart from other providers and underpin our values as an organisation.

Certitude's Vision, Mission, Pillars and Values are:

Vision

For the life you want.

Mission

At Certitude, we exist, simply, to support those who need us - to help them develop new skills, to meet new people, and experience new things.

The Four Pillars

- Brave - we stand up for what is right. Not right for the process or system, but what is right for the person.
- Loving - across Certitude, there is a powerful and non-sentimental love. Love for the people we support, the work we do, and the jobs we have.
- Unconventional - we embrace unconventionality. We believe in having the confidence to not follow the crowd and to find different ways to do things.
- London - this is in our DNA. Not just because of geography but because we know first-hand the wonder and challenges that living and working in London brings.

Continuously improving: We are always looking to improve the quality of our support

- We do not work to a set formula and are open to ideas and better ways of doing things
- We lead best practice in supporting people with multiple needs in complex environments
- People and their requirements change constantly; everyday learning and improvement is essential to meet evolving needs effectively
- Improvements in value for money, quality of support and efficient delivery help us to provide better support to more people

Consistent and dependable: We are reliable; we understand the stability that our support can provide to people and their families

- We are there for people through the highs and lows of life; we are always available to provide support when it is needed
- We are easy to contact and deal with: for people we support, families, carers and anyone else involved
- We are robust, responsible and manage resources well
- We have a long track record of successfully delivering support
- We build trust by doing what we say we will do

Working together: We can only be successful in our support by working alongside people we support, their families, carers, and local communities

- Our approach to delivery is based on a 'partnership of equals', recognising the value of everyone we work with and their experience and expertise
- Sharing experience, expertise and life stories is essential in developing support that effectively meets specific needs
- Building relationships is crucial in delivering support that is life-changing
- As well as enabling people to build personal relationships and wider social circles, we build connections and networks in communities to help us deliver support that lasts
- We do not create dependencies; we deliver sustainable support through people working together

Inspired by people: We believe in people and their capabilities: everyone has skills, strengths, and something to offer

- Stories of resilience and recovery feed our determination to provide the best possible support
- Hope is important; our focus on the positive enables people to enjoy the present and look forward to the future
- An energetic, optimistic, and positive approach to life is infectious
- Living in London presents people with unique opportunities and challenges; our experience and understanding of these is crucial in delivering support effectively

Strategic Report

Our Priorities and Achievements

There is no doubt that COVID-19 impacted on the plans and projects that we had originally prioritised for this year. Our main focus has been on keeping people we support and our staff safe, while adapting at pace to new ways of working that have been essential to business continuity. However, despite the narrowing of our focus, we continued to make real progress against the four strategic goal areas set out in our current five-year strategy.

Strategic Goal 1: To improve, develop and expand our specialist support for people with:

- Profound and multiple learning disabilities, autism, and challenging support needs
- Complex mental health needs and associated physical and social support needs

We planned to continue growing and developing our support to more people, families, and commissioners in London. It was important to adapt our approach to mobilising new contracts and services so that we could still ensure the effective integration of new services despite some of our processes and systems not operating fully because of the significant disruptions due to COVID-19.

What we achieved

Over the last year we have grown significantly, supporting more people with learning disabilities or mental health support needs and their families, including working for the first time in Camden, Islington and Croydon.

Our planned merger with Yarrow took place on the 1 April 2020, supported by a robust Integration Plan and key staff from both organisations working closely together, despite the obvious challenges of managing this during lockdown. While the integration of our core business systems was delayed, managers and teams supporting people and their families were successfully welcomed and quickly integrated with our Operations structures. We also successfully mobilised new contracts in Camden, Hillingdon and Westminster.

We were also pleased to be commissioned by the South London and Maudsley NHS Foundation Trust to open the Orchard mental health step-forward service. Comprising of three properties providing short-term recovery support in Croydon, this service aims to reduce unnecessary hospital stays for people in out-of-borough or inpatient settings, replicating our successful service in Lambeth.

We increased our Shared Lives service with the transfer of a contract in Lambeth to support 38 carers and 28 people. In Richmond we opened a new bespoke service that consists of three flats and a bungalow for people who require intensive specialist support. The specification for the house included built-in assistive technology that supports greater independence and safety for people living there.

Strategic Goal 2: To invest in and champion new and better approaches that inform our development and differentiate our support

We continue to set a high ambition to keep developing better ways to support people and their families. This has been particularly true over the last year where we have had to learn how to support people to remain safe and well, while experiencing restrictions during extended periods of lockdown.

What we achieved

- **Keeping people safe during COVID-19** – We put in place a highly effective programme to work with our managers and teams supporting people and their families over the last year. This has ensured that teams have been able to put in place and maintain a high standard of infection control which is critical to the safety of people we support, staff and visitors.
- **Outcomes Measurement Review** – During the year, we carried out a full review and refresh of Quality of Life (QoL), the section of our online Buzz system that helps us to record how we support people to achieve the goals and outcomes that are important to them. QoL is a tool that enables us to plan and record the goals people want to work towards and effectively measure the progress people make. Using QoL across Certitude from May 2021 will improve how we plan and record how we are supporting people, while making sure that the decisions and outcomes which we work towards are led by people we support, increasing their independence and ownership of their own support. The tool is designed to support this by focusing on people’s potential rather than their problems.
- **Strengths-Based Approach** – During the year we also made the decision to adopt a strengths-based approach across Certitude. This is a collaborative process between the person being supported and those supporting them, allowing us to work together to determine outcomes that draw on the person’s strengths and assets. The approach concerns itself principally with the quality of the relationship that develops between those providing and those being supported.

Strategic Goal 3: People we employ, people we support and their families will know us as the best social care employer in London

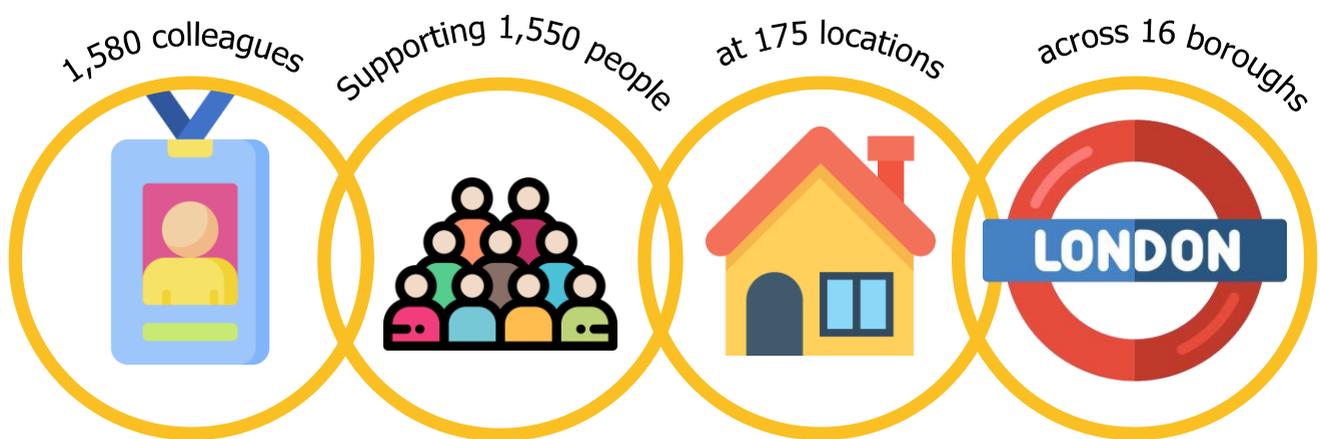
Over the last year we were focused on ensuring effective business continuity through strong governance, leadership and management during the period of major disruption from COVID-19. We also focused on engaging with our staff to develop some of the approaches that will help us to recover.

What we achieved

- **Equality, diversity and inclusion** - The COVID-19 pandemic and the death of George Floyd put a spotlight on the issues faced by the communities we work in, people we support and many of our colleagues. Our work on equality, diversity and inclusion has never been more important and we have been pleased to see the development of staff networks helping to raise awareness and highlight areas of development in Certitude. This work will continue, and Leadership Team members now act as sponsors for each of the groups, working closely with the network chairs to develop a clear programme of work.
- **Values and Behaviours Framework** - We were pleased to work closely with staff and managers across Certitude to refresh our values and behaviours framework. This allowed us to take on board learning from our experience of the last year and incorporate people's views about the values and behaviours that will be important for the next few years as we recover from the pandemic. The new framework is being used in staff recruitment and induction, and to support annual reviews.
- **Digital technology** - We have continued to build our digital capabilities and resources, ensuring more effective and efficient ways of supporting staff in their day-to-day work. This has included work to embed Buzz (our bespoke online client records system) and CHRIS (our online HR system) and we have started work to commission an e-rostering system that will help managers and teams to more effectively plan and deploy staff to best meet the needs of people they are supporting.

Strategic Goal 4: To guarantee quality, effectiveness and deliver efficiency

Certitude supports over 1,500 people across 16 London boroughs. Our Quality Assurance Framework supports our organisational vision that everyone should have the life they want. This year, COVID-19 restrictions have impacted people's ability to live their lives in the way that they wish. Our focus has been to keep people safe but we have continued to work toward our vision for quality in Certitude, where the people we support and their families define the positive outcomes that they seek; where our skilled and well led staff provide person-centred support to help achieve those outcomes; where we work within a robust framework that is effective, responsive and safe and which allows us to record and review our work in order to improve and innovate.



What we achieved

- **Pandemic response** – assuring quality during COVID-19 required a flexible and dynamic approach. The organisation's focus was on keeping people we support and staff safe and well, and on-site visits were restricted as a result. Our quality management system consists of a coordinated series of quality audits and compliance checks, underpinned by robust policies and procedures, a focus on people we support and a commitment to continuous improvement. We adapted our approach in 2020/21 to maximise the use of technology and remote capability, supporting managers and teams to continue to evidence compliance with organisational standards. Although some limitations exist compared to our routine approach, we have maintained a level of monitoring and support throughout the year, while continuing to plan for a resumption of 'business as usual'.

In August 2020, the Certitude Board and Leadership Team commissioned an independent review to identify and evaluate the learning from the organisation's response to the pandemic, incorporating an analysis of key documentation, the findings of internal reviews already undertaken and interviews with 64 key stakeholders (including support workers, managers, people supported and family members, commissioners, senior managers and Board members). The overall conclusion was that Certitude responded effectively and decisively to the challenges presented by the pandemic, with colleagues at every level going above and beyond to ensure people supported by Certitude and staff were safe and well.

Support workers and their managers were at the forefront and families interviewed for the

review felt that teams did everything they could during this time and were fulsome in their praise. Those supported, while missing many of their normal activities, spoke about using technology to stay in touch with people and engage in new activities. Several talked about becoming more involved with activities around their home. Staff coped admirably with the challenges of helping people to understand and live within the restrictions of lockdown and infection control measures.

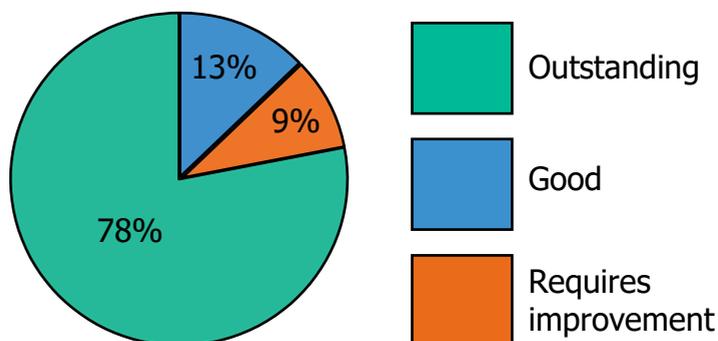
Our experts by experience Quality Checkers programme (which enables people with lived experience to help us review and improve support and services), was paused in early 2020 due to the pandemic but further development of this programme is planned for 2021/22. Service visits by the Board, Leadership Team and senior management colleagues continued on a virtual basis throughout the year, to ensure that staff teams and people we support could talk directly about what matters to them.

- **CQC Ratings** - CQC’s programme of routine inspections was disrupted due to the coronavirus pandemic. Three Certitude services were inspected by CQC during 2020/21, resulting in two ‘Good’ ratings and one ‘Requires Improvement’ rating. CQC ratings are based on inspection visits, including where possible feedback from people we support, families and commissioners.

Maintaining Good overall CQC ratings is an organisational priority and achieving Outstanding ratings remains a key ambition. We are committed to supporting registered managers to achieve and maintain Good and Outstanding CQC ratings in the services for which they are responsible. We have developed an effective programme of support for CQC-regulated services, including a Registered Managers Forum, CQC mock inspections schedule, identifying and addressing development areas for registered managers and building confidence in relation to inspection preparation. Our central Quality Team provides targeted direct support to CQC-regulated services in areas where improvement is required, by accurately and consistently recording the work carried out, actions put in place and improvements achieved.

Across our 23 CQC-registered services, the current highest rated areas are ‘Caring’, ‘Responsive’ and ‘Safe’. Our Southside Partnership Domiciliary Care Agency and Yarrow Domiciliary Care Agency are rated Outstanding.

CQC inspection ratings



Plans for Future Periods

Over the next year we plan to continue to grow and develop as an organisation so that we can support more people and their families and invest in better ways of providing support and developing our staff. We have set out our ambitions in our growth and development strategy.

We know that housing is critical to people being able to live a good life and we will develop a housing strategy to capitalise on existing and new development opportunities and to identify our priorities over the next few years.

We will also continue our work to fully integrate services that joined us last year from Yarrow, and in Camden, Westminster, Lambeth and Croydon so that people we support, their families and our teams feel fully part of Certitude.

We know that recovery will be a key focus and we will develop a health and wellbeing strategy that enables people we support and our staff to regain and maintain good physical and mental health, which is so vital to a good life.

We recognise that technology has played an important role over the last year in helping Certitude to adapt quickly and continue to provide good business continuity. We believe that we need to go further and our Board has agreed to the investment needed to appoint a Director of Digital who will lead the development and delivery of a new digital strategy.

Underpinning everything we do is our commitment to quality and quality improvement. We will develop a quality improvement strategy that seeks to engage people we support, their families and our colleagues more fully in setting out what is most important to them and working with us on these priorities.

Most importantly, we will be developing our new three-year Forward Plan, working with our internal and external stakeholders and our Board to agree our future strategic priorities.

Fundraising

This year has been challenging as most organisations have struggled to maintain fundraised income, so our focus has been on grant income.

This is a period when probing questions are being asked about fundraising practice across the sector in the UK and fundraising generally is facing difficulty due to the pandemic. Companies we are partnered with are furloughing staff and keeping businesses afloat has had to take priority over making donations. Despite the challenges we are doing our very best to ensure it is a transparent and rewarding experience for our donors during this difficult time.

We work closely with all our supporters and endeavour to:

- Listen and respect supporters' wishes
- Be honest and transparent about where donors' money goes
- Respect any personal information supporters share with us

- Be accountable and committed to the highest fundraising standards in line with the Fundraising Regulator and The Institute of Fundraising
- Invite feedback that we can learn from and develop our fundraising approach at Certitude

We are aware that the ways in which people choose to give are changing and we have responded. Donors are now able to text to donate, make contactless payments, donate gifts in kind through our Amazon Wishlist and via giving platforms such as Facebook, JustGiving and Virgin Money Giving. People are additionally able to donate to Certitude through their usual consumer shopping behaviour, for example, through Easy Fundraising and Amazon Smile.

We are continually looking to improve methods of giving; develop new fundraising initiatives and recognising the need to invest funds and resources in the short-term to ensure that we establish a long-term sustainable fundraising model.

Participation in fundraising regulation and our compliance with codes - We aim to meet best practice guidelines in how we fundraise from our supporters. We monitor regulatory developments to ensure these standards are maintained, and our fundraising activity is open, legal and fair. We are registered with the Fundraising Regulator and our Fundraising Promise is posted on our website. We have reviewed and updated our approach to data protection in line with General Data Protection Regulation (GDPR) which came into effect on 25 May 2018. We take our supporters' requests and the protection of their personal data very seriously. We never swap or sell their data and our supporters can change their communication preferences at any time.

How we monitor our fundraising activities undertaken by third parties - We currently work with a small number of third parties to raise money. We expect all third parties who work with us to meet the same high standards as our own fundraisers and have contracts and/or memorandums of understanding in place to ensure this. We also ensure that all companies are subject to our due diligence process. We have received no complaints in 2020/21 regarding fundraising. However, we continue to monitor our fundraising channels to ensure any complaints are dealt with according to guidance from the Fundraising Code of Practice and internal company practices.

We will continue to develop our fundraising capacity and approaches in 2021/22 but are mindful that the impact of the pandemic will continue for a period of time.

Risk Management

The Board has overall responsibility for ensuring that the charity and its subsidiaries have appropriate systems of controls; financial and otherwise. The Board is also responsible for safeguarding the assets of the organisation and for taking reasonable steps for the prevention and detection of fraud and other irregularities, and to provide reassurance that:

- assets are safeguarded against unauthorised use or disposal
- proper records are maintained and financial information used within the organisation for publication is reliable; and
- the charity complies with relevant laws and regulations

As part of Certitude's risk management process, the Board acknowledges its responsibility for the system of internal control and for reviewing its effectiveness. The Board recognises that such a system is designed to manage (and not eliminate) risk of failure to achieve the organisation's vision and mission and can only provide reasonable (not absolute) reassurance against material misstatement or loss.

Management of risk is an integral part of our planning and project management processes, with risks identified and assessed as we develop our plans each year. With support from the Board, we have developed a corporate Risk Register in line with the organisation strategy setting out key strategic risks, scoring of these based on gross and net risks, assessing risk appetite and further actions required. We have also developed a Quality Framework that provides a range of assurance processes to ensure quality provision of service delivery activities.

Certitude has been reviewing the ongoing risk management around COVID-19 and the impact for people we support and staff. In line with our Business Continuity Plans this process has been ongoing throughout the year with weekly reviews by the Incident Management Team.

COVID-19 specific risks have been reviewed and are included on the Risk Register.

The following key risks have been identified by the Board as part of its review:

| Risk | Impact | Management |
|---|--|---|
| <p>Certitude has a reputational, regulatory and potentially financial risk as a result of a serious incident taking place.</p> | <p>Immediate and ongoing negative press and social media coverage, non-compliance with regulatory bodies including the Charity Commission, potential risk to current contracts and obtaining new contracts of work due to reputational damage. Inability to access suitable insurance.</p> | <p>Policy for reporting incidents to the Charity Commission (SSP) in place. Weekly review in place of incidents which could lead to future liabilities (LT level). Operational reporting policy and processes in place for all incidents.</p> <p>Current insurance policy and process in place with Markel. Approach in place within comms for responding on social media / press articles or enquiries.</p> |
| <p>Compliance with regulatory, contractual and best practice standards not consistently achieved or maintained across all our services.</p> | <p>Potential risks to the health and wellbeing of people we support. Potential loss of contracts or closure of services and the resulting impact on our reputation and image as a high quality provider.</p> | <p>Quality of Life approach is being strengthened and relaunched. Prioritising quality and application of quality assurance measures across the Group; ongoing review of the resources required to ensure we maintain high quality across the Group.</p> <p>Maintain our focus on achieving Good and Outstanding ratings in CQC registered services. Implementing new approaches to organisational learning/practice improvement from accidents and incidents.</p> <p>Virtual audits have taken place over the last 12 months as physical audits were not possible, detailed audit reviews take place for all new services.</p> |

| Risk | Impact | Management |
|--|---|---|
| <p>Loss of strategically important contracts leading to significant loss of income and contribution to central management costs.</p> | <p>Strain on other contracts and less service development and innovation opportunities through reduced central management income.</p> <p>Reputation damage of losing contracts in key boroughs.</p> | <p>Discussion with commissioners to review service model changes and work towards more flexible longer term contracting arrangements continue.</p> <p>We continue to review options for each contract and any cost centres in deficit and plan to bring the relevant budget back to balance.</p> <p>We ensure pricing for new services include all fixed and variable costs and future proof value for the life of the contract. Service redesign options for houses with higher void levels to provide longer term sustainability.</p> |
| <p>Impact of COVID-19 on people we support and staff as well as on financial resources.</p> | <p>Risk to people we support and staff across the organisation.</p> <p>Impact on individual services if people we support and staff need to self-isolate/quarantine in light of any future waves.</p> <p>Staff teams diminished as a result of COVID-19 and having to utilise staff resources from other areas. Agencies and bank staff unavailable to cover shifts. Health and safety of the people we support and our staff, if appropriate trained staff are not available to deliver safe services.</p> <p>Unable to purchase all the necessary infection control equipment and PPE.</p> <p>Financial loss covering agency and sickness has an adverse impact on budgets.</p> | <p>Task Team established to lead coordination of the response directed by the Incident Management Team. Additional resources made available for staff costs and PPE purchase.</p> <p>COVID-19 Information Hub on the staff intranet to communicate with staff and bank teams in a consistent and clear manner considering advice issued by central and local government. Ongoing review of Coronavirus Business Continuity Plan to ensure effective handling of any future waves.</p> <p>Services review and update individual business continuity plans, ensuring locations have a good supply of PPE and appropriate hand washing facilities. Produce factsheets for staff, people we support and families on what the organisation is doing and how people can help with infection control.</p> <p>Review with commissioners additional funding being made available and agree how much can be allocated to Certitude.</p> |

Overall responsibility for overseeing the management of risks, compliance with our risk management framework and the agreed risk appetite of the Group lies with the Board. The appetite takes into account the level of risk and risk combinations that the Board is prepared to take to achieve the strategic objectives together with the level of risk the organisation is able to withstand.

In the ordinary course of activities, Certitude and its subsidiaries actively managed a variety of financial risks which include credit risk and liquidity risk through various control mechanisms. Our liquid assets are held in cash and in a well-diversified investment portfolio which is managed by Investec and overseen by the Finance & IT Committee. Cash levels are reviewed on an ongoing basis to ensure funds are held at appropriate levels, considering both daily operational needs and how to diversify the risk. With new planned activities over the next few years, cash management will need to be monitored closely as well as ensuring a strong balance sheet is maintained.

Financial Review

Certitude chooses to present its Financial Statements in line with the Charities SORP (FRS 102). The Board has decided that the Charities SORP best reflects the nature of the Group's financial activity, the Group position now fully incorporates Yarrow Housing.

Yarrow Housing has been incorporated in the Group accounts, resulting in the fair value of Yarrow's net assets, £2,352k, being added to income. Excluding the addition of Yarrow assets, the surplus of £1,303k before investment gains of £746k and an actuarial pension loss of £3,627k is positive considering the difficulties of the last 12 months because of the pandemic.

Total income, excluding Yarrow's opening net assets, was £49,939k (£36,369k in 2019/20). The increase is primarily as a result of consolidating Yarrow Housing into the Group as well as taking on new contracts in Hillingdon, Camden and Richmond. We have also received additional income this year from local authorities we work with to manage our costs through the pandemic. This has been in the form of grant income made available by central government and also direct support we have received from individual local authorities who have understood the pressures faced because of the pandemic. We have, where possible, used other COVID-19 government support such as the furlough scheme. In total we have received £408k from the furlough scheme during the year.

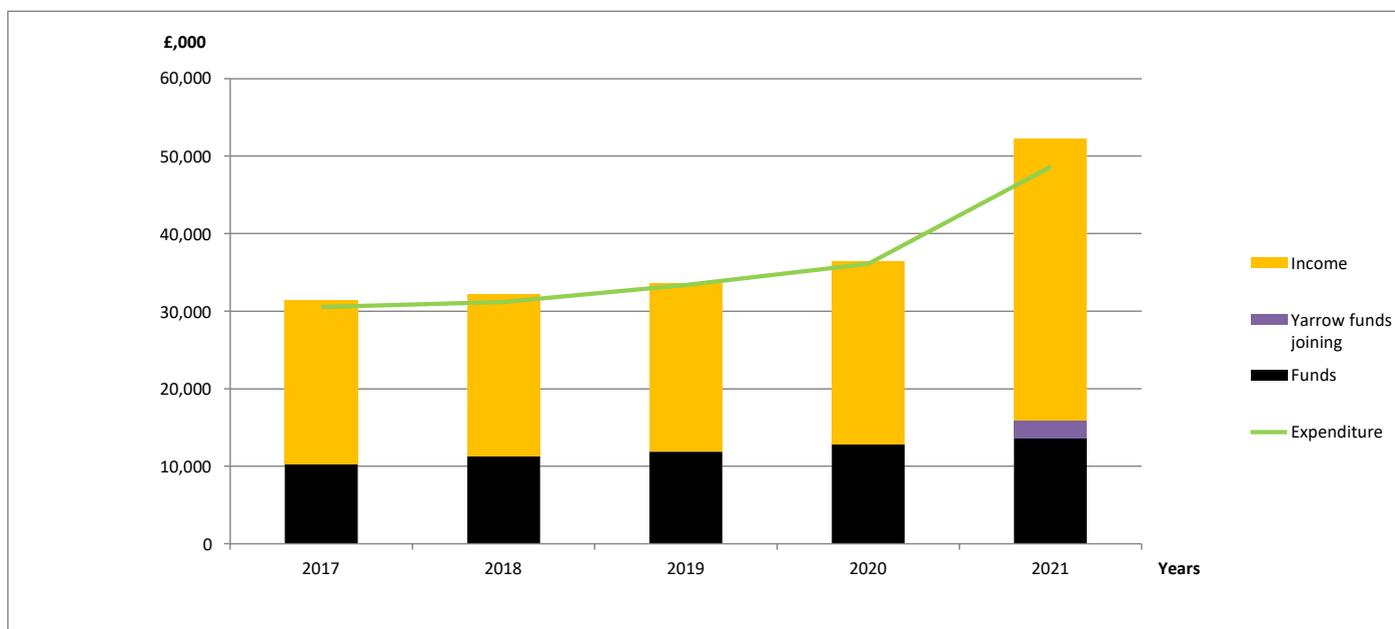
Total expenditure was £48,636k (£39,095k in 2019/20), the increase is as a result of consolidating Yarrow Housing into the Group as well as increased costs because of taking on new services and costs of managing the impact of COVID-19. Employment costs represent 79% of income and considerable efforts were made during the year to ensure we manage all our employment costs as effectively as possible.

We have continued investing in technology projects, and this will be a key focus as we learn to adapt to new ways of working as a result of COVID-19 and the development of our digital strategy. A new Director of Digital will be joining the Group in September 2021 to lead on Certitude's digital strategy as well as other IT resources to ensure Certitude is maximising its use of technology.

Funding pressure is a continuing reality for social care with local authority budgets in particular under continuous downward pressure. Costs are rising and it is increasingly challenging to achieve better settlements from local authorities. We have where possible sought to streamline delivery without compromising on quality outcomes. Contract retention approaches are proving successful with positive relationship management including renegotiation of current contracts, tenders for existing business retained and market share increased. Our main contract in Bromley will be ending on the 31 August 2021; new growth already achieved and planned growth will help us to manage the reduction in funding of central management costs as a result of this contract ending.

COVID-19 will continue to have an impact going into 2021/22, we will continue to seek additional funding and maximise all relevant central and local government support to manage our overall resources during the coming year.

Income, Funds and Expenditure over the past five years



Reserves Policy

The balance sheet shows total unrestricted reserves of £13,453k (2019/20: £12,715k) and restricted reserves of £138k (2019/20: £102k). There have been a number of items that have contributed to the increase in reserves including the positive position on investments, with a gain of £746k and bringing Yarrow reserves into the Certitude Group position. There has however been an actuarial pension loss of £3,627k, offsetting part of the operational surplus and investment gains generated.

Reserves are maintained at a level that enables the organisation to manage operational financial risks and short-term income volatility. They allow the charity to sustain service delivery over the long-term, ensuring that financial commitments can be met as they fall due. Reserves are those unrestricted funds which are freely available to the trustees to spend on any of the organisation’s purposes. However, they exclude amounts which, if spent, would adversely affect the organisation’s ability to deliver its aims. Reserves do not therefore include property, funds which are set aside for programmes specifically to further our organisation’s objectives, or amounts set aside for essential costs.

The pension deficit is currently included in the reserves calculation. This will be reviewed as we have a repayment plan agreed with the pension fund trustees, and this commitment is considered in all our financial planning, including the anticipated and targeted levels of reserves.

Certitude has a set Reserves Policy at 13 weeks running costs across the Group. This strikes a balance between the continuing development of its services and the need for prudent management of working assets as well as providing for contingencies. Based on 2021/22 Group budgeted expenditure of £48.8m and free reserves of £5.5m (free reserves being unrestricted funds less intangible and tangible fixed assets, less any designated funds that the trustees have

agreed) the organisation is not meeting its target of 13 weeks. Free reserves at end of March 2021 stands at 5.8 weeks (2019/20 7.9 weeks). This change is impacted by the actuarial losses on the defined benefit pension schemes, and the incorporation of Yarrow's fixed asset.

While the current target remains at 13 weeks, the Finance & IT Committee agreed a review will be undertaken during the coming year to consider if this level is still correct. This is in light of the fact that we have held this target for a period of time, and that the current methodology does not fully factor in Certitude's position, where the contracts held provide certainty of income for a defined period of time, and where costs can largely be reduced in line with a reduction in income.

Going Concern

The Board of Trustees has reviewed Certitude's key activities, financial position and risk management policies together with factors likely to affect future development, including the impact of economic uncertainty. The financial impact of COVID-19 has been central to these assessments. Board Trustees have concluded that, with agreed adjustments to our plans and with ongoing financial risk management, it is reasonable to expect Certitude to have adequate resources to continue in operation for the foreseeable future. Accordingly, the going concern basis of accounting continues to be adopted in preparing the financial statements.

The Audit and Risk Committee reviewed in detail the five-year budget model, which has factored in the following considerations:

- **Contracts Review:** we have reviewed the contracts pipeline and considered any significant changes that will have an impact on the organisation. We are confident that the contracts pipeline is strong, and we have contractual commitments with commissioning authorities at least until 2023/24. While we have had some changes to contracts in Bromley, new contracts have been secured in Hillingdon, Camden and Westminster. There are also a number of service developments being worked on with commissioning authorities that will come on board during 2021/22. With Yarrow Housing joining the Certitude Group from 1 April 2020, we have been able to review our resource deployment where we have contracts in the same boroughs.

All new contracts are based on us being able to include a reasonable central management return. We review the benchmarks that are available for the sector to assist in cost profiling.

- **Staff Costs and Non-Pay Expenditure:** An annual review of staff remuneration is completed by the Board to ensure we can attract and retain quality staff and ensure pay and reward remain competitive. Financial modelling is based on staff costs increasing year on year, but this must be in line with affordability. Non-pay costs are assumed to increase with inflation year on year, while housing costs are increasing above inflation. These assumptions remain under review.

The ongoing impact of COVID-19 is being actively managed, while additional costs continue to be incurred, we seek additional income to offset much of the additional expenditure. Income and expenditure is reviewed monthly and reported to the Finance and IT committee and Board quarterly and more frequently, if required.

- **Cash Flow Analysis:** we have reviewed as part of the five-year financial modelling a detailed cash flow which takes into account income and expenditure changes as well as other capital commitments, this shows that Certitude has a good level of cash reserves. It is important to note that Certitude holds investments of £7.9m which can be liquidated in a short timeframe. At present we do not believe we will need to seek any additional cash to meet requirements.

Investment Policy

The overall objective of the Certitude investment portfolio is to create sufficient income and capital growth to enable Certitude to carry out its purposes consistently year by year with due and proper consideration for future needs and the maintenance of, and if possible, enhancement of the value of the invested funds while they are retained. Yarrow is now also included as part of the investment fund.

The day to day management of the portfolio has been delegated to Investec Wealth & Investment Limited, who implements portfolio allocation which has been agreed with Certitude. The portfolio asset allocation will fall within the following broad planning ranges and performance will be measured against a weighted average of the movements in the comparative indices (a bespoke benchmark) as set out below.

| Asset Class | Ranges (%) | Benchmark (%) | Comparative Indices |
|-------------------|------------|---------------|--|
| Fixed Interest | 21-41 | 31 | FTSE Government All Stocks Index |
| UK Equities | 12.5-32.5 | 22.5 | FTSE All Share Index |
| Overseas Equities | 12.5-32.5 | 22.5 | FTSE World (ex-UK) Index £ |
| Property | 0-15 | 5 | Investment Property Databank monthly index |
| Infrastructure | 0-20 | 10 | Bank of England base rate +2% |
| Cash | 0-10 | 2 | Bank of England base rate -0.5% |
| Absolute Return | 0-17 | 7 | Bank of England base rate +-2% |

No investment in unquoted securities

All bonds bought are of investment grade or better as ascribed by the credit agencies, except up to 5% of the bonds can be below investment grade. Investments in derivatives or securities traded on margin with contingent liability are not permitted, except for forward currency contracts for hedging purposes, designed to minimise currency risk due to foreign exchange movement or exchange volatility.

Ethical considerations

The Board reserves the right to exclude companies that carry out activities contrary to their aims or from holding investments which could damage the organisation's reputation. The Board expects the fund manager to have considered the suitability of investments of the same kind as any particular investment proposed to be made or retained.

Investment performance

For 2020/21 there was an unrealised gain of £746k; dividend income continued to produce a much better return than interest from banks. Total income was £197k (£240k in 2019/20).

The investment portfolio has produced a total return of 14.7% net of fees, compared to 12.1% for the benchmark over the year to 31 March 2021. 2020 had started positively as economic activity finally started to accelerate after years of sluggish growth. However, by the end of February it became apparent that COVID-19 was spreading rapidly around the world. Investment markets fell sharply, reaching a low point on 23 March 2020, a week before the start of the financial year.

The strong rise this financial year therefore partially reflects the weakness in the two months preceding the start of the year. But, nevertheless, the portfolio has produced a return of 10.4% over the last two years combined, compared to 9.4% for the benchmark.

Markets were reassured by the financial authorities responding quickly to the onset of the pandemic, governments took unprecedented direct action, like furlough schemes, to protect jobs and help real economies contain the detrimental impacts of lockdowns and social distancing. As a result, markets performed well during the past year.

At an asset class level, the fixed interest proportion rose by 3.5% over the year, compared to a fall of -5.5% for FTSE Government All Stocks Index. The corporate bonds held by the portfolio reacted positively to the economic support, having been particularly weak in the initial sell off before the start of the financial year.

The UK equity proportion rose by 21.6% which was behind the rise of 26.7% for the FT All Share Index, but in line with the FTSE 100 index gain of 21.9%, as the higher quality investments held by portfolio did not rise proportionately as much as some of the hardest hit sectors.

Remuneration

Certitude aims to pay salaries which are fair and competitive within the charity sector and proportionate to the complexity of the role. In determining the right level of pay, this last year has shown the true value of what our staff deliver and this needs to be recognised in their remuneration particularly when people live in London.

We aim to:

- Benchmark salaries against charity sector salary levels
- Pay salaries at the median of charity sector salaries
- The Remuneration Committee reviews salary levels annually

Our approach to remuneration is to ensure we can attract and retain the talented and motivated people needed to ensure we achieve our mission and deliver our strategic goals. The pay of the Leadership Team is reviewed annually, alongside that of all staff, by the Remuneration Committee which is a committee of the main Board. Salaries are reviewed and benchmarked with other similar organisations in the not-for-profit sector and taking account of the fact we work in London. All Board members give their time freely and no Board member received remuneration in the year.

Funds managed on behalf of others

Certitude does not formally hold funds itself on behalf of others. However, it does offer some support with, and management of, people we support's finances in some cases, which is overseen by the Customer Finance Manager. For some people, the Customer Finance Manager acts as appointee for DWP benefit purposes, and in a small number of cases has been appointed Receiver by the Court of Protection.

Statement of the Board members' responsibilities in respect of the Financial Statements

The Board is responsible for preparing the report and financial statements in accordance with applicable law and regulations. The Co-operative and Community Benefit Societies Act 2014 requires the Board to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the registered society and the Group and of its income and expenditure for that period. In preparing these accounts the Board is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the registered society and the Group will continue in business.

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the registered society and enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014 and the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969. It has general responsibility for taking reasonable steps to safeguard the assets of the registered society and the Group and to prevent and detect fraud and other irregularities.

In so far as the Board members are aware:

- there is no relevant audit information of which the registered society's and Group's auditor is unaware; and
- the Board members have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to ensure that the auditor is aware of that information.

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

Auditor

A resolution will be proposed at the Annual General Meeting that Crowe U.K. LLP be re-appointed as auditor to the registered society for the ensuing year. In approving the Annual Report of the Board, the Board members are also approving the Strategic Report included therein.

By order of the Board
Eleri Ebenezer
Chair

Date: 29 July 2021

Statutory Information

Other relevant organisations:

Bankers:

Barclays Bank plc
South West London Group
PO Box 385 Onslow Hall
The Little Green Richmond
Surrey TW9 1WB



Auditors:

Crowe U.K. LLP
55 Ludgate Hill
London EC4M 7JW



Investment Managers:

**Investec Wealth &
Investment Limited**
30 Gresham Street
London EC2V 7QN



Independent Auditor's Report

Opinion

We have audited the financial statements of Certitude Support ('the Society') and its subsidiaries ('the group') for the year ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Parent Balance Sheet, the Consolidated Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 group's and the parent Society's affairs as at 31 March 2021 and of group's 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 Co-operative and Community Benefit Society Act 2014.

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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

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

Responsibilities of the Board

As explained more fully in the Board's responsibilities statement set out on page 27 the Board is 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 Board 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 Board is responsible for assessing the Group's and the Parent Society'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 Board either intend to liquidate the Society or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material

misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the Society and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Co-operative and Community Benefit Societies Act 2014 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the Society's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the Society and the group for fraud. The laws and regulations we considered in this context for the UK operations were CQC Regulations for service providers and managers, General Data Protection Regulation (GDPR), Health and safety legislation and Employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Board and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income, recording the impact of the CQC regulatory reviews and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Audit & Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the Society's members as a body, in accordance with the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Society'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 Society and the Society's Board as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe UK LLP

Crowe U.K. LLP
Statutory Auditor
London
Date 23
September 2021

Certitude Support

Consolidated Statement of Financial Activities

(Including the Income and Expenditure Account)
For the year ended 31 March 2021

| Notes | Unrestricted Funds £'000 | Restricted Funds £'000 | Total Funds 2021 £'000 | Unrestricted Funds £'000 | Restricted Funds £'000 | Total Funds 2020 £'000 |
|---|-----------------------------|---------------------------|------------------------------|-----------------------------|---------------------------|------------------------------|
| Income from | | | | | | |
| Investments | 200 | - | 200 | 240 | - | 240 |
| Donations and legacies | 1,647 | 1,488 | 3,135 | 25 | 1,369 | 1,394 |
| Contract income: | | | | | | |
| Supporting people with learning disabilities | 34,323 | - | 34,323 | 24,718 | - | 24,718 |
| Supporting people with mental health needs | 7,524 | - | 7,524 | 7,379 | - | 7,379 |
| Rental income | 4,647 | - | 4,647 | 2,627 | - | 2,627 |
| Other income | 110 | - | 110 | 11 | - | 11 |
| Total income excluding Yarrow assets | 48,451 | 1,488 | 49,939 | 35,000 | 1,369 | 36,369 |
| Yarrow Housing assets - joining the Group | 2,336 | 16 | 2,352 | - | - | - |
| Total income | 50,787 | 1,504 | 52,291 | 35,000 | 1,369 | 36,369 |
| Expenditure on raising funds | | | | | | |
| Investment management fees | 37 | - | 37 | 38 | - | 38 |
| Fundraising | 101 | - | 101 | 99 | - | 99 |
| Charitable activities | | | | | | |
| Supporting people with learning disabilities | 38,019 | 1 | 38,020 | 26,206 | 49 | 26,255 |
| Supporting people with mental health needs | 9,011 | 1,467 | 10,478 | 8,385 | 1,318 | 9,703 |
| Total expenditure | 47,168 | 1,468 | 48,636 | 34,728 | 1,367 | 36,095 |
| Operating surplus - excluding Yarrow assets | 1,283 | 20 | 1,303 | 272 | 2 | 274 |
| Operating surplus - including Yarrow assets | 3,619 | 36 | 3,655 | 272 | 2 | 274 |
| Net gains/(losses) on investments | 746 | - | 746 | (416) | - | (416) |
| Net income/ (expenditure) | 4,365 | 36 | 4,401 | (144) | 2 | (142) |
| Actuarial (loss)/gains on defined benefit pension plans | (3,627) | - | (3,627) | 1,118 | - | 1,118 |
| Net movement in funds | 738 | 36 | 774 | 974 | 2 | 976 |
| Total funds brought forward | 12,715 | 102 | 12,817 | 11,741 | 100 | 11,841 |
| Total funds carried forwards | 13,453 | 138 | 13,591 | 12,715 | 102 | 12,817 |

These financial statements on pages 33 to 35 were approved and authorised for issue by the Board on 29 July 2021 and signed on their behalf:

Eleri Ebenezer
Chair

Sue Wickerson
Board Member

Aisling Duffy
Company Secretary

Eleri Ebenezer

Sue Wickerson

Aisling Duffy

The results relate wholly to continuing activities and the notes on pages 36 to 61 form an integral part of these financial statements.

Certitude Support

Consolidated Balance Sheet

As at 31 March 2021

| | Notes | Group 2021 £'000 | Group 2020 £'000 | Parent 2021 £'000 | Parent 2020 £'000 |
|---|-------|------------------------|------------------------|-------------------------|-------------------------|
| Fixed assets | | | | | |
| Intangible assets | 6 | 749 | 802 | 59 | 106 |
| Tangible assets | 7 | 7,214 | 5,712 | - | 1 |
| Investments | 9 | 7,916 | 6,207 | 2,353 | - |
| | | 15,879 | 12,721 | 2,412 | 107 |
| Current assets | | | | | |
| Debtors | 10 | 3,049 | 2,642 | 839 | 745 |
| Cash at bank and in hand | | 7,816 | 3,651 | 56 | 42 |
| | | 10,865 | 6,293 | 895 | 787 |
| Creditors | | | | | |
| Amounts falling due within one year | 11 | (6,715) | (3,671) | (414) | (367) |
| | | 4,150 | 2,622 | 481 | 420 |
| Total assets less current liabilities | | | | | |
| | | 20,029 | 15,343 | 2,893 | 527 |
| Creditors | | | | | |
| Amounts falling due after more than one year | 13 | (182) | (202) | - | - |
| Net asset or liabilities excluding pension liability | | | | | |
| | | 19,847 | 15,141 | 2,893 | 527 |
| Creditors | | | | | |
| Defined Benefit Pension Scheme (Liability) | 15 | (6,256) | (2,324) | - | - |
| Net assets | | | | | |
| | | 13,591 | 12,817 | 2,893 | 527 |
| Unrestricted funds | | | | | |
| General funds | | 13,453 | 12,715 | 2,883 | 524 |
| Restricted funds | | 138 | 102 | 10 | 3 |
| Total funds | | | | | |
| | 16 | 13,591 | 12,817 | 2,893 | 527 |

The Parent - Certitude Support generated a surplus of £12,265 for the year (2020: £17,951). The parent also recognised income and an investment £2,352,000 as a result of Yarrow Housing joining the Group. These financial statements on pages 33 to 35 were approved and authorised for issue by the Trustees on 29 July 2021 and signed on their behalf by:

Eleri Ebenezer
Chair



Sue Wickerson
Board Member



Aisling Duffy
Company Secretary



The notes on pages 36 to 61 form part of these financial statements.

Certitude Support

Consolidated Cash Flow Statement

For the year ended 31 March 2021

| | 2021 £'000 | 2020 £'000 |
|--|-----------------------------|-----------------------------|
| Cashflow from operating activities | 2,153 | (78) |
| Cashflow from investing activities | | |
| Payments to acquire intangible and tangible fixed assets | (349) | (302) |
| Payments to acquire investments | (1,000) | - |
| Receipts from sales of investments | 37 | 37 |
| Interest and dividends received | 200 | 240 |
| Cash from acquisition of subsidiary | 3,144 | - |
| Net cashflow from investing activities | 2,032 | (25) |
| Cashflow from financing activities | | |
| Mortgage repayments | (20) | (18) |
| Net cashflow from financing activities | (20) | (18) |
| Net increase/(decrease) in cash and cash equivalents | 4,165 | (121) |
| Cash and cash equivalents at start | 3,651 | 3,772 |
| Cash and cash equivalents at ends | 7,816 | 3,651 |
| Net (expenditure)/income for year prior to gain on investment | 3,655 | 274 |
| Depreciation | 378 | 279 |
| Interest and dividends | (200) | (240) |
| Decrease/(increase) in debtors | (407) | (610) |
| Increase/(decrease) in creditors | 3,044 | 446 |
| Pensions movement | 296 | (227) |
| Adjustment for acquisition of subsidiary | (4,613) | - |
| Net cash inflow from operating activities | 2,153 | (78) |

Notes to the Financial Statements

1 Accounting policies

a) Legal status

Certitude Support is incorporated in England under the Co-operative and Community Benefit Societies Act 2014 and is an exempt charity as defined by the Charities Act 2011. The address of the registered office is 31-33 Lumiere Court, 209 Balham High Road, London SW17 7BQ. The nature of the Charity's operations and principal activities are to provide care and support for people who have learning disabilities or difficulties and/or autism, and/or experience mental ill health and/or physical disability or are elderly or infirm; and to undertake any other charitable purpose.

b) Basis of accounting

The Charity constitutes a public benefit entity as defined by FRS 102. 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) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Co-operative Community Benefit Societies (Group Accounts) Regulations 1969 and UK Generally Accepted Practice as it applies from 1 January 2015. The members have voluntarily adopted this SoRP, as if the Society was a regulated charity, as they consider that this is the most appropriate format to give a true and fair view of the Society's and Group's activities.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include freehold and leasehold properties and investments at fair value. The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £000.

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

The consolidated financial statements incorporate the results of Certitude Support and all of its subsidiary undertakings using the acquisition method of accounting as required. Where the acquisition method is used, the results of subsidiary undertakings are included from the date of acquisition, being the date the Group obtains control. Intra-group transactions are eliminated on consolidation.

Parent society disclosure exemptions

In preparing the separate financial statements of the parent society, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No cash flow statement has been presented for the parent society
- Disclosures in respect of the parent society's financial instruments have not been presented as equivalent disclosures have been provided in respect of the group as a whole, and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent society as their remuneration is included in the totals for the group as a whole.

c) Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements. For valuation and depreciation relating to fixed assets, please see section e) below. For estimations relating to defined benefit pension liability, please see section j) below.

d) Investments

The organisation's investments are stated at market value. It is the organisation's policy to keep valuations up to date such that when investments are sold there is no gain or loss arising to previous years. As a result, the SOFA includes those unrealised gains and losses arising from the revaluation of the investment portfolio throughout the year. Certitude as the parent company administers the investment portfolio on behalf of its subsidiaries and a Declaration of Trust arrangement has been agreed to facilitate this. Short term investments represent treasury deposits held at financial institutions for a short term period with a view to earn interest income.

e) Intangible and tangible fixed assets

Intangible and tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Depreciation is provided to write off the costs or valuation of assets over their estimated useful lives on the straight line basis as follows:

| | |
|--|-----------------|
| Intangible asset, major software development of internal communication system - BUZZ | - over 10 years |
| Intangible asset, HR software | - over 5 years |
| Major software development and investment in IT infrastructure | - over 5 years |
| Office equipment and computers | - over 4 years |
| Telephone system | - over 5 years |
| Property held on long leases | - 1% and 2% |
| Freehold property (excluding land) - at between | - 2% and 3.2% |
| Capitalisation threshold has been set at | - £5,000 |

Freehold land is not depreciated.

Fixed assets, except freehold property and property held on long leases, are disclosed at cost less accumulated depreciation.

Freehold property and property held on long leases are carried at professional valuation in accordance with the Royal Institute of Chartered Surveyors Valuation Standards. Professional revaluations will be undertaken at least once in every five year period. Impairment reviews will be carried out in the interim period.

Yarrow freehold land and buildings were revalued as at 1 April 2020, the date when Yarrow net assets were transferred in to Certitude Group. The basis of this valuation was fair value, based on the estimated sales price of the property as at March 2021, which has been discounted to reflect value as at April 2020.

f) Income

All income is accounted for in the SOFA when the Charity is legally entitled to the income, it is probable that the income will be received, and the amount can be quantified with reasonable accuracy. Income due to delivery of goods and services, furthering the objects of the Charity is included under income from charitable activities.

Contractual income and grants are included on a receivable basis. Contract income is recognised as performance obligations are satisfied.

Rental income represents fees received for managing accommodation on behalf of housing associations, stated net of voids.

All income received in advance for the delivery of a specific service or activity is deferred until such service delivery or activity has taken place.

g) Income

Resources expended are included on an accruals basis and allocated to appropriate heading in the Statement of Financial Activities (SOFA). Any irrecoverable VAT is included as part of the cost to which it relates.

Redundancy costs are recognised when there is a legal or constructive obligation. Employment related costs and redundancy costs are detailed within note 3.

Costs in relation to operating leases are written off to the Statement of Financial Activities as they are incurred.

Support costs are the infrastructure costs supporting the group's charitable activities and governance. Support costs are allocated substantially on the basis of expenditure.

By virtue of S.478 Corporation Tax Act 2010, the charitable company is exempt from corporation tax.

h) Reserves

Restricted funds comprise monies where a restriction has been placed on their use by a donor. These are separately accounted for and described in note 16.

Unrestricted funds comprise monies given freely to the organisation that can be applied at the discretion of the trustees in accordance with Certitude's charitable objects.

i) Financial instruments

Financial instruments held are classified as follows:

- Financial assets such as cash, current asset investments and receivables are classified as loans and receivables and held at amortised cost using the effective interest method,
- Financial liabilities such as bonds and loans are held at amortised cost using the effective interest method,
- Commitments to receive or make a loan to another entity which meet the conditions above are held at cost less impairment. An investment in another entity's equity instruments other than non-convertible preference shares and non-puttable ordinary and preference shares are held at fair value.

j) Pensions

The organisation participates in pension schemes for eligible employees through several schemes, with the main scheme being the Social Housing Pension Scheme (SHPS), a defined contribution scheme administered by TPT Retirement Solutions. This scheme was available to staff since 2011 and is now also the scheme for auto enrolment implemented for all staff from February 2014 as required by new pension regulations. The organisation also participates in the NHS Pensions Agency (for former health service employees) and there are also two Defined Benefit Schemes which are with the Social Housing Pension Scheme (SHPS), administered by TPT Retirement Solutions, one which was closed to new entrants on 31 October 2011, and one which was closed to new entrants in December 2014.

Estimates of the net pension liability depend on a number of complex judgements relating to the discount rate used, changes in retirement ages and mortality rates. The Group engages a firm of actuaries to provide expert advice about the assumptions made and the effect on the pension liability and changes in these assumptions.

2 Investment income

| | 2021 | 2020 |
|--|--------------|--------------|
| | £'000 | £'000 |
| Bank/short term investment interest receivable | 3 | 17 |
| Income on investments | 197 | 224 |
| | 200 | 241 |

3 Staff cost

| | 2021 | 2020 |
|-----------------------|---------------|---------------|
| | £'000 | £'000 |
| Wages and salaries | 31,620 | 22,267 |
| Social security costs | 2,795 | 1,950 |
| Pensions costs | 1,945 | 1,712 |
| Agency staff | 2,239 | 2,233 |
| | 38,599 | 28,162 |

Redundancy costs of £104,292 has been recognised as expenditure during the year and £133,077 has been paid. (2020:£49,200 recognised and paid).

The trustees receive no remuneration for their services (2020: £Nil) and their out of pocket expenses for meeting and travel during the year amounted to £nil (2020: £490).

The average number of employees during the year was:

| | 2021 | 2020 |
|---------------------------------------|---------------|---------------|
| | Number | Number |
| Average number of full time employees | 1,027 | 761 |
| Average number of employees | 1,579 | 1,150 |

Number of staff with salary in excess of £60,000 per annum

| | 2021 | 2020 |
|----------------------|-------------|-------------|
| Salary range | Number | Number |
| £110,000 to £120,000 | 1 | - |
| £100,000 to £110,000 | - | 1 |
| £90,000 to £100,000 | 2 | - |
| £80,000 to £90,000 | 2 | 2 |
| £70,000 to £80,000 | 2 | 3 |
| £60,000 to £70,000 | 1 | - |

The total pension contribution for higher paid staff was £76,340 (2020: £59,842)

The key management personnel of the parent comprise the Trustees and the Executive Directors. The total cost of the key management personnel of the Parent and the Group were £765k (2020: £677k).

4 Net income/(expenditure) for the year

| | 2021 | 2020 |
|--|--------------|--------------|
| Stated after charging: | £'000 | £'000 |
| Depreciation of tangible and intangible fixed assets | 378 | 165 |
| Auditor remuneration | 56 | 37 |
| Operating lease rentals | 385 | 119 |
| Bad debts | (22) | 20 |

5 Analysis of total expenditure

| | Activities undertaken | Support costs | Total 2021 |
|--|------------------------------|----------------------|-------------------|
| | £'000 | £'000 | £'000 |
| Expenditure on raising funds | | | |
| Investment management fee | 37 | - | 37 |
| Fundraising | 97 | 4 | 101 |
| Expenditure on charitable activities | | | |
| Supporting people with learning disabilities | 34,290 | 3,729 | 38,019 |
| Supporting people with mental health needs | 8,946 | 1,533 | 10,479 |
| Total resources expended | 43,370 | 5,266 | 48,636 |

Included in Support costs are Governance costs of £90,685

**6 Intangible fixed assets
Parent**

| | Software Cost £'000 |
|--------------------------|--------------------------------|
| Cost or valuation | |
| At 1 April 2020 | 236 |
| Additions | 91 |
| Transfer to subsidiary | (91) |
| At 31 March 2021 | 236 |
| Depreciation | |
| At 1 April 2020 | 130 |
| Charge for the year | 47 |
| At 31 March 2021 | 177 |
| Net book value | |
| At 31 March 2021 | 59 |
| At 31 March 2020 | 106 |

**7 Tangible fixed assets
Parent**

| | IT Cost £'000 |
|--------------------------|--------------------------|
| Cost or valuation | |
| At 1 April 2020 | 94 |
| Additions | - |
| At 31 March 2021 | 94 |
| Depreciation | |
| At 1 April 2020 | 93 |
| Charge for the year | 1 |
| At 31 March 2021 | 94 |
| Net book value | |
| At 31 March 2021 | - |
| At 31 March 2020 | 1 |

**6 Intangible fixed assets
Group**

| | Software Cost £'000 |
|--------------------------|--------------------------------|
| Cost or valuation | |
| At 1 April 2020 | 1,000 |
| Additions Yarrow Housing | 19 |
| Additions | 91 |
| At 31 March 2021 | 1,110 |
| Depreciation | |
| At 1 April 2020 | 198 |
| Additions Yarrow Housing | 12 |
| Charge for the year | 151 |
| At 31 March 2021 | 361 |
| Net book value | |
| At 31 March 2021 | 749 |
| At 31 March 2020 | 802 |

7 Tangible fixed assets Group

| | Freehold Land & Buildings £'000 | Long Leasehold Property £'000 | Fixtures fittings & equipment £'000 | IT equipment £'000 | Total £'000 |
|--------------------------|---------------------------------------|-------------------------------------|---|-----------------------|----------------|
| Cost or valuation | | | | | |
| At 1 April 2020 | 3,050 | 2,610 | 215 | 168 | 6,043 |
| Additions Yarrow Housing | 1,440 | - | 67 | 87 | 1,594 |
| Additions | - | 13 | - | 245 | 258 |
| Disposals | - | - | - | (28) | (28) |
| At 31 March 2021 | 4,490 | 2,623 | 282 | 472 | 7,867 |
| Depreciation | | | | | |
| At 1 April 2020 | 37 | 52 | 115 | 127 | 331 |
| Additions Yarrow Housing | - | - | 43 | 82 | 125 |
| Charge for the year | 37 | 65 | 59 | 64 | 225 |
| Disposals | - | - | - | (28) | (28) |
| At 31 March 2021 | 74 | 117 | 217 | 245 | 653 |
| Net book value | | | | | |
| At 31 March 2021 | 4,416 | 2,506 | 65 | 227 | 7,214 |
| At 31 March 2020 | 3,013 | 2,558 | 99 | 41 | 5,711 |

Freehold Land and Buildings and Long Leasehold Property classes of Tangible fixed assets were assessed and revalued on 31 March 2019 by Robert Wilson of HB Surveyors and Valuers. The basis of this valuation is Fair Value. The valuation has been undertaken in accordance with RICS valuation standards- Global and UK edition.

Yarrow freehold land and buildings were revalued as at 1 April 2020, the date Yarrow net assets were transferred in to Certitude Group. The basis of this valuation was fair value, based on the estimated sales price of the property as at March 2021, which has been discounted to reflect value as at April 2020.

Historical Cost (Freehold Land and Buildings and Long Leasehold Property) at 31 March 2021

| | Historical Cost £'000 |
|-----------------------------|--------------------------|
| Freehold Land and Buildings | 1,805 |
| Long Leasehold Property | 1,359 |

8 Number of shares held

| Number of shares held | Group | Parent |
|----------------------------|-----------|-----------|
| As at 31 April 2020 | 9 | 9 |
| Issued in the year | 5 | 5 |
| Cancelled in the year | (1) | (1) |
| As at 31 March 2021 | 13 | 13 |

The share capital of the charity consists of shares with a nominal value of £1 each which carries no rights to dividends or other income. Shares in issue are not capable of being repaid or transferred. When a shareholder ceases to be a member the shares are cancelled.

9 Fixed Asset Investments Group

| | 2021 £'000 | 2020 £'000 |
|----------------------------------|---------------|---------------|
| Market value as at 1 April | 6,207 | 6,660 |
| Additions | 1,000 | - |
| Disposals proceed | (37) | (37) |
| Net investment (loss)/gains | 746 | (416) |
| Market value at 31 March | 7,916 | 6,207 |
| Historical cost at 31 March | 6,971 | 6,039 |
| Investments are represented by: | | |
| UK Fixed Interest | 1,767 | 1,551 |
| Overseas Fixed Interest | 202 | - |
| Total Fixed Interest | 1,969 | 1,551 |
| UK Equities | 1,630 | 1,185 |
| European Equities | 265 | 180 |
| North American Equities | 1,027 | 688 |
| Japanese Equities | 94 | 77 |
| Far East & Australasian Equities | 292 | 111 |
| International Equities | 158 | 43 |
| Emerging Economies | 156 | 100 |
| Total Equities | 3,622 | 2,384 |
| Property | 398 | 452 |
| Alternative Assets | 1,524 | 1,402 |
| Cash | 403 | 418 |
| Total | 7,916 | 6,207 |

Yarrow Housing joined the Certitude Group on 1 April 2020. The fair value of net assets held by Yarrow Housing totaling £2,353,000 has been recognised as a fixed asset investment in the Parent's balance sheet.

The parent holds share capital of £1 in its subsidiary Support for Living.

10 Debtors

| | Group 2021 | Group 2020 | Parent 2021 | Parent 2020 |
|--------------------------------|-----------------------|-----------------------|------------------------|------------------------|
| | £'000 | £'000 | £'000 | £'000 |
| Trade debtors | 1,472 | 1,755 | - | 5 |
| Rent debtors | 354 | 184 | - | - |
| Prepayments and accrued income | 1,048 | 612 | 234 | 209 |
| Other debtors | 175 | 91 | - | - |
| Amount owed by subsidiary | - | - | 605 | 531 |
| | 3,049 | 2,642 | 839 | 745 |

11 Creditors: amounts falling due within one year

| | Group 2021 | Group 2020 | Parent 2021 | Parent 2020 |
|------------------------------------|-----------------------|-----------------------|------------------------|------------------------|
| | £'000 | £'000 | £'000 | £'000 |
| Trade creditors | 706 | 538 | 167 | 186 |
| Other taxation and social security | 727 | 501 | 5 | 2 |
| Accruals | 1,819 | 1,242 | 141 | 51 |
| Deferred income | 653 | 558 | - | - |
| Other creditors | 2,791 | 813 | 7 | - |
| Mortgage (see note 13) | 19 | 19 | - | - |
| Amount owed to subsidiary | - | - | 94 | 128 |
| | 6,715 | 3,671 | 414 | 367 |

12 Deferred income

| | Group 2021 | Group 2020 | Parent 2021 | Parent 2020 |
|--|-----------------------|-----------------------|------------------------|------------------------|
| | £'000 | £'000 | £'000 | £'000 |
| The movement on deferred income in the year is: | | | | |
| Brought Forward | 558 | 284 | - | - |
| Deferred in Year | 653 | 558 | - | - |
| Released in Year | (558) | (284) | - | - |
| | 653 | 558 | - | - |

13 Creditors: amounts falling due after more than one year

| | Group 2021 | Group 2020 | Parent 2021 | Parent 2020 |
|--|-----------------------|-----------------------|------------------------|------------------------|
| | £'000 | £'000 | £'000 | £'000 |
| Mortgage repayable - within 2 to 5 years | 76 | 78 | - | - |
| Mortgage repayable - in over 5 years | 106 | 124 | - | - |
| | 182 | 202 | - | - |

The mortgage is secured on a freehold supported living scheme property. The initial mortgage of £428,000 comprised 80% of the property's cost and is repayable over 25 years. The interest rate is 1.25% above base rate. Interest payable for the year was £4.6k (2020: £4.7k).

14 Operating lease commitments

| | Group 2021 | Group 2020 | Parent 2021 | Parent 2020 |
|---|-----------------------|-----------------------|------------------------|------------------------|
| | £'000 | £'000 | £'000 | £'000 |
| Within one year | 399 | 213 | 87 | 84 |
| Later than one year but not later than five years | 573 | 530 | 283 | 370 |
| Later than five years | - | - | - | - |

15 Pension Adjustments

Certitude Support has complied in full with the requirements of FRS 102 and detailed below are the disclosure notes required for both the Social Housing Pension Scheme as well as the Bromley Local Government Pension Scheme.

Pensions Trust Social Housing Pension Scheme

The company participates in the Social Housing Pension Scheme (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.

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

The last triennial valuation of the scheme 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 this deficit by 30 September 2026.

The Scheme is classified as a 'last-man standing arrangement'. Therefore the company 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. Participating employers are legally required to meet their share of the Scheme deficit on an annuity purchase basis on withdrawal from the Scheme.

Bromley Local Government Pension Scheme

During the year 2021/22 the Bromley service contract is coming to an end, and staff who are members of the Bromley Pension scheme will leave their Employment with Southside Partnership. This will lead to a crystallising event, where Southside Partnership is required to settle Bromley pensions debt. The value of the debt will be calculated differently to the FRS 102 valuation included in these accounts. The amount will depend on various factors relating to future events, which are not known at the time these accounts are completed. The amount may be larger or smaller compared to what is currently provided for at March 2021. At this point we think it is likely that the liability will be smaller, due to staff TUPE arrangements in place.

SHPS Defined Benefit Plan**Present value of defined benefit obligation, fair value of assets and defined benefit asset/(liability)**

| | 2021 £'000 | 2020 £'000 |
|--|-----------------------------|-----------------------------|
| Fair value of plan assets | 22,308 | 13,137 |
| Present value of defined benefit obligation | 27,926 | 14,815 |
| Surplus/ (deficit) in plan | (5,618) | (1,678) |
| Unrecognised surplus | - | - |
| Defined benefit asset / (liability) to be recognised | (5,618) | (1,678) |
| Net defined benefit asset/ (liability) to be recognised | (5,618) | (1,678) |

Reconciliation of opening and closing balance of the defined obligation

| | 2021 £'000 |
|---|-----------------------------|
| Defined benefit obligation at start of period | 14,815 |
| Defined benefit obligation at start of period Subsidiary acquisition | 7,424 |
| Current service cost | - |
| Expenses | 26 |
| Interest expense | 521 |
| Contributions by plan participants | - |
| Actuarial losses /(gains) due to scheme experience | (177) |
| Actuarial losses /(gains) due to changes in demographic assumptions | 97 |
| Actuarial losses /(gains) due to changes in financial assumptions | 5,646 |
| Benefits paid and expenses | (426) |
| Liabilities acquired in a business combination | - |
| Liabilities extinguished on settlements | - |
| Losses/ (gains) on curtailments | - |
| Losses /(gains) due to benefit changes | - |
| Exchange rate changes | - |
| Defined benefit obligation at end of period | 27,926 |

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

| | 2021 £'000 |
|--|-----------------------------|
| Fair value of plan assets at start of period | 13,137 |
| Fair value of plan assets at start of period | 6,636 |
| Subsidiary acquisition | |
| Interest income | 470 |
| Experience on plan assets (excluding amounts included in interest income) - gain /(loss) | 1,835 |
| Contributions by the employer | 656 |
| Contributions by plan participants | - |
| Benefits paid and expenses | (426) |
| Assets acquired in a business combination | - |
| Assets distributed on settlements | - |
| Exchange rate changes | - |
| Fair value of plan assets at end of period | 22,308 |

The actual return on the plan assets (including any changes in share of assets) over the period from 31 March 2020 to 31 March 2021 was £474,000.

Defined benefit costs recognised in statement of comprehensive income

| | 2021 £'000 |
|---|-----------------------------|
| Current service cost | - |
| Expenses | 26 |
| Net interest expense | 51 |
| Losses/ (gains) on business combinations | - |
| Losses/ (gains) on settlements | - |
| Losses/ (gains) on curtailments | - |
| Losses/(gains) due to benefit changes | |
| Defined benefit costs recognised in statement of comprehensive income (SoCI) | 77 |

Defined benefit costs recognised in other comprehensive income

| | 2021 £'000 |
|--|-----------------------------|
| Experience on plan assets (excluding amounts included in net interest cost) - gain/(loss) | 1,835 |
| Experience gains and losses arising on the plan liabilities - gain/ (loss) | 177 |
| Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain/ (loss) | (97) |
| Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain/ (loss) | (5,646) |
| Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain/ (loss) | (3,731) |
| Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) - gain/ (loss) | - |
| Total amount recognised in other comprehensive income - gain/ (loss) | (3,731) |

Assets

| | 2021 £'000 | 2020 £'000 |
|-------------------------------|-----------------------------|-----------------------------|
| Global Equity | 3,555 | 1,922 |
| Absolute Return | 1,231 | 685 |
| Distressed Opportunities | 645 | 253 |
| Credit Relative Value | 703 | 360 |
| Alternative Risk Premia | 840 | 918 |
| Fund of Hedge Funds | 2 | 7 |
| Emerging Markets Debt | 901 | 398 |
| Risk Sharing | 812 | 444 |
| Insurance-Linked Securities | 536 | 403 |
| Property | 463 | 290 |
| Infrastructure | 1,487 | 978 |
| Private Debt | 533 | 265 |
| Opportunistic Illiquid Credit | 567 | 318 |
| High Yield | 668 | 749 |
| Opportunistic Credit | 612 | 5 |
| Corporate Bond Fund | 1,318 | 228 |
| Liquid Credit | 266 | 498 |
| Long Lease Property | 437 | - |
| Secured Income | 928 | - |
| Liability Driven Investment | 5,669 | 4,360 |
| Net Current Assets | 135 | 56 |
| Total assets | 22,308 | 13,137 |

None of the fair values of the assets shown above include any direct investments in the employer's own financial instruments or any property occupied by, or other assets used by, the employer

Key Assumptions

| | 2021 % per annum | 2020 % per annum |
|---|----------------------------|----------------------------|
| Discount Rate | 2.12%-2.2% | 2.35%-2.4% |
| Inflation (RPI) | 2.25%-2.31% | 2.56%-2.67% |
| Inflation (CPI) | 2.84%-2.87% | 1.56%-1.67% |
| Salary Growth | 3.84%-3.87% | 2.56%-2.67% |
| Allowance for commutation of pension for cash at retirement | 75% of maximum allowance | 75% of maximum allowance |

The mortality assumptions adopted at 31 March 2021 imply the following life expectancies:

| | Life Expectancy at age 65 |
|-------------------------|--------------------------------------|
| Male retiring in 2021 | 21.5 |
| Female retiring in 2021 | 23.3 |
| Male retiring in 2041 | 22.9 |
| Female retiring in 2041 | 24.5 |

London Borough of Bromley Pension Fund - Local Government Pension Scheme (LGPS)

The Local Government Pension Scheme is a defined benefits scheme. The assets of the scheme are held in a separate fund. An actuarial valuation has been provided by Mercer who have provided the following values and assumptions:

| | 2021 £'000 | 2020 £'000 |
|--|----------------------|----------------------|
| Balance sheet | | |
| Defined benefit scheme liability | 638 | 646 |
| Statement of Financial Activities | | |
| Pension cost (staff cost) | 251 | 290 |
| Other recognised gains/(losses) | | |
| Actuarial gains/loss on defined benefited pension schemes at that date | 104 | (160) |

The major assumptions used by the actuary were:

| | 2021 | 2020 |
|----------------------|-------------|-------------|
| CPI Inflation | 2.70% | 2.10% |
| Increase in salaries | 4.20% | 3.60% |
| Increase in pensions | 2.80% | 2.20% |
| Discount Rate | 2.10% | 2.40% |

Post retirement mortality assumptions (normal health)

| | 2021 | 2020 |
|---------------------|---|---|
| Non-retired members | S2PA CMI_2018_[1.75%],98% -males S2PA CMI_2015_[1.5%],89% -females | S2PA CMI_2015_[1.75%],95% -males S2PA CMI_2015_[1.5%],85% -females |
| Retired members | S2PA CMI_2015_[1.75%],96% -males S2PA CMI_2015_[1.5%],88% -females | S2PA CMI_2015_[1.75%],95% -males S2PA CMI_2015_[1.5%],85% -females |

Life expectancy of a male (female)

| | 2021 | 2020 |
|--|-------------------|-------------------|
| - future pensioner age 65 in 20 years time | 24.8 (27.3) years | 24.7 (27.2) years |
| - current pensioner age 65 | 22.9 (25.3) years | 22.8 (25.2) years |

Employer asset allocation

| | 2021 | | 2020 | |
|------------------|--------------|------------|--------------|------------|
| | £'000 | % | £'000 | % |
| Equities | 1,202 | 66 | 829 | 65.7 |
| Government bonds | 55 | 3 | 81 | 6.4 |
| Other bonds | 153 | 8.4 | 39 | 3.1 |
| Property | 62 | 3.4 | 54 | 4.3 |
| Cash/liquidity | 18 | 1 | 16 | 1.3 |
| Other | 332 | 18.2 | 242 | 19.2 |
| | 1,822 | 100 | 1,261 | 100 |

| Net pension liability | 2021 £'000 | 2020 £'000 |
|---|-----------------------|-----------------------|
| Estimated employer assets | 1,822 | 1,261 |
| Total value of liabilities | (2,460) | (1,907) |
| Net pension liability | (638) | (646) |
| Analysis of amount charged to expenditure | 2021 £'000 | 2020 £'000 |
| Service Cost | 234 | 246 |
| Administration Expenses | 5 | 5 |
| Net interest cost | 12 | 9 |
| Past service cost (gain) | - | 30 |
| | 251 | 290 |
| Movement in plan assets during the year | 2021 £'000 | 2020 £'000 |
| Benefit obligation at beginning of period | 1,261 | 1,180 |
| Interest on plan assets | 32 | 35 |
| Re-measurements (assets) | 417 | (112) |
| Administration expenses | (5) | (5) |
| Employer contributions | 155 | 122 |
| Members contributions | 47 | 45 |
| Benefits/transfers paid | (85) | (4) |
| Fair value of plan assets at the end of the period | 1,822 | 1,261 |
| Movement in benefit obligation during the year | 2021 £'000 | 2020 £'000 |
| Fair value of obligations at beginning of period | 1,907 | 1,498 |
| Current service cost | 234 | 246 |
| Interest on pension liabilities | 44 | 44 |
| Members contributions | 47 | 45 |
| Past service cost (gain) | - | 30 |
| Remeasurements | | |
| Experience (gain)/loss | (54) | 66 |
| (Gain)/loss on assumptions | 367 | (18) |
| Benefits/transfers paid | (85) | (4) |
| Fair value of plan assets at the end of the period | 2,460 | 1,907 |

16 Fund Statement

| | At 1 April 2020 | Incoming Resources | Resources Expended | Gains/ (Losses) | Transfers | At 31 March 2021 |
|--|--------------------|-----------------------|-----------------------|--------------------|-----------|------------------------|
| Group | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Restricted funds: | | | | | | |
| Yarrow-Angela House fund | - | 16 | - | - | - | 16 |
| Harrow School | 51 | - | (1) | - | - | 50 |
| Other Fundraised income | 24 | 8 | - | - | - | 32 |
| City Bridge project | 16 | 65 | (64) | - | - | 17 |
| City Bridge project- Opening Doors | - | 12 | - | - | - | 12 |
| Big Lottery Fund Grant - Fulfilling Lives | 11 | 1,403 | (1,403) | - | - | 11 |
| Total restricted funds | 102 | 1,504 | (1,468) | - | - | 138 |
| Total unrestricted funds | 12,715 | 50,787 | (47,168) | (2,881) | - | 13,453 |
| Total restricted and unrestricted funds | 12,817 | 52,291 | (48,636) | (2,881) | - | 13,591 |
| | | | | | | |
| | At 1 April 2020 | Incoming Resources | Resources Expended | Gains/ (Losses) | Transfers | At 31 March 2021 |
| Parent | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Restricted Fundraised income | 3 | 7 | - | - | - | 10 |
| Total unrestricted funds | 524 | 6,896 | (4,537) | - | - | 2,883 |
| | 527 | 6,903 | (4,537) | - | - | 2,893 |

Restricted funds

- **Angela House:** A legacy left to be spent on property improvements
- **Harrow School:** To develop assistive technology across Harrow and to develop Outreach support, some of the monies will also be used to develop better transport facilities.
- **Other Fundraised income:** Income generated to enrich the lives of the people we support, such as improving our gardens, provide assistive technology, and invest in technology to provide sensory experiences to benefit the people we support who is suffering from profound and complex learning disability. Also includes funds received for our annual Rosen awards.
- **City Bridge Trust project:** A community arts project, with focus on mentoring people with lived experience for them to be able to run and facilitate various arts activities.
- **City Bridge Trust:** Open Door project funds to provide activities for people with learning disabilities.
- **Big Lottery Fund Grant, Fulfilling Lives:** A programme focussing on the impact of service design, and how person centred and coordinated services can improve the outcome for people with multiple and complex needs. The programme findings will be shared and used, so that the findings can be used to provide a wider benefit.

17 Analysis of net assets between funds

| | Designated | Unrestricted | Total Unrestricted | Restricted | 2021 Total |
|---|-------------------|---------------------|-------------------------------|-------------------|-------------------|
| Group | £'000 | £'000 | £'000 | £'000 | £'000 |
| Fixed assets | 7,963 | - | 7,963 | - | 7,963 |
| Investments | - | 7,916 | 7,916 | - | 7,916 |
| Current assets | - | 10,727 | 10,727 | 138 | 10,865 |
| Creditors: due within one year | - | (6,715) | (6,715) | - | (6,715) |
| Creditors: due after more than one year | - | (182) | (182) | - | (182) |
| Defined Benefit Pension Liability | - | (6,256) | (6,256) | - | (6,256) |
| | 7,963 | 5,490 | 13,453 | 138 | 13,591 |

| | Designated | Unrestricted | Total Unrestricted | Restricted | 2021 Total |
|--------------------------------|-------------------|---------------------|-------------------------------|-------------------|-------------------|
| Parent | £'000 | £'000 | £'000 | £'000 | £'000 |
| Fixed assets | 59 | - | 59 | - | 59 |
| Investments | 2,353 | - | 2,353 | - | 2,353 |
| Current assets | - | 885 | 885 | 10 | 895 |
| Creditors: due within one year | - | (414) | (414) | - | (414) |
| | 2,412 | 471 | 2,883 | 10 | 2,893 |

18 Capital and other commitments

There were no capital commitments as at 31 March 2021 (2020: nil).
Operating lease commitments are disclosed under note 14.

19 Related parties and controlling interest

Certitude Support is the parent organisation and controls the following wholly owned subsidiaries: Support for Living, a Co-operative and Community Benefit Society number 27062R and Southside Partnership, a Registered Charity number 1010187 and Company Limited by Guarantee number 2599171, and Yarrow Housing, a Co-operative and Community Benefit Society number 26315R. The ultimate controlling parties are the Trustees of Certitude Support Limited. Its Registered Office is 31-33 Lumiere Court, 209 Balham High Road, London SW17 7BQ.

During the year there were transactions totalling £2,012,606 (2020 £1,764,775) between Certitude and Support for Living, and transactions totalling £2,448,496 (2020: £2,181,641) between Certitude and Southside Partnership. At the year end Certitude was owed £552,641 (2020:£531,401) from Support for Living and owed (£93,810) to Southside Partnership (2020: owed £127,567). Certitude was owed £51,884 by Yarrow Housing (2020:£nil) due to payments made on behalf of Yarrow. No management charges were made from Certitude to Yarrow in either year, as Yarrow support cost was incurred within the entity.

During the year Trustees have not declared any interests that could be determined a related party transaction.

20 Funds held on Trust

At end of March 2021, Southside Partnership Ltd was holding a total sum of £1,105,209 (2020: £972,451) on trust in relation to clients and Support for Living was holding an amount of £1,420,860 (2020: £1,010,534) in relation to clients. These amounts has not been included in cash or creditors in these accounts.

21 Financial Instruments

The Group's financial instruments may be analysed as follows:

| | 2021 | 2020 |
|---|--------------|--------------|
| | £'000 | £'000 |
| Financial assets measured at fair value | | |
| Fixed investments | 7,916 | 6,207 |
| Financial assets measured at amortised cost | £'000 | £'000 |
| Rent debtors | 354 | 184 |
| Other receivables | 2,264 | 2,132 |
| Cash and cash equivalents | 7,816 | 3,651 |
| Financial liabilities measured at amortised cost | £'000 | £'000 |
| Trade creditors | 706 | 538 |
| Other creditors | 4,610 | 2,055 |
| Mortgage (within one year) | 19 | 19 |
| Mortgage (after one year) | 182 | 202 |

22 Subsidiary income and expenditure, and balance sheets

| Income and expenditure | Support for Living | | Southside Partnership Ltd | | Yarrow Housing |
|---|---------------------------|-----------------------|----------------------------------|-----------------------|-----------------------|
| | 2021 £'000 | 2020 £'000 | 2021 £'000 | 2020 £'000 | 2021 £'000 |
| Income | 20,094 | 17,589 | 20,007 | 18,750 | 9751 |
| Expenditure | (19,456) | (17,577) | (19,670) | (18,514) | (9,435) |
| Net gains/(losses) on investments | 530 | (295) | 216 | (120) | (1) |
| Net gains on fixed asset revaluation | - | - | - | - | 1074 |
| Net income/(expenditure) | 1,168 | (283) | 553 | 116 | 1,389 |
| Actuarial (losses)/gains on defined benefit pension plans | (2,185) | 786 | (404) | 332 | (1,038) |
| Net movement in funds | (1,017) | 503 | 149 | 448 | 351 |
| Balance sheets | Support for Living | | Southside Partnership Ltd | | Yarrow Housing |
| | 2021 £'000 | 2020 £'000 | 2021 £'000 | 2020 £'000 | 2021 £'000 |
| Fixed assets | 6,163 | 5,472 | 7,506 | 7,141 | 2,152 |
| Current assets | 3,439 | 2,350 | 4,325 | 3,875 | 2,970 |
| Creditors | (2,889) | (1,983) | (2,322) | (2,040) | (1,854) |
| Net current assets | 550 | 367 | 2,003 | 1,835 | 1,116 |
| Total assets less current liabilities | 6,713 | 5,839 | 9,509 | 8,976 | 3,268 |
| Creditors: amounts falling due after more than one year | - | - | (182) | (202) | - |
| Defined Benefit Pension Scheme Asset / (Liability) | (3,553) | (1,662) | (1,065) | (662) | (1,638) |
| Net assets | 3,160 | 4,177 | 8,262 | 8,112 | 1,630 |
| General funds | 3,093 | 4,109 | 6,012 | 5,839 | 1,602 |
| Revaluation Reserve | - | - | 2,215 | 2,240 | - |
| Total Unrestricted funds | 3,093 | 4,109 | 8,227 | 8,079 | 1,602 |
| Restricted funds | 67 | 68 | 35 | 33 | 28 |
| Total Funds | 3,160 | 4,117 | 8,262 | 8,112 | 1,630 |

23 Prior year comparatives, funds and asset allocation**Fund statement**

| | At 1 April 2019 | Incoming Resources | Resources Expended | Gains/ (Losses) | At 31 March 2020 |
|--|----------------------------|-------------------------------|-------------------------------|----------------------------|-----------------------------|
| Group | £'000 | £'000 | £'000 | £'000 | £'000 |
| Restricted funds: | | | | | |
| Harrow School | 51 | - | - | - | 51 |
| Astley Day Centre | 25 | - | (25) | - | - |
| Other Fundraised income | 13 | 35 | (24) | - | 24 |
| City Bridge Project | - | 73 | (57) | - | 16 |
| L&Q Project | - | 47 | (47) | - | - |
| Big Lottery Fund Grant - Fulfilling Lives | 11 | 1,214 | (1,214) | - | 11 |
| Total restricted funds | 100 | 1,369 | (1,367) | - | 102 |
| Total unrestricted funds | 11,741 | 35,000 | (34,728) | 702 | 12,715 |
| Total restricted and unrestricted funds | 11,814 | 36,369 | (36,095) | 702 | 12,817 |

Analysis of net assets between funds

| Group | Designated £'000 | Unrestricted £'000 | Total Unrestricted £'000 | Restricted £'000 | 2020 Total £'000 |
|---|-----------------------------|-------------------------------|---|-----------------------------|-----------------------------|
| Fixed assets | 6514 | - | 6,514 | - | 6,514 |
| Investments | - | 6,207 | 6,207 | - | 6,207 |
| Current assets | - | 6,191 | 6,191 | 102 | 6,293 |
| Creditors: due within one year | - | (3,671) | (3,671) | - | (3,671) |
| Creditors: due after more than one year | - | (202) | (202) | - | (202) |
| Defined Benefit Pension Liability | - | (2,324) | (2,324) | - | (2,324) |
| | 6,514 | 6,201 | 12,715 | 102 | 12,817 |

| Parent | Designated £'000 | Unrestricted £'000 | Total Unrestricted £'000 | Restricted £'000 | 2020 Total £'000 |
|--------------------------------|-----------------------------|-------------------------------|---|-----------------------------|-----------------------------|
| Fixed assets | 107 | - | 107 | - | 107 |
| Current assets | - | 784 | 784 | 3 | 787 |
| Creditors: due within one year | - | (367) | (367) | - | (367) |
| | 107 | 417 | 524 | 3 | 527 |