

**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.

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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

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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.

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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.

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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.

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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

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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

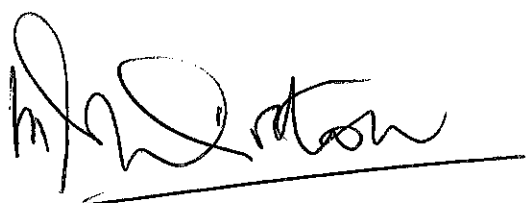
TRUSTEES' REPORT

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

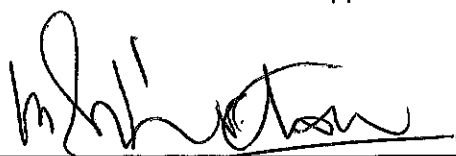
	Note	UNRESTRICTED FUNDS 2022-23	DESIGNATED FUNDS 2022-23	RESTRICTED FUNDS 2022-23	TOTAL FUNDS 2022-23	TOTAL FUNDS 2021-22
INCOMING RESOURCES		£	£	£	£	£
Donations	2	42,781	-	-	42,781	73,503
Charitable Activities:	3					
Treatment Services		5,760,774	-	15,000	5,775,774	5,022,415
Community Services		294,945	-	-	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	<i>UNRESTRICTED FUNDS</i>	<i>DESIGNATED FUNDS</i>	<i>RESTRICTED FUNDS</i>	TOTAL FUNDS 2022- 2023	TOTAL FUNDS 2021-22
	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	<i>UNRESTRICTED FUNDS</i>	<i>DESIGNATED FUNDS</i>	<i>RESTRICTED FUNDS</i>	TOTAL FUNDS 2022-2023	TOTAL FUNDS 2021-22
	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	30,000	-	-	(30,000)	-
Infrastructure					
Sustainability	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

