

**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	

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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.

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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.

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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

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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

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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

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- 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

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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		<u>706,062</u>		<u>602,680</u>
			4,487,372		3,931,098
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			1,047,113		1,399,012
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>£ 4,712,908</u>		<u>£ 4,311,621</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>£ 4,712,908</u>	<u>£ 4,311,621</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

SARAH DAVIES, Chair

Tim Marvell

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 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	<u>19,429</u>	<u>-</u>	<u>-</u>	<u>19,429</u>	<u>6,903</u>

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
	£ 4,678,153	£ Nil	£ 51,118	£ 4,729,271	£ 4,463,882

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
	£ 278,829	£ Nil	£ Nil	£ 278,829	£ 113,034

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

DEVELOPING HEALTH AND INDEPENDENCE

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.

DEVELOPING HEALTH AND INDEPENDENCE

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.

DEVELOPING HEALTH AND INDEPENDENCE

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)
---------------------------------------	---------------------------------------------------------------------------

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)
-----------------------------------------	---------------------------------------------------------------------------

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	<i>602,680</i>
Debt instruments measured at amortised cost:		
- Trade debtors (note 11)	74,462	<i>149,958</i>
Financial liabilities		
Measured at amortised cost:		
- Bank loans (notes 12 and 13)	698,671	<i>725,027</i>
- Trade creditors (note 12)	110,724	<i>92,962</i>

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	55,000	-	-	(19,370)	35,630
contingency	88,000	-	-	-	88,000
Infrastructure					
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>