

DEVELOPING HEALTH AND INDEPENDENCE

England & Wales · Charity number 1078154

Details

Other names	THE DRUGS AND HOMELESS INITIATIVE, D H I, DRUGS + HOMELESS INITIATIVE
Status	Registered
Legal form	Charitable company
Company number	03830311
Registered	1999-11-10
Register	View on the Charity Commission register

Contact

Address	14 St. James's Parade Bath BA1 1UL
Phone	01225478730
Email	info@dhi-online.org.uk
Website	www.dhi-online.org.uk

Activities

Objects: 3.1 To relieve poverty, sickness and distress, in particular but without limitation amongst persons suffering as a result of drug and alcohol abuse and housing need, through the provision of practical assistance and advice of all kinds including, without limitation, rehabilitation and resettlement and provision of social housing to the homeless and those at risk of homelessness, and educational, legal and medical advice, counselling and assistance. 3.2 To educate the public in the effect of drug and alcohol abuse and housing need. 3.3 To pursue any other charitable purpose of which the Board of Management of the Charity thinks fit to pursue in conjunction with any of the charitable purposes mentioned above.

Activities: Developing Health and Independence is a charity that aims to assist people who are socially excluded as a result of drug or alcohol use, physical or mental ill health, poor housing, lack of employable skills or other means. DHI helps people to lead healthier more integrated lifestyles and helps to create safer more sustainable communities.

Classification

- **How:** Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information, Sponsors Or Undertakes Research, Other Charitable Activities
- **What:** The Prevention Or Relief Of Poverty, Accommodation/housing, Other Charitable Purposes
- **Who:** Children/young People, Elderly/old People, People With Disabilities, Other Defined Groups

Geography

- Bath And North East Somerset
- Bristol City
- Somerset
- South Gloucestershire
- Wiltshire

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£11,522,611	£11,879,158	£4,527,395	209
2024-03-31	£11,083,876	£11,287,456	£4,873,354	211
2023-03-31	£7,740,227	£7,581,800	£5,061,653	180
2022-03-31	£6,671,412	£6,504,946	£4,903,785	178
2021-03-31	£6,366,616	£6,056,808	£4,712,908	160

Trustees

Name	Role	Appointed
Myriam Kniveton	Chair	2021-03-09
Catherine Smith		2025-12-09
Joanna Hill		2022-12-06
Natalie Rachel Giles		2025-09-23
Oliver Charles Hiller		2022-12-06
Robert Goodman		2019-09-10
Tim Marvell		2018-11-20

Accounts

**DEVELOPING HEALTH AND
INDEPENDENCE**

**(Company limited by guarantee no. 03830311
registered charity no. 01078154)**

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2024

Report and Accounts

REPORT AND FINANCIAL STATEMENTS
For the year ended 31 March 2024

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DEVELOPING HEALTH AND INDEPENDENCE

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS

For the year ended 31 March 2024

Trustees	Ms Myriam Kniveton (Chair) Mr Christopher Oliver (Vice Chair) Mr Tim Marvell (Treasurer) Ms Linda Candy (resigned 28 July 2023) Mr David Ollendorff Mrs Alison Millar Mr Bob Goodman Mrs Joanna Hill Mr Oliver Hiller	
Secretary	Mrs Susan Hughes (appointed 3 May 2024) Mr Ben Harman (resigned 3 May 2024)	
Key Management Personnel	Ms Rosemary Phillips – CEO Mr Ben Harman – Corporate Services & Finance Director (resigned 3 May 2024) Mr Clive Lewis – Director of Quality Governance Mrs Beth Hendry – Operations Director (appointed 22 May 2023) Ms Rachel Pearson – Director of Communications & Fundraising (appointed 11 March 2024) Ms Ellen Moore – Associate Director of Workforce Development (resigned 3 March 2024) Mrs Beth Jutton – Associate Director Communications & Fundraising (resigned 27 June 2023) Mr Peter Griffin – Director of Transformation (appointed 3 April 2023, resigned 31 July 2024)	
Company reg. no.	03830311	
Charity reg. no.	01078154	
Registered Office	14 St James's Parade, Bath, BA1 1UL	
Accountants	Sumer Auditco Limited Chartered Accountants Fortescue House Court Street Trowbridge BA14 8FA	
Bankers	Barclays Bank Leicester LE87 2BB	Unity Trust Bank plc Nine Brindley Place Birmingham, B1 2HB
Solicitors	Thrings 2 Queen Square Bath, BA1 2HQ	
Investment Manager	abrdn plc 1 George Street Edinburgh, EH2 2LL	

DEVELOPING HEALTH AND INDEPENDENCE

TRUSTEES' REPORT

For the year ended 31 March 2024

The Trustees, who are also Directors of the Company for the purposes of the Companies Act, and Trustees for charity law purposes, submit their annual report and the financial statements of Developing Health and Independence (DHI) for the year ended 31 March 2024. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the Charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the Charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective from 1st January 2019.

Chair's Report

In these challenging times with increased need for housing and support, DHI helped a record number of vulnerable people to rebuild their lives and delivered many more homes for them. The organisation's new structure, started at the end of 2022, is now embedded and we can deliver more efficient and cost-effective services with our dedicated staff teams.

The financial environment continues to be very challenging and most of our funding contracts are being recommissioned within the next few months. We know that most of these will require a high-quality service delivery within a static budget for up to five years, but we are ready to face these challenges and to find solutions that will enable us to deliver quality support to as many clients as possible within a restricted budget.

Our government funded criminal justice drug treatment services, continue to provide continuity of care from prison to the community and DHI supports more vulnerable people than ever in achieving housing stability through our social housing program 'REACH' and our social lettings agency 'Home Turf Lettings' (HTL) as many more properties have been acquired in partnership with Resonance which allows us to support a bigger number of underprivileged people.

The future and restricted funding will continue to test us, but we are optimistic and hopeful that our expertise and successes will help us retain our contracts and acquire new ones.

DHI will celebrate its 25th anniversary in 2024 and will proudly showcase how it has delivered and remained true to its original vision to help the most vulnerable and disenfranchised people in our society to turn their lives around.

None of our successes would have been possible without our dedicated and passionate staff and supporters; I would like to express my gratitude to all those involved in supporting or running the organization; staff, volunteers, partners, and peers as well all the Board members. I know that they will continue to work tirelessly to ensure that DHI's vision stays alive.

Our Purpose

- To relieve poverty, sickness and distress, in particular but without limitation amongst persons suffering as a result of drug and alcohol abuse and housing need, through the provision of practical assistance and advice of all kinds including, without limitation, rehabilitation and resettlement and provision of social housing to the homeless and those at risk of homelessness, and education, legal and medical advice, counselling and assistance.
- To educate the public in the effects of drug and alcohol abuse and housing need.
- To pursue any other charitable purpose, which the Board of the Charity thinks fit to pursue in conjunction with any of the charitable purposes, mentioned above.

DEVELOPING HEALTH AND INDEPENDENCE

TRUSTEES' REPORT

For the year ended 31 March 2024

The Charity's vision

DHI helps disadvantaged people to turn their lives around, stand on their own two feet and reduce dependency. DHI is flexible, creative and person-centred in its approach, valuing each individual and their circumstances as unique.

The Charity's values

- Self-Direction: to encourage independent thought, action and self-respect.
- Stimulation: to offer a stimulating environment allowing innovation and creativity to flourish in individuals.
- Zest for Life: in so far as, it is not damaging to self, others or the environment, to enable individuals to pursue goals that further their happiness and joy of life.
- Flexibility: underpinning all our efforts is the need to be open, flexible and responsive to change.

The Charity's activities

Few, if any, of our clients come with a single issue so we work with the person to find and resolve the root cause of their issues. We help people through highly practical, solution focused and innovative projects and services. These include: supported housing as well as general needs housing for those on no or a low income, resettlement and floating support services, drug and alcohol treatment, employment reintegration, , information, advice and signposting.

The Trustees have referred to the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning the Charity's future activities.

In particular, the Trustees have considered how planned activities will contribute to the aims and objectives they have set.

Achievements and performance

During the 2023/24 financial year there was strong growth, with a net increase in the Charity's incoming resources of 8.13% (2022/23: increase of 19.81%). The Charity's net movement in funds during the year deducted £188,299 from (2022/23: £157,868 contribution to) reserves.

Financial Review

Income

DHI's total income increased by £833,328 (8.13%) this year from £10,250,548 in 2022/23 to £11,083,876. Driving this increase is additional income received to deliver new services such as criminal justice work within treatment services.

A detailed analysis of income is shown in the Statement of Financial Activities (SOFA) and Notes 2 – 3 of the Financial Statements.

Expenditure

Total spending on charitable activities for the year of £11,287,456 represents a 11.84% increase in expenditure from 2022/23 (£10,092,121). The increase in expenditure reflects the increased income for new services.

Further analysis of charitable activity expenditure, showing the operational activities undertaken by DHI are given in the SOFA and in Note 5 of the Financial Statements.

TRUSTEES' REPORT

For the year ended 31 March 2024

Fund Analysis

The Board can confirm that the Charity's assets are available and adequate to fulfil the obligations of the Charity on a fund-by-fund basis. Incoming resources for the year of £11,083,876 (2023: £10,250,548) included £30,000 of restricted funds (2023: £15,000).

Of the £4,873,354 funds retained at year end (2023: £5,061,653), £3,076,187 were designated (2023: £3,395,362) and £73,113 were restricted (2023: £60,232).

Further analysis of designated and restricted funds is shown in the SOFA and Notes 15 of the Financial Statements.

Reserves Policy

The Board has examined the Charity's requirements for reserves in the light of the main financial risks to the organisation.

Within DHI's Reserves & Investments Policy, to ensure the financial viability of the Charity and its ability to meet its on-going commitments, the Board have determined that Reserves should be maintained at three to six months organisational Operational Costs. For 2024/25, budgeted monthly operating costs are £907,379. The organisation holds £1,724,054 (2023: £1,606,059) in General Funds, equating to 1.90 months. The Trustees expect the level of General Reserves to increase to be closer to the policy in 2024/25.

In addition, the Trustees require that Free Reserves remain in surplus. This was the case on 31st March 2024.

Furthermore, the Trustees require that working capital should be maintained between three and six months' average expenditure to meet ongoing commitments throughout the year.

At 31 March 2024, the organisation held £1,683,938 (2023 £1,812,817) net current assets (current assets after deduction of creditors due within a year) equating to 1.8 months' cash or cash equivalents to meet average expenditure. However, after factoring in the Fixed Asset investment portfolio of £716,674 that can be liquidated into cash in five days, there are 2.6 months cash or cash equivalents to meet average expenditure.

The Board do feel confident DHI is able to continue the core activities of the Charity in the event of a significant drop in funding, whilst considering how any such loss in funding could be replaced or activities changed.

Investment Policy

DHI is committed to maintaining funds in instant access accounts to meet all the day to day needs for working capital. Any funds beyond this, and not required for development of the Charity's activities in the short term, will be invested in low to medium risk investment or deposit accounts, reviewed and recommended by the Audit Committee and approved by the Board.

DHI's Charities Aid Foundation (CAF) investment fund has increased by 2.23% to the end of 2023/24 and the Trustees continue to review performance.

Principal Risks and Uncertainties

DHI has a Risk Register, which is a standing item for review by the Board. The procedure takes into account all major risks that the Charity may be exposed to in terms of likelihood and impact on the business if they happen. This review includes the operational, reputational, and financial impact combined with a 'likelihood' score.

The four highest risks identified by DHI through its Risk Management Plan are:

DEVELOPING HEALTH AND INDEPENDENCE

TRUSTEES' REPORT

For the year ended 31 March 2024

- People: Recruitment difficulties and the effects of a shortage of labour at the same time as inflationary pressures. Creating difficulties in recruiting staff together with a higher staff turnover. Increased workload on staff leading to inability to deliver quality of service and to fulfil contractual obligations.
Mitigation: HR and Operations strategy in place to identify pipeline of staff and reduce agency use. Redesign of job descriptions and role templates and a consultant is in place to support HR.
- Infrastructure: Breach of Health, Safety and Environment regulations. Leading to possibility of injury to staff, clients or the public, service liability and inability to operate.
Mitigation: Training in place for staff and volunteers. Approved H&S policy and procedures in place. Clear procedures for monitoring and reporting. Oversight by H&S Committee and specialised training for housing staff from Association of Residential Lettings Agents. Review of H&S training for Board and the Executive. Review H&S reporting in line with RSH requirements and process to ensure continuity (end to end) confirmation of statutory compliance.
- Operational: Inability to get exempt rents meaning that supported housing is unviable..
Mitigation: We have a plan in place to work with Elim Housing as Registered Provider for a small management charge. RSAP in Bristol is being reviewed with commissioners.
- External – Commissioning: Changing and unstable commissioning landscape due to financial climate
Lack of relationships with new commissioners. Bigger/new commissioning areas and contracts. Dominance of health bureaucratic structure, ICBs taking over more areas we operate in, with drug and alcohol commissioning and many of DHIs services sitting outside.
Mitigation: Reviewed Executive level reporting and committees. More engagement with managers. Consideration of essential areas and funding strategies should they not be recommissioned and building them into the fundraising strategy. Keeping a register of contracts which is reviewed at each Executive and Board meeting creating active risk and scenario planning against loss of major contracts.

Going Concern

On reviewing DHI's budgets and business plan, taking account of the current economic climate and its reserves position, the Board has a reasonable expectation that the organisation has adequate resources to continue in operational existence for the foreseeable future and for this reason it continues to adopt the going concern basis in the financial statements.

TRUSTEES' REPORT

For the year ended 31 March 2024

Structure, Governance and Management

The organisation is a Charitable Company limited by guarantee, incorporated on 23 August 1999 and registered as a charity on 10 November 1999. The Company was established under a Memorandum of Association, which established the objects and powers of the Charitable Company and is governed under its Articles of Association.

The Board is elected from its membership by its members at either its AGM, or, where a vacancy exists, at any time between AGMs.

DHI's Board consists of up to 10 members who meet at least four times a year and who are responsible for the strategic direction and governance of the Charity, agreeing the business plan, monitoring progress toward achievement of organisational goals, reviewing operational performance and overseeing the management of organisational risk. Meetings must be quorate with the attendance of a minimum of three Trustees, and each meeting is formally minuted. A register of attendance at Board Meetings is maintained and the attendance rate for the year by Board Members was 94%.

The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission.

An Audit Committee consisting of three Trustees, the Corporate Services and Finance Director and CEO meet four times a year to review financial and other audits.

A Housing Committee formed by the Board oversees investment and development of the organisation's property for the furtherance of DHI's charitable objectives. The Committee consists of three Trustees and the Operations Director and CEO and meets as required through the year.

An annual User Voices Group has been set up in order to ensure DHI engages residents and clients in service development, delivery and review, and towards the promotion of equality and diversity. The CEO attends this along with a number of peers and clients.

The CEO is responsible for strategic and operational management and is authorised to deploy resources, through the Executive, toward the achievement of DHI's charitable objectives.

The Executive of the organisation comprises:

- CEO, through whom the Board exercises its Governance
- Corporate Services and Finance Director
- Director of Operations
- Director of Quality Governance
- Director of Communications and Fundraising
- Associate Director Workforce Development – currently vacant

Regular meetings are held where performance is monitored, strategically, operationally and financially, and potential improvements discussed and actions agreed. A table of delegated responsibilities outlines the delegated authorities of senior staff, including financial and health and safety responsibilities. Operations Managers and Team Leaders in turn discharge their responsibilities through the activities of teams of skilled and committed workers.

In alignment with our values, staff, volunteers and clients are heavily involved in shaping and continuously improving services, through a wide variety of mechanisms.

DEVELOPING HEALTH AND INDEPENDENCE

TRUSTEES' REPORT

For the year ended 31 March 2024

Trustees are appointed following application and interview with the Chair, Chief Executive Officer and one other Trustee. Following a satisfactory interview, candidate Trustees are invited to join at least one meeting as an observer. At the end of these meetings, the Board will review the candidate Trustees' contribution and then invite them, if appropriate, to be full members.

Trustee roles, in line with all posts within DHI, are advertised widely to encourage broad participation and diversity. The Board and Executive work to ensure that diversity within the organisation is promoted.

The Charity does not conduct any fundraising through professional fundraisers or commercial operators. DHI is a member of the Fundraising Regulator and is committed to best fundraising practices of honesty, transparency, clarity and accountability.

Related parties and relationships with other organisations

DHI holds an impressive track record of achievement against targets and strives continuously to improve its performance and service quality while achieving value for money. However, in order to deliver excellent client centred services that have maximum impact for both individuals and communities, we rely on building and maintaining excellent partnerships with a wide range of statutory and non-statutory organisations. In addition to many informal partnerships, DHI has a number of formal contractual relationships including with Avon & Wiltshire Mental Health Partnership, Clean Slate, Broadway Lodge, Curo, Southern Brooks, Youth Connect, Julian House and Hawkspring.

Guarantee of Members

Members of the Charitable Company guarantee to contribute an amount not exceeding £1 to the assets of the Charitable Company in the event of winding up. The total number of such guarantees at 31 March 2024 was eight (2023: eight).

The Trustees (who are also the Directors of DHI for the purposes of Company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Charities SORP 2015 (FRS 102).
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for maintaining proper accounting records that disclose with reasonable accuracy at any time, the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

TRUSTEES' REPORT

For the year ended 31 March 2024

Statement of disclosure of information to the auditor

So far as the Trustees are aware, there is no relevant audit information of which the Company's auditor is unaware. Additionally, the Trustees have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditors

The auditors, Sumer Auditco Limited, have indicated their willingness to accept re-appointment under Section 485 of the Companies Act 2006.

This report was approved and authorised for issue by the Trustees on 19 September 2024.
and signed on their behalf by:

A handwritten signature in blue ink, appearing to read 'M Kniveton', with a long horizontal line extending from the end of the signature.

Ms Myriam Kniveton

Chair

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DEVELOPING HEALTH AND INDEPENDENCE

Opinion

We have audited the financial statements of Developing Health and Independence (the 'charitable company') for the year ended 31 March 2024 which comprise the Statement of Financial Activities (including Income and Expenditure Account), the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2024, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and the Republic of Ireland": and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions related to going concern

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DEVELOPING HEALTH AND INDEPENDENCE

Other information

The other information comprises the information included in the trustee's annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report or in preparing the trustees' report.

Responsibilities of trustees

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DEVELOPING HEALTH AND INDEPENDENCE

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

Our responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management and those charged with governance about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing minutes of meeting of those charged with governance any correspondence with the Charity Commission
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations
- Performing analytical procedures to identify any unusual or unexpected relationship that might indicate a risk of material misstatement due to fraud.
- Performing audit work over the risk of management override of controls, including testing journal entries and other adjustments for appropriateness, evaluating a range business rationale of significant transactions outside the course of business and reviewing accounting estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or false representation.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DEVELOPING HEALTH AND INDEPENDENCE

Use of our report

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



James Gare (Senior Statutory Auditor)

For and on behalf of Sumer Auditco Limited
Statutory Auditors
Chartered Accountants
Fortescue House
Court Street
Trowbridge
BA14 8FA

Date: 28 January 2025

DEVELOPING HEALTH AND INDEPENDENCE (company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (including income & expenditure account)

For the year ended 31 March 2024

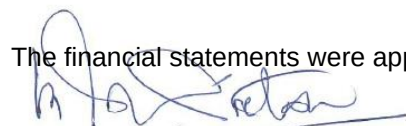
		<i>UNRESTRICTED FUNDS</i>	<i>DESIGNATED FUNDS</i>	<i>RESTRICTED FUNDS</i>	TOTAL FUNDS	<i>TOTAL FUNDS</i>
	Note	2023-24	2023-24	2023-24	2023-24	2022-23
INCOMING RESOURCES		£	£	£	£	£
Donations	2	47,647	-	-	47,647	42,781
Charitable Activities:	3					
Treatment Services		8,071,653	-	15,000	8,086,653	6,980,251
Community Services		231,393	-	-	231,393	294,945
Housing Projects		594,358	-	15,000	609,358	593,959
Home Turf Lettings		1,784,665	-	-	1,784,665	1,946,954
Social Housing		294,242	-	-	294,242	311,807
Central Services		17,236	-	-	17,236	75,603
Investment Income		12,682	-	-	12,682	4,248
TOTAL Incoming Resources		11,053,876	-	30,000	11,083,876	10,250,548
RESOURCES EXPENDED						
Charitable Activities:	5					
Treatment Services		7,871,791	-	6,700	7,878,491	6,737,953
Community Services		236,836	-	-	236,836	297,443
Housing Projects		598,403	-	7,377	605,780	572,600
Home Turf Lettings		1,811,655	-	-	1,811,655	1,922,115
Social Housing		313,402	-	-	313,402	314,436
Central Services		438,250	-	3,042	441,292	247,574
TOTAL Resources Expended		11,270,337	-	17,119	11,287,456	10,092,121
Net gains/(losses) on investments		15,281	-	-	15,281	(28,571)
Net gain /loss on sale of assets		-	-	-	-	28,012
NET INCOME / (EXPENDITURE)		(201,180)	-	12,881	(188,299)	157,868
Transfers between funds		319,175	(319,175)	-	-	-
NET MOVEMENT IN FUNDS		117,995	(319,175)	12,881	(188,299)	157,868
RECONCILIATION OF FUNDS:						
Total Funds b/f		1,606,059	3,395,362	60,232	5,061,653	4,903,785
Total Funds c/f		1,724,054	3,076,187	73,113	4,873,354	5,061,653

The annexed notes form part of these financial statements

BALANCE SHEET
As at 31 March 2024

	Note	2024 £	2024 £	2023 £	2023 £
FIXED ASSETS					
Tangible Assets	9		3,311,849		3,378,791
Investments	10		716,674		701,073
			<u>4,028,523</u>		<u>4,079,864</u>
CURRENT ASSETS					
Debtors	11	862,033		1,442,022	
Cash at bank and in hand		<u>1,507,749</u>		<u>1,494,893</u>	
		<u>2,369,782</u>		<u>2,936,915</u>	
CREDITORS:					
amounts falling due within one year	12	<u>(685,844)</u>		<u>(1,124,098)</u>	
NET CURRENT ASSETS			<u>1,683,938</u>		<u>1,812,817</u>
TOTAL ASSETS less CURRENT LIABILITIES			<u>5,712,461</u>		<u>5,892,681</u>
CREDITORS:					
amounts falling after one year	13		<u>(597,707)</u>		<u>(621,628)</u>
PROVISIONS for LIABILITIES and CHARGES	14		<u>(241,400)</u>		<u>(209,400)</u>
NET ASSETS			<u>4,873,354</u>		<u>5,061,653</u>
FUNDED BY:					
Restricted Funds	15		73,113		60,232
Unrestricted Funds:					
- Designated Funds	15	3,076,187		3,395,362	
- General Funds	15	<u>1,724,054</u>		<u>1,606,059</u>	
			<u>4,800,241</u>		<u>5,001,421</u>
			<u>4,873,354</u>		<u>5,061,653</u>

The financial statements were approved and authorised for issue by the Trustees on 19 September 2024.



MYRIAM KNIVETON, Chair



TIM MARVELL, Treasurer

The annexed notes form part of these financial statements

STATEMENT OF CASH FLOWS
For the year ended 31 March 2024

	Note	2023-24	2022-23
		£	£
Cash flow from Operating activities		134,739	(209,920)
Cash flow from Investing activities			
Purchase of fixed asset additions		(79,533)	(90,800)
Receipts from sale of fixed asset		-	174,955
Investment income received		12,682	4,334
Net cash used in investing activities		(66,851)	88,489
Cash flow from Financing activities			
Repayments of borrowing		(26,006)	(27,362)
Interest paid		(29,025)	(23,628)
Net cash provided by (used in) financing activities		(55,031)	(50,990)
Change in cash and cash equivalents in the year		(12,856)	(172,421)
Cash & cash equivalents brought forward		1,494,893	1,667,314
Cash & cash equivalents carried forward		1,507,749	1,494,893

RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH

	2023-24	2022-23
	£	£
Surplus / (deficit) for the year	(91,299)	157,868
Depreciation charges	147,116	132,296
Net book value of disposed assets	-	146,943
Proceeds from sale of fixed assets	-	(174,955)
Net movement on investments	(15,601)	28,571
Interest payable	29,025	23,628
Interest receivable	(12,682)	(4,334)
Change in provision	-	-
Decrease / (increase) in debtors	514,348	(807,644)
Increase / (decrease) in creditors (excluding loans)	(436,169)	287,707
	134,738	(209,920)

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2024

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and in the preceding year unless otherwise stated.

(a) General information and basis of preparation of financial statements

DHI is a charity limited by guarantee registered in England and Wales. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the reference and administrative information on page 1 of these financial statements. The nature of the charity's operations and principal activities are detailed within the Report of the Trustees.

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 (SORP) applicable to charities preparing their Financial Statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £1.

(b) Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Unrestricted designated funds have been set aside by the trustees out of unrestricted funds towards a specific purpose. Additional details can be found in note 15 to the Financial Statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in note 15 to the financial statements.

(c) Income recognition

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

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

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

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Income from grants, contracts and service level agreements is recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met, then these amounts are deferred.

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

(d) Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. Expenditure includes any VAT, which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature.

Governance costs include those costs associated with meeting constitutional and statutory requirements of the charity and include the audit fees and costs linked with the strategic management of the charity.

Expenditure directly attributable to a specific activity category (e.g. charitable activities, governance costs) has been included in the relevant category. Where costs are attributable to more than one activity, they are apportioned across activities based on the time spent by staff on those activities and their use of shared resources.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2024

(e) Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

(f) Tangible fixed assets

Fixed assets are stated at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost of each asset on a straight line basis over its expected useful life, which is as follows:

Medical Equipment	-	7 years
Social Housing Properties	-	20 to 50 years
Furniture	-	4 years
IT, Comms & Technology	-	4 years

Assets costing over £1,000 are capitalised.

(g) Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains / (losses) on investments' in the SoFA if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

(h) Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

(i) Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs.

(j) Provisions

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

(k) Financial Instruments

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

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2024

(l) Leases

Rentals payable and receivable under operating leases are charged to the SoFA on a straight line basis over the period of the lease.

(m) Pension schemes

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

The charity also participated in a multi-employer defined benefit pension scheme with the Pensions Trust, operated and administered by the Pensions Trust. It is not possible to separately identify the assets and liabilities relating to DHI on a consistent and reasonable basis therefore this is accounted for as a defined contribution scheme. The scheme was available to all permanent staff however contributions to the plan ceased as at 30 September 2013.

Deficit funding contributions are payable by the charity in respect of this multi-employer defined benefit scheme. No liability has been included within the Financial Statements in respect of the deficit reduction contributions payable, in line with the requirements of the SORP (FRS 102) on the basis that this liability is not deemed to be material to the Financial Statements. See note 18 to the Financial Statements for more details.

The charity makes contributions to the National Health Service Pension Scheme for participating employees. The NHS Scheme is a defined benefit scheme. As the scheme is a multi-employer scheme and the charity is unable to identify its share of the underlying assets and liabilities, this scheme is accounted for by the Charity as a defined contribution scheme. Any resulting liabilities on this scheme would be met by the State. Therefore, contributions payable for the year in relation to the scheme are charged in the Statement of Financial Activities.

(n) Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

(o) Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

DEVELOPING HEALTH AND INDEPENDENCE

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2024

2. INCOME FROM DONATIONS

	<i>UNRESTRICTED FUNDS</i>	<i>DESIGNATED FUNDS</i>	<i>RESTRICTED FUNDS</i>	TOTAL FUNDS	TOTAL FUNDS
	2023-2024	2023-2024	2023-2024	2023-2024	2022-23
	£	£	£	£	£
General donations	47,647	-	-	47,647	42,781

3. INCOME FROM CHARITABLE ACTIVITIES

a) Treatment Services - Income	<i>UNRESTRICTED FUNDS</i>	<i>DESIGNATED FUNDS</i>	<i>RESTRICTED FUNDS</i>	TOTAL FUNDS	TOTAL FUNDS
	2023-2024	2023-2024	2023-2024	2023-2024	2022-23
	£	£	£	£	£
Capital Grants	-	-	-	-	1,667
Contracts / SLAs	7,917,667	-	-	7,917,667	6,859,200
Grants / Donations	105,479	-	15,000	120,479	110,457
Fees and Charges	38,182	-	-	38,182	-
Other	10,326	-	-	10,326	8,927
	8,071,653	-	15,000	8,086,653	6,980,251

Restricted funds relate to income from the performance of grant obligations during the year in relation to the Access Fund.

b) Community Services - Income	<i>UNRESTRICTED FUNDS</i>	<i>DESIGNATED FUNDS</i>	<i>RESTRICTED FUNDS</i>	TOTAL FUNDS	TOTAL FUNDS
	2023-2024	2023-2024	2023-2024	2023-2024	2022-23
	£	£	£	£	£
Contracts / SLAs	228,756	-	-	228,756	293,880
Grants / Donations	2,637	-	-	2,637	1,065
	231,393	-	-	231,393	294,945

DEVELOPING HEALTH AND INDEPENDENCE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

c) Housing Projects - Income	<i>UNRESTRICTED FUNDS</i>	<i>DESIGNATED FUNDS</i>	<i>RESTRICTED FUNDS</i>	TOTAL FUNDS 2023-2024	TOTAL FUNDS
	2023-2024	2023-2024	2023-2024	2023-2024	2022-23
	£	£	£	£	£
Contracts / SLAs	588,223	-	-	588,223	582,895
Grants / Donations	1,934	-	15,000	16,934	6,934
Fees and Charges	4,200	-	-	4,200	3,730
Other	-	-	-	-	400
	594,358	-	15,000	609,358	593,959
d) Home Turf Lettings - Income	<i>UNRESTRICTED FUNDS</i>	<i>DESIGNATED FUNDS</i>	<i>RESTRICTED FUNDS</i>	TOTAL FUNDS 2023-2024	TOTAL FUNDS
	2023-2024	2023-2024	2023-2024	2023-2024	2022-23
	£	£	£	£	£
Capital grants	-	-	-	-	5,328
Contracts / SLAs	94,165	-	-	94,165	51,155
Rental income	1,727,000	-	-	1,727,000	1,680,034
Rental voids	(87,680)	-	-	(87,680)	(17,264)
Grants / Donations	-	-	-	-	62,877
Fees and Charges	23,412	-	-	23,412	164,824
Other	28,500	-	-	28,500	-
	1,784,665	-	-	1,784,665	1,946,954

DEVELOPING HEALTH AND INDEPENDENCE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

e) Social Housing - Income	UNRESTRICTED FUNDS	DESIGNATED FUNDS	RESTRICTED FUNDS	TOTAL FUNDS 2023-2024	TOTAL FUNDS 2022-23
	2023-2024 £	2023-2024 £	2023-2024 £	£	£
Contracts / SLAs	92,202	-	-	92,202	89,702
Rental income	238,592	-	-	238,592	227,720
Rental voids	(36,552)	-	-	(36,552)	(10,810)
Grants / Donations	-	-	-	-	5,195
	294,242	-	-	294,242	311,807

Social housing income contains direct rental receipts as well as ancillary support services for tenants

f) Central Services - Income	UNRESTRICTED FUNDS	DESIGNATED FUNDS	RESTRICTED FUNDS	TOTAL FUNDS 2023-2024	TOTAL FUNDS 2022-23
	2023-2024 £	2023-2024 £	2023-2024 £	£	£
Capital grants	-	-	-	-	1,666
Contracts / SLAs	17,236	-	-	17,236	-
Grants / Donations	-	-	-	-	70,944
Other	-	-	-	-	2,993
	17,236	-	-	17,236	75,603

4. NET INCOME / EXPENDITURE FOR THE YEAR

	2023-24 £	2022-23 £
Net income / expenditure for the period includes:		
Depreciation	147,116	131,949
Fees payable to Auditor	27,900	25,200

DEVELOPING HEALTH AND INDEPENDENCE

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2024

5. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Treatment Services 2023-2024	Communities Services 2023-2024	Housing Services 2023-2024	Home Turf Lettings 2023-2024	Social Housing 2023-2024	Central Services 2023-2024	TOTAL FUNDS 2023-2024	<i>TOTAL FUNDS 2022-23</i>
	£	£	£	£		£	£	£
Provision of services	6,007,516	220,980	464,021	440,291	215,245	207,080	7,555,132	6,856,555
Advertising & publicity	1,469	-	14	-	-	9,675	11,159	11,587
Building refurbishment	1,212	-	1,212	36,919	13,836	33,212	86,391	51,295
Depreciation	23,282	-	-	25,664	18,513	79,657	147,116	131,949
Legal & financial	125	-	-	8,203	775	1,025	10,128	5,274
Bad debt write off	-	-	-	87,074	6,872	-	93,946	21,617
Support costs	426,468	15,856	29,503	41,776	12,757	81,642	608,003	477,602
Governance costs	-	-	-	-	-	29,001	29,001	25,921
Rent to landlords	-	-	-	1,171,727	45,404	-	1,217,130	1,196,844
Transfers to partners	1,418,419	-	111,029	-	-	-	1,529,448	1,313,477
TOTAL	7,878,491	236,836	605,780	1,811,655	313,402	441,292	11,287,455	10,092,121
TOTAL at 31 March 2023	6,737,953	297,443	572,600	1,922,115	314,436	247,574	10,092,121	

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024

6. GOVERNANCE COSTS

	2023-24	2022-23
	£	£
Audit and accountancy	27,900	25,200
Other - Annual Event	1,101	721
	29,001	25,921

7. STAFF NUMBERS AND COSTS

	2022-23	2022-23
	£	£
Wages and salaries	5,482,078	4,682,697
Social Security costs	504,885	433,001
Pension costs	363,607	292,354
Redundancy costs	-	2,570
	6,350,570	5,410,622

Head Count as average weekly number

Chief Executive Officer	1	1
Directors	5	3
Associate Directors	2	3
Service Managers	12	11
Administration, HR, Finance and IT	13	13
Team Leaders	22	14
Support Workers	156	137
	211	182

Employees earning over £60,000

£60,001 - £70,000	3	2
£90,001 - £100,000	-	1
£100,001 - £110,000	1	-
	4	3

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

8. TRUSTEES AND KEY MANAGEMENT PERSONNEL

During the year, one Trustee was reimbursed for £907 (2023: £520), for expenses incurred whilst serving the charity. No trustees received any remuneration other than this.

The key management personnel of the charity comprise the Trustees, Chief Executive Officer, Corporate Services & Finance Director, Operations Director, Director of Quality Governance, Communications & Fundraising Director, Transformations Directors, and two Associate Directors. The total employee benefits of the key management personnel of the Charity were £475,295 (2023 : £428,402).

9. TANGIBLE FIXED ASSETS

	Social Housing Properties	Charitable Properties	Furniture	IT, Comms & Technology	Medical Equipment	Total
	£	£	£	£	£	£
Cost						
At 1 April 2023	904,331	2,549,290	63,946	407,669	125,800	4,051,036
Additions	-	-	-	79,533	-	79,533
Disposals	-	-	-	-	-	-
At 31 March 2024	904,331	2,549,290	63,946	487,202	125,800	4,130,569
Depreciation						
At 1 April 2023	92,870	180,989	52,547	338,897	6,942	672,245
Charge for the year	38,158	23,613	5,536	61,556	17,612	146,475
On disposals	-	-	-	-	-	-
At 31 March 2024	131,028	204,602	58,083	400,453	24,554	818,720
Net book value						
At 31 March 2024	773,303	2,344,688	5,863	86,749	101,246	3,311,849
At 31 March 2023	811,461	2,368,301	11,399	68,772	118,858	3,378,791

Included within buildings is one property with net book value of £88,810 (2023: £91,030) which is held under a 999-year lease. This building is being depreciated over 50 years on the basis that this is considered a more realistic estimate of the useful life of the asset.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024

10. FIXED ASSET INVESTMENTS

	2023-24	2022-23
	£	£
Market Value		
At 1 April 2023	701,073	729,644
Disposals	-	(198)
Management fee	(927)	(1,055)
Interest and dividend	1,247	1,253
Gains / (losses) on investments	15,281	(28,571)
At 31st March 2023	716,674	701,073

11. DEBTORS: DUE WITHIN ONE YEAR

	2023-24	2022-23
	£	£
Trade debtors	508,638	923,299
Rental debtors	193,486	157,099
Sundry debtors	3,260	29,545
Prepayments & accrued income	156,649	332,079
	862,033	1,442,022

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023-24	2022-23
	£	£
Trade creditors	203,474	252,908
Credit cards	5,131	11,258
Bank loans within one year	26,788	28,873
Social security and other taxes	166,315	168,224
Other creditors	21,613	20,089
Accruals	111,002	234,359
Deferred income	151,521	408,387
	685,844	1,124,098

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024

DEFERRED INCOME

	2023-24	2022-23
	£	£
Balance at 1st April 2023	408,387	414,268
Amount released to incoming resources	(408,387)	(414,268)
Amount deferred in year	151,521	408,387
Balance at 31st March 2024	151,521	408,387

Deferred income includes the following grants with performance obligations in future periods.

	2023-24	2022-23
	£	£
- St John's Hospital - RSVP	-	19,381
- BBC Children in Need	3,169	5,395
- CHK Foundation – The Wrap	13,990	-
	17,159	24,776

BBC Children in Need provide a grant to cover a worker; to reduce risk from child exploitation and substance use in BANES and Wiltshire.

13. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2023-24	2022-23
	£	£
Bank Loans	597,707	621,628

The charity has two bank loans. The first is repayable over 25 years and interest is charged at base rate plus 2.5% (with a minimum rate of 3%). The loan is secured on the freehold property at Poyntz Road in Bristol, Abbotswood in Yate and Sedgemoor Road in Bath. The second loan taken is repayable over 20 years and interest is fixed at 3% for 10 years. The loan is secured on the freehold property at St James's Parade in Bath.

	2023-24	2022-23
	£	£
The loan is repayable as follows		
Within one year or on demand	26,788	28,873
Between one and two years	27,925	29,806
Between two and five years	91,193	95,323
After five years	478,589	496,499
	624,495	650,501

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

14. PROVISIONS FOR LIABILITIES AND CHARGES

	2023-24 £	2022-23 £
Property dilapidations		
At 1st April 2023	209,400	209,400
(Released) / Added during the year	32,000	-
At 31st March 2024	<u>241,400</u>	<u>209,400</u>

15. STATEMENT OF FUNDS

DESIGNATED FUNDS

	Bought Forward £	Gain in sale of property £	Transfers/ investment gain £	Carried Forward £
Charitable				
HTL Sinking Fund	18,833	-	-	18,833
2 Bridges Trust Fund	10,538	-	-	10,538
Infrastructure Sustainability	260,473	-	(160,473)	100,000
Cloud Fund	30,000	-	-	30,000
St James's Parade refurb	100,000	-	(100,000)	-
Property Fund – supported housing	174,344	-	5,055	179,399
Designated Funds - properties				
- Oak House	399,610	-	(7,881)	391,729
- 19 Abbotswood	29,071	-	(552)	28,519
- Poyntz Road	59,157	-	(603)	58,554
- Sedgemoor	234,088	-	(3,745)	230,343
- St James's Parade	655,997	-	(4,317)	651,680
- Hawthorn	272,372	-	(4,359)	268,013
- Newton Street	69,744	-	(1,477)	68,267
Social Housing				
Working capital	122,898	-	(26,325)	96,573
Supported Housing Sinking Fund	54,321	-	-	54,321
Burlington St contingency	88,000	-	-	88,000
Designated Funds - properties				
- Burlington St	815,916	-	(14,497)	801,419
	<u>3,395,362</u>	<u>-</u>	<u>(319,175)</u>	<u>3,076,187</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

The HTL Sinking Funds represent retained funds for repairs and renewals at HTL properties.

The 2 Bridges Trust Fund is to provide access to employment, education and training for DHI clients.

The Infrastructure Sustainability fund is to safeguard the charity against zero-inflation contract income spent against cost of living rises in overheads.

The Cloud fund is to upgrade ageing IT infrastructure.

The St James Parade Refurbishment fund is to cover refurbishment works at the premise.

Property Fund for Supported Housing – Following the sale of Peter`s House, the sale proceeds have been designated for the purchase of similar housing. This was part of the covenant when DHI were gifted Peter`s House.

Designated Funds - Properties are the asset value of properties owned by DHI, separately shown from General Funds. The amounts include the net book value of properties purchased by the charity, less any long term finance used to purchase them as well as unspent cash reserves allocated towards expected renovations or purchase costs.

The Social Housing Working capital fund represents funds that have been ring-fenced

The SH Sinking Funds represent retained funds for repairs and renewals at social housing properties

The Burlington Street Contingency Fund was created to support the operation of DHI's work at the project recognising the possibilities of future funding restrictions.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

RESTRICTED FUNDS	Brought Forward £	Incoming Resources £	Resources Expensed £	Transfers and investment gains/(losses) £	Carried Forward £
Treatment services					
Digital Transformation	-	15,000	(6,700)	-	8,300
Housing Projects					
Housing First	574	-	(574)	-	-
Access Scheme	-	15,000	(6,803)	-	8,197
Home Turf Lettings					
HTL Empty Homes Fund (Cash)	34,836	-	-	20,562	55,398
HTL Empty Homes Fund (Loans)	21,780	-	-	(20,562)	1,218
Central Services					
Young People Serious Violence	3,042	-	(3,042)	-	-
	60,232	30,000	(17,119)	-	73,113

Housing Projects

This fund is available to assist clients in personalisation costs when they secure accommodation

Home Turf Lettings

The HTL Empty Homes Fund (Cash) is a cash reserve available to make loans to landlords to enable properties in disrepair to be refurbished and rented out through DHI's Social Enterprise: Home Turf Lettings.

Central Services

Young People Serious Violence is a fund that can only be used for specific purposes such as preventive crime with Young People and towards dedicated youth work.

	Brought Forward £	Incoming Resources £	Resources Expensed £	Transfers and Investment gains/(losses) £	Carried Forward £
SUMMARY OF FUNDS					
Designated Funds	3,395,362	-	-	(319,175)	3,076,187
General Funds	1,606,059	11,053,876	(11,270,337)	334,456	1,724,054
	5,001,421	11,053,876	(11,270,337)	15,281	4,800,241
Restricted Funds	60,232	30,000	(17,119)	-	73,113
	5,061,653	11,083,876	(11,287,456)	15,281	4,876,354

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	DESIGNATED FUNDS 2023-24 £	GENERAL FUNDS 2023-24 £	RESTRICTED FUNDS 2023-24 £	TOTAL FUNDS 2023-24 £
Tangible fixed assets	3,117,991	193,858	-	3,311,849
Fixed asset investments	-	716,674	-	716,674
Net current assets	555,903	1,054,922	73,113	1,683,938
Creditors due in more than one year	(597,707)	-	-	(597,707)
Provision for liabilities and charges	-	(241,400)	-	(241,400)
	3,076,187	1,724,054	73,113	4,873,354

17. LEASE COMMITMENTS

The charity has financial commitments in respect of operating leases of land and buildings. The total future minimum lease payments under non-cancellable operating leases are as follows:

	2023-24 £	2022-23 £
Land and Buildings		
Not later than one year	721,503	1,244,695
Later than one and not later than 5 years	1,120,937	1,158,072
Later than 5 years	418,174	106,769
	2,260,614	2,509,536

Included in the total lease commitments above is £1,998,095 (2023: £2,150,086) relating to the maximum rents that the charity may have to pay on behalf of the tenants. Our experience is that voids are only 5% of total rental income.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

18. PENSION COMMITMENTS

SCHEME: TPT Retirement Solutions – The Growth Plan

The company participates in the scheme, a multi-employer scheme which provides benefits to some 638 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

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 scheme is classified as a 'last-man standing arrangement'. Therefore, the charity is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2020. This valuation showed assets of £800.3m, liabilities of £831.9 m and a deficit of £31.6m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit Contributions

From 1 April 2023 to 31 January 2025: £3,312,000 per annum, payable monthly

Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee asked the participating employers to pay additional contributions to the scheme as follows:

Deficit Contributions

From 1 April 2019 to 30 September 2025: £11,243,000 per annum (payable monthly and increasing by 3% each on 1st April)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the charity has agreed to a deficit funding arrangement, the charity recognises a liability for this obligation. The amount recognised would be the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate would be recognised as a finance cost.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024

	2024	2023	2022
	£	£	£
Present value of provision	111	237	372

On the basis that this provision is not material to the Financial Statements, the charity has taken the decision not to include such a provision.

If the provision had been included, the accounting entries would have been as follows:

	2024	2023
	£	£
Provision at start of the period	237	371
Unwinding of the discount factor	9	7
Deficit contribution paid	(135)	(135)
Remeasurements - impact on any changes in assumptions	-	(6)
Remeasurements - amendments to the contribution schedule	-	-
	111	237

Income and expenditure impact

Interest expense	9	7
Remeasurements - impact on any changes in assumptions	-	(6)
Remeasurements - amendments to the contribution schedule	-	-
	9	1

Assumptions	2024	2023	2022
	% per annum	% per annum	% per annum
Rate of Discount	5.31	5.52	2.35

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

SCHEME: The Pensions Trust's Growth Plan Series 4.

From 1 October 2013, all contributions made into the Plan were into Series 4, which is a defined contribution pension plan.

SCHEME: NHS Pension Schemes

Three employees are covered by the provisions of NHS Pension Schemes. Details of the benefits payable and rules of the NHS Schemes can be found on the NHS Pensions website at

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

www.nhsbsa.nhs.uk/pensions. These are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in these schemes is taken as equal to the contributions payable to that scheme for the accounting period.

19. RELATED PARTIES

There were no related party transactions this year, beyond those identified in note 8, and no amounts were due at the year-end date (2023: £Nil).

20. CONTROLLING PARTY

The Trustees consider that the charity is jointly controlled by the Trustees and that there is no ultimate controlling party.

21. FINANCIAL COMMITMENTS

Contractual commitments for the acquisition of tangible fixed assets contracted for but not provided in the financial statements amounted to £nil (2023: £nil).

22. FUNDS RECEIVED AND HELD AS AGENT

Three properties are classified as being Managed and under the Client Money Protection scheme, DHI hold a separate bank account with Unity through which rent is received and landlords paid. These transactions are not recognised in the Financial Statements. However, a fee is receivable and this is shown as income in the Financial Statements.

23. FINANCIAL INSTRUMENTS

The carrying amounts of the charity's financial instruments are as follows:

	2024	2023
	£	£
Financial Assets		
Measured at fair value through net income:		
- Fixed asset investments (note 10)	716,674	701,073
Debt instruments measured at amortised cost:		
- Trade debtors (note 11)	702,124	923,299
Financial Liabilities		
Measured at amortised cost		
- Bank loans (note 13)	624,495	650,501
- Trade creditors (note 12)	203,474	252,908

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024

24. RESTATEMENT OF COMPARATIVES

In order to more fairly present the gross income and to ensure compliance with Generally Accepted Accounting Policies, the Charity has decided to amend its Income Recognition policy to show all income gross without any deduction for associated expenditure.

As illustrated in the table below, this change does not affect either the net income for 2022-23 or the balance sheet as at 31 March 2023.

Statement of Financial Activities

	Originally stated 2022-23	Change 2022-23	Restated 2022-23
INCOMING RESOURCES	£	£	£
Donations	42,781	-	42,781
Charitable Activities:			
Treatment Services	5,775,774	1,204,477	6,980,251
Community Services	294,945	-	294,945
Housing Projects	484,959	109,000	593,959
Home Turf Lettings	790,485	1,156,469	1,946,954
Social Housing	271,432	40,375	311,807
Central Services	75,603	-	75,603
Investment Income	4,248	-	4,248
TOTAL Incoming Resources	7,740,227	2,510,321	10,250,548
RESOURCES EXPENDED			
Charitable Activities:			
Treatment Services	5,533,476	1,204,477	6,737,953
Community Services	297,443	-	297,443
Housing Projects	463,600	109,000	572,600
Home Turf Lettings	765,646	1,156,469	1,922,115
Social Housing	274,061	40,375	314,436
Central Services	247,574	-	247,574
TOTAL Resources Expended	7,581,800	2,510,321	10,092,121
Net gains/(losses) on investments	(28,571)	-	(28,571)
Net gain /loss on sale of assets	28,012	-	28,012
NET INCOME / (EXPENDITURE)	157,868	-	157,868

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

25. POST BALANCE SHEET EVENTS

At the time of agreeing these accounts, the Charity had withdrawn from one key contract for treatment services in Bristol and was in the final stages of tendering for a contract for treatment services in Bath & North East Somerset. If the later contract is not renewed, the income of the Charity could reduce to approximately £7.2m. The Trustees have considered the impact to the organisation's financial position and are confident that the organisation will be able to restructure and therefore continues to be a going concern.

DEVELOPING HEALTH AND INDEPENDENCE

PRIOR YEAR STATEMENT OF FINANCIAL ACTIVITIES (including income & expenditure account) For the year ended 31 March 2023

	Note	Unrestricted Funds 2022-23 £	Designated Funds 2022-23 £	Restricted Funds 2022-23 £	Total Funds 2022-23 £
INCOMING RESOURCES					
Donations	2	42,781		-	42,781
Charitable activities	3				
Treatment Services		6,965,251	-	15,000	6,980,251
Community Services		294,945	-	-	294,945
Housing Projects		593,959	-	-	593,959
Home Turf Lettings		1,946,954	-	-	1,946,954
Social Housing		311,807	-	-	311,807
Central Services		75,603	-	-	75,603
Investment income		4,248	-	-	4,248
TOTAL INCOMING RESOURCES		10,235,548	-	15,000	10,250,548
RESOURCES EXPENDED					
Charitable activities	5				
Treatment Services		6,711,287	-	26,666	6,737,953
Community Services		297,443	-	-	297,443
Housing Projects		558,879	-	13,721	572,600
Home Turf Lettings		1,922,115	-	-	1,922,115
Social Housing		314,436	-	-	314,436
Central Services		247,574	-	-	247,574
TOTAL RESOURCES EXPENDED		10,051,734	-	40,387	10,092,121
Net gains/(losses) on investments	10	(28,571)	-	-	(28,571)
Net gains/(losses) on sale of assets			28,012		28,012
NET INCOME/ (EXPENDITURE)		155,243	28,012	(25,387)	157,868
Transfers between funds		143,713	(143,713)	-	-
NET MOVEMENT IN FUNDS		298,956	(115,701)	(25,387)	157,868
RECONCILIATION OF FUNDS:					
TOTAL FUNDS BROUGHT FORWARD		1,307,103	3,511,063	85,619	4,903,785
TOTAL FUNDS CARRIED FORWARD		1,606,059	3,395,362	60,232	5,061,653

DEVELOPING HEALTH AND INDEPENDENCE

PRIOR YEAR FUNDS ANALYSIS For the year ended 31 March 2023

DESIGNATED FUNDS

	Bought Forward £	Gain in sale of property £	Transfers £	Carried Forward £
Charitable				
HTL Sinking Fund	18,833	-	-	18,833
2 Bridges Trust Fund	10,538	-	-	10,538
Infrastructure Sustainability	360,473	-	(100,000)	260,473
Cloud	30,000	-	-	30,000
St James's Parade refurb	100,000	-	-	100,000
Property Fund – supported housing	-	-	174,344	174,344
Designated Funds - properties				
- Oak House	407,567	-	(7,957)	399,610
- Peter's House	147,204	28,012	(175,216)	-
- 19 Abbotswood	27,244	-	1,827	29,071
- Poyntz Road	56,196	-	2,961	59,157
- Sedgemoor	235,725	-	(1,637)	234,088
- St James's Parade	665,743	-	(9,746)	655,997
- Hawthorn	276,729	-	(4,357)	272,372
- Newton Street	71,221	-	(1,477)	69,744
- under construction	5,713	-	(5,713)	-
Social Housing				
Working capital	125,527	-	(2,629)	122,898
SH Sinking Fund	54,321	-	-	54,321
Designated Funds - properties				
- Burlington St	830,029	-	(14,113)	815,916
Burlington St contingency	88,000	-	-	88,000
	3,511,063	28,012	(143,713)	3,395,362

DEVELOPING HEALTH AND INDEPENDENCE

PRIOR YEAR FUNDS ANALYSIS For the year ended 31 March 2023

RESTRICTED FUNDS	Brought Forward £	Incoming Resources £	Resources Expensed £	Transfers and investment gains/(losses) £	Carried Forward £
Housing Projects					
Housing First	14,295	-	(13,721)	-	574
Access Scheme		15,000	(15,000)	-	-
Home Turf Lettings					
HTL Empty Homes Fund (Cash)	42,174	-	-	14,442	56,616
HTL Empty Homes Fund (Loans)	14,442	-	-	(14,442)	-
Central Services					
Young People Serious Violence	14,708	-	(11,666)	-	3,042
	85,619	15,000	(40,387)	-	60,232

Accounts

**DEVELOPING HEALTH AND
INDEPENDENCE**

**(Company limited by guarantee no. 03830311
registered charity no. 01078154)**

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

Report and Accounts

DEVELOPING HEALTH AND INDEPENDENCE

(Company limited by guarantee no. 03830311, registered charity no. 01078154)

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2023

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DEVELOPING HEALTH AND INDEPENDENCE

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS For the year ended 31 March 2023

Trustees	Ms Myriam Kniveton (Chair from 14 October 2022) Ms Linda Candy (Chair, resigned 28 July 2022) Mr Tim Marvell Ms Katharine Hegarty (Resigned 13 September 2022) Mr David Ollendorff Mr Christopher Oliver (Vice Chair) Mrs Alison Millar Mr Bob Goodman Mrs Joanna Hill (Appointed 6 December 2022) Mr Oliver Hillier (Appointed 6 December 2022)	
Secretary	Mrs Susan Hughes (Resigned 6 December 2022) Mr Ben Harman (Appointed 6 December 2022)	
Key Management Personnel	Ms Rosemary Phillips – CEO Mr Ben Harman – Corporate Services & Finance Director Mr David Walton – Housing Director (Resigned 23 September 2022) Ms Julie Hughes – Treatment Services Director (Resigned 7 January 2023) Mr Clive Lewis – Associate Director, Clinical Lead Mr Ben Hennessy – Associate Director Communications & Fundraising (Resigned 13 December 2022) Ms Ellen Moore – Associate Director of Workforce Development Mrs Beth Hendry – Operations Director (Appointed 22 May 2023) Mrs Beth Jutton – Associate Director Communications & Fundraising (Appointed 30 January 2023)	
Company reg. no.	03830311	
Charity reg. no.	01078154	
Registered Office	14 St James's Parade, Bath, BA1 1UL	
Accountants	Sumer Audit Chartered Accountants Fortescue House Court Street Trowbridge BA14 8FA	
Bankers	Barclays Bank Leicester LE87 2BB	Unity Trust Bank plc Nine Brindley Place Birmingham, B1 2HB
Solicitors	Thrings 2 Queen Square Bath, BA1 2HQ	
Investment Manager	abrdn plc 1 George Street Edinburgh, EH2 2LL	

DEVELOPING HEALTH AND INDEPENDENCE

TRUSTEES' REPORT

For the year ended 31 March 2023

The Trustees, who are also Directors of the Company for the purposes of the Companies Act, and Trustees for charity law purposes, submit their annual report and the financial statements of Developing Health and Independence (DHI) for the year ended 31 March 2023. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the Charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the Charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective from 1st January 2019.

Chair's Report

The past year has been difficult throughout the world with countries struggling with the fallout from the war in Ukraine, political uncertainty, economic constraints, and the impact of global warming. Change in the commissioning environment, political and financial uncertainty, and growing inequality result in an increased demand for our services. DHI has faced these challenges with its usual equanimity and recognised that it needed to change to achieve its purpose. To this end, the organisation has invested in a Transformation Programme led by a new temporary Director and a new permanent role of Director of Operations.

The financial environment continues to be very challenging and most of our funding contracts will be re commissioned within the next few years. We know that most of these will require high-quality service delivery within a static budget for up to five years. We are well placed to win the contracts, but we cannot be complacent, and we are investing in our IT to help us provide more cost-effective interventions for our clients.

DHI had many successes during the year, despite difficult circumstances. Our government funded criminal justice drug treatment services, continue to provide continuity of care from prison to the community and many more properties have been acquired from Resonance, which allows us to support many more people that are underprivileged. The Wrap (our young persons' digital platform) continues to be in high demand, and we have expanded our peer programme.

DHI's innovative and flexible approach to challenges and increased needs continues to serve it well. Starting upstream to deliver early interventions to prevent more complex problems arising where we can is central to our strategy moving forward.

We know that the future promises to test us and we feel confident that the new structure we have put in place will help us to meet the increased demand for our services, to improve our service delivery and provide more opportunities for people on the margins of society.

None of our ambitions can be delivered without dedicated and passionate people and I would like to express my gratitude to all those involved in supporting or running the organisation, staff, volunteers, partners, and peers as well all the Board members. I know that they will continue to work tirelessly to ensure that the most vulnerable and disenfranchised people in our society will have better opportunities in life.

Our Purpose

- To relieve poverty, sickness and distress, in particular but without limitation amongst persons suffering as a result of drug and alcohol abuse and housing need, through the provision of practical assistance and advice of all kinds including, without limitation, rehabilitation and resettlement and provision of social housing to the homeless and those at risk of homelessness, and education, legal and medical advice, counselling and assistance.
- To educate the public in the effects of drug and alcohol abuse and housing need.
- To pursue any other charitable purpose, which the Board of the Charity thinks fit to pursue in conjunction with any of the charitable purposes, mentioned above.

DEVELOPING HEALTH AND INDEPENDENCE

TRUSTEES' REPORT

For the year ended 31 March 2023

The Charity's vision

DHI helps disadvantaged people to turn their lives around, stand on their own two feet and reduce dependency. DHI is flexible, creative and person-centred in its approach, valuing each individual and his or her circumstances as unique.

The Charity's values

- Self-Direction: to encourage independent thought, action and self-respect.
- Stimulation: to offer a stimulating environment allowing innovation and creativity to flourish in individuals.
- Zest for Life: In so far as it is not damaging to self, others or the environment, to enable individuals to pursue goals that further their happiness and joy of life.
- Flexibility: underpinning all our efforts is the need to be open, flexible and responsive to change.

The Charity's activities

Few, if any, of our clients come with a single issue so we work with the person to find and resolve the root cause of their issues. We help people through highly practical, solution focused and innovative projects and services. These include: supported housing as well as general needs housing for those on no or a low income, resettlement and floating support services, drug and alcohol treatment, employment reintegration, social prescribing, information, advice and signposting.

The Trustees have referred to the guidance in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning the Charity's future activities.

In particular, the Trustees have considered how planned activities will contribute to the aims and objectives they have set.

Achievements and performance

During the 2022/23 financial year there was strong growth, with a net increase in the Charity's incoming resources of 16.02% (2021/22: increase of 4.8%). The Charity's net movement in funds during the year contributed an additional £157,868 (2021/22: £190,877) to reserves.

This was driven by a number of factors, including new funding for criminal justice work within treatment services, as well as strong performance against the Charity's key strategic objectives, as laid out in our Balanced Scorecard:

- Keeping young people safe through education and early intervention.
- Increasing access to affordable housing for all.
- Supporting health services through strong Primary Care partnerships.

Highlights for the year include:

- DHI's treatment services benefitted from a Supplemental Substance Misuse and Treatment and Recovery Grant, enabling us to establish services to focus on those with the most complex needs, and supporting clients to overcome barriers such as homelessness and mental ill health
- Consolidation of our Avon and Somerset wide criminal justice services
- DHI secured a contract from NHS England to deliver Mental Health Treatment Requirements across Avon & Somerset. This was the first time MHTRs have been set up in the Avon & Somerset area, and was also a first for DHI. This is notable as this signifies a significant strategic development for DHI, running a specialist mental health contract directly for the first time.

DEVELOPING HEALTH AND INDEPENDENCE

TRUSTEES' REPORT

For the year ended 31 March 2023

- We retendered successfully for a remodeled young person's service in Wiltshire. Service innovations, such as the Wrap and RHSE lesson plans signifying a change in strategy to deliver early brief interventions.
- We secured our first Integrated Care Board contract from Bristol, North Somerset, South Gloucestershire (BNSSG); working with primary care, DHI are delivering education, signposting and brief interventions for people experiencing chronic pain.
- With funding from West of England Combined Authority (WECA) we developed our Peer Academy, which has developed training and qualifications in peer mentoring for clients in recovery in a variety of settings
- We exceeded all targets for increasing units of affordable accommodation. The property handover from Resonance was completed at the end of the financial year, and we significantly exceeded the target for affordable leased accommodation within the private rented sector, securing 108 new units.

In terms of impact, DHI supported 10,619 people, their families and carers to be more independent and lead happier, more fulfilling lives. This included:

- Our Reach housing advice service helped 845 people to find or maintain suitable housing
- 495 people left our adult treatment services having stopped using drugs or alcohol
- 563 young people were helped by our dedicated treatment services for young people
- 129 peers (someone who uses their own experience to help others going through similar situations) supported DHI's work

Financial Review

Income

DHI's total income increased by £1,068,815 (16.02%) this year from £6,671,412 in 2021/22 to £7,740,227. Driving this increase is additional income received to deliver new services such as criminal justice work within treatment services.

A detailed analysis of income is shown in the Statement of Financial Activities (SOFA) and Notes 2 – 3 of the Financial Statements.

Expenditure

Total spending on charitable activities for the year of £7,581,800 represents a 16.6% increase in expenditure from 2021/22 (£6,504,946). The increase in expenditure reflects the increased income for new services.

Further analysis of charitable activity expenditure, showing the operational activities undertaken by DHI are given in the SOFA and in Note 5 of the Financial Statements.

Fund Analysis

The Board can confirm that the Charity's assets are available and adequate to fulfil the obligations of the Charity on a fund-by-fund basis. Incoming resources for the year of £7,740,227 (2022: £6,671,412) included £15,000 of restricted funds (2022: £52,052). Of the £5,061,653 funds retained at year end (2022: £4,903,785), £3,395,362 were designated (2022: £3,511,063) and £60,232 were restricted (2022: £85,619).

Further analysis of designated and restricted funds is shown in the SOFA and Notes 15-16 of the Financial Statements.

Reserves Policy

The Board has examined the Charity's requirements for reserves in the light of the main financial risks to the organisation.

Within DHI's Reserves & Investments Policy, to ensure the financial viability of the Charity and its ability to meet its on-going commitments, the Board have determined that Reserves should be maintained at three to six months organisational Operational Costs. For 2023/24, budgeted monthly operating costs are £907,379. The organisation holds £1,606,059 (2022: £1,307,103) in General Funds, equating to 1.77 months. The

DEVELOPING HEALTH AND INDEPENDENCE

TRUSTEES' REPORT

For the year ended 31 March 2023

Trustees expect the level of General Reserves to increase to be closer to the policy in 2023/24.

In addition, the Trustees require that Free Reserves remain in surplus. This was the case on 31st March 2023.

Furthermore, the Trustees require that working capital should be maintained between three and six months' average expenditure to meet ongoing commitments throughout the year.

At 31 March 2023, the organisation held £1,812,817 (2022 £1,460,029) net current assets (current assets after deduction of creditors due within a year) equating to 2 months cash or cash equivalents to meet average expenditure. However, after factoring in the Fixed Asset investment portfolio of £701,073 that can be liquidated into cash in five days, there are 2.8 months cash or cash equivalents to meet average expenditure.

The Board do feel confident DHI is able to continue the core activities of the Charity in the event of a significant drop in funding, whilst considering how any such loss in funding could be replaced or activities changed.

The Board is committed to investing additional resources for the purposes of developing services to our client group. Several opportunities are being reviewed and weighed against the need to maintain our reserves in the volatile funding environment, which we and other similar organisations face.

Investment Policy

DHI is committed to maintaining funds in instant access accounts to meet all the day to day needs for working capital. Any funds beyond this, and not required for development of the Charity's activities in the short term, will be invested in low to medium risk investment or deposit accounts, reviewed and recommended by the Audit Committee and approved by the Board.

DHI's Charities Aid Foundation (CAF) investment fund has decreased by 3.92% to the end of 2022/23 and the Trustees continue to review performance.

Principal Risks and Uncertainties

DHI has a Risk Register, which is a standing item for review by the Board. The procedure takes into account all major risks that the Charity may be exposed to in terms of likelihood and impact on the business if they happen. This review includes the operational, reputational, and financial impact combined with a 'likelihood' score.

The five highest risks identified by DHI through its Risk Management Plan are:

- Changing and unstable commissioning landscape, which covers a variety of issues including lack of relationship or contact with new bodies such as the ICB's which are more distant, impenetrable and far less accountable. *Mitigation:* Continue to keep abreast of changes and be quick to build rapport with new commissioning bodies, in particular the Integrated Care Boards, to ensure their awareness of the impact of our work.
- Cost of living/inflation, which puts increased pressure on the cost base across DHI, and is of particular concern in relation to housing. *Mitigation:* Anticipate and plan for a worsening financial climate by utilising and developing digital technology, self-help tools and peer support to meet the needs of clients; review the HTL Business Plan and other DHI buildings to remain on suitable/flexible lease arrangements with fewer fixed sites; implement the IT strategy to support hybrid working; review key contracts at each board meeting; review our procurement policy and approved supplier list; implement our 30-year investment schedule for property maintenance, and ensure we have sufficient freely available assets to overcome the effect of high inflation.

DEVELOPING HEALTH AND INDEPENDENCE

TRUSTEES' REPORT

For the year ended 31 March 2023

- Failure to achieve Registered Provider status and the impact on our social housing, in particular Burlington Street Project, our flagship supported housing project, and RSAP. *Mitigation:* Negotiate oversight role with a third party RSL and increase rents to account for added transaction cost; review HTL Business plan and strategy.
- Recruitment and retention challenges – the failure to have and hold good personnel owing to challenges with pay as a result of shortage in recruitment market and inflation pressures, as well as that resulting from continued growth. *Mitigation:* Increase staff productivity through upstream service delivery to ensure just enough support at right time; development of adult digital self-help and guided help platforms; develop The Wrap and WebFAM further; develop a pain management portal; implement a workforce strategy to ensure we attract those that fit with our values; recruit a Director of Transformation to work through the changes that will allow us to work more efficiently.
- Ageing ICT infrastructure, potential security breaches and information governance remain key risks. *Mitigation:* Implement our IT strategy, including the completion of our ongoing investment programme to upgrade our IT infrastructure and migrate core services to the cloud; upgrade key business applications.

Going Concern

On reviewing DHI's budgets and business plan, taking account of the current economic climate and its reserves position, the Board has a reasonable expectation that the organisation has adequate resources to continue in operational existence for the foreseeable future and for this reason it continues to adopt the going concern basis in the financial statements.

Plans for the future

With the added crisis of inflation, widening inequalities and deep poverty (including a rise in drug related deaths/deaths of despair) leads to increased demand on all DHI's services ultimately, including the fact that statutory services tend to raise their thresholds when demand increases. The challenge of meeting growing demand for our services is likely to be compounded by the impact of inflation on the jobs our staff do and on their salaries, as well as a national social care recruitment issue. DHI has certainly witnessed unprecedented recruitment issues over the last two years.

While we continue to increase funding from non-contract sources, we remain reliant on our core statutory contracts and the challenge is to deliver models that meet requirements of commissioners, while ensuring we support clients to overcome or improve the negative impact that drugs, alcohol or homelessness has on their lives, with zero inflation contracts. We must also advocate for investment in our area of work with key stakeholders.

Our key strategies to meet the challenges of this) include:

- Adopting a more person-centered approach, emphasizing partnership work and brokering with community services.
- Developing early interventions and brief intervention programs, including web-based support and self-help initiatives.
- Continually enhancing our peer infrastructure and support services.
- Achieving higher throughput and improved outcomes as a result of the aforementioned strategies.

To ensure the success of such significant change so that it is fully embraced by staff and fit for purpose, DHI has recruited a Director of Transformation.

DEVELOPING HEALTH AND INDEPENDENCE

TRUSTEES' REPORT

For the year ended 31 March 2023

Affordability in the housing sector, however, remains a significant challenge to our service users and strategy and we need to review HTL's business model in light of proposed new reforms and rising mortgage rates. So while the delivery of affordable housing remains challenging for DHI, it is still a fundamental part of our response to social exclusion, we remain committed as demonstrated in our new 3 year Business Plan's overarching Strategic Objectives 2023-6:

- Foundation Needs embedded in all areas of practice (safety, housing, food, finance)
- A person centred harm reduction approach to drugs and other life limiting behaviours
- Communicating Impact to ensure the needs of those who are most excluded are met

Structure, Governance and Management

The organisation is a Charitable Company limited by guarantee, incorporated on 23 August 1999 and registered as a charity on 10 November 1999. The Company was established under a Memorandum of Association, which established the objects and powers of the Charitable Company and is governed under its Articles of Association.

The Board is elected from its membership by its members at either its AGM, or, where a vacancy exists, at any time between AGMs.

DHI's Board consists of up to 10 members who meet at least four times a year and who are responsible for the strategic direction and governance of the Charity, agreeing the business plan, monitoring progress toward achievement of organisational goals, reviewing operational performance and overseeing the management of organisational risk. Meetings must be quorate with the attendance of a minimum of three Trustees, and each meeting is formally minuted. A register of attendance at Board Meetings is maintained and the attendance rate for the year by Board Members was 100%.

The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission.

An Audit Committee consisting of three Trustees, the Corporate Services and Finance Director and Chief Executive Officer (CEO) meet at least twice a year to review financial and other audits.

A Housing Committee formed by the Board oversees investment and development of the organisation's property for the furtherance of DHI's charitable objectives. The Committee consists of three Trustees and the Housing Director and meets as required through the year.

In addition, a User Voices Group has been set up in order to ensure DHI engages residents and clients in service development, delivery and review, and towards the promotion of equality and diversity.

DHI has an established focus group for BAME staff that meets as required to hold open dialogue about the organisation's culture and support for BAME staff; in particular how the organisation can promote people from BAME groups into positions of leadership. Membership of this focus group is for those staff from a minority race, with the CEO and Chair invited to attend every other meeting.

The CEO is responsible for strategic and operational management and is authorised to deploy resource, through the Executive, toward the achievement of DHI's charitable objectives.

DEVELOPING HEALTH AND INDEPENDENCE

TRUSTEES' REPORT

For the year ended 31 March 2023

The Executive of the organisation comprises:

- CEO, through whom the Board exercises its Governance
- Corporate Services and Finance Director
- Director of Operations
- Director of Quality & Governance
- Associate Director (Communications and Fundraising)
- Associate Director (Workforce Development)

Regular meetings are held where performance is monitored, strategically, operationally and financially, and potential improvements discussed and actions agreed. A table of delegated responsibilities outlines the delegated authorities of senior staff, including financial and health and safety responsibilities. Operations Managers and Team Leaders in turn discharge their responsibilities through the activities of teams of skilled and committed workers.

In alignment with our values, staff, volunteers and clients are heavily involved in shaping and continuously improving services, through a wide variety of mechanisms.

Trustees are appointed following application and interview with the Chair, Chief Executive Officer and one other Trustee. Following a satisfactory interview, candidate Trustees are invited to join at least one meeting as an observer. At the end of these meetings, the Board will review the candidate Trustees' contribution and then invite them, if appropriate, to be full members.

All new Trustees receive induction and mentoring to assist their personal development as DHI Trustees. As new members of the Board they are provided with an induction pack which includes DHI's major policies, Business Plan, Annual Report, Memorandum and Articles and other relevant and corporate documentation. They are then invited to meet the Chair and the Chief Executive for an induction and they also attend the next available DHI staff induction meeting which are held regularly throughout each year.

It is the individual responsibility of Trustees to ensure they update their skills and participate in development opportunities offered, which could include attendance at conferences, training and less formal support and advice all of which can be facilitated through DHI as required.

All Trustees are expected to show a commitment to the core purpose and values of the organisation and the role, which would include attending meetings, reading papers in advance and volunteering for working groups as required. Appraisals of Trustees take place after their first year, then at the end of every 3-year term. In addition, an 'Away Day' provides an opportunity for training and development.

Key Management Personnel, excluding Trustees, are remunerated by annual salary and the DHI standard pension contribution. There are no additional payments or benefits in kind. Remuneration levels for all grades under CEO are set against a standard point scale (the 'National Joint Committee' scale) and are subject to performance based review. The CEO's salary is set by a Remuneration Committee, comprising three Board Members, including the Chair. Factors which the Remuneration Committee takes into account when setting pay includes: cost of living, performance and other key factors such as a significant increase in responsibility due to a new major contract.

Trustee roles, in line with all posts within DHI, are advertised widely to encourage broad participation and diversity. The Board and Executive work to ensure that diversity within the organisation is promoted.

The Charity does not conduct any fundraising through professional fundraisers or commercial operators. DHI is a member of the Fundraising Regulator and is committed to best fundraising practices of honesty, transparency, clarity and accountability.

TRUSTEES' REPORT

For the year ended 31 March 2023

Related parties and relationships with other organisations

DHI holds an impressive track record of achievement against targets and strives continuously to improve its performance and service quality while achieving value for money. However, in order to deliver excellent client centred services that have maximum impact for both individuals and communities, we rely on building and maintaining excellent partnerships with a wide range of statutory and non-statutory organisations. In addition to many informal partnerships, DHI has a number of formal contractual relationships including with Avon & Wiltshire Mental Health Partnership, Clean Slate, Broadway Lodge, Curo, Southern Brooks and Hawkspring.

Guarantee of Members

Members of the Charitable Company guarantee to contribute an amount not exceeding £1 to the assets of the Charitable Company in the event of winding up. The total number of such guarantees at 31 March 2023 was eight (2022: eight).

The Trustees (who are also the Directors of DHI for the purposes of Company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Charities SORP 2015 (FRS 102).
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for maintaining proper accounting records that disclose with reasonable accuracy at any time, the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Statement of disclosure of information to the auditor

So far as the Trustees are aware, there is no relevant audit information of which the Company's auditor is unaware. Additionally, the Trustees have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

DEVELOPING HEALTH AND INDEPENDENCE

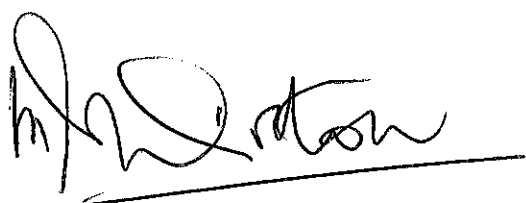
TRUSTEES' REPORT

For the year ended 31 March 2023

Auditors

The auditors, Monahans, have indicated their willingness to accept re-appointment under Section 485 of the Companies Act 2006.

This report was approved and authorised for issue by the Trustees on 26.09.2023
and signed on their behalf by:

A handwritten signature in black ink, appearing to read 'M Kniveton', is written over a horizontal line.

Ms Myriam Kniveton

Chair

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DEVELOPING HEALTH AND INDEPENDENCE

Opinion

We have audited the financial statements of Developing Health and Independence (the 'charitable company') for the year ended 31 March 2023 which comprise the Statement of Financial Activities (including Income and Expenditure Account), the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2023, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and the Republic of Ireland": and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions related to going concern

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DEVELOPING HEALTH AND INDEPENDENCE

Other information

The other information comprises the information included in the trustee's annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report or in preparing the trustees' report.

Responsibilities of trustees

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DEVELOPING HEALTH AND INDEPENDENCE

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

Our responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management and those charged with governance about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing minutes of meeting of those charged with governance any correspondence with the Charity Commission
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations
- Performing analytical procedures to identify any unusual or unexpected relationship that might indicate a risk of material misstatement due to fraud.
- Performing audit work over the risk of management override of controls, including testing journal entries and other adjustments for appropriateness, evaluating a range business rationale of significant transactions outside the course of business and reviewing accounting estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or false representation.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DEVELOPING HEALTH AND INDEPENDENCE

Use of our report

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



James Gare (Senior Statutory Auditor)

For and on behalf of Sumer Audit

Statutory Auditors

Chartered Accountants

Fortescue House

Court Street

Trowbridge

BA14 8FA

Date 27 October 2023

DEVELOPING HEALTH AND INDEPENDENCE (company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (including income & expenditure account)
For the year ended 31 March 2023

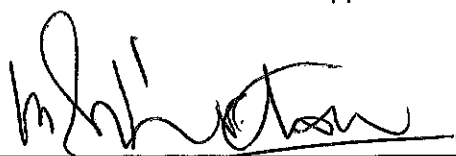
	Note	UNRESTRICTED FUNDS 2022-23	DESIGNATED FUNDS 2022-23	RESTRICTED FUNDS 2022-23	TOTAL FUNDS 2022-23	TOTAL FUNDS 2021-22
INCOMING RESOURCES		£	£	£	£	£
Donations	2	42,781	-	-	42,781	73,503
Charitable Activities:	3					
Treatment Services		5,760,774	-	15,000	5,775,774	5,022,415
Community Services		294,945	-	-	294,945	268,409
Housing Projects		484,959	-	-	484,959	500,146
Home Turf Lettings		790,485	-	-	790,485	534,927
Social Housing		271,432	-	-	271,432	260,206
Central Services		75,603	-	-	75,603	11,657
Investment Income		4,248	-	-	4,248	149
TOTAL Incoming Resources		7,725,227	-	15,000	7,740,227	6,671,412
RESOURCES EXPENDED						
Charitable Activities:	5					
Treatment Services		5,506,810	-	26,666	5,533,476	4,549,575
Community Services		297,443	-	-	297,443	287,330
Housing Projects		449,879	-	13,721	463,600	453,824
Home Turf Lettings		765,646	-	-	765,646	705,559
Social Housing		274,061	-	-	274,061	251,458
Central Services		247,574	-	-	247,574	257,200
TOTAL Resources Expended		7,541,413	-	40,387	7,581,800	6,504,946
Net gains/(losses) on investments		(28,571)	-	-	(28,571)	24,411
Net gain /loss on sale of assets		-	28,012	-	28,012	-
NET INCOME / (EXPENDITURE)		155,243	28,012	(25,387)	157,868	190,877
Transfers between funds		143,713	(143,713)	-	-	-
NET MOVEMENT IN FUNDS		298,956	(115,701)	(25,387)	157,868	190,877
RECONCILIATION OF FUNDS:						
Total Funds b/f		1,307,103	3,511,063	85,619	4,903,785	4,712,908
Total Funds c/f		1,606,059	3,395,362	60,232	5,061,653	4,903,785

The annexed notes form part of these financial statements

BALANCE SHEET
As at 31 March 2023

	Note	2023 £	2023 £	2022 £	2022 £
FIXED ASSETS					
Tangible Assets	9		3,378,791		3,567,230
Investments	10		701,073		729,644
			<u>4,079,864</u>		<u>4,296,874</u>
CURRENT ASSETS					
Debtors	11	1,442,022		634,378	
Cash at bank and in hand		1,494,893		1,667,314	
		<u>2,936,915</u>		<u>2,301,692</u>	
CREDITORS:					
amounts falling due within one year	12	(1,124,098)		(841,663)	
NET CURRENT ASSETS			<u>1,812,817</u>		<u>1,460,029</u>
TOTAL ASSETS less CURRENT LIABILITIES			<u>5,892,681</u>		<u>5,756,903</u>
CREDITORS:					
amounts falling after one year	13		(621,628)		(643,718)
PROVISIONS for LIABILITIES and CHARGES	14		(209,400)		(209,400)
NET ASSETS			<u>5,061,653</u>		<u>4,903,785</u>
FUNDED BY:					
Restricted Funds	15		60,232		85,619
Unrestricted Funds:					
- Designated Funds	15	3,395,362		3,511,063	
- General Funds	15	1,606,059		1,307,103	
			<u>5,001,421</u>		<u>4,818,166</u>
			<u>5,061,653</u>		<u>4,903,785</u>

The financial statements were approved and authorised for issue by the Trustees on 26/09/2023



MYRIAM KNIVETON, Chair



TIM MARVELL, Treasurer

The annexed notes form part of these financial statements

DEVELOPING HEALTH AND INDEPENDENCE

STATEMENT OF CASH FLOWS For the year ended 31 March 2023

	Note	2022-23 £	2021-22 £
Cash flow from Operating activities		(209,920)	277,434
Cash flow from Investing activities			
Purchase of fixed asset additions		(90,800)	(49,682)
Receipts from sale of fixed asset		174,955	-
Investment income received		4,334	149
Net cash used in investing activities		88,489	(49,533)
Cash flow from Financing activities			
Repayments of borrowing		(27,362)	(27,093)
Interest paid		(23,628)	(21,811)
Net cash provided by (used in) financing activities		(50,990)	(48,904)
Change in cash and cash equivalents in the year		(172,421)	178,997
Cash & cash equivalents brought forward		1,667,314	1,488,317
Cash & cash equivalents carried forward		1,494,893	1,667,314

RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH

	2022-23 £	2021-22 £
Surplus / (deficit) for the year	157,868	190,877
Depreciation charges	132,296	173,049
Net book value of disposed assets	146,943	90,713
Proceeds from sale of fixed assets	(174,955)	-
Net movement on investments	28,571	(23,582)
Interest payable	23,628	21,811
Interest receivable	(4,334)	(149)
Change in provision	-	59,400
Decrease / (increase) in debtors	(807,644)	(400,041)
Increase / (decrease) in creditors (excluding loans)	287,707	165,356
	(209,920)	277,434

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and in the preceding year unless otherwise stated.

(a) General information and basis of preparation of financial statements

DHI is a charity limited by guarantee registered in England and Wales. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the reference and administrative information on page 1 of these financial statements. The nature of the charity's operations and principal activities are detailed within the Report of the Trustees.

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 (SORP) applicable to charities preparing their Financial Statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £1.

(b) Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Unrestricted designated funds have been set aside by the trustees out of unrestricted funds towards a specific purpose. Additional details can be found in note 15 to the Financial Statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in note 15 to the financial statements.

(c) Income recognition

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

DEVELOPING HEALTH AND INDEPENDENCE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

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

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

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Income from grants, contracts and service level agreements is recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met, then these amounts are deferred.

Rental income is shown net of any associated expenditure in order to show more accurately rental income actually due to the charity in the year and is recognised when receivable.

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

(d) Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. Expenditure includes any VAT, which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature.

Governance costs include those costs associated with meeting constitutional and statutory requirements of the charity and include the audit fees and costs linked with the strategic management of the charity.

Expenditure directly attributable to a specific activity category (e.g. charitable activities, governance costs) has been included in the relevant category. Where costs are attributable to more than one activity, they are apportioned across activities based on the time spent by staff on those activities and their use of shared resources.

DEVELOPING HEALTH AND INDEPENDENCE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

(e) Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

(f) Tangible fixed assets

Fixed assets are stated at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost of each asset on a straight line basis over its expected useful life, which is four years for all assets except for freehold property which is depreciated over 50 years. Assets costing over £1,000 are capitalised.

(g) Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains / (losses) on investments' in the SoFA if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

(h) Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

(i) Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs.

(j) Provisions

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

(k) Financial Instruments

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

(l) Leases

Rentals payable and receivable under operating leases are charged to the SoFA on a straight line basis over the period of the lease.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

(m) Pension schemes

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

The charity also participated in a multi-employer defined benefit pension scheme with the Pensions Trust, operated and administered by the Pensions Trust. It is not possible to separately identify the assets and liabilities relating to DHI on a consistent and reasonable basis therefore this is accounted for as a defined contribution scheme. The scheme was available to all permanent staff however contributions to the plan ceased as at 30 September 2013.

Deficit funding contributions are payable by the charity in respect of this multi-employer defined benefit scheme. No liability has been included within the Financial Statements in respect of the deficit reduction contributions payable, in line with the requirements of the SORP (FRS 102) on the basis that this liability is not deemed to be material to the Financial Statements. See note 18 to the Financial Statements for more details.

The charity makes contributions to the National Health Service Pension Scheme for participating employees. The NHS Scheme is a defined benefit scheme. As the scheme is a multi-employer scheme and the charity is unable to identify its share of the underlying assets and liabilities, this scheme is accounted for by the Charity as a defined contribution scheme. Any resulting liabilities on this scheme would be met by the State. Therefore, contributions payable for the year in relation to the scheme are charged in the Statement of Financial Activities.

(n) Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

(o) Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

DEVELOPING HEALTH AND INDEPENDENCE

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2023

2. INCOME FROM DONATIONS

	<i>UNRESTRICTED FUNDS</i>	<i>DESIGNATED FUNDS</i>	<i>RESTRICTED FUNDS</i>	TOTAL FUNDS	TOTAL FUNDS
	2022-2023	2022-2023	2022-2023	2022-2023	2021-22
	£	£	£	£	£
General donations	42,781	-	-	42,781	73,503

3. INCOME FROM CHARITABLE ACTIVITIES

a) Treatment Services - Income	<i>UNRESTRICTED FUNDS</i>	<i>DESIGNATED FUNDS</i>	<i>RESTRICTED FUNDS</i>	TOTAL FUNDS	TOTAL FUNDS
	2022-2023	2022-2023	2022-2023	2022-2023	2021-22
	£	£	£	£	£
Capital Grants	1,667	-	-	1,667	-
Contracts / SLAs	6,859,200	-	-	6,859,200	6,082,317
Transfers to Partners	(1,204,477)	-	-	(1,204,477)	(1,185,612)
Grants / Donations	95,457	-	15,000	110,457	91,041
Other	8,927	-	-	8,927	9,669
	5,760,774	-	15,000	5,775,774	4,997,415

Restricted funds relate to income from the performance of grant obligations during the year on relation to the Access Fund.

b) Community Services - Income	<i>UNRESTRICTED FUNDS</i>	<i>DESIGNATED FUNDS</i>	<i>RESTRICTED FUNDS</i>	TOTAL FUNDS	TOTAL FUNDS
	2022-2023	2022-2023	2022-2023	2022-2023	2021-22
	£	£	£	£	£
Contracts / SLAs	293,880	-	-	293,880	262,649
Grants / Donations	1,065	-	-	1,065	5,760
	294,945	-	-	294,945	268,409

DEVELOPING HEALTH AND INDEPENDENCE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

c) Housing Projects - Income	UNRESTRICTED	DESIGNATED	RESTRICTED	TOTAL	TOTAL
	FUNDS	FUNDS	FUNDS	FUNDS	FUNDS
	2022-2023	2022-2023	2022-2023	2022-2023	2021-22
	£	£	£	£	£
Capital grants	-	-	-	-	1,667
Contracts / SLAs	582,895	-	-	582,895	600,132
Transfers to Partners	(109,000)	-	-	(109,000)	(107,500)
Grants / Donations	6,934	-	-	6,934	1,247
Fees and Charges	3,730	-	-	3,730	4,600
Other	400	-	-	400	-
	484,959	-	-	484,959	500,146
d) Home Turf Lettings - Income	UNRESTRICTED	DESIGNATED	RESTRICTED	TOTAL	TOTAL
	FUNDS	FUNDS	FUNDS	FUNDS	FUNDS
	2022-2023	2022-2023	2022-2023	2022-2023	2021-22
	£	£	£	£	£
Capital grants	5,328	-	-	5,328	10,776
Contracts / SLAs	51,155	-	-	51,155	120,606
Rental income	1,680,034	-	-	1,680,034	1,000,393
Rental voids	(17,264)	-	-	(17,264)	(47,910)
Transfer to Landlord	(1,156,469)	-	-	(1,156,469)	(651,361)
Grants / Donations	62,877	-	-	62,877	5,200
Fees and Charges	164,824	-	-	164,824	97,223
	790,485	-	-	790,485	534,927

DEVELOPING HEALTH AND INDEPENDENCE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

e) Social Housing - Income	UNRESTRICTED FUNDS	DESIGNATED FUNDS	RESTRICTED FUNDS	TOTAL FUNDS 2022- 2023	TOTAL FUNDS 2021-22
	2022-2023	2022-2023	2022-2023	2022-2023	2021-22
	£	£	£	£	£
Capital grants				-	9,728
Contracts / SLAs	89,702			89,702	77,702
Rental income	227,720			227,720	220,914
Rental voids	(10,810)			(10,810)	(15,342)
Transfer to Landlord	(40,375)			(40,375)	(38,396)
Grants / Donations	5,195			5,195	5,600
	271,432	-	-	271,432	260,206

Social housing income contains direct rental receipts as well as ancillary support services for tenants

f) Central Services - Income	UNRESTRICTED FUNDS	DESIGNATED FUNDS	RESTRICTED FUNDS	TOTAL FUNDS 2022- 2023	TOTAL FUNDS 2021-22
	2022-2023	2022-2023	2022-2023	2022-2023	2021-22
	£	£	£	£	£
Capital grants	1,666		-	1,666	1,667
Grants / Donations	70,944	-	-	70,944	-
Other	2,993			2,993	9,990
	75,603	-	-	75,603	11,657

4. NET INCOME / EXPENDITURE FOR THE YEAR

	2022-23	2021-22
	£	£
Net income / expenditure for the period includes:		
Depreciation	132,296	173,049
Fees payable to Auditor	25,200	18,480

DEVELOPING HEALTH AND INDEPENDENCE

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2023

5. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Treatment Services 2022-2023	Communities Services 2022-2023	Housing Services 2022-2023	Home Turf Lettings 2022-2023	Social Housing 2022-2023	Central Services 2022-2023	TOTAL FUNDS 2022-2023	TOTAL FUNDS 2021-22
	£	£	£	£	£	£	£	£
Provision of Services	5,191,817	284,364	438,347	642,010	234,203	65,814	6,856,555	5,702,411
Advertising & publicity	1,884	428	-	-	-	9,275	11,587	47,898
Building refurbishment	1,212	-	1,212	44,663	2,996	1,212	51,295	109,472
Depreciation	10,570	-	-	25,758	19,496	76,125	131,949	173,049
Legal & financial	-	-	-	4,120	710	444	5,274	11,278
Bad debt write off	-	-	-	17,480	4,137	-	21,617	4,431
Support costs	327,993	12,651	24,041	31,615	12,519	68,783	477,602	437,448
Governance costs	-	-	-	-	-	25,921	25,921	18,959
TOTAL	5,533,476	297,443	463,600	765,646	274,061	247,574	7,581,800	6,504,946
TOTAL at 31 March 2022	4,549,575	287,330	453,824	705,559	251,458	257,200	6,504,946	

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2023

6. GOVERNANCE COSTS

	2022-23	2021-22
	£	£
Audit and accountancy	25,200	18,480
Other - Annual Event	721	479
	25,921	18,959

7. STAFF NUMBERS AND COSTS

	2022-23	2021-22
	£	£
Wages and salaries	3,755,787	3,325,080
Social Security costs	1,149,698	995,195
Pension costs	453,698	407,634
Redundancy costs	2,570	9,102
	5,361,753	4,737,011

Head Count as average weekly number

Chief Executive Officer	1	1
Directors	3	3
Associate Directors	3	3
Service Managers	11	10
Administration, HR, Finance and IT	13	13
Team Leaders	14	13
Support Workers	137	130
	182	173

Employees earning over £60,000

£60,001 - £70,000	2	1
£70,001 - £80,000	-	-
£80,001 - £90,000	-	-
£90,001 - £100,000	1	1
	3	2

8. TRUSTEES AND KEY MANAGEMENT PERSONNEL

During the year, none of the Trustees, who comprise the charity's key management personnel, received any remuneration, or received reimbursed expenditure (2022: Nil).

DEVELOPING HEALTH AND INDEPENDENCE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

The key management personnel of the charity comprise the Trustees, Chief Executive Officer, Finance and Operations Director, Housing Director - Housing and Social Exclusion, Treatment Services Director and three Associate Directors. The total employee benefits of the key management personnel of the Charity were £428,402 (2022 : £369,211).

9. TANGIBLE FIXED ASSETS

	Social Housing Properties	Charitable Properties	Furniture	IT, Comms & Technology	Medical Equipment	Total
	£	£	£	£	£	£
Cost						
At 1 April 2022	904,331	2,727,454	65,314	407,669	35,000	4,139,768
Additions	-	-	-	-	90,800	90,800
Disposals	-	(178,164)	(1,368)	-	-	(179,532)
At 31 March 2023	904,331	2,549,290	63,946	407,669	125,800	4,051,036
Depreciation						
At 1 April 2022	74,302	167,689	52,612	275,894	2,041	572,538
Charge for the year	18,568	45,119	705	63,003	4,901	132,296
On disposals	-	(31,819)	(770)	-	-	(32,589)
At 31 March 2023	92,870	180,989	52,547	338,897	6,942	672,245
Net book value						
At 31 March 2023	811,461	2,368,301	11,399	68,772	118,858	3,378,791
At 31 March 2022	830,029	2,559,765	12,702	131,775	32,959	3,567,230

Included within buildings is one property with net book value of £91,030 £ (2022: £93,251) which is held under a 999-year lease. This building is being depreciated over 50 years on the basis that this is considered a more realistic estimate of the useful life of the asset.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2023

10. FIXED ASSET INVESTMENTS

	2022-23	2021-22
	£	£
Market Value		
At 1 April 2022	729,644	706,062
Disposals	(198)	(829)
Management fee	(1,055)	-
Interest and dividend	1,253	-
Gains / (losses) on investments	(28,571)	24,411
At 31st March 2023	<u>701,073</u>	<u>729,644</u>

11. DEBTORS: DUE WITHIN ONE YEAR

	2022-23	2021-22
	£	£
Trade debtors	923,299	144,837
Rental debtors	157,099	152,944
Sundry debtors	29,545	12,985
Prepayments & accrued income	332,079	323,612
	<u>1,442,022</u>	<u>634,378</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022-23	2021-22
	£	£
Trade creditors	252,908	87,381
Credit cards	11,258	1,348
Bank loans within one year	28,873	27,969
Social security and other taxes	168,224	113,523
Other creditors	20,089	91,551
Accruals	234,359	105,623
Deferred income	408,387	414,268
	<u>1,124,098</u>	<u>841,663</u>

DEFERRED INCOME

	2022-23	2021-22
	£	£
Balance at 1st April 2022	414,268	191,905
Amount released to incoming resources	(414,268)	(191,905)
Amount deferred in year	408,387	414,268
Balance at 31st March 2023	<u>408,387</u>	<u>414,268</u>

DEVELOPING HEALTH AND INDEPENDENCE

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2023

Deferred income includes the following grants with performance obligations in future periods.

	2022-23	2021-22
	£	£
- St John's Hospital - RSVP	19,381	58,143
- BBC Children in Need	5,395	2,703
- Building Better Opportunities	-	26,625
	<u>24,776</u>	<u>87,471</u>

13. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2022-23	2021-22
	£	£
Bank Loans	<u>621,628</u>	<u>643,718</u>

The charity has two bank loans. The first is repayable over 25 years and interest is charged at base rate plus 2.5% (with a minimum rate of 3%). The loan is secured on the freehold property at Poyntz Road in Bristol, Abbotswood in Yate and Sedgemoor Road in Bath. The second loan taken is repayable over 20 years and interest is fixed at 3% for 10 years. The loan is secured on the freehold property at St James's Parade in Bath.

	2022-23	2021-22
	£	£
The loan is repayable as follows		
Within one year or on demand	28,873	27,969
Between one and two years	29,806	28,873
Between two and five years	95,323	92,339
After five years	496,499	522,506
	<u>650,501</u>	<u>671,687</u>

14. PROVISIONS FOR LIABILITIES AND CHARGES

	2022-23	2021-22
	£	£
Property dilapidations		
At 1st April 2022	209,400	150,000
(Released) / Added during the year	-	59,400
	<u>209,400</u>	<u>209,400</u>

DEVELOPING HEALTH AND INDEPENDENCE

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2023

15. STATEMENT OF FUNDS DESIGNATED FUNDS

	Bought Forward £	Gain in sale of property £	Transfers £	Carried Forward £
Charitable				
HTL Sinking Fund	18,833	-	-	18,833
2 Bridges Trust Fund	10,538	-	-	10,538
Infrastructure Sustainability	360,473	-	(100,000)	260,473
Cloud	30,000	-	-	30,000
St James's Parade refurb	100,000	-	-	100,000
Property Fund – supported housing	-	-	174,344	174,344
Designated Funds - properties				
- Oak House	407,567	-	(7,957)	399,610
- Peter's House	147,204	28,012	(175,216)	-
- 19 Abbotswood	27,244	-	1,827	29,071
- Poyntz Road	56,196	-	2,961	59,157
- Sedgemoor	235,725	-	(1,637)	234,088
- St James's Parade	665,743	-	(9,746)	655,997
- Hawthorn	276,729	-	(4,357)	272,372
- Newton Street	71,221	-	(1,477)	69,744
- under construction	5,713	-	(5,713)	-
Social Housing				
Working capital	125,527	-	(2,629)	122,898
SH Sinking Fund	54,321	-	-	54,321
Designated Funds - properties				
- Burlington St	830,029	-	(14,113)	815,916
Burlington St contingency	88,000	-	-	88,000
	3,511,063	28,012	(143,713)	3,395,362

The HTL Sinking Funds represent retained funds for repairs and renewals at HTL properties.

The 2 Bridges Trust Fund is to provide access to employment, education and training for DHI clients.

The Infrastructure Sustainability fund is to safeguard the charity against zero-inflation contract income spent against cost of living rises in overheads.

The Cloud fund is to upgrade ageing IT infrastructure.

The St James Parade Refurbishment fund is to cover refurbishment works at the premise.

DEVELOPING HEALTH AND INDEPENDENCE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

Property Fund for Supported Housing – Following the sale of Peter's House, the sale proceeds have been designated for the purchase of similar housing. This was part of the covenant when DHI were gifted Peter's House.

Designated Funds - Properties are shown at the asset values of properties owned by DHI, separately shown from General Funds. The amounts include the net book value of properties purchased by the charity, less any long term finance used to purchase them as well as unspent cash reserves allocated towards expected renovations or purchase costs.

The Social Housing Working capital fund represents funds that have been ring-fenced

The SH Sinking Funds represent retained funds for repairs and renewals at social housing properties

The Burlington Street Contingency Fund was created to support the operation of DHI's work at the project recognising the possibilities of future funding restrictions.

RESTRICTED FUNDS

	Brought Forward	Incoming Resources	Resources Expensed	Transfers and investment gains/(losses)	Carried Forward
	£	£	£	£	£
Housing Projects					
Housing First	14,295	-	(13,721)	-	574
Access Scheme		15,000	(15,000)	-	-
Home Turf Lettings					
HTL Empty Homes Fund (Cash)	42,174	-	-	14,442	56,616
HTL Empty Homes Fund (Loans)	14,442	-	-	(14,442)	-
Central Services					
Serious Youth Violence Project	14,708	-	(11,666)	-	3,042
	85,619	15,000	(40,387)	-	60,232

Housing Projects

This fund is available to assist clients in personalization costs when they secure accommodation

Home Turf Lettings

The HTL Empty Homes Fund (Cash) is a cash reserve available to make loans to landlords to enable properties in disrepair to be refurbished and rented out through DHI's Social Enterprise: Home Turf Lettings.

Central Services

Young People Serious Violence is a fund that can only be used for specific purposes such as preventive crime with Young People and towards dedicated youth work.

DEVELOPING HEALTH AND INDEPENDENCE

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2023

	Brought Forward	Incoming Resources	Resources Expensed	Transfers and Investment gains/(losses)	Carried Forward
SUMMARY OF FUNDS	£	£	£	£	£
Designated Funds	3,511,063	-	-	(115,701)	3,395,362
General Funds	1,307,103	7,725,227	(7,541,413)	115,142	1,606,059
	4,818,166	7,725,227	(7,541,413)	(559)	5,001,421
Restricted Funds	85,619	15,000	(40,387)	-	60,232
	4,903,785	7,740,227	(7,581,800)	(559)	5,061,653

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	DESIGNATED FUNDS 2022-23 £	GENERAL FUNDS 2022-23 £	RESTRICTED FUNDS 2022-23 £	TOTAL FUNDS 2022-23 £
Tangible fixed assets	3,179,762	199,029	-	3,378,91
Fixed asset investments	-	701,073	-	701,073
Net current assets	837,228	915,357	60,232	1,812,817
Creditors due in more than one year	(621,628)	-	-	(621,628)
Provision for liabilities and charges	-	(209,400)	-	(209,400)
	3,395,362	1,606,059	60,232	5,061,653

NOTES TO THE FINANCIAL STATEMENTS**For the year ended 31 March 2023**

17. LEASE COMMITMENTS

The charity has financial commitments in respect of operating leases of land and buildings. The total future minimum lease payments under non-cancellable operating leases are as follows:

	2022-23	2021-22
	£	£
Land and Buildings		
Not later than one year	1,244,695	1,252,303
Later than one and not later than 5 years	1,158,072	1,665,357
Later than 5 years	106,769	-
	2,509,536	2,917,660

Included in the total lease commitments above is £2,150,086 (2022: £2,700,726) relating to the maximum rents that the charity may have to pay on behalf of the tenants. Our experience is that voids are only 5% of total rental income and that the actual liability over the period may be closer to £135,036.

18. PENSION COMMITMENTS**SCHEME: The Pensions Trust – The Growth Plan Series 1 – 3**

Developing Health & Independence participates in the scheme, a multi-employer scheme that provides benefits to some 950 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the charity to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore, it accounts for the scheme as a defined contribution scheme.

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 scheme is classified as a 'last-man standing arrangement'. Therefore, the charity is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2020. This valuation showed assets of £800.3m, liabilities of £831.9 m and a deficit of £31.6m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2023

**Deficit
Contributions**

From 1 April 2023 to 31 January 2025: £3.3m per annum (payable monthly and increasing by 3% each on 1st April)

Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

**Deficit
Contributions**

From 1 April 2019 to 30 September 2025: £11.2m per annum (payable monthly and increasing by 3% each on 1st April)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the charity has agreed to a deficit funding arrangement, the charity recognises a liability for this obligation. The amount recognised would be the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate would be recognised as a finance cost.

	2023	2021	2020
	£	£	£
Present value of provision	371	1,448	1,715

On the basis that this provision is not material to the Financial Statements, the charity has taken the decision not to include such a provision.

If the provision had been included, the accounting entries would have been as follows:

	2023	2022
	£	£
Provision at start of the period	371	1,448
Unwinding of the discount factor	7	8
Deficit contribution paid	(135)	(366)
Remeasurements - impact on any changes in assumptions	(6)	(9)
Remeasurements - amendments to the contribution schedule	-	(710)
	237	371

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2023

Income and expenditure impact

Interest expense	7	8
Remeasurements - impact on any changes in assumptions	(6)	(9)
Remeasurements - amendments to the contribution schedule	-	(710)
	<u>1</u>	<u>(711)</u>

Assumptions	2023 % per annum	2022 % per annum	2021 % per annum
Rate of Discount	<u>5.52</u>	<u>2.35</u>	<u>0.66</u>

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

SCHEME: The Pensions Trust's Growth Plan Series 4.

From 1 October 2013, all contributions made into the Plan were into Series 4, which is a defined contribution pension plan.

SCHEME: NHS Pension Schemes

Three employees are covered by the provisions of NHS Pension Schemes. Details of the benefits payable and rules of the NHS Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. These are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in these schemes is taken as equal to the contributions payable to that scheme for the accounting period.

19. RELATED PARTIES

There were no related party transactions this year and no amounts were due at the year-end date (2022: £Nil).

20. CONTROLLING PARTY

The Trustees consider that the charity is jointly controlled by the Trustees and that there is no ultimate controlling party.

21. FINANCIAL COMMITMENTS

Contractual commitments for the acquisition of tangible fixed assets contracted for but not provided in the financial statements amounted to £nil (2021: £nil).

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2023

22. FUNDS RECEIVED AND HELD AS AGENT

Three properties are classified as being Managed and under CMP membership. DHI hold a separate bank account with Unity through which rent is received and landlords paid. These transactions are not recognised in the Financial Statements. However, a fee is receivable and this is shown as income in the Financial Statements.

23. FINANCIAL INSTRUMENTS

The carrying amounts of the charity's financial instruments are as follows:

	2023	2022
	£	£
Financial Assets		
Measured at fair value through net income:		
- Fixed asset investments (note 10)	701,073	729,644
Debt instruments measured at amortised cost:		
- Trade debtors (note 11)	923,299	144,837
Financial Liabilities		
Measured at amortised cost		
- Bank loans (notes 12 and 13)	650,501	671,687
- Trade creditors (note 12)	252,908	87,381

DEVELOPING HEALTH AND INDEPENDENCE

PRIOR YEAR STATEMENT OF FINANCIAL ACTIVITIES (including income & expenditure account) For the year ended 31 March 2022

	Note	Unrestricted Funds 2021-22 £	Designated Funds 2021-22 £	Restricted Funds 2021-22 £	Total Funds 2021-22 £
INCOMING RESOURCES					
Donations	2	46,451		27,052	73,503
Charitable activities	3				
Treatment Services		4,997,415	-	25,000	5,022,415
Community Services		268,409	-	-	268,409
Housing Projects		500,146	-	-	500,146
Home Turf Lettings		534,927	-	-	534,927
Social Housing		260,206	-	-	260,206
Central Services		11,657	-	-	11,657
Investment income		149	-	-	149
TOTAL INCOMING RESOURCES		6,619,360	-	52,052	6,671,412
RESOURCES EXPENDED					
Charitable activities	5				
Treatment Services		4,508,087	-	41,488	4,549,575
Community Services		287,330	-	-	287,330
Housing Projects		453,489	-	335	453,824
Home Turf Lettings		673,059	-	32,500	705,559
Social Housing		251,458	-	-	251,458
Central Services		219,645	-	37,555	257,200
TOTAL RESOURCES EXPENDED		6,393,068	-	111,878	6,504,946
Net gains/(losses) on investments	10	24,411	-	-	24,411
NET INCOME / (EXPENDITURE)		250,703	-	(59,826)	190,877
Transfers between funds		99,653	(99,653)	-	-
NET MOVEMENT IN FUNDS		350,356	(99,653)	(59,826)	190,877
RECONCILIATION OF FUNDS:					
TOTAL FUNDS BROUGHT FORWARD		956,747	3,610,716	145,445	4,712,908
TOTAL FUNDS CARRIED FORWARD		1,307,103	3,511,063	85,619	4,903,785

DEVELOPING HEALTH AND INDEPENDENCE

PRIOR YEAR FUNDS ANALYSIS For the year ended 31 March 2022

STATEMENT OF FUNDS

	Brought Forward	Incoming Resources	Resources Expended	Transfers and investments gains/(losses)	Carried Forward
	£	£	£	£	£
DESIGNATED FUNDS					
Housing Sinking Fund	52,611	-	-	(52,611)	-
HTL Sinking Fund	28,560	-	-	(9,727)	18,833
2 Bridges Trust Fund	10,738	-	-	(200)	10,538
Hybrid Project Manager Infrastructure Sustainability	30,000	-	-	(30,000)	-
	437,490	-	-	(77,017)	360,473
Cloud	-			30,000	30,000
St James Parade refurb	-			100,000	100,000
Designated funds - Properties					
- Oak House	415,525	-	-	(7,958)	407,567
- Peter's House	152,343	-	-	(5,139)	147,204
- 19 Abbotswood	26,814	-	-	430	27,244
- Poyntz Road	55,341	-	-	855	56,196
- Sedgemoor	238,610	-	-	(2,885)	235,725
- St James's Parade	660,308	-	-	5,435	665,743
- Hawthorn	281,088	-	-	(4,359)	276,729
- Newton Street	72,697	-	-	(1,476)	71,221
- Under construction	91,098			(85,385)	5,713
Social Housing					
Working capital	116,779			8,748	125,527
SH Sinking Fund	8,188			46,133	54,321
Burlington Street Contingency	88,000	-	-	-	88,000
Designated Funds – properties		-	-		
-Burlington St	844,526			(14,497)	830,029
	3,610,716	Nil	Nil	(99,653)	3,511,063

DEVELOPING HEALTH AND INDEPENDENCE

PRIOR YEAR FUNDS ANALYSIS For the year ended 31 March 2022

RESTRICTED FUNDS

	Brought Forward £	Incoming Resources £	Resources Expended £	Transfers and investment gains/(losses) £	Carried Forward £
Treatment Services					
St James's Parade Appeal	16,488	25,000	(41,488)	-	-
Housing Projects					
Housing First	34,630	-	(335)	(20,000)	14,295
Home Turf Lettings					
The Nisbet Trust	12,500	-	(12,500)	-	-
Procurement Officer Fund	-	-	(20,000)	20,000	-
HTL Empty Homes Fund (Cash)	49,512	-	-	(7,338)	42,174
HTL Empty Homes Fund (Loans)	7,104	-	-	7,338	14,442
Central Services					
Fibroscanner appeal	11,800	12,081	(23,881)	-	-
YP Serious Violence St John's Foundation	13,411	14,971	(13,674)	-	14,708
	145,445	52,052	(111,878)	-	85,619

Accounts

**DEVELOPING HEALTH AND
INDEPENDENCE**

**(Company limited by guarantee no. 03830311
registered charity no. 01078154)**

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

Report and Accounts

DEVELOPING HEALTH AND INDEPENDENCE

(Company limited by guarantee no. 03830311, registered charity no. 01078154)

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2022

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DEVELOPING HEALTH AND INDEPENDENCE

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS For the year ended 31 March 2022

Trustees	Ms Sarah Davies (Chair; Resigned as Trustee 14 September 2021) Ms Linda Candy (Vice Chair until 14 September 2021; Chair from 14 September 2021; Resigned 28 July 2022) Mr Tim Marvell Ms Katharine Hegarty (Resigned 13 September 2022) Mr David Ollendorff Mr Christopher Oliver (Vice Chair from 14 September 2021) Mrs Alison Millar Mr Bob Goodman Ms Myriam Kniveton (Chair from 14 October 2022)	
Secretary	Mr James Hooton (Resigned 7 May 2021) Mrs Susan Hughes (Appointed 5 July 2021)	
Key Management Personnel	Ms Rosemary Phillips – Chief Executive Officer Mr James Hooton – Finance and Operations Director (Resigned 7 May 2021) Mr Ben Harman – Corporate Services and Finance Director (Appointed 23 August 2021) Mr David Walton – Housing Director - Housing and Social Exclusion (Resigned 23 September 2022) Ms Julie Hughes – Treatment Services Director Mr Jody Clark – Associate Director, Clinical Lead (Resigned 15 October 2021) Mr Clive Lewis – Associate Director, Clinical Lead (Appointed 7 February 2022) Mr Ben Hennessy – Associate Director Communications & Fundraising (Appointed 2 July 2021) Ms Ellen Moore – Associate Director Workforce Development (from 1 April 2022)	
Company reg. no.	03830311	
Charity reg. no.	01078154	
Registered office	14 St James's Parade, Bath, BA1 1UL	
Accountants	Monahans Chartered Accountants Fortescue House Court Street Trowbridge BA14 8FA	
Bankers	Barclays Bank Leicester LE87 2BB	Unity Trust Bank plc Nine Brindley Place Birmingham B1 2HB
Solicitors	Thrings 2 Queen Square Bath BA1 2HQ	
Investment Manager	Abrdn plc, 1 George Street Edinburgh EH2 2LL	

DEVELOPING HEALTH AND INDEPENDENCE

TRUSTEES' REPORT

For the year ended 31 March 2022

The Trustees, who are also Directors of the Company for the purposes of the Companies Act, and Trustees for charity law purposes, submit their annual report and the financial statements of Developing Health and Independence (DHI) for the year ended 31 March 2022. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the Charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the Charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective from 1st January 2019.

Chair's Report

DHI had a highly successful year in 2021/22 and grew significantly. This achieved despite all the challenges it experienced with commissioning instability, economic hardship, and growing inequality.

Two areas in particular drove growth, both enabling us to support the most underprivileged people:

- housing, primarily through the planned transfer of properties under Resonance, a social impact property fund manager
- criminal justice drug treatment services, with welcome government investment in providing continuity of care from prison to the community

This growth is due to our strong track record in delivering support in these areas, in a solution focused and flexible way as well as our strong partnerships, with Resonance, and Avon and Wiltshire Mental Health Trust in particular.

Other developments of note are the result of our investment into the development of more self-care and early intervention options for people who are not at a stage where professional support is necessary, or where a light touch approach is all that is needed. This lighter touch support option has delivered great benefits: offering value for money services, taking pressure off staff and enabling them to focus their efforts on the most vulnerable, and furthering our approach of promoting independence. With this in mind, we continued to develop The Wrap (our young persons' digital platform), and the RSHE (Relationships and Sex Education and Health Education) school training tools, so every young person is equipped with the knowledge they need to keep safe from the negative effects of drugs and alcohol.

Despite the positive year we have had, we do not underestimate the challenges ahead. There are already signs of widening inequality and growing poverty as a consequence of the energy crisis and, coupled with the pressures of inflation, we will undoubtedly face difficult times and tough decisions.

I would like to thank all those involved with running or supporting the organisation, the Board, staff, volunteers, partners and peers, and express my confidence in them in ensuring, the most vulnerable and marginalized people of our society continue to have opportunities to fully realise their potential now and into the future.

Our Purpose

- To relieve poverty, sickness and distress, in particular but without limitation amongst persons suffering as a result of drug and alcohol abuse and housing need, through the provision of practical assistance and advice of all kinds including, without limitation, rehabilitation and resettlement and provision of social housing to the homeless and those at risk of homelessness, and education, legal and medical advice, counselling and assistance.
- To educate the public in the effects of drug and alcohol abuse and housing need.
- To pursue any other charitable purpose which the Board of the Charity thinks fit to pursue in conjunction with any of the charitable purposes mentioned above.

DEVELOPING HEALTH AND INDEPENDENCE

TRUSTEES' REPORT

For the year ended 31 March 2022

The Charity's vision

DHI helps disadvantaged people to turn their lives around, stand on their own two feet and reduce dependency. DHI is flexible, creative and person-centred in its approach, valuing each individual and their circumstances as unique.

The Charity's values

- Self-Direction: to encourage independent thought, action and self-respect.
- Stimulation: to offer a stimulating environment allowing innovation and creativity to flourish in individuals.
- Zest for Life: In so far as it is not damaging to self, others or the environment, to enable individuals to pursue goals that further their happiness and joy of life.
- Flexibility: underpinning all our efforts is the need to be open, flexible and responsive to change.

The Charity's activities

Few, if any, of our clients come with a single issue so we work with the person to find and resolve the root cause of their issues. We help people through highly practical, solution focused and innovative projects and services. These include: supported housing as well as general needs housing for those on no or a low income, resettlement and floating support services, drug and alcohol treatment, employment reintegration, social prescribing, information, advice and signposting.

The Trustees have referred to the guidance in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning the Charity's future activities.

In particular, the Trustees have considered how planned activities will contribute to the aims and objectives they have set.

Achievements and performance

During the 2021/22 financial year there was strong growth, with a net increase in the Charity's incoming resources of 4.8% (2020/21: increase of 5.3%). The Charity's net movement in funds during the year contributed an additional £190,877 (2020/21: £401,287) to reserves.

This was driven by a number of factors, including new funding for criminal justice work within treatment services, as well as strong performance against the Charity's key strategic objectives, as laid out in our Balanced Scorecard:

- Keeping young people safe through education and early intervention.
- Increasing access to affordable housing for all.
- Supporting health services through strong Primary Care partnerships.

Highlights for the year include:

- Developing RSHE compliant training tools for schools, in consultation with young people, to help ensure every young person is equipped with the knowledge they need to keep safe from drugs, alcohol and other risky behaviour.
- Adult treatment expanded significantly as a result of successfully bidding for and setting up specific criminal justice support to ensure continuity of care from prisons.
- We exceeded all targets for increasing units of affordable accommodation. The property handover under Resonance was completed at the end of the financial year, and we significantly exceeded the target for affordable leased accommodation within the private rented sector, securing 108 new units.

DEVELOPING HEALTH AND INDEPENDENCE

TRUSTEES' REPORT

For the year ended 31 March 2022

- We secured West of England funding in order to develop and cascade our existing and highly successful peer model to the homelessness and mental health sectors in partnership with Second Step and Julian House, setting up a West of England Peer Academy.
- We expanded our Pain Management work to embrace a gabapentin pilot with South Gloucestershire CCG. This has been getting growing recognition nationally, and is an area of significant growing need with an ageing population and pressures on the healthcare system.

In terms of impact, DHI supported 11,996 people, their families and carers to be more independent and lead happier, more fulfilling lives. This included:

- Our Reach housing advice service helped 846 people to find or maintain suitable housing
- 480 people left our adult treatment services having stopped using drugs or alcohol
- 498 young people were helped by our dedicated treatment services for young people
- 131 peers (someone who uses their own experience to help others going through similar situations) supported DHI's work
- 4,951 people were supported by our social prescribing services

Financial Review

Income

DHI's total income increased by £304,796 (4.8%) this year from £6,366,616 in 2020/21 to £6,671,412. A detailed analysis of income is shown in the Statement of Financial Activities (SOFA) and Notes 2 – 3 of the Financial Statements. Driving this increase is contract income from the remodelled B&NES Adult Drug and Alcohol Treatment and Social Prescribing services as well as an increase in DHI's social housing stock.

Expenditure

Total spending on charitable activities for the year of £6,504,946 represents an 7% increase in expenditure from 2020/21 (£6,056,808). In large part, the increase in expenditure matches the income increase due to the remodelled services. Extra resources were also expended on technology infrastructure as DHI pivoted to homeworking in March 2020 as the COVID-19 pandemic forced the UK into lockdown. Additionally, with offices in Bristol and B&NES under reduced occupancy, the Charity took the opportunity to undertake some dilapidations work, improving and increasing service user experience and post-lockdown capacity as well as improving the working environment for staff.

Further analysis of charitable activity expenditure, showing the operational activities undertaken by DHI are given in the SOFA and in Note 5 of the Financial Statements.

Fund Analysis

The Board can confirm that the Charity's assets are available and adequate to fulfil the obligations of the Charity on a fund-by-fund basis. Incoming resources for the year of £6,671,412 (2021: £6,366,616) included £52,052 of restricted funds (2021: £103,779). Of the £4,903,785 funds retained at year end (2021: £4,712,908), £3,511,063 were designated (2021: £3,610,716) and £85,619 were restricted (2021: £145,445).

Further analysis of designated and restricted funds is shown in the SOFA and Notes 15-16 of the Financial Statements.

Reserves Policy

The Board has examined the Charity's requirements for reserves in the light of the main financial risks to the organisation.

Within DHI's Reserves & Investments Policy, to ensure the financial viability of the Charity and its ability to meet its on-going commitments, the Board have determined that Reserves should be maintained at three to six months organisational Operational Costs. For 2022/23, budgeted monthly operating costs are £806,823. The organisation holds £1,307,103 (2021: £956,747) in General Funds, equating to 1.8 months. In the year, the Charity has completed the renovation of a new treatment centre and head office in B&NES and has

DEVELOPING HEALTH AND INDEPENDENCE

TRUSTEES' REPORT

For the year ended 31 March 2022

reduced other capital spending on property. The Trustees expect the level of General Reserves to increase to be closer to the policy in 2022/23

In addition, the Trustees require that Free Reserves remain in surplus. This was the case on 31st March 2022.

Furthermore, the Trustees require that working capital should be maintained between three and six months' average expenditure to meet ongoing commitments throughout the year.

At 31st March 2022, the organisation held £1,460,029 (2021 £1,047,113) net current assets (current assets after deduction of creditors due within a year) equating to 1.8 months cash or cash equivalents to meet average expenditure. However, after factoring in the Fixed Asset investment portfolio of £729,644 that can be liquidated into cash in five days, there are 2.7 months cash or cash equivalents to meet average expenditure.

The Board do feel confident DHI is able to continue the core activities of the Charity in the event of a significant drop in funding, whilst considering how any such loss in funding could be replaced or activities changed.

The Board is committed to investing additional resources for the purposes of developing services to our client group. Several opportunities are being reviewed and weighed against the need to maintain our reserves in the volatile funding environment which we and other similar organisations face.

Investment Policy

DHI is committed to maintaining funds in instant access accounts to meet all the day to day needs for working capital. Any funds beyond this, and not required for development of the Charity's activities in the short term, will be invested in low to medium risk investment or deposit accounts, reviewed and recommended by the Audit Committee and approved by the Board.

Toward the end of the prior year, when the Covid-19 outbreak was declared a pandemic, stock markets globally saw sharp declines that negatively affected the performance of the investment portfolio. Over the course of the year, the markets have recovered, the DHI's Charities Aid Foundation (CAF) investment fund has increased by 3.4% to the end of 2021/22 and the Trustees continue to review performance.

Principal Risks and Uncertainties

DHI has a Risk Register which is a standing item for review by the Board. The procedure takes into account all major risks that the Charity may be exposed to in terms of likelihood and impact on the business if they happen. This review includes the operational, reputational, and financial impact combined with a 'likelihood' score.

The key risks identified by the Executive:

- We are faced with a changing and unstable commissioning landscape due to financial climate, including the new bodies such as the Integrated Care Boards. Against this backdrop ensuring our Communications Strategy is focused at communicating our impact to relevant stakeholders.
- Ageing IT infrastructure, potential security breaches and information governance remain key risks. Plans to upgrade DHI's IT infrastructure so it is fit for purpose and resilient are well advanced.

DEVELOPING HEALTH AND INDEPENDENCE

TRUSTEES' REPORT

For the year ended 31 March 2022

- New regulations in housing are in the pipeline, including ROPA and the Fairer Rents White Paper that could impact on Home Turf Lettings' viability and DHI's ability to help ensure the Charity's clients have access to affordable accommodation. In order to offer affordable accommodation, margins are slender and monitoring of cash is essential. We have a dedicated Housing Finance Manager to increase transparency and accuracy of reporting.
- Failure to become a registered provider puts our supported (social) housing at risk. Given the role of our specialist supported housing for the long term recovery of some of the most excluded clients, we have passed through the first stage, and have brought in consultancy support to assist in putting the best case forward in the detailed application phase.
- DHI is aware of its potential exposure to financial and/or reputational risk with East Street Mews unlikely to proceed under the current lease/legal arrangement and has put forward a business case to exercise its right to give up the lease at the break clause period early next year.
- Drug treatment moves from Home Office to Health was hinted at in the Dame Carol Black review, though will stay in public health for now. This would be a major change and bring risks that we will be looking at through scenario planning this year.
- Recruitment difficulties and the effects of a shortage of labour potentially affecting service delivery and ability to fulfil contractual obligations. We have appointed a recruitment specialist to help us overcome this challenge.
- Rising costs due to the current high rate of inflation. We have carried out a stock condition survey and created a 30-year investment plan to ensure we can meet all future maintenance costs, and we will be implementing a new procurement policy.
- Failure to identify and/or escalate a major Adult Safeguarding or Child Protection concern. We have training plans for all new and existing staff and this is a regular agenda item at supervisions and team meetings.

Going Concern

On reviewing DHI's budgets and business plan, taking account of the current economic climate and its reserves position, the Board has a reasonable expectation that the organisation has adequate resources to continue in operational existence for the foreseeable future and for this reason it continues to adopt the going concern basis in the financial statements.

Plans for the future

Inequality is set to grow at a more alarming pace with inflation driven by a complex interplay of factors. This will be a key consideration for the Charity as we review the final year of our current strategy and plan ahead, since it will mean high demand for services at a time when pressures on the public purse, our main income source, is significant, at a time that some statutory services are increasingly looking to take some services in house. This is on top of the existing challenges of an ageing population and diminishing tax base.

As a sub regional charity, to remain competitive in this climate, we need to review the balance between the significant advantages our deep local physical presence has against the benefits technology offers, both cost-wise and in terms of accessibility. We need to be mindful that our competitive position lies in remaining focused on our core purpose, strengths and values, in particular, our ability to work across sectors such as homelessness, drug and alcohol and criminal justice. With this in mind we will be reviewing our senior leadership structure, as well as our Board's collective competencies and specialist knowledge to make sure we have both the leadership and critical eye to navigate through turbulent times.

Recruitment and retention of staff who are resilient and open to change, in line with our values, is driving a review in our recruitment practice this year, and we have brought in specialist support to help us do this. This will help us develop a recruitment strategy to support our values and core purpose.

DEVELOPING HEALTH AND INDEPENDENCE

TRUSTEES' REPORT

For the year ended 31 March 2022

Some strands of our 2020-23 strategy are likely to carry forward into our longer term plans e.g. the focus on early intervention and prevention, which need to be developed across the board at DHI as we see more people struggle financially with the impact of inflation. Moving upstream and 'getting it right' with home/digital work, forming the right alliances and relationships will be key, and having an excellent communications strategy is critical. We also need to continually monitor the housing sector and performance of our private sector letting agency. We are mindful that changes to housing legislation that are currently in draft could have significant implications for us.

Finally, there remain a number of important objectives in the current 2020-23 strategy that need to be completed, in particular, attaining Registered Provider status in order to safeguard our Supported Housing.

Structure, Governance and Management

The organisation is a Charitable Company limited by guarantee, incorporated on 23 August 1999 and registered as a charity on 10 November 1999. The Company was established under a Memorandum of Association which established the objects and powers of the Charitable Company and is governed under its Articles of Association.

The Board is elected from its membership by its members either at its AGM, or, where a vacancy exists, at any time between AGMs.

DHI's Board consists of up to 10 members who meet at least four times a year and who are responsible for the strategic direction and governance of the Charity, agreeing the business plan, monitoring progress toward achievement of organisational goals, reviewing operational performance and overseeing the management of organisational risk. Meetings must be quorate with the attendance of a minimum of three Trustees, and each meeting is formally minuted. A register of attendance at Board Meetings is maintained and the attendance rate for the year by Board Members was 86%.

The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission.

An Audit Committee consisting of three Trustees, the Corporate Services and Finance Director and Chief Executive Officer (CEO) meet at least twice a year to review financial and other audits.

A Housing Committee formed by the Board oversees investment and development of the organisation's property for the furtherance of DHI's charitable objectives. The Committee consists of three Trustees and the Housing Director and meets as required through the year.

In addition, a User Voices Group has been set up in order to ensure DHI engages residents and clients in service development, delivery and review, and towards the promotion of equality and diversity.

Following our Equality Impact Assessment, DHI has set up a focus group for BAME staff. This meets four times a year to hold open dialogue about the organisation's culture and support for BAME staff; in particular how the organisation can promote people from BAME groups into positions of leadership. Membership of this focus group is for those staff from a minority race, with the CEO and Chair invited to attend every other meeting.

The CEO is responsible for strategic and operational management and is authorised to deploy resource, through the Executive, toward the achievement of DHI's charitable objectives.

The Executive of the organisation comprises:

- CEO, through whom the Board exercises its Governance
- Corporate Services and Finance Director
- Housing Director - Housing and Social Exclusion
- Treatment Services Director
- Associate Director (Clinical Lead)

DEVELOPING HEALTH AND INDEPENDENCE

TRUSTEES' REPORT

For the year ended 31 March 2022

- Associate Director (Communications and Fundraising)
- Associate Director (Workforce Development)

Regular meetings are held where performance is monitored, strategically, operationally and financially, and potential improvements discussed and actions agreed. A table of delegated responsibilities outlines the delegated authorities of senior staff, including financial and health and safety responsibilities. Operations Managers and Team Leaders in turn discharge their responsibilities through the activities of teams of skilled and committed workers.

In alignment with our values, staff, volunteers and clients are heavily involved in shaping and continuously improving services, through a wide variety of mechanisms.

Trustees are appointed following application and interview with the Chair, Chief Executive Officer and one other Trustee. Following a satisfactory interview, candidate Trustees are invited to join at least one meeting as an observer. At the end of these meetings, the Board will review the candidate Trustees' contribution and then invite them, if appropriate, to be full members.

All new Trustees receive induction and mentoring to assist their personal development as DHI Trustees. As new members of the Board they are provided with an induction pack which includes DHI's major policies, Business Plan, Annual Report, Memorandum and Articles and other relevant and corporate documentation. They are then invited to meet the Chair and the Chief Executive for an induction and they also attend the next available DHI staff induction meeting which are held regularly throughout each year.

It is the individual responsibility of Trustees to ensure they update their skills and participate in development opportunities offered, which could include attendance at conferences, training and less formal support and advice all of which can be facilitated through DHI as required.

All Trustees are expected to show a commitment to the core purpose and values of the organisation and the role which would include attending meetings, reading papers in advance and volunteering for working groups as required. Appraisals of Trustees take place after their first year, then at the end of every 3-year term. In addition, an 'Away Day' provides an opportunity for training and development.

Key Management Personnel, excluding Trustees, are remunerated by annual salary and the DHI standard pension contribution. There are no additional payments or benefits in kind. Remuneration levels for all grades under CEO are set against a standard point scale (the 'National Joint Committee' scale) and are subject to performance based review. The CEO's salary is set by a Remuneration Committee, comprising three Board Members, including the Chair. Factors which the Remuneration Committee takes into account when setting pay includes: cost of living, performance and other key factors such as a significant increase in responsibility due to a new major contract.

Trustee roles, in line with all posts within DHI, are advertised widely to encourage broad participation and diversity. The Board and Executive work to ensure that diversity within the organisation is promoted.

The Charity does not conduct any fundraising through professional fundraisers or commercial operators. DHI is a member of the Fundraising Regulator and is committed to best fundraising practices of honesty, transparency, clarity and accountability.

Related parties and relationships with other organisations

DHI holds an impressive track record of achievement against targets and strives continuously to improve its performance and service quality while achieving value for money. However, in order to deliver excellent client centred services that have maximum impact for both individuals and communities, we rely on building and maintaining excellent partnerships with a wide range of statutory and non-statutory organisations. In

DEVELOPING HEALTH AND INDEPENDENCE

TRUSTEES' REPORT

For the year ended 31 March 2022

addition to many informal partnerships, DHI has a number of formal contractual relationships including with Avon & Wiltshire Mental Health Partnership, Clean Slate, Broadway Lodge, Curo, Southern Brooks and Hawkspring.

Guarantee of Members

Members of the Charitable Company guarantee to contribute an amount not exceeding £1 to the assets of the Charitable Company in the event of winding up. The total number of such guarantees at 31 March 2022 was eight (2021: eight).

The Trustees (who are also the Directors of DHI for the purposes of Company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Charities SORP 2015 (FRS 102).
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for maintaining proper accounting records that disclose with reasonable accuracy at any time, the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Statement of disclosure of information to the auditor

So far as the Trustees are aware, there is no relevant audit information of which the Company's auditor is unaware. Additionally, the Trustees have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

DEVELOPING HEALTH AND INDEPENDENCE

TRUSTEES' REPORT

For the year ended 31 March 2022

Auditors

The auditors, Monahans, have indicated their willingness to accept re-appointment under Section 485 of the Companies Act 2006.

This report was approved and authorised for issue by the Trustees on
and signed on their behalf by:

6 December 2022

A handwritten signature in blue ink, appearing to read 'M. Kniveton', is written over a horizontal line.

Ms Myriam Kniveton

Chair

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DEVELOPING HEALTH AND INDEPENDENCE

Opinion

We have audited the financial statements of Developing Health and Independence (the 'charitable company') for the year ended 31 March 2022 which comprise the Statement of Financial Activities (Including Income and Expenditure Account), the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and the Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions related to going concern

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DEVELOPING HEALTH AND INDEPENDENCE

Other Information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report or in preparing the trustees' report.

Responsibilities of trustees

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DEVELOPING HEALTH AND INDEPENDENCE

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

Our responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management and those charged with governance about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing minutes of meeting of those charged with governance any correspondence with the Charity Commission
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations
- Performing analytical procedures to identify any unusual or unexpected relationship that might indicate a risk of material misstatement due to fraud.
- Performing audit work over the risk of management override of controls, including testing journal entries and other adjustments for appropriateness, evaluating a range business rationale of significant transactions outside the course of business and reviewing accounting estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or false representation.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DEVELOPING HEALTH AND INDEPENDENCE

Use of our report

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



James Gare (Senior Statutory Auditor)

For and on behalf of Monahans

Statutory Auditors

Chartered Accountants

Fortescue House

Court Street

Trowbridge

BA14 8FA

Date: 14 December 2022

DEVELOPING HEALTH AND INDEPENDENCE (company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (Including Income & expenditure account)
For the year ended 31 March 2022

	Note	UNRESTRICTED FUNDS 2021-22	DESIGNATED FUNDS 2021-22	RESTRICTED FUNDS 2021-22	TOTAL FUNDS 2021-22	TOTAL FUNDS 2020-21
INCOMING RESOURCES		£	£	£	£	£
Donations	2	46,451		27,052	73,503	19,429
Charitable Activities:	3					
Treatment Services		4,997,415	-	25,000	5,022,415	4,729,271
Community Services		268,409	-	-	268,409	278,829
Housing Projects		500,146	-	-	500,146	594,218
Home Turf Lettings		534,927	-	-	534,927	218,726
Social Housing		260,206	-	-	260,206	238,315
Central Services		11,657	-	-	11,657	278,755
Investment Income		149	-	-	149	9,073
TOTAL Incoming Resources		6,619,360	-	52,052	6,671,412	6,366,616
RESOURCES EXPENDED						
Charitable Activities:	5					
Treatment Services		4,508,087	-	41,488	4,549,575	4,436,388
Community Services		287,330	-	-	287,330	267,965
Housing Projects		453,489	-	335	453,824	649,505
Home Turf Lettings		673,059	-	32,500	705,559	235,111
Social Housing		251,458	-	-	251,458	251,281
Central Services		219,645	-	37,555	257,200	216,558
TOTAL Resources Expended		6,393,068	-	111,878	6,504,946	6,056,808
Net gains/(losses) on investments	10	24,411	-	-	24,411	91,479
NET INCOME / (EXPENDITURE)		250,703	-	(59,826)	190,877	401,287
Transfers between funds		99,653	(99,653)	-	-	-
NET MOVEMENT IN FUNDS		350,356	(99,653)	(59,826)	190,877	401,287
RECONCILIATION OF FUNDS:						
Total Funds b/f		956,747	3,610,716	145,445	4,712,908	4,311,621
Total Funds c/f		1,307,103	3,511,063	85,619	4,903,785	4,712,908

The annexed notes form part of these financial statements

BALANCE SHEET
As at 31 March 2022

	Note	2022 £	2022 £	2021 £	2021 £
FIXED ASSETS					
Tangible Assets	9		3,567,230		3,781,310
Investments	10		729,644		706,062
			<u>4,296,874</u>		<u>4,487,372</u>
CURRENT ASSETS					
Debtors	11	634,378		234,337	
Cash at bank and in hand		<u>1,667,314</u>		<u>1,488,317</u>	
		2,301,692		1,722,654	
CREDITORS:					
amounts falling due within one year	12	(841,663)		(675,541)	
NET CURRENT ASSETS			<u>1,460,029</u>		<u>1,047,113</u>
TOTAL ASSETS less CURRENT LIABILITIES			<u>5,756,903</u>		<u>5,534,485</u>
CREDITORS:					
amounts falling due after one year	13		(643,718)		(671,577)
PROVISIONS for LIABILITIES and CHARGES	14		(209,400)		(150,000)
NET ASSETS			<u><u>4,903,785</u></u>		<u><u>4,712,908</u></u>
FUNDED BY:					
Restricted Funds	15		85,619		145,445
Unrestricted Funds:					
- Designated Funds	15	3,511,063		3,610,716	
- General Funds	15	<u>1,307,103</u>		<u>956,747</u>	
			<u>4,818,166</u>		<u>4,567,463</u>
			<u><u>4,903,785</u></u>		<u><u>4,712,908</u></u>

The financial statements were approved and authorised for issue by the Trustees on 6 December 2022



MYRIAM KNIVETON, Chair



TIM MARVELL, Treasurer

The annexed notes form part of these financial statements

DEVELOPING HEALTH AND INDEPENDENCE

STATEMENT OF CASH FLOWS For the year ended 31 March 2022

	Note	2021-22	2020-21
		£	£
Cash flow from Operating activities		277,434	452,501
Cash flow from Investing activities			
Purchase of fixed asset additions		(49,682)	(593,074)
Investment income received		149	9,073
Net cash used in Investing activities		(49,533)	(584,001)
Cash flow from Financing activities			
Cash inflow from new borrowing		-	-
Repayments of borrowing		(27,093)	(26,538)
Interest paid		(21,811)	(22,781)
Net cash provided by (used in) financing activities		(48,904)	(49,319)
Change in cash and cash equivalents in the year		178,997	(180,819)
Cash & cash equivalents brought forward		1,488,317	1,669,136
Cash & cash equivalents carried forward		1,667,314	1,488,317

RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH

	2021-22	2020-21
	£	£
Surplus / (deficit) for the year	190,877	401,287
Depreciation charges	173,049	140,182
Disposal of assets	90,713	-
Net movement on investments	(23,582)	(103,382)
Interest payable	21,811	22,781
Interest receivable	(149)	(9,073)
Change in provision	59,400	(170,000)
Decrease / (increase) in debtors	(400,041)	169,228
Increase / (decrease) in creditors	165,356	1,478
	277,434	452,501

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and in the preceding year unless otherwise stated.

(a) General Information and basis of preparation of financial statements

DHI is a charity limited by guarantee registered in England and Wales. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the reference and administrative information on page 1 of these financial statements. The nature of the charity's operations and principal activities are detailed within the Report of the Trustees.

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 (SORP) applicable to charities preparing their Financial Statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £1.

(b) Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Unrestricted designated funds have been set aside by the trustees out of unrestricted funds towards a specific purpose. Additional details can be found in note 15 to the Financial Statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in note 15 to the financial statements.

(c) Income recognition

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

DEVELOPING HEALTH AND INDEPENDENCE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

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

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

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Income from grants, contracts and service level agreements is recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met, then these amounts are deferred.

Rental income is shown net of any associated expenditure in order to show more accurately rental income actually due to the charity in the year and is recognised when receivable.

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

(d) Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature.

Governance costs include those costs associated with meeting constitutional and statutory requirements of the charity and include the audit fees and costs linked with the strategic management of the charity.

Expenditure directly attributable to a specific activity category (e.g. charitable activities, governance costs) has been included in the relevant category. Where costs are attributable to more than one activity, they are apportioned across activities based on the time spent by staff on those activities and their use of shared resources.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

(e) Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

(f) Tangible fixed assets

Fixed assets are stated at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost of each asset on a straight line basis over its expected useful life, which is four years for all assets except for freehold property which is depreciated over 50 years. Assets costing over £1,000 are capitalised.

(g) Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains / (losses) on investments' in the SoFA if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

(h) Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

(i) Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs.

(j) Provisions

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

(k) Financial Instruments

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

(l) Leases

Rentals payable and receivable under operating leases are charged to the SoFA on a straight line basis over the period of the lease.

DEVELOPING HEALTH AND INDEPENDENCE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

(m) Pension schemes

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

The charity also participated in a multi-employer defined benefit pension scheme with the Pensions Trust, operated and administered by the Pensions Trust. It is not possible to separately identify the assets and liabilities relating to DHI on a consistent and reasonable basis therefore this is accounted for as a defined contribution scheme. The scheme was available to all permanent staff however contributions to the plan ceased as at 30 September 2013.

Deficit funding contributions are payable by the charity in respect of this multi-employer defined benefit scheme. No liability has been included within the Financial Statements in respect of the deficit reduction contributions payable, in line with the requirements of the SORP (FRS 102) on the basis that this liability is not deemed to be material to the Financial Statements. See note 18 to the Financial Statements for more details.

The charity makes contributions to the National Health Service Pension Scheme for participating employees. The NHS Scheme is a defined benefit scheme. As the scheme is a multi-employer scheme and the charity is unable to identify its share of the underlying assets and liabilities, this scheme is accounted for by the Charity as a defined contribution scheme. Any resulting liabilities on this scheme would be met by the State. Therefore, contributions payable for the year in relation to the scheme are charged in the Statement of Financial Activities.

(n) Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

(o) Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

DEVELOPING HEALTH AND INDEPENDENCE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

2. INCOME FROM DONATIONS

	<i>UNRESTRICTED FUNDS</i>	<i>DESIGNATED FUNDS</i>	<i>RESTRICTED FUNDS</i>	TOTAL FUNDS	TOTAL FUNDS
	2021-22	2021-22	2021-22	2021-22	2020-21
	£	£	£	£	£
General donations	46,451	-	27,052	73,503	19,429

3. INCOME FROM CHARITABLE ACTIVITIES

a) Treatment Services - Income	<i>UNRESTRICTED FUNDS</i>	<i>DESIGNATED FUNDS</i>	<i>RESTRICTED FUNDS</i>	TOTAL FUNDS	TOTAL FUNDS
	2021-22	2021-22	2021-22	2021-22	2020-21
	£	£	£	£	£
Contracts / SLAs	6,082,317	-	-	6,082,317	5,627,078
Transfers to Partners	(1,185,612)	-	-	(1,185,612)	(1,166,086)
Grants / Donations	91,041	-	25,000	116,041	175,453
Fees and Charges	-	-	-	-	73,601
Other	9,669	-	-	9,669	19,225
	4,997,415	-	25,000	5,022,415	4,729,271

Restricted funds relate to income from the performance of grant obligations during the year from BBC Children In Need, St John's Foundation, and a number of Church and Community Groups. Any grant remaining at 31 March 2022 has been treated as deferred income pending release when grant conditions are met.

b) Community Services - Income	<i>UNRESTRICTED FUNDS</i>	<i>DESIGNATED FUNDS</i>	<i>RESTRICTED FUNDS</i>	TOTAL FUNDS	TOTAL FUNDS
	2021-22	2021-22	2021-22	2021-22	2020-21
	£	£	£	£	£
Contracts / SLAs	262,649	-	-	262,649	273,741
Grants / Donations	5,760	-	-	5,760	5,088
	268,409	-	-	268,409	278,829

DEVELOPING HEALTH AND INDEPENDENCE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

c) Housing Projects - Income	UNRESTRICTED FUNDS 2021-22 £	DESIGNATED FUNDS 2021-22 £	RESTRICTED FUNDS 2021-22 £	TOTAL FUNDS 2021-22 £	TOTAL FUNDS 2020-21 £
Capital grants	1,667	-	-	1,667	14,592
Contracts / SLAs	600,132	-	-	600,132	627,418
Transfers to Partners	(107,500)	-	-	(107,500)	(108,630)
Rental income	-	-	-	-	55,076
Rental voids	-	-	-	-	(7,718)
Transfer to Landlord	-	-	-	-	(8,539)
Grants / Donations	1,247	-	-	1,247	11,341
Fees and Charges	-	-	-	-	10,678
Other	4,600	-	-	4,600	-
	500,146	-	-	500,146	594,218

Restricted funds relate to income from the performance of grant obligations during the year from Touchstone, The Nisbet Trust. Any grant remaining at 31 March 2022 has been treated as deferred income pending release when grant conditions are met.

d) Home Turf Lettings - Income	UNRESTRICTED FUNDS 2021-22 £	DESIGNATED FUNDS 2021-22 £	RESTRICTED FUNDS 2021-22 £	TOTAL FUNDS 2021-22 £	TOTAL FUNDS 2020-21 £
Capital grants	10,776	-	-	10,776	-
Contracts / SLAs	120,606	-	-	120,606	-
Rental income	1,000,393	-	-	1,000,393	596,490
Rental voids	(47,910)	-	-	(47,910)	(8,246)
Transfer to Landlord	(651,361)	-	-	(651,361)	(369,518)
Grants / Donations	5,200	-	-	5,200	-
Fees and Charges	97,223	-	-	97,223	-
	534,927	-	-	534,927	218,726

DEVELOPING HEALTH AND INDEPENDENCE

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2022

e) Social Housing - Income	UNRESTRICTED FUNDS 2021-22 £	DESIGNATED FUNDS 2021-22 £	RESTRICTED FUNDS 2021-22 £	TOTAL FUNDS 2021-22 £	TOTAL FUNDS 2020-21 £
Capital grants	9,728	-	-	9,728	17,516
Contracts / SLAs	77,702	-	-	77,702	-
Transfers to Partners	-	-	-	-	-
Rental income	220,914	-	-	220,914	199,489
Rental voids	(15,342)	-	-	(15,342)	(10,301)
Transfer to Landlord	(38,396)	-	-	(38,396)	(37,500)
Grants / Donations	5,600	-	-	5,600	12,700
Fees and Charges	-	-	-	-	56,411
Other	-	-	-	-	-
	260,206	-	-	260,206	238,315

Social housing income contains direct rental receipts as well as ancillary support services for tenants.

f) Central Services - Income	UNRESTRICTED FUNDS 2021-22 £	DESIGNATED FUNDS 2021-22 £	RESTRICTED FUNDS 2021-22 £	TOTAL FUNDS 2021-22 £	TOTAL FUNDS 2020-21 £
Capital grants	1,667	-	-	1,667	-
Release of provision	-	-	-	-	170,000
Other	9,990	-	-	9,990	108,755
	11,657	-	-	11,657	278,755

4. NET INCOME / EXPENDITURE FOR THE YEAR

	2021-22 £	2020-21 £
Net income / expenditure for the period includes:		
Depreciation	173,049	140,182
Fees payable to Auditor	18,480	17,820

DEVELOPING HEALTH AND INDEPENDENCE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

5. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Treatment Services 2021-22 £	Communities Services 2021-22 £	Housing Services 2021-22 £	Home Turf Lettings 2021-22 £	Social Housing 2021-22	Central Services 2021-22 £	TOTAL FUNDS 2021-2022 £	TOTAL FUNDS 2020-21 £
Provision of Services	4,248,904	278,080	420,342	544,596	210,489	-	5,702,411	5,007,313
Advertising & publicity	13,723	-	371	948	-	32,856	47,898	18,819
Building refurbishment	1,212	-	6,924	94,679	5,445	1,212	109,472	68,016
Depreciation	7,712	-	8	31,239	20,300	113,790	173,049	140,182
Legal & financial	36	-	-	9,619	780	843	11,278	3,348
Bad debt write off	-	-	-	3,175	1,256	-	4,431	26,290
Support costs	277,988	9,250	26,179	21,303	13,188	89,540	437,448	774,965
Governance costs	-	-	-	-	-	18,959	18,959	17,875
TOTAL	4,549,575	287,330	453,824	705,559	251,458	257,200	6,504,946	6,056,808
TOTAL at 31 March 2021	4,436,388	267,965	649,505	235,111	251,281	216,558	6,056,808	

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2022

6. GOVERNANCE COSTS

	2021-22	2020-21
	£	£
Audit and accountancy	18,480	17,820
Other - Annual Event	479	55
	<u>£18,959</u>	<u>£17,875</u>

7. STAFF NUMBERS AND COSTS

The increase in Social Security costs and pension costs are due to the annual cost of living agreed by NJC not being approved until March 2022.

	2021-22	2020-21
	£	£
Wages and salaries	4,110,069	3,761,964
Social Security costs	355,155	321,487
Pension costs	262,685	240,008
Redundancy costs	9,102	-
	<u>£4,737,011</u>	<u>£4,323,459</u>

Head Count as average weekly number

Chief Executive Officer	1	1
Directors	3	3
Associate Directors	3	1
Service Managers	10	10
Administration, HR, Finance and IT	13	13
Team Leaders	13	15
Support Workers	130	117
	<u>173</u>	<u>160</u>

Employees earning over £60,000

£60,001 - £70,000	1	-
£70,001 - £80,000	-	-
£80,001 - £90,000	-	1
£90,001 - £100,000	1	-
	<u>2</u>	<u>1</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

8. TRUSTEES AND KEY MANAGEMENT PERSONNEL

During the year, none of the Trustees, who comprise the charity's key management personnel, received any remuneration, or received reimbursed expenditure (2021: Nil).

The key management personnel of the charity comprise the Trustees, Chief Executive Officer, Finance and Operations Director, Housing Director - Housing and Social Exclusion, Treatment Services Director and three Associate Directors. The total employee benefits of the key management personnel of the Charity were £369,211 (2021 : £343,052).

9. TANGIBLE FIXED ASSETS

	Social Housing Properties	Charitable Properties	Furniture	IT, Comms & Technology	Medical Equipment	Total
	£	£	£	£	£	£
Cost						
At 1 April 2021	904,331	2,808,018	66,617	403,136	-	4,182,102
Additions	-	10,149	-	4,533	35,000	49,682
Disposals	-	(90,713)	(1,303)	-	-	(92,016)
At 31 March 2022	904,331	2,727,454	65,314	407,669	35,000	4,139,768
Depreciation						
At 1 April 2021	59,805	115,523	46,867	178,597	-	400,792
Charge for the year	14,497	52,166	7,048	97,297	2,041	173,049
On disposals	-	-	(1,303)	-	-	(1,303)
At 31 March 2022	74,302	167,689	52,612	275,894	2,041	572,538
Net book value						
At 31 March 2021	844,526	2,692,495	19,750	224,539	-	3,781,310
At 31 March 2022	830,029	2,559,765	12,702	131,775	32,959	3,567,230

Included within buildings is one property with net book value of £93,251 (2021: £95,472) which is held under a 999-year lease. This building is being depreciated over 50 years on the basis that this is considered to be a more realistic estimate of the useful life of the asset.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2022

10. FIXED ASSET INVESTMENTS

	2021-22	2020-21
	£	£
Market Value		
At 1 April 2021	706,062	602,680
Additions	-	54,933
Disposals	(829)	(43,030)
Gains / (losses) on investments	24,411	91,479
At 31st March 2022	<u>£729,644</u>	<u>£706,062</u>

Additions and disposals contain movements between funds within the portfolio.

11. DEBTORS: DUE WITHIN ONE YEAR

	2021-22	2020-21
	£	£
Trade debtors	144,837	74,462
Rental debtors	152,944	26,762
Sundry debtors	12,985	5,446
Prepayments & accrued income	323,612	127,667
	<u>£634,378</u>	<u>£234,337</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021-22	2020-21
	£	£
Trade creditors	87,381	110,724
Credit cards	1,348	16,016
Bank loans within one year	27,969	27,094
Social security and other taxes	113,523	79,728
Other creditors	91,551	70,431
Accruals	105,623	179,643
Deferred income	414,268	191,905
	<u>£841,663</u>	<u>£675,541</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

DEFERRED INCOME

	2021-22	2020-21
	£	£
Balance at 1st April 2021	191,905	265,023
Amount released to incoming resources	(191,905)	(265,023)
Amount deferred in year	414,268	191,905
Balance at 31st March 2022	<u>£414,268</u>	<u>£191,905</u>

Deferred income includes the following grants with performance obligations in future periods.

	2021-22	2020-21
	£	£
- St John's Hospital - RSVP	58,143	3,230
- BBC Children In Need	2,703	2,655
- Building Better Opportunities	26,625	34,095
- Natlonwide	-	20,000
	<u>£87,471</u>	<u>£59,980</u>

The remaining deferred income balance relates to contract income received for services not yet delivered.

13. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2021-22	2020-21
	£	£
Bank Loans	<u>£643,718</u>	<u>£671,577</u>

The bank loan taken out November 2018 so year end March 2019, is repayable over 25 years and interest is charged at base rate plus 2.5% (with a minimum rate of 3%). The loan is secured on the freehold property at Poyntz Road in Bristol, Abbotswood In Yate and Sedgemoor Road in Bath. The bank loan taken out in the year ended March 2020 is repayable over 25 years and interest is fixed at 3% for 10 years. The loan is secured on the freehold property at St James's Parade in Bath.

	2021-22	2020-21
	£	£
The loan is repayable as follows		
Within one year or on demand	27,969	27,094
Between one and two years	28,873	27,969
Between two and five years	92,339	89,448
After five years	522,506	554,160
	<u>£671,687</u>	<u>£698,671</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2022

14. PROVISIONS FOR LIABILITIES AND CHARGES

	2021-22	2020-21
	£	£
Property dilapidations		
At 1st April 2021	150,000	<i>320,000</i>
(Released) / Added during the year	59,400	<i>(170,000)</i>
At 31st March 2022	<u>£209,400</u>	<u>£150,000</u>

The increase is to account for the 3 year lease taken with Resonance for 99 properties.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

15. STATEMENT OF FUNDS**DESIGNATED FUNDS**

	Bought Forward	Incoming	Expensed	Transfers / Investment gain	Carried Forward
	£	£	£	£	£
Charitable					
House Sinking Fund	52,611	-	-	(52,611)	-
HTL Sinking Fund	28,560	-	-	(9,727)	18,833
2 Bridges Trust Fund	10,738	-	-	(200)	10,538
Hybrid Project manager	30,000	-	-	(30,000)	-
Burlington St contingency	88,000	-	-	-	88,000
Infrastructure					
Sustainability	437,490	-	-	(77,017)	360,473
Cloud	-	-	-	30,000	30,000
St James's Parade refurb	-	-	-	100,000	100,000
Designated Funds - properties					
- Oak House	415,525	-	-	(7,958)	407,567
- Peter's House	152,343	-	-	(5,139)	147,204
- 19 Abbotswood	26,814	-	-	430	27,244
- Poyntz Road	55,341	-	-	855	56,196
- Sedgemoor	238,610	-	-	(2,885)	235,725
- St James's Parade	660,308	-	-	5,435	665,743
- Hawthorn	281,088	-	-	(4,359)	276,729
- Newton Street	72,697	-	-	(1,476)	71,221
- under construction	91,098	-	-	(85,385)	5,713
Social Housing					
Working capital	116,779	-	-	8,748	125,527
SH Sinking Fund	8,188	-	-	46,133	54,321
Designated Funds - properties					
- Burlington St	844,526	-	-	(14,497)	830,029
	3,610,716	-	-	(99,653)	3,511,063

The Housing Sinking Fund represents funds retained for repairs and renewals at DHI's Supported Housing Hostels.

The HTL Sinking Funds represent retained funds for repairs and renewals at HTL properties.

The 2 Bridges Trust Fund is to provide access to employment, education and training for DHI clients.

The Hybrid Project Manager fund is to cover the development and implementation of hybrid working following the impact of the COVID-19 pandemic.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2022

The Burlington Street Contingency Fund was created to support the operation of DHI's work at the project recognising the possibilities of future funding restrictions.

The Infrastructure Sustainability fund is to safeguard the charity against zero-inflation contract income spent against cost of living rises in overheads.

The Cloud fund is to upgrade ageing IT infrastructure.

The St James Parade Refurbishment fund is to cover refurbishment works at the premise.

The HTL property fund were funds set aside by the Board for the purchase of properties for Home Turf Lettings. This has been used to purchase a property at Sedgemoor Road in Bath.

Designated Funds - Properties are the asset value of properties owned by DHI, separately shown from General Funds. The amounts include the net book value of properties purchased by the charity, less any long term finance used to purchase them as well as unspent cash reserves allocated towards expected renovations or purchase costs.

The Social Housing Working capital fund represents funds that have been ringfenced

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2022

RESTRICTED FUNDS

	Brought Forward	Incoming Resources	Resources Expensed	Transfers and investment gains/(losses)	Carried Forward
	£	£	£	£	£
Treatment Services					
St James's Parade Appeal	16,488	25,000	(41,488)	-	-
Housing Projects					
Housing First	34,630	-	(335)	(20,000)	14,295
Home Turf Lettings					
The Nisbet Trust	12,500	-	(12,500)	-	-
Procurement Officer Fund	-	-	(20,000)	20,000	-
HTL Empty Homes Fund (Cash)	49,512	-	-	(7,338)	42,174
HTL Empty Homes Fund (Loans)	7,104	-	-	7,338	14,442
Central Services					
Fibroscanner appeal	11,800	12,081	(23,881)	-	-
Young People Serious Violence	13,411	14,971	(13,674)	-	14,708
	£145,445	£52,052	£(111,878)	-	£85,619

Treatment Services

The St James's Parade Appeal represents fundraising for the renovation of the new treatment centre in BANES.

Housing Projects

This fund is available to assist clients in personalization costs when they secure accommodation

Home Turf Lettings

The Nisbet Trust funds represent a grant for the funding of a Home Turf Lettings Procurement officer.

The HTL Empty Homes Fund (Cash) is a cash reserve available to make loans to landlords to enable properties in disrepair to be refurbished and rented out through DHI's Social Enterprise: Home Turf Lettings.

Central Services

The Fibroscanner appeal was set up to raise funds for a client scanner and all donations are being held until its purchase.

Young People Serious Violence is a fund that can only be used for specific purposes such as preventive crime with Young People and towards dedicated youth work.

DEVELOPING HEALTH AND INDEPENDENCE

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2022

	Brought Forward	Incoming Resources	Resources Expensed	Transfers and Investment gains/(losses)	Carried Forward
SUMMARY OF FUNDS	£	£	£	£	£
Designated Funds	3,485,749	-	-	25,314	3,511,063
General Funds	1,081,714	6,619,360	(6,393,068)	(903)	1,307,103
	4,567,463	6,619,360	(6,393,068)	24,411	4,818,166
Restricted Funds	145,445	52,052	(111,878)	-	85,619
	£4,712,908	£6,671,412	£(6,504,946)	£24,411	£4,903,785

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	DESIGNATED FUNDS 2021-22 £	GENERAL FUNDS 2021-22 £	RESTRICTED FUNDS 2021-22 £	TOTAL FUNDS 2021-22 £
Tangible fixed assets	3,389,794	177,436	-	3,567,230
Fixed asset investments	-	729,644	-	729,644
Net current assets	764,987	609,423	85,619	1,460,029
Creditors due in more than one year	(643,718)	-	-	(643,718)
Provision for liabilities and charges	-	(209,400)	-	(209,400)
	3,511,063	1,307,103	85,619	4,903,785

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

17. LEASE COMMITMENTS

The charity has financial commitments in respect of operating leases of land and buildings. The total future minimum lease payments under non-cancellable operating leases are as follows:

	2021-22	2020-21
	£	£
Land and Buildings		
Not later than one year	1,252,303	567,925
Later than one and not later than 5 years	1,665,357	1,509,257
	<u>2,917,660</u>	<u>2,077,182</u>

Included in the total lease commitments above is £2,700,726 (2021: £1,717,098) relating to the maximum rents that the charity may have to pay on behalf of the tenants. Our experience is that voids are only 5% of total rental income and that the actual liability over the period may be closer to £135,036. The increase is due to the addition of 100 properties to the HTL portfolio, with one landlord – Resonance.

18. PENSION COMMITMENTS

SCHEME: The Pensions Trust – The Growth Plan Series 1 – 3

Developing Health & Independence participates in the scheme, a multi-employer scheme which provides benefits to some 950 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the charity to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore, it accounts for the scheme as a defined contribution scheme.

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 scheme is classified as a 'last-man standing arrangement'. Therefore, the charity is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2020. This valuation showed assets of £800.3m, liabilities of £831.9 m and a deficit of £31.6m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

Deficit

Contributions

From 1 April 2022 to 31 January 2025: £3.3m per annum (payable monthly and increasing by 3% each on 1st April)

Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit

Contributions

From 1 April 2019 to 30 September 2025: £11.2m per annum (payable monthly and increasing by 3% each on 1st April)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the charity has agreed to a deficit funding arrangement the charity recognises a liability for this obligation. The amount recognised would be the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate would be recognised as a finance cost.

	2022	2021	2020
	£	£	£
Present value of provision	£371	£1,448	£1,715

DEVELOPING HEALTH AND INDEPENDENCE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

On the basis that this provision is not material to the Financial Statements, the charity has taken the decision not to include such a provision.

If the provision had been included the accounting entries would have been as follows:

	2022	2021
	£	£
Provision at start of the period	1,448	1,715
Unwinding of the discount factor	8	39
Deficit contribution paid	(366)	(356)
Remeasurements - impact on any changes in assumptions	(9)	50
Remeasurements - amendments to the contribution schedule	(710)	-
	<u>£371</u>	<u>£1,448</u>

Income and expenditure impact

Interest expense	8	39
Remeasurements - impact on any changes in assumptions	(9)	50
Remeasurements - amendments to the contribution schedule	(710)	-
	<u>(711)</u>	<u>89</u>

Assumptions	2022	2021	2020
	% per annum	% per annum	% per annum
Rate of Discount	<u>2.35</u>	<u>0.66</u>	<u>2.53</u>

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

SCHEME: The Pensions Trust's Growth Plan Series 4.

From 1 October 2013 all contributions made into the Plan were into Series 4, which is a defined contribution pension plan.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2022

SCHEME: NHS Pension Schemes

Three employees are covered by the provisions of NHS Pension Schemes. Details of the benefits payable and rules of the NHS Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. These are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in these schemes is taken as equal to the contributions payable to that scheme for the accounting period.

19. RELATED PARTIES

There were no related party transactions this year and no amounts were due at the year-end date (2021: £Nil).

20. CONTROLLING PARTY

The Trustees consider that the charity is jointly controlled by the Trustees and that there is no ultimate controlling party.

21. FINANCIAL COMMITMENTS

Contractual commitments for the acquisition of tangible fixed assets contracted for but not provided in the financial statements amounted to £nil (2021: £nil).

22. FUNDS RECEIVED AND HELD AS AGENT

Three properties are classified as being Managed and under CMP membership, DHI hold a separate bank account with Unity through which rent is received and landlords paid. These transactions are not recognised in the Financial Statements. However, a fee is receivable and this is shown as income in the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2022

23. FINANCIAL INSTRUMENTS

The carrying amounts of the charity's financial instruments are as follows:

	2022	2021
	£	£
Financial Assets		
Measured at fair value through net income:		
- Fixed asset investments (note 10)	729,644	706,062
Debt instruments measured at amortised cost:		
- Trade debtors (note 11)	144,837	74,462
Financial Liabilities		
Measured at amortised cost		
- Bank loans (notes 12 and 13)	671,687	698,671
- Trade creditors (note 12)	87,381	110,724

24. PRIOR YEAR ADJUSTMENT

The Charity has decided to separate out its social housing activity. This has resulted in a new class of fixed assets (Social Housing Properties – see Note 10), a new charitable activity (see Note 3 (f) and Note 5)) and a new designated fund to represent the working capital ring fenced for social housing activities (see Note 15). Comparative figures have been updated to reflect this change of presentation, but these changes had no effect on the overall net assets or surplus previously reported. The Statement of Financial Activities, Balance Sheet and Statement of Funds that were previously reported can be seen on the following pages.

DEVELOPING HEALTH AND INDEPENDENCE

STATEMENT OF FINANCIAL ACTIVITIES (including income & expenditure account) For the year ended 31 March 2021

	Note	Unrestricted Funds 2021 £	Designated Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £
INCOMING RESOURCES					
Donations	2	9,429	-	-	19,429
Charitable activities	3				
Treatment Services		4,678,153	-	51,118	4,729,271
Community Services		278,829	-	-	278,829
Housing Projects		594,218	-	-	594,218
Home Turf Lettings		444,541	-	12,500	457,041
Central Services		238,594	-	40,161	278,755
Investment income		9,073	-	-	9,073
TOTAL INCOMING RESOURCES		6,262,837	-	103,779	6,366,616
RESOURCES EXPENDED					
Charitable activities	5				
Treatment Services		4,432,766	-	3,622	4,436,388
Community Services		267,965	-	-	267,965
Housing Projects		649,505	-	-	649,505
Home Turf Lettings		473,892	-	12,500	486,392
Central Services		187,452	-	29,106	216,558
TOTAL RESOURCES EXPENDED		6,011,580	-	45,228	6,056,808
Net gains/(losses) on investments	10	91,479	-	-	91,479
NET INCOME / (EXPENDITURE)		342,736	-	58,551	401,287
Transfers between funds		(182,584)	583,221	(400,637)	-
NET MOVEMENT IN FUNDS		160,152	583,221	(342,086)	401,287
RECONCILIATION OF FUNDS:					
TOTAL FUNDS BROUGHT FORWARD		921,562	2,902,528	487,531	4,311,621
TOTAL FUNDS CARRIED FORWARD		£1,081,714	£3,485,749	£145,445	£4,712,908

DEVELOPING HEALTH AND INDEPENDENCE

FUNDS ANALYSIS

For the year ended 31 March 2021

STATEMENT OF FUNDS

	Brought Forward	Incoming Resources	Resources Expended	Transfers and Investments gains/(losses)	Carried Forward
	£	£	£	£	£
DESIGNATED FUNDS					
Housing Sinking Fund	46,113	-	-	6,498	52,611
HTL Sinking Fund	28,560	-	-	-	28,560
2 Bridges Trust Fund	11,475	-	-	(737)	10,738
Strategic Development	35,630	-	-	(35,630)	-
Hybrid Project Manager	-	-	-	30,000	30,000
Burlington Street Contingency	88,000	-	-	-	88,000
Infrastructure Sustainability					
Designated Funds - Properties	360,000	-	-	77,490	437,490
- Burlington Street	854,498	-	-	(9,972)	844,526
- Oak House	423,483	-	-	(7,958)	415,525
- Peter's House	156,524	-	-	(4,181)	152,343
- 19 Abbotswood	26,499	-	-	315	26,814
- Poyntz Road	55,737	-	-	(396)	55,341
- Sedgemoor	212,097	-	-	26,513	238,610
- St James's Parade	235,186	-	-	425,122	660,308
- Hawthorn	267,234	-	-	13,854	281,088
- Newton Street	72,926	-	-	(229)	72,697
- Under construction	28,566	-	-	62,532	91,098
	£ 2,902,528	£ Nil	£ Nil	£ 583,221	£ 3,485,749

Please note the 2022 figures separate out Social Housing: £124,967 transferred from General Funds to Designated Funds to ring fence the working capital. The brought forward figure is £3,610,716. See page 30-32.

DEVELOPING HEALTH AND INDEPENDENCE

FUNDS ANALYSIS

For the year ended 31 March 2021

RESTRICTED FUNDS

	Brought Forward £	Incoming Resources £	Resources Expended £	Transfers and investment gains/(losses) £	Carried Forward £
Treatment Services					
John James grant	25,886	-	-	(25,886)	-
St James's Parade					
Appeal	2,622	16,488	(2,622)	-	16,488
South					
Gloucestershire MAF					
grant	1,000	-	(1,000)	-	-
Public Health					
England grant - St					
James's Parade	248,500	-	-	(248,500)	-
Housing Projects					
Housing First	-	34,630	-	-	34,630
Capital grants	58,101	-	-	(58,101)	-
Home Turf Lettings					
Capital Grant -					
Hawthorn	70,400	-	-	(70,400)	-
The Nisbet Trust	12,500	12,500	(12,500)	-	12,500
HTL Empty Homes					
Fund (Cash)	47,262	-	-	2,250	49,512
HTL Empty Homes					
Fund (Loans)	7,104	-	-	-	7,104
Central Services					
Fibroscanner appeal	-	11,800	-	-	11,800
YP Serious Violence	-	28,361	(14,950)	-	13,411
St John's Foundation					
grant	14,156	-	(14,156)	-	-
£	487,531	£ 103,779	£ (45,228)	£ (400,637)	£ 145,445

Accounts

**DEVELOPING HEALTH AND
INDEPENDENCE**

**(Company limited by guarantee no. 03830311
registered charity no. 01078154)**

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

Report and Accounts

DEVELOPING HEALTH AND INDEPENDENCE

(Company limited by guarantee no. 03830311, registered charity no. 01078154)

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2021

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DEVELOPING HEALTH AND INDEPENDENCE

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS For the year ended 31 March 2021

Trustees	Ms Sarah Davies (chair) Mr David Guy (Vice Chair) (resigned 15 September 2020) Mr Tim Marvell Ms Katharine Hegarty Mr David Ollendorff Mr Christopher Oliver Mrs Alison Millar Ms Linda Candy (Vice Chair from 15 September 2020) Mr Bob Goodman Mrs Myriam Kniveton (appointed 9 March 2021)	
Secretary	Mr James Hooton (resigned 7 May 2021) Mrs Susan Hughes (appointed 5 July 2021)	
Key Management Personnel	Ms Rosemary Phillips (Chief Executive Officer) Mr James Hooton (Finance and Operations Director) (resigned 7 May 2021) Mr Ben Harman (Corporate Services and Finance Director) (appointed 23 August 2021) Mr David Walton (Housing Director - Housing and Social Exclusion) Ms Julie Hughes (Treatment Services Director) Mr Jody Clark (Associate Director)	
Company reg. no.	03830311	
Charity reg. no.	01078154	
Registered office	<u>Up to 12 October 2020</u> 15-16 Milsom Street Bath BA1 1DE	<u>From 12 October 2020</u> 14 St James` Parade Bath BA1 1UL
Accountants	MHA Monahans Chartered Accountants Fortescue House Court Street, Trowbridge BA14 8FA	
Bankers	Barclays Bank Leicester LE87 2BB Unity Trust Bank plc Nine Brindley Place Birmingham B1 2HB	
Solicitors	Thrings 2 Queen Square Bath BA1 2HQ	
Investment Manager	Aberdeen Standard Capital, 1 George Street Edinburgh EH2 2LL	

TRUSTEES' REPORT

For the year ended 31 March 2021

The Trustees, who are also Directors of the Company for the purposes of the Companies Act, and Trustees for charity law purposes, submit their annual report and the financial statements of Developing Health and Independence (DHI) for the year ended 31 March 2021. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the Charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the Charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014.

Chair's Report

Ensuring that those most marginalised are supported to achieve their potential remained at the heart of everything we have done over the past year. While Covid has been a constant backdrop and challenge, the Charity approached meeting its objectives in a positive and solution focussed way.

2020/21 was a year in which we did many things differently, often digitally, and undoubtedly we have learnt from this and there have been some surprising gains along the way. I would like to thank all those involved with running or supporting the organisation, in particular the staff, volunteers, partners and peers, for their endeavours.

Covid has accelerated or magnified many existing trends, including growing inequality and diminished opportunities, especially for the young, poor and minority groups. Alcohol use is already on the increase, unsurprisingly, as a common human response to stress and pain. Meanwhile, we expect funding will be tight and competitive. We invested heavily in technology in the previous financial year, which proved invaluable in this one, and no doubt in the years ahead.

Overall we are in a solid position operationally, financially and with a strong board and leadership in place to steer us through challenging times ahead as no doubt Covid, its health and economic consequences will reverberate for many years to come. We will ensure we remain anchored to our core values as we look to ensure those most vulnerable and marginalised have opportunities to fully realise their potential.

Our Purpose

- To relieve poverty, sickness and distress, in particular but without limitation amongst persons suffering as a result of drug and alcohol abuse and housing need, through the provision of practical assistance and advice of all kinds including, without limitation, rehabilitation and resettlement and accommodation to the homeless and education, legal and medical advice, counselling and assistance.
- To educate the public in the effects of drug and alcohol abuse and housing need.
- To pursue any other charitable purpose which the Board of the Charity thinks fit to pursue in conjunction with any of the charitable purposes mentioned above.

TRUSTEES' REPORT

For the year ended 31 March 2021

The Charity's vision

DHI helps disadvantaged people to turn their lives around, stand on their own two feet and reduce dependency. DHI is flexible, creative and person-centred in its approach, valuing each individual and their circumstances as unique.

The Charity's values

- Self-Direction: to encourage independent thought, action and self-respect.
- Stimulation: to offer a stimulating environment allowing innovation and creativity to flourish in individuals.
- Zest for Life: in so far as it is not damaging to self, others or the environment, to enable individuals to pursue goals that further their happiness and joy of life.
- Flexibility: underpinning all our efforts is the need to be open, flexible and responsive to change.

The Charity's activities

Few, if any, of our clients come with a single issue so we work with the person to find and resolve the root cause of their issues. We help people through highly practical, solution focused and innovative projects and services. These include: supported housing as well as general needs housing for those on no or a low income, resettlement and floating support services, drug and alcohol treatment, employment reintegration, social prescribing, information, advice and signposting.

The Trustees have referred to the guidance in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning the Charity's future activities.

In particular, the Trustees have considered how planned activities will contribute to the aims and objectives they have set.

Achievements and performance

During the 2020/21 financial year DHI's services grew and continued to thrive despite Covid with a net increase in the Charity's incoming resources of 5% (2019/20: increase of 8%). The Charity's net movement in funds during the year contributed an additional £401,287 (2019/20: £438,496) to reserves.

DHI uses a Balanced Score Card to drive strategy and measure the achievement of the Charity's key strategic objectives. This was the first year of a new three-year strategy in the Business Plan. The criteria against which success was measured in 2020/21 were:

- Keeping young people safe through education and early intervention.
- Increasing access to affordable housing for all.
- Supporting health services through strong Primary Care partnerships.

Our achievements against our objectives are impressive in spite of Covid. Highlights include:

- Ensured all staff had the equipment and support in place to deliver all services remotely or safely in a socially distanced way within the first fortnight of the initial lockdown. This included some real innovations such as the peer befriending phone line.
- Refurbished our newly purchased Head Office and treatment centre in Bath, and opened up for the most complex drug and alcohol users to ensure essential needs are met, including housing and harm reduction advice and supplies.
- Opened a new supported house for those addressing problematic substance misuse in South Gloucestershire.

DEVELOPING HEALTH AND INDEPENDENCE

TRUSTEES' REPORT

For the year ended 31 March 2021

- Passed our Matrix accreditation, the Governments kite mark for organisations offering information, advice and guidance.
- Launched The Wrap, our digital young person specific web platform.

In terms of service delivery, DHI supported in excess of 7,000 clients, their families and carers to be more independent and lead happier, more fulfilling lives. This included:

- 2000 shielding patients called and supported to get their practical and emotional needs met by our B&NES social prescribing team.
- In Bath 79 rough sleepers were housed through Everyone In, a partnership effort between DHI, Julian House and Avon and Wiltshire Partnership NHS Trust.
- DHI's Peer Lockdown Buddying Service supported over 100 clients.
- Reach Out, DHI's annual conference for the families and carers of those with a drug or alcohol problem, was held online with over 800 views.

Financial Review

Income

DHI's total income increased by £320,229 (5.2%) this year from £6,046,387 in 2019/20 to £6,366,616. A detailed analysis of income is shown in the Statement of Financial Activities (SOFA) and Notes 2 – 3 of the Financial Statements. Driving this increase is contract income from the remodelled B&NES Adult Drug and Alcohol Treatment and Social Prescribing services as well as an increase in DHI's social housing stock.

Expenditure

Total spending on charitable activities for the year of £6,056,808 represents an 9% increase in expenditure from 2019/20 (£5,556,717). In large part, the increase in expenditure matches the income increase due to the remodelled services. Extra resources were also expended on Technology infrastructure as DHI pivoted to homeworking in March 2020 as the COVID-19 pandemic forced the UK into lockdown. Additionally, with offices in Bristol and B&NES under reduced occupancy, the Charity took the opportunity to undertake some dilapidations work, improving and increasing service user experience and post-lockdown capacity as well as improving the working environment for staff.

Further analysis of charitable activity expenditure, showing the operational activities undertaken by DHI are given in the SOFA and in Note 5 of the Financial Statements.

Fund Analysis

The Board can confirm that the Charity's assets are available and adequate to fulfil the obligations of the Charity on a fund-by-fund basis. Incoming resources for the year of £6,366,616 (2020 £6,046,387) included £103,779 of restricted funds (2020 £597,252). Of the £4,712,908 funds retained at year end (2020 £4,311,621), £3,485,749 were designated (2020 £2,902,528) and £145,445 were restricted (2020 £487,531).

Further analysis of designated and restricted funds is shown in the SOFA and Notes 15-16 of the Financial Statements.

Reserves Policy

The Board has examined the Charity's requirements for reserves in the light of the main financial risks to the organisation.

Within DHI's Reserves & Investments Policy, to ensure the financial viability of the charity and its ability to meet its on-going commitments, the Board have determined that Reserves should be maintained at three to six months organizational Operational Costs. For 2021/22, budgeted monthly operating costs are £638,000. The organisation holds £1,081,714 (2020: £921,562) in General Funds, equating to 1.7 months. In the year, the Charity has completed the renovation of a new treatment centre and head office in B&NES and has

DEVELOPING HEALTH AND INDEPENDENCE

TRUSTEES' REPORT

For the year ended 31 March 2021

reduced other capital spending on property. The Trustees expect the level of General reserves to increase to be closer to the policy in 2021/22

In addition, the Trustees require that Free Reserves remain in surplus. This was the case on 31st March 2021.

Furthermore, the Trustees require that working capital should be maintained between three- and six-months' average expenditure to meet ongoing commitments throughout the year.

At 31st March 2021, the organisation held £1,047,417 (2020 £1,399,012) net current assets (current assets after deduction of creditors due within a year) equating to 1.6 months cash or cash equivalents to meet average expenditure. However, after factoring in the Fixed Asset investment portfolio of £706,062 that can be liquidated into cash in five days, there are 2.7 months cash or cash equivalents to meet average expenditure.

The Board do feel confident DHI is able to continue the core activities of the Charity in the event of a significant drop in funding, whilst considering how any such loss in funding could be replaced or activities changed.

The Board is committed to investing additional resources for the purposes of developing services to our client group. Several opportunities are being reviewed and weighed against the need to maintain our reserves in the volatile funding environment which we and other similar organisations face.

Investment Policy

DHI is committed to maintaining funds in instant access accounts to meet all the day to day needs for working capital. Any funds beyond this, and not required for development of the Charity's activities in the short term, will be invested in low to medium risk investment or deposit accounts, reviewed and recommended by the Audit Committee and approved by the Board.

Toward the end of the prior year, when the Covid-19 outbreak was declared a pandemic, stock markets globally saw sharp declines that negatively affected the performance of the investment portfolio. Over the course of the year, the markets have recovered, and the CAF fund has increased by 17% to the end of 20/21 and the Trustees continue to review performance.

Principal Risks and Uncertainties

DHI has a Risk Register which is a standing item for review by the Board. The procedure takes into account all major risks that the Charity may be exposed to in terms of likelihood and impact on the business if they happen. This review includes the operational, reputational, and financial impact combined with a 'likelihood' score.

The organisational risk assessment procedure takes into account all major risks that the Charity may be exposed to in terms of likelihood and impact on the business if they happen. This review includes the operational, reputational, and financial impact combined with a 'likelihood' score and practical measures to mitigate any identified risks.

The key risks identified by the Executive:

- The Executive continues to monitor performance issues which may result in the non-achievement of contractual obligations (thus putting funding at risk) and takes immediate, corrective action where necessary.
- Failure to manage institutional knowledge can lead to inefficiencies, duplication and key-person dependency risk. Access to, and dissemination of, organisational knowledge should be a priority, with effective and efficient methods in place. This includes putting steps in place to document processes and review data filing protocols as the Charity moves towards a cloud-based operating system.

TRUSTEES' REPORT

For the year ended 31 March 2021

- Failure of information governance causing loss or error in data resulting in breaches in DHI's regulatory requirements and/or causes inaccurate and/or loss or inappropriate access to data. Risks have been mitigated by the achievement of IG Toolkit accreditation and the completion of the Data Security and Protection Toolkit 19/20. Training remains an on-going requirement and plans are in hand for this.
- The growing importance of digital interventions in our strategy to meet the needs of clients requires further investment in this area. Having identified this risk, DHI has now conducted a proof of concept on moving to the cloud and appointed a special ICT advisor to the Board of Trustees.
- Private sector involvement in the Third sector increases pass-through risk where Local Authorities are more willing to launch proceedings against private providers (Primes), who pass these down the contract chain leading to increased reputational and financial risk. Building relationships with primes will help reduce the inherent risks.
- With continued and deepening cuts we have sought to strengthen our Communications and Fundraising team to increase non contract income with the introduction of an Associate Director overseeing this work.
- The Charity will need to work hard to keep abreast of changes and be quick to build rapport with new commissioning bodies, in particular the Integrated Care Bodies replacing Clinical Commissioning Groups, to ensure their awareness of the impact of our work. DHI will work to actively maintain the Engagement Strategy to support this.
- DHI's social enterprise, Home Turf Lettings continues to provide an alternative way of making sure the charity continues to meet its core purpose of ensuring clients have access to affordable accommodation. In order to offer affordable accommodation, margins are of necessity, slender and therefore the monitoring of cash is essential. We will continue to monitor cash through a multi-year rolling forecast to ensure we can continue to meet our core purpose.
- DHI has become aware of its exposure to potential risk should the East Street Mews building works fail to be completed by the partnership within the terms of the current lease. However, DHI currently considers the likelihood of any such risk crystallising in the near term (or at all) to be low. DHI is working with its partners to resolve the issue

Going Concern

On reviewing the organisation's budgets and business plan, taking account of the current economic climate and its reserves position, the Board has a reasonable expectation that the organisation has adequate resources to continue in operational existence for the foreseeable future and for this reason it continues to adopt the going concern basis in the financial statements.

Plans for the future

In light of Covid we completed a more thorough review of the Charity's activities at this stage in our strategic planning cycle than would usually be the case one year in. Staff, board and key stakeholders all contributed to this.

Despite Covid, however, the strategic priorities in the Business Plan 2020-23, were felt to remain highly relevant, in particular: Keeping young people safe through education and early intervention, and Increasing access to affordable housing for all. Building relations with primary care is replaced by Building Capacity in treatment services through early/digital interventions.

The near horizon and changes to the current 3 year strategy are driven by Covid, which has accelerated or magnified many existing trends, including growing inequality and diminished opportunities, especially for the young, poor and minority groups. Other trends that we need to be mindful of and respond to include the on-going erosion of local authority power and influence, and with it an uncertain place for social care; changing commissioning bodies and relationships. Positively, there are increased opportunities through digital technologies to reach people who may have found access to services difficult, alongside more appetite for risk taking and change from statutory commissioners.

It is clearly a period of great change and uncertainty. Early interventions need to be developed across the board at DHI, as we see more people become victim to the prolonged economic consequences of Covid, and struggle financially and emotionally. Drug and alcohol use are expected to increase set against an uncertain funding climate. Moving upstream and 'getting it right' with home/digital work, forming the right

DEVELOPING HEALTH AND INDEPENDENCE

TRUSTEES' REPORT

For the year ended 31 March 2021

alliances and relationships will be key, and having an excellent communications strategy critical.

Communicating to key stakeholders such as those in health/public health the value of person centred support that empowers, including our role in addressing poor mental health, are central to this.

The Trustees are assessing a major opportunity to expand our stock of managed social housing in the South West of England. Although there is no guarantee that any agreement will be reached, if the proposed transaction were to complete, the number of properties under management would almost treble from the current level.

Structure, Governance and Management

The organisation is a Charitable Company limited by guarantee, incorporated on 23 August 1999 and registered as a charity on 10 November 1999. The Company was established under a Memorandum of Association which established the objects and powers of the Charitable Company and is governed under its Articles of Association.

The Board is elected from its membership by its Members either at its AGM, or, where a vacancy exists, at any time between AGMs.

DHI's Board consists of up to 10 Members who meet at least four times a year and who are responsible for the strategic direction and governance of the Charity, agreeing the business plan, monitoring progress toward achievement of organisational goals, reviewing operational performance and overseeing the management of organisational risk. Meetings must be quorate with the attendance of a minimum of three Trustees, and each meeting is formally minuted. A register of attendance at Board Meetings is maintained and the attendance rate for the year by Board Members was 100%.

The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission.

An Audit Committee consisting of three Trustees, the Corporate Services Director and Chief Executive Officer (CEO) meet at least twice a year to review financial and other audits.

A Housing Committee formed by the Board oversees investment and development of the organisation's property for the furtherance of DHI's charitable objectives. The Committee consists of three Trustees and the Housing Director and meets as required through the year.

In addition, a Tenant and Service User committee has been set up in order to ensure DHI engages residents and clients in service development, delivery and review, and toward the promotion of equality and diversity.

Following our Equality Impact Assessment, DHI has set up a focus group for BAME staff. This meets four times a year to hold open dialogue about the organisation's culture and support for BAME staff; in particular how the organisation can promote people from BAME groups into positions of leadership. Membership of this focus group is for those staff from a minority race, with the CEO and Chair invited to attend every other meeting.

The CEO is responsible for strategic and operational management and is authorised to deploy resource, through the Executive, toward the achievement of DHI's charitable objectives.

The Executive of the organisation comprises:

- CEO, through whom the Board exercises its Governance
- Corporate Services Director
- Housing Director - Housing and Social Exclusion

DEVELOPING HEALTH AND INDEPENDENCE

TRUSTEES' REPORT

For the year ended 31 March 2021

- Treatment Services Director
- Associate Director (Clinical Lead)

Regular meetings are held where performance is monitored, strategically, operationally and financially, and potential improvements discussed and actions agreed. A table of delegated responsibilities outlines the delegated authorities of senior staff, including delegated financial and health and safety responsibilities. Operations Managers and Team Leaders in turn discharge their responsibilities through the activities of teams of skilled and committed workers. This process is to undergo a thorough review in 2021/2.

In alignment with our values, staff, volunteers and clients are heavily involved in shaping and continuously improving services, through a wide variety of mechanisms.

Trustees are appointed following application and interview with the Chair, Chief Executive Officer and one other Trustee. Following a satisfactory interview, candidate Trustees are invited to join at least one meeting as an observer. At the end of these meetings, the Board will review the candidate Trustees' contribution and then invite them, if appropriate, to be full members.

All new Trustees receive induction and mentoring to assist their personal development as DHI Trustees. As new members of the Board they are provided with an induction pack which includes DHI's major policies, Business Plan, Annual Report, Memorandum and Articles and other relevant and corporate documentation. They are then invited to meet the Chair and the Chief Executive for an induction and they also attend the next available DHI staff induction meeting which are held regularly throughout each year.

It is the individual responsibility of Trustees to ensure they update their skills and participate in development opportunities offered, which could include attendance at conferences, training and less formal support and advice all of which can be facilitated through DHI as required.

All Trustees are expected to show a commitment to the core purpose and values of the organisation and the role which would include attending meetings, reading papers in advance and volunteering for working groups as required. Appraisals of Trustees take place after their first year, then at the end of every 3-year term. In addition, an 'Away Day' provides an opportunity for training and development.

Key Management Personnel, excluding Trustees, are remunerated by annual salary and the DHI standard pension contribution. There are no additional payments or benefits in kind. Remuneration levels for all grades under CEO are set against a standard point scale (the 'National Joint Committee' scale) and are subject to performance based review. The CEO's salary is set by a Remuneration Committee, comprising three Board Members, including the Chair. Factors which the Remuneration Committee takes into account when setting pay includes: cost of living, performance and other key factors such as a significant increase in responsibility due to a new major contract.

Trustee roles, in line with all posts within DHI, are advertised widely to encourage broad participation and diversity. The Board and Executive work to ensure that diversity within the organisation is promoted.

The Charity does not actively solicit donations from the public and does not need to develop formal policies on its fundraising approach. However, DHI is a member of the Fundraising Standards Board and by participating in the scheme is committing to best fundraising practices, honesty, transparency, clarity and accountability.

Related parties and relationships with other organisations

DHI holds an impressive track record of achievement against targets and strives continuously to improve its performance and service quality while achieving value for money. However, in order to deliver excellent client centred services that have maximum impact for both individuals and communities, we rely on building and maintaining excellent partnerships with a wide range of statutory and non- statutory organisations. In

DEVELOPING HEALTH AND INDEPENDENCE

TRUSTEES' REPORT

For the year ended 31 March 2021

In addition to many informal partnerships, DHI has a number of formal contractual relationships including with Avon & Wiltshire Mental Health Partnership, Clean Slate, Broadway Lodge, Curo, Southern Brooks and Hawkspring.

Guarantee of Members

Members of the Charitable Company guarantee to contribute an amount not exceeding £1 to the assets of the Charitable Company in the event of winding up. The total number of such guarantees at 31 March 2021 was eight (2020: nine).

The Trustees (who are also the Directors of DHI for the purposes of Company Law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Charities SORP 2015 (FRS 102).
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in operation.

The Trustees are responsible for maintaining proper accounting records that disclose with reasonable accuracy at any time, the financial position of the Charitable Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Statement of disclosure of information to the auditor

So far as the Trustees are aware, there is no relevant audit information of which the Company's auditor is unaware. Additionally, the Trustees have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Preparation of the report

This report has been prepared taking advantage of the small companies exemption of section 415A of the Companies Act 2006.

TRUSTEES' REPORT

For the year ended 31 March 2021

Auditors

The auditors, MHA Monahans, have indicated their willingness to accept re-appointment under Section 485 of the Companies Act 2006.

This report was approved and authorised for issue by the Trustees on 14 September 2021 and signed on their behalf by:

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

Sarah Davies Chair

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DEVELOPING HEALTH AND INDEPENDENCE

Opinion

We have audited the financial statements of Developing Health and Independence (the 'charitable company') for the year ended 31 March 2021 which comprise the Statement of Financial Activities (including Income and Expenditure Account), the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and the Republic of Ireland": and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions related to going concern

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DEVELOPING HEALTH AND INDEPENDENCE

Other information

The other information comprises the information included in the trustees annual report², other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report². Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report or in preparing the trustees' report.

Responsibilities of trustees

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DEVELOPING HEALTH AND INDEPENDENCE

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

Our responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management and those charged with governance about any known or suspected instances of non compliance with laws and regulations and fraud;
- Reviewing minutes of meeting of those charged with governance any correspondence with the Charity Commission
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations
- Performing analytical procedures to identify any unusual or unexpected relationship that might indicate a risk of material misstatement due to fraud.
- Performing audit work over the risk of management override of controls, including testing journal entries and other adjustments for appropriateness, evaluating a range business rationale of significant transactions outside the course of business and reviewing accounting estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DEVELOPING HEALTH AND INDEPENDENCE

Use of our report

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



James Gare (Senior Statutory Auditor)

For and on behalf of MHA Monahans

Statutory Auditors

Chartered Accountants

Fortescue House

Court Street

Trowbridge

BA14 8FA

04 October 2021

DEVELOPING HEALTH AND INDEPENDENCE (company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (including income & expenditure account)
For the year ended 31 March 2021

	Note	Unrestricted Funds 2021 £	Designated Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
INCOMING RESOURCES						
Donations	2	19,429	-	-	19,429	6,903
Charitable activities	3					
Treatment Services		4,678,153	-	51,118	4,729,271	4,463,882
Community Services		278,829	-	-	278,829	113,034
Housing Projects		594,218	-	-	594,218	687,204
Home Turf Lettings		444,541	-	12,500	457,041	725,002
Central Services		238,594	-	40,161	278,755	33,967
Investment income		9,073	-	-	9,073	16,395
TOTAL INCOMING RESOURCES		6,262,837	-	103,779	6,366,616	6,046,387
RESOURCES EXPENDED						
Charitable activities	5					
Treatment Services		4,432,766	-	3,622	4,436,388	3,973,762
Community Services		267,965	-	-	267,965	105,761
Housing Projects		649,505	-	-	649,505	667,629
Home Turf Lettings		473,892	-	12,500	486,392	418,097
Central Services		187,452	-	29,106	216,558	391,468
TOTAL RESOURCES EXPENDED		6,011,580	-	45,228	6,056,808	5,556,717
Net gains/(losses) on investments	10	91,479	-	-	91,479	(51,174)
NET INCOME / (EXPENDITURE)		342,736	-	58,551	401,287	438,496
Transfers between funds		(182,584)	583,221	(400,637)	-	-
NET MOVEMENT IN FUNDS		160,152	583,221	(342,086)	401,287	438,496
RECONCILIATION OF FUNDS:						
TOTAL FUNDS BROUGHT FORWARD	15	921,562	2,902,528	487,531	4,311,621	3,873,125
TOTAL FUNDS CARRIED FORWARD		£ 1,081,714	£ 3,485,749	£ 145,445	£ 4,712,908	£ 4,311,621

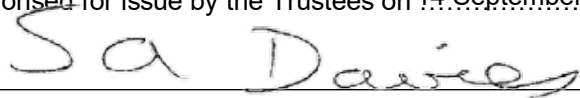
The annexed notes form part of these financial statements

DEVELOPING HEALTH AND INDEPENDENCE

BALANCE SHEET As at 31 March 2021

	Notes	£	2021 £	£	2020 £
FIXED ASSETS					
Tangible assets	9		3,781,310		3,328,418
Investments	10		706,062		602,680
			<u>4,487,372</u>		<u>3,931,098</u>
CURRENT ASSETS					
Debtors	11	234,337		403,939	
Cash at bank and in hand		1,488,317		1,669,136	
			<u>1,722,654</u>	<u>2,073,075</u>	
CREDITORS: amounts falling due within one year	12	(675,541)		(674,063)	
NET CURRENT ASSETS			<u>1,047,113</u>		<u>1,399,012</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>5,534,485</u>		<u>5,330,110</u>
CREDITORS: amounts falling due after one year	13		(671,577)		(698,489)
PROVISIONS FOR LIABILITIES AND CHARGES	14		(150,000)		(320,000)
NET ASSETS			<u><u>£ 4,712,908</u></u>		<u><u>£ 4,311,621</u></u>
FUNDS					
Restricted funds	15		145,445		487,531
Unrestricted funds:					
Designated funds	15	3,485,749		2,902,528	
General fund	15	1,081,714		921,562	
			<u>4,567,463</u>	<u>3,824,090</u>	
			<u><u>£ 4,712,908</u></u>	<u><u>£ 4,311,621</u></u>	

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies. They were approved and authorised for issue by the Trustees on 14 September 2021.....



SARAH DAVIES, Chair



TIM MARVELL, Treasurer

The annexed notes form part of these financial statements

STATEMENT OF CASH FLOWS
For the year ended 31 March 2021

	Note	2021 £	2020 £
Cash flow from operating activities (see below)		£ 452,501	£ 943,936
Cash flow from investing activities			
Purchase of fixed asset additions		(593,074)	(1,360,490)
Investment income received		9,073	16,395
Net cash used in investing activities		£ (584,001)	£ (1,344,095)
Cash flow from financing activities			
Cash inflow from new borrowing		-	495,942
Repayments of borrowing		(26,538)	(7,589)
Interest paid		(22,781)	(11,652)
Net cash provided by / (used in) financing activities		£ (49,319)	£ 476,701
Change in cash and cash equivalents in the year		(180,819)	76,542
Cash and cash equivalents bought forward		1,669,136	1,592,594
Cash and cash equivalents carried forward		£ 1,488,317	£ 1,669,136
 RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH		 2021 £	 2020 £
Surplus / (deficit) for the year		401,287	438,496
Depreciation charges		140,182	80,890
Net movement on investments		(103,382)	40,207
Interest payable		22,781	11,652
Interest receivable		(9,073)	(16,395)
Change in provision		(170,000)	167,320
Decrease / (increase) in debtors		169,228	(26,483)
Increase / (decrease) in creditors		1,478	248,249
		£ 452,501	£ 943,936

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and in the preceding year unless otherwise stated.

(a) General information and basis of preparation of financial statements

DHI is a charity limited by guarantee registered in England and Wales. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the reference and administrative information on page 1 of these financial statements. The nature of the charity's operations and principal activities are detailed within the Report of the Trustees.

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 (SORP) applicable to charities preparing their Financial Statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £1.

(b) Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Unrestricted designated funds have been set aside by the trustees out of unrestricted funds towards a specific purpose. Additional details can be found in note 15 to the Financial Statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in note 15 to the financial statements.

(c) Income recognition

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

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

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

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Income from grants, contracts and service level agreements is recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met, then these amounts are deferred.

Rental income is shown net of any associated expenditure in order to show more accurately rental income actually due to the charity in the year and is recognised when receivable.

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

(d) Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature.

Governance costs include those costs associated with meeting constitutional and statutory requirements of the charity and include the audit fees and costs linked with the strategic management of the charity.

Expenditure directly attributable to a specific activity category (e.g. charitable activities, governance costs) has been included in the relevant category. Where costs are attributable to more than one activity, they are apportioned across activities based on the time spent by staff on those activities and their use of shared resources.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

(e) Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

(f) *Tangible fixed assets*

Fixed assets are stated at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost of each asset on a straight line basis over its expected useful life, which is four years for all assets except for freehold property which is depreciated over 50 years. Assets costing over £1,000 are capitalised.

(g) *Investments*

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains / (losses) on investments' in the SoFA if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

(h) *Debtors and creditors receivable / payable within one year*

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

(i) *Loans and borrowings*

Loans and borrowings are initially recognised at the transaction price including transaction costs.

(j) *Provisions*

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

(k) *Financial Instruments*

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

(l) *Leases*

Rentals payable and receivable under operating leases are charged to the SoFA on a straight line basis over the period of the lease.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

(m) Pension schemes

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

The charity also participated in a multi-employer defined benefit pension scheme with the Pensions Trust, operated and administered by the Pensions Trust. It is not possible to separately identify the assets and liabilities relating to DHI on a consistent and reasonable basis therefore this is accounted for as a defined contribution scheme. The scheme was available to all permanent staff however contributions to the plan ceased as at 30 September 2013.

Deficit funding contributions are payable by the charity in respect of this multi-employer defined benefit scheme. No liability has been included within the Financial Statements in respect of the deficit reduction contributions payable, in line with the requirements of the SORP (FRS 102) on the basis that this liability is not deemed to be material to the Financial Statements. See note 18 to the Financial Statements for more details.

The charity makes contributions to the National Health Service Pension Scheme for participating employees. The NHS Scheme is a defined benefit scheme. As the scheme is a multi-employer scheme and the charity is unable to identify its share of the underlying assets and liabilities, this scheme is accounted for by the Charity as a defined contribution scheme. Any resulting liabilities on this scheme would be met by the State. Therefore contributions payable for the year in relation to the scheme are charged in the Statement of Financial Activities.

(n) Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

(o) Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

2. INCOME FROM DONATIONS

	Unrestricted Funds 2021 £	Designated Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
General donations	19,429	-	-	19,429	6,903

DEVELOPING HEALTH AND INDEPENDENCE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

3. INCOME FROM CHARITABLE ACTIVITIES

a) Income for Treatment Services

	Unrestricted Funds 2021 £	Designated Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
Contracts / SLAs	5,627,078	-	-	5,627,078	4,478,775
Transfers to partners	(1,166,086)	-	-	(1,166,086)	(503,932)
Grants	124,335	-	51,118	175,453	336,750
Other Fees and Charge	73,601	-	-	73,601	135,000
Other income	19,225	-	-	19,225	17,289
	<u>£ 4,678,153</u>	<u>£ Nil</u>	<u>£ 51,118</u>	<u>£ 4,729,271</u>	<u>£ 4,463,882</u>

Restricted funds relate to income from the performance of grant obligations during the year from BBC Children in Need, St John's Foundation, John James Bristol Foundation, Public Health England and a number of Church and Community Groups. Any grant remaining at 31 March 2021 has been treated as deferred income pending release when grant conditions are met.

b) Income for Community Services

	Unrestricted Funds 2021 £	Designated Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
Contracts / SLAs	273,741	-	-	273,741	112,514
Grants	5,088	-	-	5,088	520
	<u>£ 278,829</u>	<u>£ Nil</u>	<u>£ Nil</u>	<u>£ 278,829</u>	<u>£ 113,034</u>

DEVELOPING HEALTH AND INDEPENDENCE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

c) Income for Housing Projects

	Unrestricted Funds 2021 £	Designated Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
Capital grants	14,592	-	-	14,592	-
Contracts / SLAs	627,418	-	-	627,418	590,091
Transfers to partner providers	(108,630)	-	-	(108,630)	(108,300)
Rental Income	55,076	-	-	55,076	182,337
Rental Voids	(7,718)	-	-	(7,718)	(17,389)
Transfer to landlord	(8,539)	-	-	(8,539)	(14,923)
Grants	11,341	-	-	11,341	30,103
Other Fees and Charges	10,678	-	-	10,678	25,285
	£ 594,218	£ Nil	£ Nil	£ 594,218	£ 687,204

d) Income for Home Turf Lettings

	Unrestricted Funds 2021 £	Designated Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
Rental Income	795,979	-	-	795,979	673,194
Transfer to landlord	(407,018)	-	-	(407,018)	(449,176)
Rental Voids	(18,547)	-	-	(18,547)	(4,096)
Capital grants	17,516	-	-	17,516	326,088
Grants	200	-	12,500	12,700	98,760
Other Fees and Charges	56,411	-	-	56,411	80,232
	£ 444,541	£ Nil	£ 12,500	£ 457,041	£ 725,002

Restricted funds relate to income from the performance of grant obligations during the year from Touchstone, Nationwide, Bristol City Council, The Nisbet Trust and Crisis. Any grant remaining at 31 March 2021 has been treated as deferred income pending release when grant conditions are met.

DEVELOPING HEALTH AND INDEPENDENCE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

e) Income for Central Services

	Unrestricted Funds 2021 £	Designated Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
Grants	-	-	-	-	683
Release of dilapidation provision	170,000	-	-	170,000	-
Other income	68,594	-	40,161	108,755	33,284
	£ 238,594	£ Nil	£ 40,161	£ 278,755	£ 33,967

Restricted funds relate to income from the performance of grant obligations during the year from St John's Foundation. Any grant remaining at 31 March 2021 has been treated as deferred income pending release when grant conditions are met.

4. NET INCOME / EXPENDITURE FOR THE YEAR	2021 £	2020 £
Net income / expenditure for the period includes		
Depreciation	140,182	80,890
Fees payable to auditor		
Audit and accountancy fee	17,820	20,192

5. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Treatment Services 2021 £	Communities Services 2021 £	Housing 2021 £	Home Turf Lettings 2021 £
Provision of services	4,054,204	252,140	581,829	361,275
Advertising & publicity	15,729	-	-	44
Building refurbishment	1,200	-	18,891	46,725
Depreciation	13,537	-	17,271	29,697
Legal and financial	-	-	-	2,449
Bad debt write off	-	500	1,745	16,912
Support costs	351,718	15,325	29,769	29,290
Governance costs	-	-	-	-
	4,436,388	267,965	649,505	486,392
Total 2020	3,973,762	105,761	667,629	418,097

DEVELOPING HEALTH AND INDEPENDENCE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

	Central 2021 £	Total 2021 £	Total 2020 £
Provision of Services	(242,135)	5,007,313	4,881,966
Advertising & publicity	3,046	18,819	7,639
Building refurbishment	1,200	68,016	193,367
Depreciation	79,677	140,182	88,048
Legal and Financial	899	3,348	7,821
Bad debt write off	7,133	26,290	3,291
Support costs	348,863	774,965	354,349
Governance Costs	17,875	17,875	20,236
	£ 216,558	£ 6,056,808	£ 5,556,717

Total 2020

391,468 5,556,717

6. GOVERNANCE COSTS

	2021 £	2020 £
Audit and accountancy	17,820	20,192
Other governance costs (Annual Event)	55	44
	£ 17,875	£ 20,236

7. STAFF NUMBERS AND COSTS

	2021 £	2020 £
Wages and salaries	3,761,964	3,433,029
Social security costs	321,487	286,286
Pension costs	240,008	209,422
Redundancy costs	-	5,869
	£ 4,323,459	£ 3,934,606

The average weekly number of employees (head count), during the period was:

	Number	Number
Chief Executive Officer	1	1
Directors	3	3
Associate Directors	1	1
Service Managers	10	10
Administration, HR, Finance & IT	13	12
Team Leaders	15	16
Support Workers	117	114
	160	157

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

Employees earning over £60,000	Number	Number
£80,001 - £90,000	1	1
£70,001 - £80,000	-	-
£60,001 - £70,000	-	-

8. TRUSTEES AND KEY MANAGEMENT PERSONNEL

During the year, none of the Trustees, who comprise the charity's key management personnel, received any remuneration, or received reimbursed expenditure (2020: Nil).

The key management personnel of the charity comprise the Trustees, Chief Executive Officer, Finance and Operations Director, Housing Director - Housing and Social Exclusion, Treatment Services Director and Associate Director. The total employee benefits of the key management personnel of the Charity were £343,052 (2020 : £272,573).

9. TANGIBLE FIXED ASSETS

	Buildings £	Furniture £	IT, Comms & Technology £	Total
Cost				
At 1 April 2020	3,265,692	50,848	272,488	3,589,028
Additions	446,657	15,769	130,648	593,074
At 31 March 2021	3,712,349	66,617	403,136	4,182,102
Depreciation				
At 1 April 2020	119,115	43,202	98,293	260,610
Charge for the year	56,213	3,665	80,304	140,182
At 31 March 2021	175,328	46,867	178,597	400,792
Net book value				
At 31 March 2020	£ 3,146,577	£ 7,646	£ 174,195	£ 3,328,418
At 31 March 2021	£ 3,537,021	£ 19,750	£ 224,539	£ 3,781,310

Included within buildings are two properties with a combined net book value of £95,472 (2020 : £95,399) which are held under a 999-year lease. These buildings are depreciated over 50 years on the basis that this is considered to be a more realistic estimate of the useful life of the assets.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

10. FIXED ASSETS INVESTMENTS	2021	2020
	£	£
Market value		
At 1 April 2020	602,680	642,887
Additions	54,933	65,491
Disposals	(43,030)	(54,524)
Gains / (losses) on investments	91,479	(51,174)
At 31 March 2021	£ 706,062	£ 602,680

Additions and disposals contain movements between funds within the portfolio.

11. DEBTORS	2021	2020
Due within one year	£	£
Trade debtors	74,462	149,958
Rental debtors	26,762	91,849
Sundry debtors	5,446	27,678
Prepayments and accrued income	127,667	134,454
	£ 234,337	£ 403,939

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2021	2020
	£	£
Trade creditors	110,724	92,962
Credit cards	16,016	8,942
Bank loans due within 1 year	27,094	26,538
Social security and other taxes	79,728	66,967
Other creditors	70,431	98,624
Accruals	179,643	115,007
Deferred income	191,905	265,023
	£ 675,541	£ 674,063

Deferred income (contracts and service level agreements)

Balance at 1 April 2020	265,023	207,416
Amount released to incoming resources	(265,023)	(207,416)
Amount deferred in the year	191,905	265,023
Balance at 31 March 2021	£ 191,905	£ 265,023

Deferred income included the following grants with performance obligations in future periods.

DEVELOPING HEALTH AND INDEPENDENCE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

	2021	2020
	£	£
St John's Hospital - RSVP Programme	3,230	25,481
BBC Children In Need Grant	2,655	2,638
Building Better Opportunities Grant	34,095	56,956
National Lottery Community Fund	-	10,000
Bath Abbey	-	5,000
Nationwide	20,000	25,000
	<u>£ 59,980</u>	<u>£ 125,075</u>

The remaining deferred income balance relates to contract income received for services not yet delivered.

13. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR	2021	2020
	£	£
Bank loans	<u>£ 671,577</u>	<u>£ 698,489</u>

The bank loan taken out prior to the year ended 31 March 2021 is repayable over 25 years and interest is charged at base rate plus 2.5% (with a minimum rate of 3%). The loan is secured on the freehold property at Poyntz Road in Bristol, Abbotswood in Yate and Sedgemoor Road in Bath. The bank loan taken out in the year ended March 2020 is repayable over 25 years and interest is fixed at 3% for 10 years. The loan is secured on the freehold property at St James's Parade in Bath.

	2021	2020
	£	£
The loan is repayable as follows:		
Within one year or on demand	27,094	26,538
Between one and two years	27,969	26,020
Between two and five years	89,448	81,954
After five years	554,160	590,515
	<u>£ 698,671</u>	<u>£ 725,027</u>

14. PROVISIONS FOR LIABILITIES AND CHARGES	2021	2020
	£	£
Property dilapidations		
At 1 April 2020	320,000	152,680
(Released) / added during the year	(170,000)	167,320
At 31 March 2021	<u>£ 150,000</u>	<u>£ 320,000</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

15. STATEMENT OF FUNDS

	Brought Forward £	Incoming Resources £	Resources Expended £	Transfers and investment gains/(losses) £	Carried Forward £
DESIGNATED FUNDS					
Housing Sinking Fund	46,113	-	-	6,498	52,611
HTL Sinking Fund	28,560	-	-	-	28,560
2 Bridges Trust Fund	11,475	-	-	(737)	10,738
Strategic Development	35,630	-	-	(35,630)	-
Hybrid Project Manager	-	-	-	30,000	30,000
Burlington Street contingency	88,000	-	-	-	88,000
Infrastructure Sustainability	360,000	-	-	77,490	437,490
Designated Funds - Properties					
- Burlington Street	854,498	-	-	(9,972)	844,526
- Oak House	423,483	-	-	(7,958)	415,525
- Peter's House	156,524	-	-	(4,181)	152,343
- 19 Abbotswood	26,499	-	-	315	26,814
- Poyntz Road	55,737	-	-	(396)	55,341
- Sedgemoor	212,097	-	-	26,513	238,610
- St James's Parade	235,186	-	-	425,122	660,308
- Hawthorn	267,234	-	-	13,854	281,088
- Newton Street	72,926	-	-	(229)	72,697
- Under construction	28,566	-	-	62,532	91,098
	£ 2,902,528	£ Nil	£ Nil	£ 583,221	£ 3,485,749

The Housing Sinking Fund represents funds retained for repairs and renewals at DHI's Supported Housing Hostels.

The HTL Sinking Fund represents retained funds for repairs and renewals at HTL properties.

The 2 Bridges Trust Fund is to provide access to employment, education and training for DHI clients.

The Strategic Development Fund is to support the organisation in strategy implementation as set out in the Balanced Score Card.

The Hybrid Project Manager fund is to cover the development and implementation of hybrid working following the impact of the COVID-19 pandemic.

The Burlington Street Contingency Fund was created to support the operation of DHI's work at the project recognising the possibilities of future funding restrictions.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

The HTL property fund were funds set aside by the Board for the purchase of properties for Home Turf Lettings. This has been used to purchase a property at Sedgemoor Road in Bath.

The Infrastructure Sustainability fund is to safeguard the charity against zero-inflation contract income spent against cost of living rises in overheads.

Designated Funds - Properties are the asset value of properties owned by DHI, separately shown from General Funds. The amounts include the net book value of properties purchased by the charity, less any long term finance used to purchase them as well as unspent cash reserves allocated towards expected renovations or purchase costs.

DEVELOPING HEALTH AND INDEPENDENCE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

RESTRICTED FUNDS	Brought Forward £	Incoming Resources £	Resources Expended £	Transfers and investment gains/(losses) £	Carried Forward £
Treatment Services					
John James grant	25,886	-	-	(25,886)	-
St James's Parade Appeal	2,622	16,488	(2,622)	-	16,488
South Gloucestershire MAF grant	1,000	-	(1,000)	-	-
Public Health England grant - St James's Parade	248,500	-	-	(248,500)	-
Housing Projects					
Housing First	-	34,630	-	-	34,630
Capital grants	58,101	-	-	(58,101)	-
Home Turf Lettings					
Capital Grant - Hawthorn	70,400	-	-	(70,400)	-
The Nisbet Trust	12,500	12,500	(12,500)	-	12,500
HTL Empty Homes Fund (Cash)	47,262	-	-	2,250	49,512
HTL Empty Homes Fund (Loans)	7,104	-	-	-	7,104
Central Services					
Fibroscanner appeal	-	11,800	-	-	11,800
YP Serious Violence	-	28,361	(14,950)	-	13,411
St John's Foundation grant	14,156	-	(14,156)	-	-
	<u>£ 487,531</u>	<u>£ 103,779</u>	<u>£ (45,228)</u>	<u>£ (400,637)</u>	<u>£ 145,445</u>

Treatment Services

The John James grant represents funds for the Charity to upgrade 1-1 and Group rooms in our Central Bristol location.

The Public Health England grant represents a grant for the refurbishment of the new treatment centre in BANES.

The St James's Parade Appeal represents fundraising for the renovation of the new treatment centre in BANES.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

Grant awarded by South Gloucestershire Council Member Awarded Funding for DHI to carry out Connecting Kingswood Health and Wellbeing project.

Housing Projects

The Housing First project relates to donations used to enable clients to move into accommodation with necessary items such as furniture. Capital Grants from Public Health England (PHE) were received for the purchase of Burlington Street and Oak House and are now fully spent.

Home Turf Lettings

The Nisbet Trust funds represent a grant for the funding of a Home Turf Lettings Procurement officer.

Hawthorn is an operational property that was acquired during the year and is now fully operational and occupied. The restricted funding was towards its capital development.

The HTL Empty Homes Fund (Cash) is a cash reserve available to make loans to landlords to enable properties in disrepair to be refurbished and rented out through DHI's Social Enterprise: Home Turf Lettings.

Central Services

The Fibroscanner appeal was set up to raise funds for a client scanner and all donations are being held until it's purchase.

YP Serious Violence is a fund that can only be used for specific purposes such as preventive crime with Young People and towards dedicated youth work.

The St John's Foundation grant represents a grant for the upgrade of critical IT infrastructure and hardware.

	Brought Forward £	Incoming Resources £	Resources Expended £	Transfers and investment gains/(losses) £	Carried Forward £
SUMMARY OF FUNDS					
Designated Funds	2,902,528	-	-	583,221	3,485,749
General Funds	921,562	6,262,837	(6,011,580)	(91,105)	1,081,714
	3,824,090	6,262,837	(6,011,580)	492,116	4,567,463
Restricted Funds	487,531	103,779	(45,228)	(400,637)	145,445
	£ 4,311,621	£ 6,366,616	£ (6,056,808)	£ 91,479	£ 4,712,908

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds		Restricted Funds	Total Funds
	Designated Funds	General Funds		
	£	£	£	£
Tangible fixed assets	3,537,021	244,289	-	3,781,310
Fixed asset investments	-	706,062	-	706,062
Net current assets	620,305	281,363	145,445	1,047,113
Creditors due in more than one year	(671,577)	-	-	(671,577)
Provision for liabilities and charges	-	(150,000)	-	(150,000)
	<u>£ 3,485,749</u>	<u>£ 1,081,714</u>	<u>£ 145,445</u>	<u>£ 4,712,908</u>

17. LEASE COMMITMENTS

The charity has financial commitments in respect of operating leases of land and buildings. The total future minimum lease payments under non-cancellable operating leases are as follows:

	2021	2020
	£	£
Land and Buildings		
Not later than one year	567,925	555,523
Later than one and not later than 5 years	1,509,257	1,201,820
Later than five years	-	-
	<u>£ 2,077,182</u>	<u>£ 1,757,343</u>

Included in the total lease commitments above is £1,717,098 (2020: £1,267,421) relating to the maximum rents that the charity may have to pay on behalf of the tenants. Our experience is that voids are only 5% of total rental income and that the actual liability over the period may be closer to £40,000.

18. PENSION COMMITMENTS

SCHEME: The Pensions Trust – The Growth Plan Series 1 – 3

Developing Health & Independence participates in the scheme, a multi-employer scheme which provides benefits to some 950 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the charity to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore, it accounts for the scheme as a defined contribution scheme.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

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 scheme is classified as a 'last-man standing arrangement'. Therefore, the charity is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit Contributions

From 1 April 2019 to 31 January 2025:	£11.2m per annum (payable monthly and increasing by 3% each on 1st April)
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Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2014. This valuation showed assets of £793.4m, liabilities of £969.9m and a deficit of £176.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit Contributions

From 1 April 2016 to 30 September 2025:	£12.9m per annum (payable monthly and increasing by 3% each on 1st April)
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From 1 April 2016 to 30 September 2028:	£54,560 per annum (payable monthly and increasing by 3% each on 1st April)
---	--

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the charity has agreed to a deficit funding arrangement the charity recognises a liability for this obligation. The amount recognised would be the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate would be recognised as a finance cost.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

Present value of provision	2021	2020	2019
	£	£	£
	<u>£ 1,448</u>	<u>£ 1,715</u>	<u>£ 2,081</u>

On the basis that this provision is not material to the Financial Statements, the charity has taken the decision not to include such a provision.

If the provision had been included the accounting entries would have been as follows:

	2021	2020
	£	£
Provision at start of the period	1,715	2,081
Unwinding of the discount factor	39	26
Deficit contribution paid	(356)	(345)
Remeasurements - impact on any changes in assumptions	50	(47)
Remeasurements - amendments to the contribution schedule	-	-
Provision at the end of period	<u>£ 1,448</u>	<u>£ 1,715</u>

Income and expenditure impact

Interest expense	39	26
Remeasurements - impact on any changes in assumptions	50	(47)
Remeasurements - amendments to the contribution schedule	-	-
Costs recognised in income and expenditure account	<u>£ 89</u>	<u>£ (21)</u>

Assumptions	2021	2020	2019
	% per annum	% per annum	% per annum
Rate of discount	<u>0.66</u>	<u>2.53</u>	<u>1.39</u>

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

SCHEME: The Pensions Trust's Growth Plan Series 4.

From 1 October 2013 all contributions made into the Plan were into Series 4, which is a defined contribution pension plan.

NOTES TO THE FINANCIAL STATEMENTS**For the year ended 31 March 2021**

SCHEME: NHS Pension Schemes

Two employees are covered by the provisions of NHS Pension Schemes. Details of the benefits payable and rules of the NHS Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in these schemes is taken as equal to the contributions payable to that scheme for the accounting period.

19. RELATED PARTIES

£34,564 before deferral (2020 - £58,474) was received in grants from St John's Foundation in this financial year, a charity in which the trustee (Chair) Ms Sarah Davies is a Trustee.

The transactions with the above organisations were all on an arms-length basis and no amounts were due to these organisations at the year-end date (2020 - £Nil).

20. CONTROLLING PARTY

The Trustees consider that the charity is jointly controlled by the Trustees and that there is no ultimate controlling party.

21. FINANCIAL COMMITMENTS

Contractual commitments for the acquisition of tangible fixed assets contracted for but not provided in the financial statements amounted to £nil (2020: £70,000).

22. FINANCIAL INSTRUMENTS

The carrying amounts of the charity's financial instruments are as follows:

	2021	2020
	£	£
Financial assets		
Measured at fair value through net income:		
- Fixed asset investments (note 10)	706,062	602,680
Debt instruments measured at amortised cost:		
- Trade debtors (note 11)	74,462	149,958
Financial liabilities		
Measured at amortised cost:		
- Bank loans (notes 12 and 13)	698,671	725,027
- Trade creditors (note 12)	110,724	92,962

DEVELOPING HEALTH AND INDEPENDENCE (company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (including income & expenditure account)
For the year ended 31 March 2020

	Note	Unrestricted Funds 2020 £	Designated Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £
INCOMING RESOURCES					
Donations	2	6,903	-	-	6,903
Charitable activities	3				
Treatment Services		4,206,874	-	257,008	4,463,882
Community Services		113,034	-	-	113,034
Housing Projects		687,204	-	-	687,204
Home Turf Lettings		398,914	-	326,088	725,002
Central Services		19,811	-	14,156	33,967
Investment income		16,395	-	-	16,395
TOTAL INCOMING RESOURCES		5,449,135	-	597,252	6,046,387
RESOURCES EXPENDED					
Charitable activities	5				
Treatment Services		3,973,762	-	-	3,973,762
Community Services		105,761	-	-	105,761
Housing Projects		667,629	-	-	667,629
Home Turf Lettings		418,097	-	-	418,097
Central Services		391,468	-	-	391,468
TOTAL RESOURCES EXPENDED		5,556,717	-	-	5,556,717
Net gains/(losses) on investments	10	(51,174)	-	-	(51,174)
NET INCOME / (EXPENDITURE)		(158,756)	-	597,252	438,496
Transfers between funds		(516,715)	772,403	(255,688)	-
NET MOVEMENT IN FUNDS		(675,471)	772,403	341,564	438,496
RECONCILIATION OF FUNDS:					
TOTAL FUNDS BROUGHT FORWARD	15	1,597,033	2,130,125	145,967	3,873,125
TOTAL FUNDS CARRIED FORWARD		£ 921,562	£ 2,902,528	£ 487,531	£ 4,311,621

The annexed notes form part of these financial statements

DEVELOPING HEALTH AND INDEPENDENCE

FUNDS ANALYSIS

For the year ended 31 March 2020

STATEMENT OF FUNDS

	Brought Forward £	Incoming Resources £	Resources Expended £	Transfers and investment gains/(losses) £	Carried Forward £
DESIGNATED FUNDS					
Housing Sinking Fund	39,635	-	-	6,478	46,113
HTL Sinking Fund	18,833	-	-	9,727	28,560
2 Bridges Trust Fund	11,475	-	-	-	11,475
Strategic Development Burlington Street contingency	55,000	-	-	(19,370)	35,630
Infrastructure	88,000	-	-	-	88,000
Sustainability	260,000	-	-	100,000	360,000
Designated Funds - Properties					
- Burlington Street	870,174	-	-	(15,676)	854,498
- Oak House	391,699	-	-	31,784	423,483
- Peter's House	154,063	-	-	2,461	156,524
- 19 Abbotswood	26,913	-	-	(414)	26,499
- Poyntz Road	54,565	-	-	1,172	55,737
- Sedgemoor	159,768	-	-	52,329	212,097
- St James's Parade	-			235,186	235,186
- Hawthorn				267,234	267,234
- Newton Street				72,926	72,926
- Under construction				28,566	28,566
	£ 2,130,125	£ Nil	£ Nil	£ 772,403	£ 2,902,528

DEVELOPING HEALTH AND INDEPENDENCE

FUNDS ANALYSIS

For the year ended 31 March 2020

RESTRICTED FUNDS	Brought Forward £	Incoming Resources £	Resources Expended £	Transfers and investment gains/(losses) £	Carried Forward £
Treatment Services					
John James grant	20,000	5,886	-	-	25,886
St James's Parade Appeal		2,622	-	-	2,622
South Gloucestershire MAF grant	1,000	-	-	-	1,000
Public Health England grant - St James's Parade		248,500	-	-	248,500
Capital grants	58,101	-	-	-	58,101
Capital Grant - Hawthorn		250,000	-	(179,600)	70,400
Capital Grant - Newton		42,000	-	(42,000)	-
Capital Grant - 59 Sedgemoor Roah		34,088		(34,088)	-
The Nisbet Trust	12,500	-	-	-	12,500
HTL Empty Homes Fund (Cash)	53,361	-	-	(6,099)	47,262
HTL Empty Homes Fund (Loans)	1,005	-	-	6,099	7,104
Central Services					
St John's Foundation grant	-	14,156	-	-	14,156
	<u>£ 145,967</u>	<u>£ 597,252</u>	<u>£ Nil</u>	<u>£ (255,688)</u>	<u>£ 487,531</u>