THE DOLPHIN SQUARE CHARITABLE FOUNDATION

England & Wales · Charity number 1110090

Details

Status	Registered
Legal form	Trust
Registered	2005-06-17
Register	View on the Charity Commission register

Contact

Address	Manning House 22 Carlisle Place London SW1P 1JA
Phone	02071133340
Email	info@dolphinliving.com
Website	www.dolphinliving.com

Activities

Objects: (1) THE OBJECTS OF THE FOUNDATION ARE THE PROVISION OF REASONABLE ASSISTANCE IN THE SECURING OF ACCOMMODATION WITHIN THE LOCALITY FOR THOSE PERSONS (AND THEIR DEPENDENTS LIVING WITH THEM) WHO HAVE NEED OF SUCH ACCOMMODATION: (A) (I) BY VIRTUE OF THEIR EMPLOYMENT IN THE PUBLIC OR VOLUNTARY SECTORS OR IN A RELEVANT EMPLOYMENT IN THE LOCALITY IN SUCH MANNER OR CAPACITY AS TO ADVANCE EDUCATION, RELIEVE SICKNESS, PROMOTE PUBLIC HEALTH, RELIEVE CHARITABLE NEED, PROTECT HUMAN LIFE AND PROPERTY, PROMOTE THE SOUND ADMINISTRATION OF THE LAW, OR ADVANCE OTHER CHARITABLE PURPOSES FOR THE GENERAL BENEFIT OF THE COMMUNITY, INCLUDING IN PARTICULAR (BUT WITHOUT PREJUDICE TO THE GENERALITY OF THE FOREGOING) THE MAINTENANCE FOR THE BENEFIT OF THE COMMUNITY OF ITS INFRASTRUCTURE, INCLUDING SUPPLIES OF GAS, WATER, ELECTRICITY AND FOOD, OF TRANSPORT AND OTHER MEANS OF COMMUNICATION OR TELECOMMUNICATION INFORMATION AND INFORMATION TECHNOLOGY SERVICES, AND OF EMERGENCY SERVICES; AND (II) HAVING REGARD TO THE FACT THAT THEY COULD NOT AFFORD FROM RESOURCES AVAILABLE TO THEM TO SECURE SUCH ACCOMMODATION ON NORMAL COMMERCIAL TERMS; OR (B) BY REASON OF FINANCIAL HARDSHIP OR SOCIAL OR ECONOMIC NEED, THEIR AGE, ILL-HEALTH OR DISABILITY, OR OTHER NEED, DEPRIVATION OR DISADVANTAGE.

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Activities: The Foundation assists people, who live or work in Westminster and who are unable to access the housing market without assistance, by investing in social rented housing and affordable home ownership schemes. It does not make grants to individuals. It will however make grants to organisations, whose work assists its intended beneficiaries.

Classification

- **How:** Makes Grants To Organisations, Provides Buildings/facilities/open Space
- **What:** Accommodation/housing
- **Who:** People With Disabilities, Other Charities Or Voluntary Bodies, The General Public/mankind

Geography

- **Area of benefit:** LOCAL
- Camden
- City Of Westminster
- Ealing
- Hackney
- Hammersmith And Fulham
- Lambeth
- Southwark
- Waltham Forest

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£15,810,231	£15,524,349	£165,409,679	16
2024-03-31	£15,651,990	£14,815,644	£166,869,419	16
2023-03-31	£13,094,433	£12,962,710	£168,533,073	15
2022-03-31	£12,469,678	£10,728,329	£168,401,350	13
2021-03-31	£12,104,319	£11,472,371	£166,660,001	13

Trustees

Name	Role	Appointed
THE DOLPHIN SQUARE CHARITABLE TRUSTEE		2013-06-20

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THE DOLPHIN SQUARE CHARITABLE FOUNDATION

England & Wales - Charity number 1110090

Accounts

THE DOLPHIN SQUARE CHARITABLE FOUNDATION

(Registered Charity Number: 1110090)

REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2025

THE DOLPHIN SQUARE CHARITABLE FOUNDATION

REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2025

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THE DOLPHIN SQUARE CHARITABLE FOUNDATION

REFERENCE AND ADMINISTRATIVE DETAILS

Corporate Trustee:	Dolphin Square Charitable Trustee Limited
Brand name:	Dolphin Living
Governors of Corporate Trustee	Andrew Giblin (Chair) (resigned 8 July 2025) Bruce Clitherow Paul Disley-Tindell Jason Green (appointed as Chair 8 July 2025) Jo Moran Julia Moulder Setareh Neshati (appointed 8 July 2025) Sarah Philbrick (resigned 8 July 2025) Katherine Russell Sarah Smith
Acquisition, Finance and Development Committee	Julia Moulder (Chair) Andrew Giblin (resigned 8 July 2025) Jason Green Darren Parker Katherine Russell Jessica Wallis
Audit and Risk Committee	Sarah Smith (Chair) Foong-Yee Cross Ben Laryea Setareh Neshati (appointed 8 July 2025) Sarah Philbrick (resigned 8 July 2025)
Operations Committee	Jo Moran (Chair) Bruce Clitherow Paul Disley-Tindell Ben Laryea Janice White
Remuneration and Nominations Committee	Andrew Giblin (Chair) (resigned 8 July 2025) Jason Green (appointed as Chair 8 July 2025) Jo Moran Julia Moulder Sarah Smith
Key management personnel	Olivia Harris (Chief Executive) Jacqueline England Matthew Lamb Gary Preston Octavia Williams

REFERENCE AND ADMINISTRATIVE DETAILS (continued)

Banker	Barclays Bank plc Level 25 1 Churchill Place London E14 5HP
Solicitors	CMS Cameron McKenna Nabarro Olswang LLP Cannon Place 78 Cannon Street London EC4N 6AF Devonshires Solicitors 30 Finsbury Circus London EC2M 7DT
Auditor	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW
Investment managers	Cazenove Capital Management 12 Moorgate London EC2R 6DA

REPORT OF THE CHAIR
FOR THE YEAR ENDED 31 MARCH 2025

Introduction

Our primary charitable objective is to *'provide reasonable assistance to those who cannot afford to rent or buy near their place of work'*. We are proud to have successfully fulfilled this mission over the past 12 months.

The effects of the cost-of-living crisis continue to have an impact on the economy and on many people's lives and presented the Group and its residents with a challenging environment during the 2024/25 financial year. Against this background, our team have maintained our proactive and collaborative approach and increased our focus on resident engagement whilst continuing to provide high quality and affordable homes to hard working Londoners.

Strong financial position

The Group's underlying financial performance during the year has been strong. Rental income increased by £0.7m to £14.0m, as a result of prior year acquisition and rental growth. Excluding the diminution at value at Parkhouse Street, which is discussed later, we achieved an operating surplus of £0.3m. Our rent collection remains healthy and we have seen only a relatively small increase in arrears. Our balance sheet remains strong with net assets of £165.4m.

Properties

Following the disposal of six homes during the year, the Group's portfolio totalled 832 homes at the year end. At which time occupancy was 98.7% (2024: 97.9%).

Strategy

The Board formulated a new strategy in May 2024 which will take the Group through to 2027. It is based around three core pillars of growth, homes and residents which are discussed in more detail later in this report:

Growth and homes

Our plans for the redevelopment of New Era, Hackney have progressed during the year. We appointed a development partner and have been working with them and London Borough of Hackney to update the planning application which was submitted in June 2025; we expect a decision in September. In March, we secured a grant from the Greater London Authority. We began moving the New Era residents to our nearby building in Kingsland Road during the year and the remainder will move later this year. Construction is expected to commence in Autumn 2026.

Our plans for a scheme at Mount Close, Ealing have also moved forward during the year. We held several resident consultations over the winter in preparation for a refurbishment and redevelopment scheme at the estate. Discussions with London Borough of Ealing are ongoing and we submitted a planning application in June 2025 for 178 homes.

As part of our longer term plans we are also reviewing the development possibilities at our properties at Havelock House and The Hermitage in Lewisham as well as Parkhouse Street in Southwark.

We have three acquisitions under offer at the year end for a total of 81 homes.

Supporting our residents

As part of our strategy to grow a customer centric culture, all new staff members, including Board members are required to take part in a customer immersion session during their introduction to Dolphin Living. This involves meeting a resident in their home to hear their experience of being a Dolphin customer. These sessions are welcomed by both parties and are a great tool to support future decision making.

Surveying our customers is an important tool to understand their views. Our annual customer survey resulted in a Net Promoter Score (NPS) of 34. We also survey our residents quarterly across multiple areas including repairs, engagement and complaints. We scored an average satisfaction level of 73% across all areas.

Positive feedback from our residents includes common themes on affordability, quality of homes, good locations for work and transport, as well as community. These all align with the charitable benefit the Charity seeks to deliver.

The challenges faced by our residents caused by the cost-of-living crisis are ongoing. We have continued our open dialogue with all residents and have encouraged those in need to approach us for assistance, particularly those in financial hardship. The response has been positive and we have provided assistance through rent deferrals, personalised rents and payment plans, supporting our residents to maintain their tenancies where possible.

Environmental, social and governance (ESG)

Like all organisations, particularly those within real estate, we have both a responsibility and financial imperative to measure and improve our sustainability performance.

Delivering on our social purpose, with a particular focus on affordability of our homes, both in terms of rent and utilities, is therefore a priority.

As a property owner and developer, we contribute to the reduction of carbon emissions through location, design, use and retrofit of our properties. We work with residents to resolve the root causes of any damp and mould found in their homes and enable them to live safely and comfortably in their homes.

The Group was an early adopter of The Good Economy ESG reporting standard and our fourth report was published in October 2024. The first three-year term of our SHIFT accreditation by Suss Housing was completed last summer and we attained a silver standard. This was renewed for a second three-year term.

Health and safety

Achieving full compliance with health and safety regulations remains firmly at the core of our operations. We regularly review our portfolio and take appropriate action to keep our homes safe and compliant with all existing and emerging legislation.

Looking forward

In May, Dolphin celebrated its 20th anniversary and several events are planned throughout 2025 to mark the occasion: both to recognise our achievements over the past two decades and to look ahead to the next 20 years. To support this forward planning, we have commissioned research into London's future population and employment demographics, as well as the resulting housing needs, to help guide our role in addressing this ongoing challenge.

This will be my final report as Chair. After eight years with the Group, the time has come for me to step down. It has been a privilege to serve alongside such a capable and dedicated team of trustees, executives and staff. Over its 20-year history, the organisation has made remarkable progress, providing many more homes for the extraordinary people who keep London thriving and contribute to its vibrancy, success, and rich multicultural character.

I am delighted to be handing over to Jason Green, in whose capable hands I am confident the Group will continue to thrive. I wish Jason and the entire Dolphin team every success for the future.

Andrew Giblin (Chair of Governors)

DOLPHIN SQUARE CHARITABLE FOUNDATION

REPORT OF THE TRUSTEE
FOR THE YEAR ENDED 31 MARCH 2025

The Trustee presents the annual report and audited financial statements for the year ended 31 March 2025. These financial statements reflect the results of the Charity and its subsidiaries (the 'Group').

ESTABLISHMENT

The Dolphin Square Charitable Foundation (the 'Charity') was first registered as a charity on 17 June 2005 under registered Charity Number 1110090. Its governing document is a Trust Deed dated 11 May 2005.

TRUSTEE

Dolphin Square Charitable Trustee Limited is the corporate trustee of the Charity. Its Governors are as follows:

• Andrew Giblin (Chair to 8 July 2025)	resigned 8 July 2025
• Jason Green (Chair from 8 July 2025)	
• Deirdra Armsby	resigned 4 February 2025
• Bruce Clitherow	
• Paul Disley-Tindell	
• Jo Moran	
• Julia Moulder	
• Setareh Neshati	appointed 8 July 2025
• Sarah Philbrick	resigned 8 July 2025
• Katherine Russell	appointed 19 November 2024
• Sarah Smith	
• Anna Strongman	resigned 8 October 2024

The company secretary is Olivia Harris. Jason Green replaced Andrew Giblin as Chair on 8 July 2025.

There are four classes of membership:

A The Dolphin Square Trust (represented by Bruce Clitherow)
B Westminster City Council (represented by Setareh Neshati)
C CityWest Homes
D Other Governors

The rights of the various classes of members are set out in the Memorandum and Articles but in summary are:

A The right to nominate a Governor and to veto a Governor's removal.
B The right to nominate a Governor and to veto certain amendments to articles.
C The right to nominate a Governor
D No special rights.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Dolphin Square Charitable Trustee Limited (the 'Trustee') is a company limited by guarantee (number 5442737, incorporated 4 May 2005) and was formed to declare the trust and to act as trustee of the Charity. The Charity was originally funded by a total of £125m received in accordance with the Deed of Gift between Dolphin Square Trust Limited and the Trustee as trustee of the Charity. These monies were realised from the sale of leasehold interests held by Westminster City Council and the Dolphin Square Trust (Industrial & Provident Society: 16737R) in the Dolphin Square mansion block in Pimlico.

The Trustee holds the assets to apply the income and, at its discretion, the capital in furtherance of the charitable objectives.

The Governors meet quarterly to set the strategy and policies of the Charity and monitor operational activity and financial performance. Day-to-day management of the work of the Charity is delegated to the Chief Executive and her team.

The Charity has committees covering areas of specialised interest:

- Acquisition, Finance and Development;
- Audit and Risk;
- Operations; and
- Remuneration and Nominations.

These committees meet regularly and help to implement the Board's decisions and report to the main board.

Training opportunities are regularly identified and Governors are encouraged to participate in those that they feel to be of use.

The Governors of the Dolphin Square Charitable Foundation received no remuneration during the year. Details of Governors' expenses and related party transactions are disclosed in notes 17 and 19 to the accounts. The Charity's trust deed recognises the potential for conflicts of interest to occur and regulates how they are managed at Board meetings. Governors are required to disclose all relevant interests, register them with the Chief Executive and withdraw from decisions where a conflict of interest arises.

The Charity has three subsidiaries, Dolphin Housing Limited (Community benefit society number 32446R, regulated by the Regulator of Social Housing), Hoxton Regeneration Limited and DSF Developments Limited. A number of Governors and staff of the Charity are directors of the subsidiaries. Dolphin Housing Limited also has one independent director. The subsidiaries hold regular Board meetings and directors are invited to attend committee meetings as necessary. In accordance with normal industry practice the independent director of Dolphin Housing Limited receives remuneration.

The Board operates as a joint Board of the Charity and Dolphin Housing Limited. Provisions are in place to manage any conflicts of interest that may arise as a result of this structure.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

During the year, two Governors of the Charity, who were also members of the Board sub-committees, resigned from the Board. Additionally, on 8 July 2025, two Governors of the Charity including the Chair completed the recommended maximum term and so retired from the Board and a replacement Chair was appointed.

The method of recruitment, induction and appraisal of Governors is decided upon by the Board in accordance with the articles and in light of best practice within the sector. Following an assessment of the Charity's business and skills requirements, one Governor was appointed to the joint Board. Additionally, two independent committee members were appointed to the Acquisition, Finance and Development Committee and one was appointed to the Audit and Risk Committee during the year. In addition, a Governor was appointed on 8 July 2025 to represent Westminster City Council.

All staff are jointly employed by the Charity and its subsidiaries. Each entity is responsible for its own direct costs. The Charity has entered into a cost sharing agreement for central costs with its subsidiaries based upon staff allocations. The Charity enters into other arms-length transactions with its subsidiaries.

OBJECTIVES AND ACTIVITIES

The Objectives of the Charity are to:

'Provide reasonable assistance in securing accommodation within the City of Westminster for individuals (and any dependants living with them) who are in need of accommodation as a result of:

- their employment in the public or voluntary sectors or in relevant employment in the City of Westminster and the surrounding area, having regard to the fact that such individuals could not afford to secure such accommodation on normal commercial terms; or
- financial hardship, social or economic need, age, ill health, disability or any other need.'

The objectives define the interpretation of the terms 'public sector,' 'voluntary sector,' and 'relevant employment.' They also describe the consultation required between the Charity and Westminster City Council regarding the determination of the needs of people living in the area and the activities of the Charity, which will meet those needs. With the consent of Westminster City Council, the Charity may secure accommodation outside of the City of Westminster.

STRATEGY

In May 2024, the Board and the executive team formulated a new three-year strategy to take the Group through to 2027. The strategy is broken down into three core areas: residents; homes; and growth. The key issues in the housing sector; affordability, safety, sustainability, emerging legislation and inclusivity, are embedded within our strategy across the three core areas. These three pillars are not independent of each other and to deliver this strategy the links between them are acknowledged.

Residents

Our residents are central to what we do and why we do it. They should all be treated equally irrespective of housing tenure. We will continuously improve our offer to our residents through:

- establishing a customer experience management system;
- delivering improvements in customer experience where it matters most to our residents; and
- growing a customer centric culture across all of the Charity's activities.

Homes

We provide homes that meet our residents' needs and that they can afford near to their place of work. We will:

- keep our homes and customer safe by delivering 100% health & safety compliance;
- evolve the repairs service to be customer centric;
- reduce our residents' energy costs by making our homes more energy efficient; and
- provide quality homes to all of our residents by ensuring all homes are decent, safe and energy efficient through effective planned maintenance and management.

Growth

Dolphin will deliver a sustainable level of growth within a 30-minute commute of Westminster by:

- improving existing homes and rebuilding our older estates;
- acquiring affordable housing delivered by other developers; and
- identifying land-led opportunities to deliver new homes.

ACHIEVEMENTS AND PERFORMANCE

Homes available to rent

During the year, we disposed of six homes from our portfolio which now comprises 832 homes for rent and 13 commercial units. Of the total portfolio 72% (2024: 74%) is intermediate rent, providing homes at an average discount of 47% (2024: 39%) to market rent whilst delivering a financial return that ensures the continued financial stability and growth of the Charity.

	Number of homes					
	Intermediate	Social	PRS/ Market sale	TOTAL	Commercial units	TOTAL
Portfolio at 31 March 2024	**622**	**49**	**169**	**838**	**13**	**851**
Disposals	(6)	-	-	(6)	-	(6)
Portfolio at 31 March 2025	**616**	**49**	**169**	**832**	**13**	**845**
% of portfolio	*72%*	*6%*	*20%*	*98%*	*2%*	*100%*
Planning:						
New Era	96	3	-	**99**	-	**99**
Existing units demolished for redevelopment	(93)	(3)	-	**(96)**	**(12)**	**(108)**
Forecast to 31 March 2030	**619**	**49**	**169**	**835**	**1**	**836**

We continue to meet our charitable objectives with the majority of our affordable housing being intermediate rental homes. These homes provide stable tenancies at a range of rents affordable to households earning less than the affordable housing incomes limits set annually by the Mayor of London and Westminster City Council. Priority is given to those who can afford the rent yet earn the least and those who will most fully occupy each home. In following our charitable objects, we aim to prioritise those with a Westminster connection.

Alongside our intermediate rental homes we provide a smaller number of homes at affordable and social rent that are subject to nominations by the local authority. We also own and let a portfolio of homes for those with a more acute housing need. Both our intermediate and social rent homes are cross-subsidised by the 169 market rent homes.

Throughout the year we achieved 100% compliance (2024: 100%) with our Health and Safety KPI targets. These KPIs include:

- ensuring homes have current fire and general risk assessments, and valid gas and electrical certificates; and
- that homes have been inspected in the current year.

ACHIEVEMENTS AND PERFORMANCE (continued)

Financial review

	2025	2024	2023	2022	2021
Net assets	£165.4m	£166.9m	£168.5m	£168.4m	£166.7m
Turnover [1]	£15.3m	£15.2m	£12.7m	£12.5m	£12.1m
Operating surplus [2]	£4.0m	£4.7m	£4.3m	£5.6m	£4.3m
Operating margin [3]	27%	32%	34%	45%	36%
Gearing [4]	72%	71%	71%	63%	64%
Interest cover [5]	3.3	3.2	3.0	3.2	3.2
Homes in portfolio	832	838	819	791	798
Homes completed in year	-	25	31	-	141

[1] Turnover includes all income except for profit on sale of land and buildings.
[2] Operating surplus excludes finance costs, restricted and investment income and goodwill amortisation.
[3] Operating surplus as a proportion of income from charitable and other trading activities.
[4] Loans as a proportion of total funds.
[5] Income from charitable and other trading activities divided by finance costs.

Turnover, which comprises rental income, investment income and other income, during 2024/25 increased from last year due to additional rental income from April 2024 annual rent increases offset by the decrease in other income received during the year.

Rental income is received from two types of property;

- purpose-built developments; and
- existing properties that the Charity has acquired,

and from three sources;

- intermediate rent leases;
- market rent leases (residential and commercial); and
- leases under its objective to assist those in acute housing need.

Other income relates to amounts received from third parties in relation to reimbursement of costs incurred by the Group.

Expenditure in the year was higher than during the previous year due to an increased level of repairs at our properties as these properties age and inflation.

Finance costs are lower than last year due to the decreases in base rates during the year, although the Group's exposure to such movements is limited as 94.5% (2024: 94.4%) of loans are at fixed interest rates.

Excluding the diminution in value at Parkhouse Street of £1.7m (2024: £2.5m), net income for the Group for the year was £0.3m (2024: £0.8m) and reserves of £165.4m (2024: £166.9m) were carried forward.

Funding

No additional funding was obtained during 2024 or 2025. We continue to investigate the requirement for new funding facilities over the short and medium-term as we look to implement our development and acquisition strategies.

In 2017, we issued a £25m charity bond and we have a further £20m of bonds available for future issue if required.

The financial strength of the Group remains strong with cash or near cash being £23.0m (2024: £23.0m) and a net asset position of £165.4m (2024: £166.9m).

Development properties and pipeline

Our plans for the redevelopment of the New Era estate, to build 208 new homes including 99 Dolphin homes, have progressed during the year. We have appointed a development partner and have been working them and the London Borough of Hackney and to submit an updated planning application in June 2025 on which we expect a decision later in September. In March, we secured a grant from the Greater London Authority which will allow us to proceed with the development. We began moving residents from 60 New Era homes to Kingsland Road during the year and the remainder will move later this year. We expect construction to commence in Autumn 2026 and the residents will move back to a new home at the redeveloped New Era estate on completion in 2029.

We are updating the planning application for our proposed development at Parkhouse Street, Camberwell, where we have a resolution to grant planning for 85 homes. The updated plans take into consideration new Fire Safety regulations by incorporating second staircase access.

Our plans for our properties at Mount Close have also moved forward during the year. We held several resident consultations over the Winter in preparation for a refurbishment and redevelopment scheme. We are in discussions with London Borough of Ealing and submitted a planning application in June for 149 new homes to be built on the estate. This comprises, 69 private rent and 69 Dolphin homes, with 29 existing homes retained and refurbished and 11 demolished and re-provided (total of 109 owned by Dolphin, compared with the current 40 homes). The number of homes proposed on the estate would total 178 and heights range from four to six storeys across the estate.

Work also continues to review the potential opportunities at Havelock House & The Hermitage, Lewisham to improve the existing homes, both from a design and sustainability perspective.

We have three acquisitions under offer at the year end for 14 homes at The Whiteley, Westminster, eight homes at King's Place, Southwark and 59 homes at St. John's Wood Square, Westminster.

We continue to be active in the market looking for opportunities to acquire sites, completed properties and existing homes. We remain committed to our Westminster beneficiaries, albeit acknowledging that in balancing costs against number of beneficiaries, we will continue to seek opportunities in areas that provide a sustainable commute to Westminster as well as making acquisitions within Westminster.

ACHIEVEMENTS AND PERFORMANCE (continued)

Repairs

In response to a review of the Charity's repair process last year we have implemented a number of measures to make our repairs process more resident-centric particularly around communication and visits to homes. Further improvements will be delivered in future years to streamline the process and manage costs.

We have carried out repair works to all of the roofs at Mount Close and Havelock House as well as internal repairs to combat the damp caused by deteriorating roofs. Plans are also underway to repair drains, roads and pavements on the estate.

Our repairs process for reports of damp and mould has been reviewed and updated to ensure we are well placed to meet the requirements of Awaab's Law. The process also includes monitoring for at least 12 months after the initial repair works have been completed. As well as responding to reports of repairs from residents as aim to inspect each home during the year. These inspections ensure repairs, including damp and mould, do not go unreported or unattended.

We continue to improve our response to reports of damp and mould in our homes. We carried out works at 75 homes during the year and works at 14 homes are currently in progress. Our regimen of regular property inspections will also identify any cases which our residents do not report.

Customer service

As we focus on continually improving our residents experience, we have:

- tailored our resident engagement plan to meet the needs of each property and its residents. This includes a variety of events such as tea and cake catch ups, on-line meetings and more structured evening meetings with at least one event at each property during the year. The feedback gathered at these events has, and will continue to, inform our approach and help us improve the service that we offer;
- started to roll out the short-term recommendations from the review of our repairs service with the aim of making it resident centric. Key improvements have been a decrease in the number of contractors attending residents' homes and an increase in the number of repairs completed in one visit. Next year we will be implementing the medium- and long-term recommendations;
- continued to improve our arrears management, increasing engagement at an early stage and offering support to residents through deferral, personalised rents and payment plans; and
- increased our face-to-face engagement with residents through staff recruitment.

Surveying our customers is an important tool to understand their views. Our annual customer survey resulted in a Net Promoter Score (NPS) of 34 (2024: 31) and Tenant Satisfaction Measures (TSMs) identified that 85% (2024: 74%) of residents are satisfied with our service. Across the TSMs we scored an average score of 73% (2024: 69%).

ACHIEVEMENTS AND PERFORMANCE (continued)

Customer service (continued)

Our highest scoring TSMs were residents feeling we treat them fairly and with respect, and that we are providing a high level of service. Our lowest scoring TSM was around our approach to handling anti-social behaviour. We will be analysing these results further to deliver improvements. Last year our lowest scoring TSM was our complaints handling and as a result we have recruited a designated 'Resident Liaison and Regulation Manager' to focus on this area.

To ensure we deliver a seamless customer experience we have continued to conduct joint training sessions with team members from our managing agents, Touchstone CPS.

Environmental, social and governance (ESG) monitoring and reporting

Our stakeholders include our residents, local communities, investors, local government, our staff and Governors. To meet stakeholder expectations, it is extremely important to us to continually improve our sustainability credentials. In order to assist measurement and reporting, the Group signed up as an early adopter of The Good Economy ESG reporting standard and our third report was published during the year. This standard sets out a number of baseline sustainability measures against which adopters must report and evidences our commitment to achieving high performance in all areas of ESG. As an organisation, we are measured on our environmental and social impacts and risks, and the quality of our governance. The objectives of ESG measurement and reporting closely align to the Group's charitable objectives, our culture and the future legislative requirements we expect to emerge in coming years.

In both our homes and our office, and through development and our supply chain we will:

- minimise our carbon footprint through reducing electricity and gas usage, and prioritising carbon reduction measures in our homes, developments and refurbishments;
- monitor our construction projects to reduce the environmental impact of activities on site;
- risk assess all our construction, development and refurbishment projects against the predicted local impacts of climate change;
- develop sustainable procurement processes for our goods and services;
- assess and improve carbon emissions across our housing stock;
- deliver net gain biodiversity at our developments, creating great places for both people and nature to thrive;
- work with residents so they can make greener choices; and
- encourage our residents to put the environment first and to integrate good environmental practices into their everyday lives.

Following a review of the available industry benchmarks, SHIFT by Suss Housing was selected as a sustainability measure/benchmark and we completed our first three-year term of our SHIFT accreditation last summer and we attained a silver standard. This accreditation was renewed recently for a second three-year term.

A sustainability group comprising the CEO and other senior members of staff, established in 2023, monitors and reviews our progress against the Group's targets.

ACHIEVEMENTS AND PERFORMANCE (continued)

The team

Our Executive team, led by Olivia Harris as Chief Executive, comprises 17 employees across property acquisition & development, customer service, letting, asset management and finance. Remuneration is reviewed annually with reference to current salaries, wage inflation and market rates. Management sets the remuneration for all staff except for senior management whose remuneration is set by the Remuneration and Nominations Committee, which also approves the overall salary expenditure. Key management personnel are Olivia Harris (Chief Executive), Gary Preston (Finance Director), Jacqueline England (Customer Services Director), Matthew Lamb (Development Director) and Octavia Williams (Asset Management and Governance Director).

PLANS FOR FUTURE PERIODS

We will continue to build our portfolio of intermediate rental properties through direct development, working with developers to acquire the affordable housing element of larger schemes and through the acquisition of existing homes. We continue to be open to joint venture opportunities with other charitable or benevolent landowners who wish to develop their sites and lack either capital or development expertise.

Our planning consents at the New Era estate and Mount Close will further enhance our growing portfolio of intermediate rental homes. We have progressed both opportunities during the year and look forward to delivering new homes in the near future. We are also exploring other development opportunities within our portfolio.

As well as ensuring that our homes are regularly upgraded and the portfolio delivers its potential we will continuously improve our services to residents. An in-depth review of our cyclical works programme has started and is ongoing, with the objectives of increasing customer satisfaction, maintaining our homes for the long-term and delivering value for money.

Throughout all the Charity does, from design, through construction and delivery, to management, there is a strong commitment embedded throughout the organisation to meet our customers' needs and in doing so fulfilling our charitable objectives. We will continue to champion the provision of intermediate rental housing for working Londoners.

To fund future growth we will raise additional finance as required but will always be mindful of maintaining the strong financial stability that currently exists.

PUBLIC BENEFIT

The Charity has had regard to the guidance issued by the Charity Commission in respect of public benefit under the Charities Act 2011. The Board of Governors is keen to ensure there is an effective and appropriate balance of activity addressing the objectives of the Charity, both of which generate public benefit.

Every development scheme the Charity undertakes will have a proportion of the development providing accommodation at rents lower than those available in an open market. This benefits those working in the City of Westminster and Greater London by reducing travel time and expense as well as providing a stable tenancy with limited rental increases in a property that is managed for the benefit of the tenants. These factors improve quality of life for those working in the City of Westminster and Greater London who are not able to afford market rents.

The Charity provides accommodation to those in more acute financial hardship such as the homeless in the City of Westminster. The beneficiaries are housed in accommodation in the City of Westminster which is appropriate to their needs and family composition. The Charity also invests in projects that support the homeless to obtain work and provides accommodation to the beneficiaries of the projects. The provision of accommodation is another key stability factor supporting those entering the workplace.

CHARITY CODE OF GOVERNANCE

The Charity has adopted the Charity Governance Code as set out by the Charities Commission. The Charity substantively complies with the Code of Governance and aspires to adopt all of the Code.

FUTURE LEGISLATION

We actively track emerging legislation which, at present, includes the Renters Rights Bill and consultations on Minimum Energy Efficiency Standards (MEES) in the Private Rented Sector and proposed reforms to the metrics used for assessing building energy efficiency, specifically Energy Performance Certificates (EPC) for residential properties. We are monitoring the Renters Rights Bill as it progresses through the House of Lords and most critically await details of the implementation timescales. Our focus, as ever, being the impact on our residents and delivery of our charitable objectives. In respect of the MEES and EPC consultations we are engaging with industry bodies to contribute to consultation responses and understand the potential impact on the Charity.

INVESTMENT POLICY

The Charity's treasury policy, including its investment strategy for non-property assets, is regularly under review by the Acquisition, Finance and Development Committee. In accordance with the reserves policy the Committee ensures that the projected investment in properties and operating costs can be covered by readily available funds, whilst ensuring that the risks inherent in the investment portfolio are mitigated and returns are maintained. During the year investment performance has been in line with the investment strategy.

RESERVES POLICY

The reserves policy of the Charity is to hold sufficient liquid assets and undrawn loan facilities to meet all commitments and at least 12 months of operating costs. The reserves of the Charity invested in liquid assets are held to provide certainty of amount, at maturity, to match the Charity's utilisation of these funds in its property development activities.

The Charity has reserves of £165.4m invested in properties, working capital and liquid assets. The life cycle costs for our properties are reviewed annually and a long-term plan is in place to incur these costs at the end of their expected lives which are incorporated into our forecast cash flows. Free reserves, excluding fixed assets, long-term debt and committed funds, are £12.7m. This is in excess of our target of 12 months of operating costs as funds are held for acquisition opportunities.

GOING CONCERN

The continuing effects of the cost-of-living crisis has impacted both the UK economy and to a lesser extent the charity's operations and finances. Whilst we have seen a small increase in the rent arrears position, our collection rates of our residential income have remained high and the impact has been modest.

Where residents have approached the Charity for assistance, we have addressed each case individually and on its merits. We are providing assistance where appropriate to residents and want to work with them to overcome any financial hardship they may endure with the objective of sustaining tenancies where possible.

The Charity, as disclosed in this report, has substantial cash reserves. Having forecasted the Group's cashflow out to 2033/34, and stress tested the rental receipts and costs impacted by interest rate and inflationary increases, over that same period, the Governors consider that the Group has sufficient cash reserves to meet any potential falls in rental income as well as any interest rate and inflationary cost increases.

Staff work a minimum of two days in the office with the remainder remotely. The IT platform supporting remote working continues to work well and following the introduction of a new accounting system in April 2024, our systems are now completely 'cloud'-based strengthening our strategy of working anywhere at any time. We have experienced no down time in systems during the year with no disruption to the service levels expected of the Group.

Our property management services are provided by Touchstone CPS which are part of a large, financially secure housing group of companies. We have a continuous dialogue with them and they are key to delivering the Group's service model. We are currently in the process respecifying our contract with them and expect to agree a three-year extension later in the year.

The executive team continue to monitor the financial position and performance of the Charity closely with updates on key metrics provided to Governors on a quarterly basis. The Governors, although acknowledging the continuing effects of the cost-of-living crisis, are satisfied that the financial strength that underpins the Charity provides sufficient confidence that the Charity and its subsidiaries have the ability to continue to operate as a going concern.

BUSINESS RISK MITIGATION POLICY

The Governors are responsible for safeguarding the assets of the Charity and for ensuring that it is fully compliant with relevant regulations and best practice. They review the key risks to which the Charity is exposed at least once a year, together with the operating and financial compliance controls that have been implemented to mitigate those risks. The detailed risk register is maintained by the executive team and a strategic risk register is prepared for regular review by the Audit & Risk Committee, and annually by the Board. The Board are of the view that the formal ongoing process for identifying, evaluating and managing the Charity's significant risks that has been in place for the year ending 31 March 2025 continues to be appropriate for the Charity.

The key risks identified in the most recent review by the Board, including factors that are likely to affect the financial performance or position going forward are:

- external market risks including supply chain, cost inflation and labour shortages that would impact on the Charity's ability to deliver services and manage costs;
- regulatory changes, in particular around sustainability, fire safety and housing delivery policy, which increase costs and potentially absorb significant amounts of management resources;
- the delivery of new homes for intermediate rent which is impacted by external market pressures and regulatory changes as described above;
- insufficient business continuity capacity in the event of a critical or emergency event, which could result in cessation or delay of delivery of strategic objectives, and in the most extreme case organisational failure; and
- dependency on key suppliers whereby Dolphin has significant exposure to the performance and financial stability of a small number of key suppliers.

The controls and assurance in place for mitigating those risks are set out in the risk register and include:

- oversight by the Board and sub-committees of those risks and assurance on performance measures and reporting intended to mitigate the likelihood of occurrence or impact upon occurrence of those risks crystallising;
- setting and reporting of key performance indicators;
- sensitising and stress testing budgets and business plans;
- implementing service standards which can be flexed as required;
- recruiting and retaining suitably qualified and experienced staff and professional advisors to oversee, advise and manage properties;
- providing staff and Board members with training and information to keep abreast of regulatory changes;
- regular testing of the business continuity plan;
- robust procurement process including financial checks; and
- monthly monitoring of key supplier health and safety compliance.

The Board continue to identify any skills gaps and the recruitment of new Governors is focused on acquiring the needed skills.

THE DOLPHIN SQUARE CHARITABLE FOUNDATION

STATEMENT OF TRUSTEE'S RESPONSIBILITIES

The Trustee is responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Law applicable to charities in England and Wales requires the Trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and the Group and of the Group's incoming resources and application of resources of the year. In preparing financial statements giving a true and fair view the Trustee should follow best practice and:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in operation.

The Trustee is responsible for keeping accounting records that disclose with reasonable accuracy the financial position of the Charity and the Group and enable the trustee to ensure that the financial statements comply with the Charities Act 2011 and regulations made thereunder. The Trustee is also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Crowe U.K. LLP has indicated its willingness to be reappointed as statutory auditor.

Approved and authorised for issue by the Trustee on 8 July 2025 and signed on its behalf.

Andrew Giblin
(Chair of Governors)

Julia Moulder
(Governor)

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF THE DOLPHIN SQUARE CHARITABLE FOUNDATION FOR THE YEAR ENDED 31 MARCH 2025

Opinion

We have audited the financial statements of The Dolphin Square Charitable Foundation for the year ended 31 March 2025 which comprise consolidated statement of financial activities, consolidated balance sheet, balance sheet, consolidated cashflow 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, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charity's affairs as at 31 March 2025 and of the group's incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

Other information (continued)

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustee's responsibilities statement set out on page 17, the trustee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustee is responsible for assessing the Group's and the parent Charity'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 trustee either intends to liquidate the charity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as Auditor under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

Auditor's responsibilities for the audit of the financial statements (continued)

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

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

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

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

We obtained an understanding of the legal and regulatory frameworks within which the Group and charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 and together with the Charities SORP (FRS102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the Group's and charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the Group and charitable company for fraud. The only other laws and regulations we considered in this context are taxation and employment legislation.

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

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

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

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Crowe U.K. LLP

Statutory Auditor

55 Ludgate Hill

London

EC4M 7JW

21 July 2025

THE DOLPHIN SQUARE CHARITABLE FOUNDATION

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2025

	Note	Restricted 2025 £	Unrestricted 2025 £	Total 2025 £
Income and endowments from:				
Charitable activities		-	11,051,332	11,051,332
Other trading activities		-	2,974,961	2,974,961
Investment income		-	1,078,393	1,078,393
Profit on sale of land and buildings		-	477,354	477,354
Other income		-	228,191	228,191
Total		-	**15,810,231**	**15,810,231**
Expenditure on:				
Charitable activities				
Housing support	3	-	10,363,393	10,363,393
Strategic development	3	-	343,952	343,952
Finance costs		-	4,817,004	4,817,004
Total resources expended		-	**15,524,349**	**15,524,349**
Net income		-	**285,882**	**285,882**
Diminution in value		-	(1,745,622)	(1,745,622)
Net movement for the year		-	**(1,459,740)**	**(1,459,740)**
Balance brought forward at 1 April 2024		28,412,800	138,456,619	166,869,419
Transfer		385,429	(385,429)	-
Balance carried forward at 31 March 2025	15	**28,798,229**	**136,611,450**	**165,409,679**

All amounts relate to continuing operations. All gains and losses recognised in the year are included in the statement of financial activities.

The notes on pages 30 to 47 form part of the financial statements

THE DOLPHIN SQUARE CHARITABLE FOUNDATION

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2024

	Note	Restricted 2024 £	Unrestricted 2024 £	Total 2024 £
Income and endowments from:				
Charitable activities		-	11,452,670	11,452,670
Other trading activities		-	1,880,210	1,880,210
Investment income		-	1,051,346	1,051,346
Profit on sale of land and buildings		-	426,064	426,064
Other income		-	841,700	841,700
Total		-	15,651,990	15,651,990
Expenditure on:				
Charitable activities				
Housing support	3	-	9,653,919	9,653,919
Strategic development	3	-	281,159	281,159
Finance costs		-	4,880,566	4,880,566
Total resources expended		-	14,815,644	14,815,644
Net income/movement for the year		-	836,346	836,346
Diminution in value		-	(2,500,000)	(2,500,000)
Net movement for the year		-	(1,663,654)	(1,663,654)
Balance brought forward at 1 April 2023		28,412,800	140,120,273	168,533,073
Balance carried forward at 31 March 2024	15	28,412,800	138,456,619	166,869,419

All amounts relate to continuing operations. All gains and losses recognised in the year are included in the statement of financial activities.

The notes on pages 30 to 47 form part of the financial statements

THE DOLPHIN SQUARE CHARITABLE FOUNDATION
CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2025

	Note	£	2025 £	£	2024 £
FIXED ASSETS					
Freehold buildings	5		**95,977,352**		94,870,369
Leasehold buildings	6		**155,713,400**		158,288,748
Land and buildings under development	7		**11,029,985**		10,759,607
Tangible fixed assets	8		**93,209**		108,317
Investments	9		**12,000,000**		12,000,000
			274,813,946		276,027,041
CURRENT ASSETS					
Debtors and prepayments	10	**2,808,925**		2,498,330	
Cash at bank	11	**10,959,672**		10,991,930	
		13,768,597		13,490,260	
LIABILITIES					
Creditors: amounts falling due within one year	12	**(4,180,747)**		(3,582,026)	
NET CURRENT ASSETS			**9,587,850**		9,908,234
TOTAL ASSETS LESS CURRENT LIABILITIES			**284.401,796**		285,935,275
Creditors: amounts falling due after more than one year	13		**(118,992,117)**		(119,065,856)
NET ASSETS			**165,409,679**		166,869,419
Unrestricted funds			**133,239,667**		134,901,830
Designated funds			**3,371,783**		3,554,789
Total unrestricted funds			**136,611,450**		138,456,619
Restricted funds			**28,798,229**		28,412,800
TOTAL FUNDS	15		**165,409,679**		166,869,419

Approved and authorised for issue by the Trustee on 8 July 2025 and signed on its behalf

Andrew Giblin
(Chair of Governors)

Julia Moulder
(Governor)

The notes on pages 30 to 47 form part of the financial statements

THE DOLPHIN SQUARE CHARITABLE FOUNDATION

BALANCE SHEET AS AT 31 MARCH 2025

	Note	£	2025 £	£	2024 £
FIXED ASSETS					
Freehold buildings	5		**70,993,764**		69,860,966
Leasehold buildings	6		**143,550,106**		146,074,602
Land and buildings under development	7		**7,208,382**		7,280,067
Tangible fixed assets	8		**93,209**		108,317
Investments	9		**38,059,666**		38,059,666
			259,905,127		261,383,618
CURRENT ASSETS					
Debtors and prepayments	10	**14,291,270**		13,741,331	
Cash at bank	11	**10,770,212**		10,687,544	
		25,061,482		24,428,875	
LIABILITIES					
Creditors: amounts falling due within one year	12	**(3,168,036)**		(2,625,423)	
NET CURRENT ASSETS			**21,893,446**		21,803,452
TOTAL ASSETS LESS CURRENT LIABILITIES			**281,798,573**		283,187,070
Creditors: amounts falling due after more than one year	13		**(116,149,972)**		(116,234,881)
NET ASSETS			**165,648,601**		166,952,189
Unrestricted funds			**133,478,589**		134,984,600
Designated funds			**3,371,783**		3,554,789
Total unrestricted funds			**136,850,372**		138,539,389
Restricted funds			**28,798,229**		28,412,800
TOTAL FUNDS	15		**165,648,601**		166,952,189

The Charity had gross income of £12,579,634 (2024: £13,094,072) in the year and a net negative movement on reserves of £1,303,588 (2024: £1,514,473 negative).

Approved and authorised for issue by the Trustee on 8 July 2025 and signed on its behalf:

Andrew Giblin
(Chair of Governors)

Julia Moulder
(Governor)

The notes on pages 30 to 47 form part of the financial statements

THE DOLPHIN SQUARE CHARITABLE FOUNDATION

CONSOLIDATED CASHFLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2025

	Note	2025 £	2024 £
Cash flows from operating activities:			
Net cash used in operating activities	a	**685,209**	500,574
Cash flows from investing activities:			
Interest from investments		**1,078,393**	1,051,346
Proceeds from the sale of property, plant and equipment		**2,239,697**	2,440,413
Purchase of property, plant and equipment		**(3,891,292)**	(2,561,600)
Amounts invested		**-**	(12,000,000)
Net cash used in investing activities		**(573,202)**	(11,069,841)
Cash flows from financing activities:			
Repayments of borrowing		**(144,265)**	(150,604)
Net cash provided by financing activities		**(144,265)**	(150,604)
Cash and cash equivalents:			
Change in the reporting period		**(32,258)**	(10,719,871)
Balance brought forward at 1 April		**10,991,930**	21,711,801
Cash and cash equivalents at the end of the reporting period		**10,959,672**	10,991,930

Note

a. Reconciliation of cash flows from operating activities		
Net income for the reporting period	**(1,459,740)**	(1,663,654)
Adjustments for:		
Depreciation charges	**1,596,421**	1,580,019
Impairment	**1,745,622**	2,500,000
Amortisation of costs of raising finance	**91,032**	177,142
Interest from investments	**(1,078,393)**	(1,051,346)
Profit on the sale of fixed assets	**(477,354)**	(426,064)
Increase in debtors	**(310,594)**	(842,127)
Increase in creditors	**578,215**	226,604
Net cash used in operating activities	**685,209**	500,574

The notes on pages 30 to 47 form part of the financial statements

1. CHARITY INFORMATION

The Charity is registered with the Charity Commission, registration number 1110090. The registered address of the Charity is 1 Castle Lane, London, SW1E 6DR.

2. ACCOUNTING POLICIES

(a) Going concern

Although the impact of the continuing cost-of-living crisis and recent high inflation environment to the economy has been significant, the Charity and the Group are in a strong position to operate through the economic upheaval and be well placed for when the recovery comes. In addition, the Charity has substantial cash reserves to call upon if needed.

Having forecasted the Group's cashflow out to 2033/34 and having stress tested the rental receipts, and costs that could be impacted by interest rate and inflationary increases over that same period, the Governors feel that the Group has sufficient cash reserves to meet an any fall in rental income or increase in costs. In addition, the rent collection rates throughout 2024/25 remained high providing further confidence of the Group's cashflow and stability.

These accounts are therefore prepared on a going concern basis. There are no material uncertainties over the Group's ability to continue as a going concern.

(b) Basis of accounting

The accounts have been prepared in accordance with the Charities SORP (FRS102) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland, the Charities Act 2011 and UK Generally Accepted Practice.

The accounts have been prepared to give a true and fair view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005, which has since been withdrawn.

The Charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The financial statements of the Charity and its three subsidiaries, DSF Developments Limited, Dolphin Housing Limited and Hoxton Regeneration Limited are consolidated, on a line-by-line basis, to produce group financial statements. The consolidated entity is referred to as 'the Group'. Only the financial activity of the Group is shown in the consolidated statement of financial activities.

2. ACCOUNTING POLICIES (continued)

(c) Critical accounting judgements and key sources of estimation uncertainty

In the application of the Charity's accounting policies, which are described in this note, judgements, estimates, and assumptions are made about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects the current and future periods.

There are no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date that are likely to result in a material adjustment to their carrying amounts in the next financial year.

In preparing these financial statements, key judgements have been made in respect of whether there are indicators of impairment of the Group's tangible fixed assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset. The Board have considered the measurement basis to determine the recoverable amount of assets where there are indicators of impairment based on EUV-SH or appropriate development appraisal.

Development expenditure

Development expenditure is capitalised in accordance with the accounting policy given below. Initial capitalisation of costs is based on management's judgement that technical and economic feasibility is confirmed, usually when a development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised management makes assumptions regarding the expected future cash generation of the assets, discount rates to be applied and the expected period of benefits.

Fixed asset depreciation

Tangible fixed assets are depreciated over their expected useful economic lives. The expected lives of the assets are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account.

(d) Grants and donations

Grants and donations are recognised when the Charity is entitled to the income, the receipt is probable and the amount can be quantified with reasonable accuracy.

(e) Rental income

Rental income is recognised as it falls due. Rental income charged at sub-market rates is recognised as income from charitable activities. All other rental income is recognised as income from other trading activities.

2. ACCOUNTING POLICIES (continued)

(f) Investment income

Interest income is included in incoming resources on a receivable basis.

(g) Resources expended

Expenditure is included on an accruals basis.

Costs of charitable activities comprise all the resources applied by the Charity in undertaking its work to meet its charitable objectives. Housing support costs comprise staff and overhead costs and grants payable in support of housing projects.

Grants payable are accounted for in the Statement of Financial Activities in the year in which they are authorised. Any amounts which have been authorised but which remain unpaid at the year-end are included within the current liabilities in the balance sheet.

Strategic development costs comprise staff costs, overheads and fees payable to advisers in conjunction with the development of the Charity's objects.

(h) Tangible fixed assets

All tangible assets are shown at cost less depreciation.

Additions to tangible fixed assets comprise costs of a capital nature and include capitalised interest and certain staff costs directly attributable to the management of a development. Capitalised interest is calculated at the rate on associated borrowings applied to direct expenditure between the date of gaining planning consent and the date of practical completion.

Depreciation on tangible assets is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives.

Depreciation will be calculated on the following basis;

Office and computer equipment	33% straight line
Office improvements	20% straight line
Furniture in tenanted property	33% straight line
Freehold buildings	Over 100 to 150 years
Leasehold properties	Over the lower of their lease term and 150 years

Land is not depreciated.

(i) Buildings in development

Developments are shown at cost of acquisition and spend to date after taking into account any impairment in value. No depreciation is charged on developments until such time as they are completed.

2. ACCOUNTING POLICIES (continued)

(j) Investments

Fixed asset investments are stated in the balance sheet at market value where there is a readily available market price. It is the Group's policy to keep valuations up to date so that when investments are sold, no gain or loss arises. As a result, the statement of financial activities includes those unrealised gains and losses arising from the revaluation of the investment portfolio throughout the year. The statement of financial activities does not distinguish between the valuation adjustments relating to sales and those relating to continued holdings, as they are treated together as changes in the value of the investment portfolio.

(k) Pension costs

The Group contributed to a defined contribution scheme pension scheme administered by an independent company and to employees' personal pension schemes. The pension costs represent the contributions payable by the Group to the schemes for the year.

(l) Lease commitments

Rental income paid under operating leases is charged to income on a straight-line basis over the lease term.

(m) Business combinations

The consolidated financial statements incorporate the financial statements of the Charity and all subsidiaries. These are adjusted, where appropriate, to conform to Group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over five years from the year of acquisition. The results of entities acquired or disposed of are included in the income and expenditure account after or up to the date that control passes respectively.

(n) Financial instruments

Financial assets and liabilities are measured at fair value which is the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Loan transaction costs are amortised over the term of the loan.

3. RESOURCES EXPENDED

	Group		Charity	
	2025	**2024**	**2025**	2024
	£	**£**	**£**	£
Charitable activities				
Housing support costs				
Staff costs	**1,326,973**	1,078,341	**789,506**	556,367
Grants payable	**198,258**	199,481	**300,252**	300,000
Direct costs	**5,815,330**	5,437,406	**4,398,981**	4,142,884
Property management costs	**1,169,556**	1,090,924	**896,641**	839,906
Office costs	**93,895**	52,276	**62,213**	53,522
Legal and professional fees	**84,240**	65,894	**55,066**	58,192
Support costs	**26,037**	64,014	**20,563**	63,828
Audit and accountancy fees	**46,708**	49,248	**22,487**	30,638
Depreciation	**1,602,396**	1,616,335	**1,491,080**	1,525,602
	10,363,393	9,653,919	**8,036,789**	7,570,939
Strategic development costs				
Staff costs	**56,251**	25,846	**32,674**	13,335
Direct costs	**-**	526	**-**	-
Office costs	**129,665**	72,191	**85,913**	73,911
Legal and professional fees	**116,331**	90,996	**76,044**	80,360
Support costs	**35,956**	88,400	**28,396**	88,143
Audit and accountancy fees	**5,749**	3,200	**-**	-
	343,952	281,159	**223,027**	255,749

Support costs are either directly allocated to the activity, e.g. salaries, or shared pro-rata between the activities e.g. premises costs.

During the year salary costs capitalised to developments amounted to £298,489 (2024: £239,639).

Legal and professional fees include costs relating to Crowe U.K. LLP for accountancy and tax services which totalled £21,580 for the Group (2024: £13,540).

Grants comprise:	Group		Charity	
	2025	2024	**2025**	2024
	£	£	**£**	£
Paid in the year	**198,258**	189,481	**300,252**	300,000

4. STAFF COSTS

	2025	2024
	£	£
Gross salaries	**1,169,469**	1,008,748
Employer's NI contributions	**138,070**	102,565
Employer's pension contributions	**191,247**	168,838
	1,498,786	1,280,151
Key management benefits	**560,310**	559,698

The average number of employees in the year was 16 (2024: 16). Employees are divided between housing support and strategic development, 8:8 (2024: 8:8), respectively.

The number of employees whose emoluments, excluding pensions, exceeded £60,000 was:

	2025	2024
£60,000 - £69,999	**4**	2
£70,000 - £79,999	**1**	3
£80,000 - £89,999	**1**	1
£90,000 - £99,999	**-**	-
£100,000 - £109,999	**1**	-
£110,000 - £119,999	**1**	-
£120,000 - £129,999	**-**	1
£130,000 - £139,999	**-**	-
£140,000 - £149,999	**-**	-
£150,000 - £159,999	**1**	-
£160,000 - £169,999	**-**	1

Pension payments of £191,247 (2024: £168,838) were made during the year in respect of 15 employees (2024: 14).

The Governors received no remuneration during the year (2024: £nil).

5. FREEHOLD LAND AND BUILDINGS:

Group	Land £	Buildings £	Total £
COST			
At 1 April 2024	42,029,731	57,489,213	99,518,944
Additions	-	1,510,308	1,510,308
Disposals	-	-	-
At 31 March 2025	**42,029,731**	**58,999,521**	**101,029,252**
DEPRECIATION			
At 1 April 2024	-	4,648,575	4,648,575
Charge in the year	-	403,325	403,325
Disposals		-	-
At 31 March 2025	**-**	**5,051,900**	**5,051,900**
NET BOOK VALUE			
At 31 March 2025	**42,029,731**	**53,947,621**	**95,977,352**
At 31 March 2024	42,029,731	52,840,638	94,870,369
Charity			
COST			
At 1 April 2024	21,121,483	52,777,353	73,898,836
Additions	-	1,510,310	1,510,310
Disposals	-	-	-
At 31 March 2025	**21,121,483**	**54,287,663**	**75,409,146**
DEPRECIATION			
At 1 April 2024	-	4,037,870	4,037,870
Charge in the year	-	377,512	377,512
Disposals	-	-	-
At 31 March 2025	**-**	**4,415,382**	**4,415,382**
NET BOOK VALUE			
At 31 March 2025	**21,121,483**	**49,872,281**	**70,993,764**
At 31 March 2024	21,121,483	48,739,483	69,860,966

6. LEASEHOLD BUILDINGS

Group	Total £
COST	
At 1 April 2024	165,228,210
Additions	349,276
Disposals	(1,881,198)
Transfers from land and buildings under development	-
At 31 March 2025	**163,696,288**
DEPRECIATION	
At 1 April 2024	6,939,462
Charge in the year	1,163,960
Disposals	(120,534)
At 31 March 2025	**7,982,888**
NET BOOK VALUE	
At 31 March 2025	**155,713,400**
At 31 March 2024	158,288,748

Charity	Total £
COST	
At 1 April 2024	152,906,113
Additions	314,627
Disposals	(1,881,198)
At 31 March 2025	151,339,542
DEPRECIATION	
At 1 April 2024	6,831,511
Charge in the year	1,078,459
Disposals	(120,534)
At 31 March 2025	**7,789,436**
NET BOOK VALUE	
At 31 March 2025	**143,550,106**
At 31 March 2024	146,074,602

7. LAND AND BUILDINGS UNDER DEVELOPMENT

Group	Land £	Buildings under development £	Total £
At 1 April 2024	7,041,749	3,717,858	10,759,607
Additions	-	2,064,501	2,064,501
Transfer to leasehold buildings	-	(48,501)	(48,501)
Transfer	(96,127)	96,127	-
Diminution in value	(1,745,622)	-	(1,745,622)
At 31 March 2025	**5,200,000**	**5,829,985**	**11,029,985**
Charity			
At 1 April 2024	7,041,749	238,318	7,280,067
Additions	-	1,716,238	1,716,238
Transfer to leasehold buildings	-	(42,301)	(42,301)
Transfer	(96,127)	96,127	-
Diminution in value	(1,745,622)	-	(1,745,622)
At 31 March 2025	**5,200,000**	**2,008,382**	**7,208,382**

The impairment of £1,745,622 (2024: £2,500,000) relates to our property at Parkhouse Street, Camberwell. We have a resolution to grant planning for 85 homes. However, in order to comply with new Fire Safety regulations by incorporating second staircase access and to ensure financial viability of the scheme, we are updating the planning application for our proposed development. At the year end, we reassessed the value of the site and as a result recognised an impairment of £1,745,622 (2024: £2,500,000).

8. TANGIBLE FIXED ASSETS

Group and Charity	Office improvements	Computer and office equipment	Total
	£	£	£
COST			
At 1 April 2024	97,086	129,227	226,313
Additions	-	15,707	15,707
Disposals	-	(1,679)	(1,679)
At 31 March 2025	**97,086**	**143,255**	**240,341**
DEPRECIATION			
At 1 April 2024	26,647	91,349	117,996
Charge in the year	19,417	9,719	29,136
At 31 March 2025	**46,064**	**101,068**	**147,132**
NET BOOK VALUE			
At 31 March 2025	**51,022**	**42,187**	**93,209**
At 31 March 2024	70,439	37,878	108,317

9. FIXED ASSET INVESTMENTS

Group	2025 £	2024 £
Cash held as an investment	**12,000,000**	12,000,000
Historical cost	**12,000,000**	12,000,000

Charity	2025 £	2024 £
Investments in subsidiaries	**26,059,666**	26,059,666
Cash held as an investment	**12,000,000**	12,000,000
	38,059,666	38,059,666
Historical cost	**38,059,666**	38,059,666

Investments in cash are primarily held to preserve the capital to meet existing capital commitments and for appropriate property investment opportunities as they arise.

9. FIXED ASSET INVESTMENTS (continued)

The investment in subsidiaries figures above represent investments in the following subsidiaries:

Subsidiaries

	DSF Developments Limited	Dolphin Housing Limited	Hoxton Regeneration Limited
Company number	8327131	32446R	597445
Incorporation	England	England	England
Shareholding	100%	100%	100%
	2025	**2025**	**2025**
	£	**£**	**£**
Assets	667,144	13,366,201	23,266,909
Liabilities	(673,251)	(1,684,877)	(5,615,557)
Fund/net assets	(6,107)	11,681,324	17,651,352
Income	395,710	2,550,422	1,057,953
Expenditure	(396,212)	(2,672,499)	(1,055,747)
(Loss)/profit	(502)	(122,077)	2,206

10. DEBTORS

	Group		Charity	
	2025	2024	**2025**	2024
	£	£	**£**	£
Trade debtors	415,881	287,926	332,446	173,831
Other debtors	1,683,638	1,693,439	1,539,939	1,670,642
Prepayments	323,559	178,110	248.824	175,393
Accrued income	385,847	338,855	422,846	338,855
Amounts owed by subsidiaries	-	-	11,747,215	11,382,610
	2,808,925	2,498,330	14,291,270	13,741,331

10. DEBTORS (continued)

During the year the Charity provided funds to wholly owned subsidiaries under loan agreements and an agreement to provide support.

At the year end, the amounts owed to the Charity by DSF Developments Limited were £21,548 (2024: £238,014). During the year, shared costs of £149,298 (2024: £186,656) were recharged by the Charity to DSF Developments Limited.

At the year end, £4,704,816 (2024: £4,253,078) was owed to the Charity by Hoxton Regeneration Limited and included a loan agreement for £3,069,669 (2024: £2,491,190). Both loan agreements have a ten-year term and are repayable in three and four years respectively. During the year, a gift of £2,206 (2024: £106,594) was donated by Hoxton Regeneration Limited to the Charity. Additionally, finance costs were recharged by the Charity to Hoxton Regeneration Limited £121,473 (2024: £nil). Shared costs of £367,575 were recharged by the Charity to Hoxton Regeneration Limited (2024: £287,085) and interest on loans of £205,279 (2024: £225,998) was charged by the charity to Hoxton Regeneration Limited.

At the year end, the amounts owed to the Charity by Dolphin Housing Limited were £7,020,851 (2024: £6,897,003) for shared costs, expenses and three loan agreements for £1,885,000 (2024: £1,885,000), £1,500,000 (2024: £1,500,000) and £2,285,000 (2024: £2,285,000) which are secured against certain assets owned by Dolphin Housing Limited. During the year, finance costs of £155,460 (2024: £163,561) and shared costs of £457,247 (2024: £283,751) were recharged by the Charity to Dolphin Housing Limited.

11. CASH AT BANK

An amount of £150,000 (2024: £250,000) is currently held in reserve for specific development costs.

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2025	2024	**2025**	2024
	£	£	**£**	£
Trade creditors	**558,538**	2,691	**568,478**	2,791
Social security & other taxes	**39,438**	23,905	**39,938**	23,905
VAT	**3,558**	6,153	**4,500**	-
Accruals	**1,851,742**	1,836,866	**1,733,624**	1,705,459
Development retentions	**786,072**	819,222	**600**	-
Loans	**132,254**	111,748	**132,254**	111,748
Deferred income	**7,834**	-	**7,834**	-
Other creditors	**801,311**	781,441	**680,808**	781,520
	4,180,747	3,582,026	**3,168,036**	2,625,423

Deferred income relates to rental income received in advance from tenants which is then released after the year end in the period to which it relates.

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

Group	**2025**	2024
	£	£
Loans maturing:		
Within one year	**143,536**	123,771
In one to two years	**152,161**	132,520
In two to five years	**25,512,995**	25,455,807
In more than five years	**95,295,316**	95,518,236
	121,104,008	121,230,334
Unamortised issue costs	**(1,979,637)**	(2,052,730)
	119,124,371	119,177,604
Due within one year	**(132,254)**	(111,748)
Due in more than one year	**118,992,117**	119,065,856

Charity	**2025**	2024
	£	£
Loans maturing:		
Within one year	**143,536**	123,771
In one to two years	**152,161**	132,520
In two to five years	**25,512,995**	25,455,807
In more than five years	**92,370,317**	92,593,236
	118,179,009	118,305,334
Unamortised issue costs	**(1,896,783)**	(1,958,705)
	116,282,226	116,346,629
Due within one year	**(132,254)**	(111,748)
Due in more than one year	**116,149,972**	116,234,881

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR (continued)

	2025 £	2024 £	Interest rate	Maturity Year
Fixed rate				
Loan	**53,493,438**	53,493,438	3.73%	2046
Loan	**26,000,000**	26,000,000	3.48%	2046
Loan	**5,000,000**	5,000,000	5.35%	2042
Loan	**5,000,000**	5,000,000	5.42%	2053
Charity bond	**25,000,000**	25,000,000	4.25%	2028
	114,493,438	114,493,438		
Floating rate				
Loan	**3,685,570**	3,811,896	1.60% above base rate	2041
Loan	**2,925,000**	2,925,000	1.35% above base rate	2032
	121,104,008	121,230,334		

At the balance sheet date, the Group held financial assets at amortised cost of £13,445,038 (2024: £13,312,150), financial assets at fair value through income and expenditure of £12,000,000 (2024: £12,000,000) and financial liabilities at amortised cost of £123,125,592 (2024: £122,671,787).

14. MOVEMENTS IN NET DEBT

Group	**At 1 April 2024 £**	**Cashflows £**	**Transfers £**	**Non-cash changes £**	**At 31 March 2025 £**
Cash	(10,991,930)	(32,258)	-	-	**(11,024,188)**
Cash held as investments	(12,000,000)	-	-	-	**(12,000,000)**
Loans due within one year	111,748	-	-	20,506	**132,254**
Loans due in more than one year	119,065,856	(126,325)	-	52,587	**118,992,118**
	96,185,674	(158,583)	-	73,093	**96,100,184**
Charity					
Cash	(10,687,544)	(82,668)	-	-	**(10,770,212)**
Cash held as investments	(12,000,000)	-	-	-	**(12,000,000)**
Loans due within one year	111,748	-	-	20,506	**132,254**
Loans due in more than one year	116,234,881	(126,325)	-	41,416	**116,149,972**
	93,659,085	(208,993)	-	61,922	**93,512,014**

15. MOVEMENTS IN RESERVES

Group	**At 1 April 2024**	**Surplus/ (deficit)**	**Transfer**	**At 31 March 2025**
	£	**£**	**£**	**£**
Unrestricted funds	134,901,830	(1,276,734)	(385,429)	**133,239,667**
Designated funds				
WHOA fund	3,554,789	(183,006)	-	**3,371,783**
Total unrestricted funds	138,456,619	(1,459,740)	(385,429)	**136,611,450**
Restricted funds	28,412,800	-	385,429	**28,798,229**
	166,869,419	(1,459,740)	-	**165,409,679**

	At 1 April 2023	Surplus/ (deficit)	Transfer	At 31 March 2024
	£	£	£	£
Unrestricted funds	133,296,640	(1,810,096)	3,415,286	134,901,830
Designated funds				
WHOA fund	3,744,270	(189,481)	-	3,554,789
Sinking fund	3,079,363	335,923	(3,415,286)	-
Total unrestricted funds	140,120,273	(1,663,654)	-	138,456,619
Restricted funds	28,412,800	-	-	28,412,800
	168,533,073	(1,663,654)	-	166,869,419

Charity	**At 1 April 2024**	**Surplus/ (deficit)**	**Transfer**	**At 31 March 2025**
	£	**£**	**£**	**£**
Unrestricted funds	134,984,600	(1,120,582)	(385,429)	**133,478,589**
Designated funds				
WHOA fund	3,554,789	(183,006)	-	**3,371,783**
Total unrestricted funds	138,539,389	(1,303,588)	(385,429)	**136,850,372**
Restricted funds	28,412,800	-	385,429	**28,798,229**
	166,952,189	(1,303,588)	-	**165,648,601**

15. MOVEMENTS IN RESERVES (continued)

Charity	At 1 April 2023	Surplus/ (deficit)	Transfer	At 31 March 2024
	£	£	£	£
Unrestricted funds	133,230,229	(1,660,915)	3,415,286	134,984,600
Designated funds				
WHOA fund	3,744,270	(189,481)	-	3,554,789
Sinking fund	3,079,363	335,923	(3,415,286)	-
Total unrestricted funds	140,053,862	(1,514,473)	-	138,539,389
Restricted funds	28,412,800	-	-	28,412,800
	168,466,662	(1,514,473)	-	166,952,189

Restricted funds and the related transfer relates to the purchase or development of homes for use in the WHOA scheme and reflects expenditure over and above the restricted grant received. The homes, and funds, are restricted for the duration of the scheme (15 years).

The designated WHOA fund and the related transfer reflects the contingent liability for the payment of enhanced deposits to the participants of the scheme. The expenditure of WHOA funds in the year relates to the successful payment of grants under the scheme.

16. NET ASSETS ACROSS FUNDS

	Restricted funds £	Designated funds £	Unrestricted funds £
Group			
At 31 March 2025			
Fixed assets	28,798,229	-	247,428,812
Current assets	-	3,554,789	9,935,471
Liabilities	-	-	(122,647,882)
Total funds	**28,798,229**	**3,371,783**	**134,716,401**
At 31 March 2024			
Fixed assets	28,412,800	-	247,614,241
Current assets	-	3,554,789	9,935,471
Liabilities	-	-	(122,647,882)
Total funds	28,412,800	3,554,789	134,901,830
Charity			
At 31 March 2025			
Fixed assets	28,798,229	-	232,785,390
Current assets	-	3,554,789	20,874,087
Liabilities	-	-	(118,860,306)
Total funds	**28,798,229**	**3,554,789**	**134,799,171**
At 31 March 2024			
Fixed assets	28,412,800	-	233,170,818
Current assets	-	3,554,789	20,874,087
Liabilities	-	-	(118,860,306)
Total funds	28,412,800	3,554,789	135,184,599

17. TRUSTEES' EXPENSES

The Governors of Dolphin Square Charitable Foundation received no remuneration during the year. Expenses of £1,197 (2024: £569) were reimbursed to three (2024: three) Governors for travel, entertaining and subsistence expenses incurred for business purposes.

18. CONTROLLING PARTY

The ultimate controlling party is the Dolphin Square Charitable Trustee Limited, which is the trustee for the Charity.

19. RELATED PARTY TRANSACTIONS

The Group operates a cost sharing agreement whereby support costs are shared between the entities within the Group. The employees are jointly employed by all Group operating entities. The details of these and other related party transactions can be found in notes 4 and 10. There were no other related party transactions in the current or prior year.

20. COMMITMENTS

The Charity and the Group has the following commitments payable within the year to 31 March:

OPERATING LEASE: Group and Charity	**2025**	2024
	£	£
Lease payments within one year	**71,174**	74,834
Lease payments later than one year not later than five years	**-**	65,480

Amounts payable under operating leases during the year ended 31 March 2025 amounted to £83,641 (2024: £28,072).

At the year end, the corporate trustee had authorised the following capital commitments for the Charity and the Group:

	2025 Authorised	**2025 Contracted**	2024 Authorised	2024 Contracted
	£	**£**	£	£
Capital commitments	**4,648,115**	**908,471**	4,583,914	942,221

THE DOLPHIN SQUARE CHARITABLE FOUNDATION

England & Wales - Charity number 1110090

Accounts

THE DOLPHIN SQUARE CHARITABLE FOUNDATION

(Registered Charity Number: 1110090)

REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2024

THE DOLPHIN SQUARE CHARITABLE FOUNDATION

REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2024

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REFERENCE AND ADMINISTRATIVE DETAILS (continued)

Banker	Barclays Bank plc Level 25 1 Churchill Place London E14 5HP
Solicitors	CMS Cameron McKenna Nabarro Olswang LLP Cannon Place 78 Cannon Street London EC4N 6AF Devonshires Solicitors 30 Finsbury Circus London EC2M 7DT
Auditor	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW
Investment Managers	Cazenove Capital Management 1 London Wall Place London EC2Y 5AU

THE DOLPHIN SQUARE CHARITABLE FOUNDATION

REFERENCE AND ADMINISTRATIVE DETAILS

Corporate Trustee:	Dolphin Square Charitable Trustee Limited
Brand name:	Dolphin Living
Governors of Corporate Trustee	Andrew Giblin (Chair) Deirdra Armsby Bruce Clitherow Paul Disley-Tindell Jason Green Jo Moran Julia Moulder Sarah Philbrick Sarah Smith Anna Strongman
Acquisition, Finance and Development Committee	Julia Moulder (Chair) Andrew Giblin Jason Green Katherine Russell Anna Strongman
Audit and Risk Committee	Sarah Smith (Chair) Deidra Armsby Ben Laryea Sarah Philbrick
Operations Committee	Jo Moran (Chair) Bruce Clitherow Paul Disley-Tindell Ben Laryea Sarah Philbrick Janice White
Remuneration and Nominations Committee	Andrew Giblin (Chair) Jo Moran Julia Moulder Sarah Smith
Key management personnel	Olivia Harris (Chief Executive) Jacqueline England Matthew Lamb Gary Preston Octavia Williams

REPORT OF THE CHAIR
FOR THE YEAR ENDED 31 MARCH 2024

Introduction

Dolphin's Living's unique offer is providing homes at below market rent specifically for working Londoners on modest incomes.

In its early years Dolphin Living was primarily a developer of new homes. Now with a substantial portfolio, the charity and its strategy have matured to encompass the stewardship of those homes and the services we provide to our residents, with residents being a focal point in all we do. Delivery of a truly customer centric approach requires a culture whereby all Dolphin suppliers and colleagues acknowledge they are accountable for the experience residents have because of the decisions they make.

Strategy

The Board formulated a new strategy in May 2024 which will take the Group through to 2027. It is based around three core pillars:

- Residents;
- Homes; and
- Growth.

These are discussed in more detail later in this report.

To deliver this strategy we have expanded the Dolphin Living team, bringing in expertise in customer service and asset management, whilst maintaining strong development and finance teams. We are also investing in technology and resources to improve the data and understanding we have of our homes and the services we offer our residents.

Strong financial position

The Group's underlying financial performance during the year has been strong. As a result of full year's income from the prior year acquisitions, and the current year acquisition, rental income increased by £0.7m to £13.3m. Excluding the impairment at Parkhouse Street, which is discussed later, we achieved an operating surplus of £0.8m. Our rent collection remains strong and we have seen only a relatively small increase in arrears.

The cost of living crisis and increased property maintenance costs continues to present the Group and its residents with a challenging environment during the 2023/24 financial year. Against this background, our team have maintained our proactive and collaborative approach and increased our focus on long term cyclical maintenance whilst continuing to provide high quality and affordable homes to working Londoners.

Our balance sheet remains strong with net assets of £166.9m.

Properties and pipeline

Following the acquisition of one property comprising 25 homes and the disposal of six homes during the year, the Group's portfolio totalled 838 homes at the year end. At which time occupancy was 98%.

Our plans for the redevelopment of the New Era estate have been delayed as a result of the recent requirement by the London Borough of Hackney (LBH) and emerging Building Regulations for a second staircase. However, earlier this year we selected a development partner and we are working with them and LBH to produce a scheme which meets the new requirements and submit an updated planning application later in the year.

During the year, we explored actions required to achieve the fuel poverty strategy of EPC C for all homes by 2030. This exercise included analysing data for our properties such as heating type, construction age, property type, wall type, roof insulation levels and glazing type, as well as energy efficiency data from the EPC assessment.

Supporting our residents

As part of our annual Board strategy meeting each Board member and Director met with a resident in their home. This was an opportunity to hear directly from residents and reflect their views in our new strategic plan.

Surveying our residents is an important tool to understand our residents experience and ensure we take action to improve the areas that matter most to them. Our annual customer survey resulted in a Net Promoter Score (NPS) of 31 and across Tenant Satisfaction Measures (TSMs) we consistently scored an average of 69%.

Positive feedback from our residents includes common themes on affordability, value for money, good locations for work and transport, as well as community. These all align with the charitable benefit the Charity seeks to deliver.

The challenges faced by our residents caused by the cost of living crisis are ongoing. We have continued our open dialogue with all residents and have encouraged those in need to approach us for assistance, particularly those in financial hardship. The response has been positive and we have provided assistance through rent deferrals, waivers and payment plans, supporting our residents to maintain their tenancies where possible.

Environmental, social and governance (ESG)

Like all organisations, particularly those within real estate, we have both a responsibility and financial imperative to measure and improve our sustainability performance.

Our primary charitable objective is to *'provide reasonable assistance to those who cannot afford to rent or buy near their place of work'*. Delivering on this social purpose, with a particular focus on affordability of our homes, both in terms of rent and utilities, is therefore a priority.

As a property owner and developer, we contribute to the reduction of carbon emissions through location, design, use and retrofit of our properties. We work with residents to resolve the root causes of any damp and mould found in their homes and enable them to live safely and comfortably in their homes.

The Group was an early adopter of The Good Economy ESG reporting standard and our third report was published in October 2023. The second year of a three-year term of our SHIFT accreditation by Suss Housing was completed last summer and we attained a silver standard.

Health and safety

Achieving full compliance with health and safety regulations remains firmly at the core of our operations. We regularly review our portfolio and take appropriate action to keep our homes safe and compliant with all existing and emerging legislation.

Looking forward

Following the appointment of a dedicated Customer Services Director last year, we have reviewed all aspects of our residents' customer experience and have introduced improvements to our customer service offer in collaboration with our managing agent. This work is ongoing and following a review of our repairs process during the year includes focusing on delivering a more customer centric approach to repairs.

The organisation is well placed to continue to make significant progress and growth over the next decade, providing homes for the many people who keep London going and who help to make it such a successful, vibrant and multicultural city. I would like to thank the capable and dedicated team of governors, executives and staff for helping to make this happen.



Andrew Giblin (Chair of Governors)

DOLPHIN SQUARE CHARITABLE FOUNDATION

REPORT OF THE TRUSTEE
FOR THE YEAR ENDED 31 MARCH 2024

The Trustee presents the annual report and audited financial statements for the year ended 31 March 2024. These financial statements reflect the results of the Charity and its subsidiaries (the 'Group').

ESTABLISHMENT

The Dolphin Square Charitable Foundation (the 'Charity') was first registered as a charity on 17 June 2005 under registered Charity Number 1110090. Its governing document is a Trust Deed dated 11 May 2005.

TRUSTEE

Dolphin Square Charitable Trustee Limited is the corporate trustee of the Charity. Its Governors are as follows:

- Andrew Giblin (Chair)
- Deirdra Armsby
- Bruce Clitherow
- Paul Disley-Tindell — appointed 1 January 2024
- Jason Green — appointed 1 January 2024
- Jo Moran
- Julia Moulder
- Sarah Philbrick
- Sarah Smith
- Anna Strongman

The company secretary is Olivia Harris.

There are four classes of membership:

A The Dolphin Square Trust (represented by Bruce Clitherow)
B Westminster City Council (represented by Deirdra Armsby)
C CityWest Homes
D Other Governors

The rights of the various classes of members are set out in the Memorandum and Articles but in summary are:

A The right to nominate a governor and to veto a governor's removal.
B The right to nominate a governor and to veto certain amendments to articles.
C The right to nominate a governor.
D No special rights.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Dolphin Square Charitable Trustee Limited (the 'Trustee') is a company limited by guarantee (number 5442737, incorporated 4 May 2005) and was formed to declare the trust and to act as trustee of the Charity. The Charity was originally funded by a total of £125m received in accordance with the Deed of Gift between Dolphin Square Trust Limited and the Trustee as trustee of the Charity. These monies were realised from the sale of leasehold interests held by Westminster City Council and the Dolphin Square Trust (Industrial & Provident Society: 16737R) in the Dolphin Square mansion block in Pimlico.

The Trustee holds the assets to apply the income and, at its discretion, the capital in furtherance of the objectives.

The Governors meet quarterly to set the strategy and policies of the Charity and monitor operational activity and financial performance. Day-to-day management of the work of the Charity is delegated to the Chief Executive and her team.

The Charity has committees covering areas of specialised interest:

- Acquisition, Finance and Development;
- Audit and Risk;
- Operations; and
- Remuneration and Nominations.

These committees meet regularly and help to implement the Board's decisions and report to the main board.

Training opportunities are regularly identified and Governors are encouraged to participate in those that they feel to be of use.

The Governors of the Dolphin Square Charitable Foundation received no remuneration during the year. Details of Governors' expenses and related party transactions are disclosed in notes 17 and 19 to the accounts. Governors are required to disclose all relevant interests and register them with the Chief Executive and in accordance with the Charity's policy withdraw from decisions where a conflict of interest arises. Several Governors are active in the affordable housing sector. The Charity's trust deed recognises the potential for conflicts of interest to occur and regulates how they are managed at Board meetings.

The Charity has three subsidiaries, Dolphin Housing Limited (Community benefit society number 32446R, regulated by the Regulator of Social Housing), Hoxton Regeneration Limited and DSF Developments Limited. A number of Governors and staff of the Charity are directors of the subsidiaries. Dolphin Housing Limited also has one independent director. The subsidiaries hold regular Board meetings and directors are invited to attend committee meetings as necessary. In accordance with normal industry practice the independent director of Dolphin Housing Limited receives remuneration.

From January 2024, the Board has operated as a joint Board of the Charity and Dolphin Housing Limited. This change was put in place to support a more streamlined approach in Board meetings. Provisions are in place to manage any conflicts of interest that may arise as a result of this structure.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

During 2023, one Governor of the Charity and two independent directors of Dolphin Housing Limited, who are also members of the Board sub-committees, completed the recommended maximum term and so retired from the Board. The method of recruitment, induction and appraisal of Governors is decided upon by the Board in accordance with the articles and in light of best practice within the sector. Following an assessment of the Charity's business and skills requirements, two Governors were appointed to the joint Board. Additionally, one independent committee member was appointed to both the Acquisition, Finance and Development Committee and the Operations Committee during the year.

All staff are jointly employed by the Charity and its subsidiaries. Each entity is responsible for its own direct costs. The Charity has entered into a cost sharing agreement for central costs with its subsidiaries based upon staff allocations. The Charity enters into other arms-length transactions with its subsidiaries.

OBJECTIVES AND ACTIVITIES

The Objectives of the Charity are to:

'Provide reasonable assistance in securing accommodation within the City of Westminster for individuals (and any dependants living with them) who are in need of accommodation as a result of:

- their employment in the public or voluntary sectors or in relevant employment in the City of Westminster and the surrounding area, having regard to the fact that such individuals could not afford to secure such accommodation on normal commercial terms; or
- financial hardship, social or economic need, age, ill health, disability or any other need.'

The objectives define the interpretation of the terms 'public sector,' 'voluntary sector,' and 'relevant employment.' They also describe the consultation required between the Charity and Westminster City Council regarding the determination of the needs of people living in the area and the activities of the Charity, which will meet those needs. With the consent of Westminster City Council, the Charity may secure accommodation outside of the City of Westminster.

STRATEGY

In May 2024, the Board and the executive team formulated a new three-year strategy to take the Group through to 2027. The strategy is broken down into three areas of focus: customers; homes; and growth. The key issues in the housing sector; affordability, safety, sustainability, emerging legislation and inclusivity, are embedded within our strategy across the three core areas of residents, homes and growth. These three pillars are not independent of each other and to deliver this strategy the links between them are acknowledged.

Residents

Our residents are central to what we do and why we do it. They should all be treated equally irrespective of housing tenure. We will continuously improve our offer to our residents through:

- establishing a customer experience management system;
- delivering improvements in customer experience where it matters most to our residents; and
- growing a customer centric culture across all of Dolphin Living.

Homes

We provide homes that meet our residents' needs and that they can afford near to their place of work. We will:

- keep our homes and customer safe by delivering 100% health & safety compliance;
- evolve the repairs service to be customer centric;
- reduce our customers' energy costs by making our homes more energy efficient; and
- provide quality homes to all of our residents by ensuring all homes are decent, safe and energy efficient through effective planned maintenance and management.

Growth

Dolphin will deliver a sustainable level of growth within a 30-minute commute of Westminster by:

- improving existing homes and rebuilding our older estates;
- acquiring affordable housing delivered by other developers; and
- identifying land-led opportunities to deliver new homes.

We will deliver our strategic aims whilst being mindful of financial and resource capacity constraints, data management, external changes to law, regulation and policy, as well as embedding our approach within our culture. Strong governance, financial resilience and responsible management underpin the delivery of the strategy.

ACHIEVEMENTS AND PERFORMANCE

Homes available to rent

During the year, we acquired one property at Marylebone Square which added 25 homes to our portfolio. We also disposed of six homes from our portfolio which now comprises 838 homes for rent and 13 commercial units. Of the total portfolio 72% (2023: 72%) is intermediate rent, providing homes at an average discount of 39% (2023: 34%) to market rent whilst delivering a financial return that ensures the continued financial viability and growth of the Charity.

	Number of homes					
	Intermediate	**Social/ affordable**	**Market**	**TOTAL**	**Commercial units**	**TOTAL**
Portfolio at 31 March 2023	**601**	**49**	**169**	**819**	**13**	**832**
Disposals	(6)	-	-	(6)	-	(6)
Marylebone Square	25	-	-	25	-	25
Portfolio at 31 March 2024	**620**	**49**	**169**	**838**	**13**	**851**
% of portfolio	*72%*	*6%*	*20%*	*98%*	*2%*	*100%*
Planning:						
New Era	97	49	-	**97**	**1**	**98**
Existing units demolished for redevelopment	(96)	-	-	**(96)**	**(12)**	**(108)**
Forecast to 31 March 2029	**621**	**49**	**169**	**839**	**2**	**841**

We continue to meet our charitable objectives with the majority of our affordable housing being intermediate rental homes. These homes provide stable tenancies at a range of rents affordable to households earning less than the affordable housing incomes limits set annually by the Mayor of London. Priority is given to those who can afford the rent yet earn the least and those who will most fully occupy each home. In following our charitable objects, we aim to prioritise those with a Westminster connection.

Alongside our intermediate rental homes we provide a smaller number of homes at affordable and social rent that are subject to nominations by the local authority. We also own and let a portfolio of homes for those with a more acute housing need. Our intermediate, affordable and social rent homes are cross-subsidised by the 169 market rent homes.

Throughout the year we achieved 100% compliance (2023: 100%) with our Health and Safety KPI targets. These KPIs include:

- ensuring homes have current fire and general risk assessments, and valid gas and electrical certificates; and
- that they have been inspected in the current year.

ACHIEVEMENTS AND PERFORMANCE (continued)

Financial review

	2024	2023	2022	2021	2020
Net assets	£166.9m	£168.5m	£168.4m	£166.7m	£166.0m
Turnover [1]	£15.2m	£12.7m	£12.5m	£12.1m	£9.2m
Operating surplus [2]	£4.7m	£4.3m	£5.6m	£4.3m	£3.7m
Operating margin [3]	32%	34%	45%	36%	40%
Gearing [4]	71%	71%	63%	64%	64%
Interest cover [5]	3.2	3.0	3.2	3.2	5.1
Homes in portfolio	838	819	791	798	660
Homes completed in year	25	31	-	141	33

[1] Turnover includes all income except for profit on sale of land and buildings.
[2] Operating surplus excludes finance costs, restricted and investment income and goodwill amortisation.
[3] Operating surplus as a proportion of income from charitable and other trading activities.
[4] Loans as a proportion of total funds.
[5] Income from charitable and other trading activities divided by finance costs.

Turnover, which comprises rental income, investment income and other income, during 2023/24 increased from last year due to:

- a full year of the three acquisitions, comprising a total of 31 homes, which completed during last year;
- an increase in investment income due to the increases in deposit rates; and
- other income received during the year,

and was offset by the decrease in income resulting from the disposal of six homes that did not deliver our strategic objectives (2023: three).

Rental income is received from two types of property;

- purpose-built developments; and
- existing properties that the Charity has acquired,

and from three sources;

- intermediate rent leases;
- market rent leases (residential and commercial); and
- leases under its objective to assist those in acute housing need.

Other income relates to amounts received from third parties in relation to reimbursement of costs incurred by the Group.

Expenditure in the year was considerably higher than during the previous year due to an increased level of investment at our properties as these properties age and the high levels of inflation experienced during the year. In addition, higher property management and depreciation costs reflect the increased portfolio size.

Financial review (continued)

Finance costs are higher than last year due to the increases in base rates during the year, although our exposure to such increases is limited as 94.4% of our loans are at fixed interest rates.

Excluding the impairment at Parkhouse Street of £2.5m, net income for the Group for the year was £0.8m (2023: £0.1m) and reserves of £166.9m (2023: £168.5m) were carried forward.

Funding

In 2017, we issued a £25m charity bond and we have a further £20m of bonds available for future issue if required.

Last year, we completed two new facilities of £10.0m and £2.9m with Legal and General and Unity Trust Bank, respectively. No additional funding was obtained during the year. We continue to investigate the requirement for new funding facilities over the short and medium-term as we look to implement our development and acquisition strategies.

The financial strength of the Group remains strong with cash or near cash being £23.0m (2023: £21.6m) and a net asset position of £166.9m (2023: £168.5m).

Development properties and pipeline

During the year, we completed the acquisition of 25 homes for intermediate rent at Marylebone Square, Westminster.

In July 2020, the London Borough of Hackney ('LBH') resolved to grant planning consent for the New Era estate where 199 new homes will be built. However, the requirement for a second staircase in new developments above 18m has delayed our plans. Earlier this year we selected a development partner and we are working with them and LBH to redesign our plans to incorporate the second staircase and to ensure financial viability of the scheme. A revised application will be submitted in early 2025.

We are updating the planning application for our proposed development at Parkhouse Street, Camberwell, where we have a resolution to grant planning for 85 homes. The updated plans take into consideration new Fire Safety regulations by incorporating second staircase access as well as the financial viability and deliverability of the scheme.

The Board have defined Growth within our strategy as improvements to existing homes as well as the acquisition and development of new homes. During the year, we commenced a review of two existing estates owned by the Charity, being Mount Close, Ealing and Havelock House & The Hermitage, Lewisham. The work includes a review of the opportunities within each estate to improve the existing homes, both from a design and sustainability perspective.

We continue to be active in the market looking for opportunities to acquire sites, completed properties and existing homes. We remain committed to our Westminster beneficiaries, albeit acknowledging that in balancing costs against number of beneficiaries, we will continue to seek opportunities in areas that provide a sustainable commute to Westminster as well as making acquisitions within Westminster.

ACHIEVEMENTS AND PERFORMANCE (continued)

Customer service

Following on from our review last year of our residents' experience we have:

- increased our resident engagement with at least one in person meeting at each property during the year and more as required, in addition to an increase in 1:1 home visits. The outcomes of these meetings have, and will continue to, inform our approach and help us improve the service that we offer;
- carried out a review of our repairs service with a focus on making it resident centric. Key actions have been identified and will be rolled out over the coming year;
- improved our arrears management, increasing engagement at an early stage and offering support to residents through deferral, waiver and rent payment plans; and
- made improvements to the onboarding process for new residents, which are underway and ongoing.

Surveying our residents is an important tool to understand their experience and ensure we take action to improve the areas that matter most to them. Our annual customer survey resulted in a Net Promoter Score (NPS) of 31 and Tenant Satisfaction Measures (TSMs) identified that 74% of residents are satisfied with our services. Across the TSMs we scored an average of 69%. Our lowest scoring TSM was in response to complaint handling where we will seek to deliver improvement next year, in particular as we roll out improvements to our repairs service which was the main source of customer complaints.

We continue to improve our response to reports of damp and mould in our homes and have plans to carry out extensive capital works at some of our older properties. Our regimen of regular property inspections will also identify any cases which our residents do not report. Our customer service colleagues, along with team members from our managing agents, Touchstone CPS, have undertaken training in the identification of domestic abuse within our homes and how to respond to suspected abuse, as well as further training on improving customer service specifically in written communications and complaints handling. We will be using the learning from this training to improve our services and support our residents.

Environmental, social and governance (ESG) monitoring and reporting

Our stakeholders include our residents, local communities, investors, local government, our staff and Board. It is extremely important to us to continually improve our sustainability credentials. In order to assist measurement and reporting, the Group signed up as an early adopter of The Good Economy ESG reporting standard and our third report was published during the year. This standard sets out a number of baseline sustainability measures against which adopters must report and evidences our commitment to achieving high performance in all areas of ESG. We are measured as an organisation on our environmental and social impacts and risks, and the quality of our governance. The objectives of ESG reporting closely align to the Group's charitable objectives, our culture and the future legislative requirements we expect to emerge in coming years.

In both our homes and our office, and through development and our supply chain we will:

- minimise our carbon footprint through reducing electricity and gas usage, and prioritising carbon reduction measures in our homes, developments and refurbishments;
- monitor our construction projects to reduce the environmental impact of activities on site;
- risk assess all our construction, development and refurbishment projects against the predicted local impacts of climate change;
- develop sustainable procurement processes for our goods and services;
- assess and improve carbon emissions across our housing stock;
- deliver net gain biodiversity at our developments, creating great places for both people and nature to thrive;
- work with residents so they can make greener choices; and
- encourage our residents to put the environment first and to integrate good environmental practices into their everyday lives.

Following a review of the available industry benchmarks undertaken last year, SHIFT by Suss Housing was selected as a sustainability measure/benchmark. The second year of a three-year term of our SHIFT accreditation was completed last summer and we attained a silver standard.

A sustainability group comprising the CEO and other senior members of staff, established last year, monitors and reviews our progress against the Group's targets.

ACHIEVEMENTS AND PERFORMANCE (continued)

The team

Our executive team, led by Olivia Harris as Chief Executive, comprises 17 employees across property acquisition & development, property letting & management, and finance. Remuneration is reviewed annually with reference to current salaries, wage inflation and market rates. Management sets the remuneration for all staff except for senior management whose remuneration is set by the Remuneration and Nominations Committee, which also approves the overall salary expenditure. Key management personnel are Olivia Harris (Chief Executive), Gary Preston (Finance Director), Jacqueline England (Customer Services Director), Matthew Lamb (Development Director) and Octavia Williams (Asset Management and Governance Director).

PLANS FOR FUTURE PERIODS

We will continue to build our portfolio of intermediate rental properties through direct development, working with developers to acquire the affordable housing element of larger schemes and through the acquisition of existing homes. We continue to be open to joint venture opportunities with other charitable or benevolent landowners who wish to develop their sites and lack either capital or development expertise.

Our planning consent at the New Era estate will further enhance our growing portfolio of intermediate rental homes. We have progressed this scheme during the year and look forward to delivering this development in the near future. We are also exploring other development opportunities within our portfolio, such as those discussed earlier, in terms of both the resource required and the financial capacity to deliver them.

We aim to provide an exemplary customer experience, as well as ensuring that our homes are regularly upgraded and the portfolio delivers its potential. We are increasingly focused on long-term cyclical works. Throughout all the Charity does, from design, through construction and delivery, to management, there is a strong commitment embedded throughout the organisation to meet our customers' needs and in doing so fulfilling our charitable objectives. We will continue to champion the provision of intermediate rental housing for working Londoners.

We are monitoring the impact of rent reform proposals on our tenancies and our ability to continue to deliver charitable benefit to those who need it. To fund future growth we will raise additional finance as required but will always be mindful of maintaining the strong financial stability that currently exists.

PUBLIC BENEFIT

The Charity has had regard to the guidance issued by the Charity Commission in respect of public benefit under the Charities Act 2011. The Board of Governors is keen to ensure there is an effective and appropriate balance of activity addressing the objectives of the Charity, both of which generate public benefit.

Every development scheme the Charity undertakes will have a proportion of the development providing accommodation at rents lower than those available in an open market. This benefits those working in the City of Westminster and Greater London by reducing travel time and expense as well as providing a stable tenancy with limited rental increases in a property that is managed for the benefit of the tenants. These factors improve quality of life for those working in the City of Westminster and Greater London who are not able to afford market rents.

The Charity provides accommodation to those in more acute financial hardship such as the homeless in the City of Westminster. The beneficiaries are housed in accommodation in the City of Westminster which is appropriate to their needs and family composition. The Charity also invests in projects that support the homeless to obtain work and provides accommodation to the beneficiaries of the projects. The provision of accommodation is another key stability factor supporting those entering the workplace.

CHARITY CODE OF GOVERNANCE

The Charity has adopted the Charity Code of Governance as set out by the Charities Commission. The Charity substantively complies with the Code of Governance and aspires to adopt all of the Code.

FUTURE LEGISLATION

We actively track emerging legislation which, at present, includes the Fairer Private Rented Sector White Paper. Currently, it is too early to understand the impact on our organisation as much of the detail will only be decided following consultation with the sector.

RESERVES POLICY

The reserves policy of the Charity is to hold sufficient liquid assets and undrawn loan facilities to meet all commitments and at least 12 months of operating costs.

The reserves of the Charity invested in liquid assets are held to provide certainty of amount, at maturity, to match the Charity's utilisation of these funds in its property development activities.

The Charity has reserves of £166.9m invested in properties, working capital and liquid assets. The life cycle costs for our properties are reviewed annually and a long-term plan is in place to incur these costs at the end of their expected lives which are incorporated into our forecast cash flows. Free reserves, excluding fixed assets, long-term debt and committed funds, are £17.7m. This is in excess of our target of 12 months of operating costs as funds are held for acquisition opportunities.

INVESTMENT POLICY

The Charity's treasury policy, including its investment strategy for non-property assets, is regularly under review by the Acquisition, Finance and Development Committee. In accordance with the reserves policy the Committee ensures that the projected investment in properties and operating costs can be covered by readily available funds, whilst ensuring that the risks inherent in the investment portfolio are mitigated and returns are maintained. During the year investment performance has been in line with the investment strategy.

GOING CONCERN

The continuing cost of living crisis and high inflation environment has impacted both the UK economy and to a lesser extent the charity's operations and finances. These have had a impact on the core operations of the Charity and Group with increased costs reflecting the ongoing high inflation levels. Whilst we have seen a small increase in the rent arrears position, our collection rates of our residential income have remained high and the impact has been modest.

Where tenants have approached the Charity for assistance, we have addressed each case individually and on its merits. We are providing as much assistance as we can where appropriate to tenants and want to work with them to overcome any financial hardship they may sustain.

The Charity, as disclosed in this report, has substantial cash reserves. Having forecasted the Group's cashflow out to 2029/30, and stress tested the rental receipts and costs impacted by interest rate and inflationary increases, over that same period, the Governors consider that the Group has sufficient cash reserves to meet any potential falls in rental income as well as any interest rate and inflationary cost increases.

Staff work a minimum of two days in the office with the remainder remotely. The IT platform supporting remote working continues to work well and following the introduction of a new accounting system in April 2024, our systems are now completely 'cloud' based strengthening our strategy of working anywhere at any time. We have experienced no down time in systems during the year with no disruption to the service levels expected of the Group.

In 2021/22, we respecified and retendered our property management services and as a result reappointed Touchstone CPS for a term of three years and we have agreed to extend their contract for a further year. We have a continuous dialogue with them and they are key to delivering the Group's service model. They are part of a larger housing group of companies and are financially secure.

The executive team continue to monitor the financial position and performance of the Charity closely with updates on key metrics provided to Governors on a quarterly basis.

The Governors, although acknowledging the potential impact of the cost of living crisis and increasing property management costs, are satisfied that the financial strength that underpins the Charity provides sufficient confidence that the Charity and its subsidiaries have the ability to continue to operate as a going concern.

BUSINESS RISK MITIGATION POLICY

The Governors are responsible for safeguarding the assets of the Charity and for ensuring that it is fully compliant with relevant regulations and best practice. They review the key risks to which the Charity is exposed at least once a year, together with the operating and financial compliance controls that have been implemented to mitigate those risks. The detailed risk register is maintained by the executive team and a strategic risk register is prepared for regular review by the Audit & Risk Committee, and annually by the Board. The Board are of the view that the formal ongoing process for identifying, evaluating and managing the Charity's significant risks that has been in place for the year ending 31 March 2024 continues to be appropriate for the Charity.

The key risks identified in the most recent review by the Board, including factors that are likely to affect the financial performance or position going forward are:

- external market risks including supply chain, cost inflation and labour shortages that would impact on the Charity's ability to deliver services and manage costs;
- regulatory changes, in particular around sustainability, fire safety and housing delivery policy, which increase costs and potentially absorb significant amounts of management resources;
- the delivery of new homes for intermediate rent which is impacted by external market pressures and regulatory changes as described above;
- insufficient business continuity capacity in the event of a critical or emergency event, which could result in cessation or delay of delivery of strategic objectives, and in the most extreme case organisational failure; and
- dependency on key suppliers whereby Dolphin has significant exposure to the performance and financial stability of a small number of key suppliers.

The controls and assurance in place for mitigating those risks are set out in the risk register and include:

- oversight by the Board and sub-committees of those risks and assurance on performance measures and reporting intended to mitigate the likelihood of occurrence or impact upon occurrence of those risks crystallising;
- setting and reporting of key performance indicators;
- sensitising and stress testing budgets and business plans;
- implementing service standards which can be flexed as required;
- recruiting and retaining suitably qualified and experienced staff and professional advisors to oversee, advise and manage properties;
- providing staff and Board members with training and information to keep abreast of regulatory changes;
- regular testing of the business continuity plan;
- robust procurement process including financial checks; and
- monthly monitoring of key supplier health and safety compliance.

The Board continue to identify any skills gaps and the recruitment of new Governors is focused on acquiring the needed skills.

THE DOLPHIN SQUARE CHARITABLE FOUNDATION

STATEMENT OF TRUSTEE'S RESPONSIBILITIES

The Trustee is responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Law applicable to charities in England and Wales requires the Trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and the Group and of the Group's incoming resources and application of resources of the year. In preparing financial statements giving a true and fair view the Trustee should follow best practice and:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in operation.

The Trustee is responsible for keeping accounting records that disclose with reasonable accuracy the financial position of the Charity and the Group and enable the trustee to ensure that the financial statements comply with the Charities Act 2011 and regulations made thereunder. The Trustee is also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Crowe U.K. LLP has indicated its willingness to be reappointed as statutory auditor.

Approved and authorised for issue by the Trustee on 9 July 2024 and signed on its behalf.

Andrew Giblin
(Chair of Governors)

Julia Moulder
(Governor)

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF THE DOLPHIN SQUARE CHARITABLE FOUNDATION FOR THE YEAR ENDED 31 MARCH 2024

Opinion

We have audited the financial statements of The Dolphin Square Charitable Foundation for the year ended 31 March 2024 which comprise consolidated statement of financial activities, consolidated balance sheet, balance sheet, consolidated cashflow 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, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charity's affairs as at 31 March 2024 and of the Group's incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

Other information (continued)

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

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

Responsibilities of the Trustee

As explained more fully in the Trustee's responsibilities statement set out on page 19, the Trustee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustee is responsible for assessing the Group's and the parent Charity'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 Trustee either intends to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as Auditor under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

Auditor's responsibilities for the audit of the financial statements (continued)

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

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

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

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

We obtained an understanding of the legal and regulatory frameworks within which the Group and charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 and together with the Charities SORP (FRS102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the Group's and charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the Group and charitable company for fraud. The only other laws and regulations we considered in this context are taxation and employment legislation.

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

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

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

Use of our report

This report is made solely to the charity's Trustee, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's Trustee 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 charity and the charity's Trustee as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe U.K. LLP

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

15 July 2024

THE DOLPHIN SQUARE CHARITABLE FOUNDATION

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2024

	Note	Restricted 2024 £	Unrestricted 2024 £	Total 2024 £
Income and endowments from:				
Restricted income – grants receivable		-	-	-
Charitable activities		-	10,242,721	10,242,721
Other trading activities		-	3,090,159	3,090,159
Investment income		-	1,051,346	1,051,346
Profit on sale of land and buildings		-	426,064	426,064
Other income		-	841,700	841,700
Total		**-**	**15,651,990**	**15,651,990**
Expenditure on:				
Raising funds				
Investment management fees		-	-	-
Charitable activities				
Housing support	3	-	9,653,919	9,653,919
Strategic development	3	-	281,159	281,159
Finance costs		-	4,880,566	4,880,566
Total resources expended		**-**	**14,815,644**	**14,815,644**
Net income		**-**	**836,346**	**836,346**
Impairment		-	(2,500,000)	(2,500,000)
Net movement for the year		**-**	**(1,663,654)**	**(1,663,654)**
Balance brought forward at 1 April 2023		28,412,800	140,120,273	168,533,073
Balance carried forward at 31 March 2024	15	**28,412,800**	**138,456,619**	**166,869,419**

All amounts relate to continuing operations. All gains and losses recognised in the year are included in the statement of financial activities.

The notes on pages 29 to 46 form part of the financial statements

THE DOLPHIN SQUARE CHARITABLE FOUNDATION

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2024

	Note	Restricted 2023 £	Unrestricted 2023 £	Total 2023 £
Income and endowments from:				
Restricted income – grants receivable		-	-	-
Charitable activities		-	9,857,919	9,857,919
Other trading activities		-	2,778,548	2,778,548
Investment income		-	113,530	113,530
Profit on sale of land and buildings		-	344,436	344,436
Total		**-**	**13,094,433**	**13,094,433**
Expenditure on:				
Raising funds				
Investment management fees		-	-	-
Charitable activities				
Housing support	3	-	8,352,486	8,352,486
Strategic development	3	-	284,853	284,853
Finance costs		-	4,325,371	4,325,371
Total resources expended		**-**	**12,962,710**	**12,962,710**
Net income/movement for the year		**-**	**131,723**	**131,723**
Balance brought forward at 1 April 2022		28,412,800	139,988,550	168,401,350
Balance carried forward at 31 March 2023	15	**28,412,800**	**140,120,273**	**168,533,073**

All amounts relate to continuing operations. All gains and losses recognised in the year are included in the statement of financial activities.

The notes on pages 29 to 46 form part of the financial statements

THE DOLPHIN SQUARE CHARITABLE FOUNDATION

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2024

	Note	£	2024 £	£	2023 £
FIXED ASSETS					
Freehold buildings	5		**94,870,369**		94,925,886
Leasehold buildings	6		**158,288,748**		156,918,128
Land and buildings under development	7		**10,759,607**		15,618,419
Tangible fixed assets	8		**108,317**		97,376
Investments	9		**12,000,000**		-
			276,027,041		267,559,809
CURRENT ASSETS					
Debtors and prepayments	10	**2,498,330**		1,656,203	
Cash at bank	11	**10,991,930**		21,711,801	
		13,490,260		23,368,004	
LIABILITIES					
Creditors: amounts falling due within one year	12	**(3,582,026)**		(3,355,422)	
NET CURRENT ASSETS			**9,908,234**		20,012,582
TOTAL ASSETS LESS CURRENT LIABILITIES			**285,935,275**		287,572,391
Creditors: amounts falling due after more than one year	13		**(119,065,856)**		(119,039,318)
NET ASSETS			**166,869,419**		168,533,073
Unrestricted funds			**134,901,830**		133,296,640
Designated funds			**3,554,789**		6,823,633
Total unrestricted funds			**138,456,619**		140,120,273
Restricted funds			**28,412,800**		28,412,800
TOTAL FUNDS	15		**166,869,419**		168,533,073

Approved and authorised for issue by the Trustee on 9 July 2024 and signed on its behalf

Andrew Giblin
(Chair of Governors)

Julia Moulder
(Governor)

The notes on pages 29 to 46 form part of the financial statements

THE DOLPHIN SQUARE CHARITABLE FOUNDATION

BALANCE SHEET AS AT 31 MARCH 2024

	Note	£	2024 £	£	2023 £
FIXED ASSETS					
Freehold buildings	5		**69,860,966**		69,911,134
Leasehold buildings	6		**146,074,602**		148,726,652
Land and buildings under development	7		**7,280,067**		9,157,636
Tangible fixed assets	8		**108,317**		97,376
Investments	9		**38,059,666**		26,059,666
			261,383,618		253,952,464
CURRENT ASSETS					
Debtors and prepayments	10	**13,741,331**		11,498,964	
Cash at bank	11	**10,687,544**		21,558,645	
		24,428,875		33,057,609	
LIABILITIES					
Creditors: amounts falling due within one year	12	**(2,625,423)**		(2,330,725)	
NET CURRENT ASSETS			**21,803,452**		30,726,884
TOTAL ASSETS LESS CURRENT LIABILITIES			**283,187,070**		284,679,348
Creditors: amounts falling due after more than one year	13		**(116,234,881)**		(116,212,686)
NET ASSETS			**166,952,189**		168,466,662
Unrestricted funds			**134,984,600**		133,230,229
Designated funds			**3,554,789**		6,823,633
Total unrestricted funds			**138,539,389**		140,053,862
Restricted funds			**28,412,800**		28,412,800
TOTAL FUNDS	15		**166,952,189**		168,466,662

The Charity had gross income of £13,094,072 (2023: £11,063,713) in the year and a net negative movement on reserves of £1,514,473 (2023: £2,804,059 negative).

Approved and authorised for issue by the Trustee on 9 July 2024 and signed on its behalf:

Andrew Giblin
(Chair of Governors)

Julia Moulder
(Governor)

The notes on pages 29 to 46 form part of the financial statements

THE DOLPHIN SQUARE CHARITABLE FOUNDATION

CONSOLIDATED CASHFLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2024

	Note	2023 £	2022 £
Cash flows from operating activities:			
Net cash used in operating activities	a	**500,574**	994,202
Cash flows from investing activities:			
Interest from investments		**1,051,346**	113,350
Proceeds from the sale of property, plant and equipment		**2,440,413**	1,273,979
Purchase of property, plant and equipment		**(2,561,600)**	(11,259,492)
Amounts invested		**(12,000,000)**	-
Proceeds of sales of investments		**-**	7,887,904
Net cash used in investing activities		**(11,069,841)**	(1,984,259)
Cash flows from financing activities:			
Repayments of borrowing		**(150,604)**	(132,130)
New financing net of fees		**-**	12,489,007
Net cash provided by financing activities		**(150,604)**	12,356,877
Cash and cash equivalents:			
Change in the reporting period		**(10,719,871)**	11,366,820
Balance brought forward at 1 April		**21,711,801**	10,344,981
Cash and cash equivalents at the end of the reporting period		**10,991,930**	21,711,801

Note

a. Reconciliation of cash flows from operating activities		
Net income for the reporting period	**(1,663,654)**	142,460
Adjustments for:		
Depreciation charges	**1,580,019**	1,517,479
Impairment	**2,500,000**	-
Amortisation of costs of raising finance	**177,142**	70,905
Interest from investments	**(1,051,346)**	(113,350)
Profit on the sale of fixed assets	**(426,064)**	(344,436)
Increase in debtors	**(842,127)**	(367,415)
Increase in creditors	**226,604**	88,559
Net cash used in operating activities	**500,574**	994,202

The notes on pages 29 to 46 form part of the financial statements

1. CHARITY INFORMATION

The Charity is registered with the Charity Commission, registration number 1110090. The registered address of the Charity is 1 Castle Lane, London, SW1E 6DR.

2. ACCOUNTING POLICIES

(a) Going concern

Although the impact of the continuing cost of living crisis and high inflation environment to the economy has been significant the Charity and the Group are in a strong position to operate through the economic upheaval and be well placed for when the recovery comes. In addition, the Charity has substantial cash reserves to call upon if needed.

Having forecasted the Group's cashflow out to 2025/26 and having stress tested the rental receipts, and costs that could be impacted by interest rate and inflationary increases over that same period, the Governors feel that the Group has sufficient cash reserves to meet an any fall in rental income or increase in costs. In addition, the rent collection rates throughout 2023/24 remained high providing further confidence of the Group's cashflow and stability.

These accounts are therefore prepared on a going concern basis. There are no material uncertainties over the Group's ability to continue as a going concern.

(b) Basis of accounting

The accounts have been prepared in accordance with the Charities SORP (FRS102) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland, the Charities Act 2011 and UK Generally Accepted Practice.

The accounts have been prepared to give a true and fair view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005, which has since been withdrawn.

The Charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The financial statements of the Charity and its three subsidiaries, DSF Developments Limited, Dolphin Housing Limited and Hoxton Regeneration Limited are consolidated, on a line-by-line basis, to produce Group financial statements. The consolidated entity is referred to as 'the Group'. Only the financial activity of the Group is shown in the consolidated statement of financial activities.

2. ACCOUNTING POLICIES (continued)

(c) Critical accounting judgements and key sources of estimation uncertainty

In the application of the Charity's accounting policies, which are described in this note, judgements, estimates, and assumptions are made about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects the current and future periods.

There are no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date that are likely to result in a material adjustment to their carrying amounts in the next financial year.

In preparing these financial statements, key judgements have been made in respect of whether there are indicators of impairment of the Group's tangible fixed assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset. The Board have considered the measurement basis to determine the recoverable amount of assets where there are indicators of impairment based on EUV-SH or appropriate development appraisal.

Development expenditure

Development expenditure is capitalised in accordance with the accounting policy given below. Initial capitalisation of costs is based on management's judgement that technical and economic feasibility is confirmed, usually when a development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised management makes assumptions regarding the expected future cash generation of the assets, discount rates to be applied and the expected period of benefits.

Fixed asset depreciation

Tangible fixed assets are depreciated over their expected useful economic lives. The expected lives of the assets are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account.

(d) Grants and donations

Grants and donations are recognised when the Charity is entitled to the income, the receipt is probable and the amount can be quantified with reasonable accuracy.

(e) Rental income

Rental income is recognised as it falls due. Rental income charged at sub-market rates is recognised as income from charitable activities. All other rental income is recognised as income from other trading activities.

2. ACCOUNTING POLICIES (continued)

(f) Investment income

Interest income is included in incoming resources on a receivable basis.

(g) Resources expended

Expenditure is included on an accruals basis.

Costs of charitable activities comprise all the resources applied by the Charity in undertaking its work to meet its charitable objectives. Housing support costs comprise staff and overhead costs and grants payable in support of housing projects.

Grants payable are accounted for in the Statement of Financial Activities in the year in which they are authorised. Any amounts which have been authorised but which remain unpaid at the year-end are included within the current liabilities in the balance sheet.

Strategic development costs comprise staff costs, overheads and fees payable to advisers in conjunction with the development of the Charity's objects.

(h) Tangible fixed assets

All tangible assets are shown at cost less depreciation.

Additions to tangible fixed assets comprise costs of a capital nature and include capitalised interest and certain staff costs directly attributable to the management of a development. Capitalised interest is calculated at the rate on associated borrowings applied to direct expenditure between the date of gaining planning consent and the date of practical completion.

Depreciation on tangible assets is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives.

Depreciation will be calculated on the following basis;

Office and computer equipment	33% straight line
Office improvements	20% straight line
Furniture in tenanted property	33% straight line
Freehold buildings	Over 100 to 150 years
Leasehold properties	Over the lower of their lease term and 150 years

Land is not depreciated.

(i) Buildings in development

Developments are shown at cost of acquisition and spend to date after taking into account any impairment in value. No depreciation is charged on developments until such time as they are completed.

2. ACCOUNTING POLICIES (continued)

(j) Investments

Fixed asset investments include cash on long-term deposit and are shown at cost.

(k) Pension costs

The Group contributed to a defined contribution scheme pension scheme administered by an independent company and to employees' personal pension schemes. The pension costs represent the contributions payable by the Group to the schemes for the year.

(l) Lease commitments

Rental income paid under operating leases is charged to income on a straight-line basis over the lease term.

(m) Business combinations

The consolidated financial statements incorporate the financial statements of the Charity and all subsidiaries. These are adjusted, where appropriate, to conform to Group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over five years from the year of acquisition. The results of entities acquired or disposed of are included in the income and expenditure account after or up to the date that control passes respectively.

(n) Financial instruments

Financial assets and liabilities are measured at fair value which is the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Loan transaction costs are amortised over the term of the loan.

3. RESOURCES EXPENDED

	Group		Charity	
	2024 £	2023 £	2024 £	2023 £
Charitable activities				
Housing support costs				
Staff costs	**1,078,341**	1,050,102	**556,367**	506,109
Grants and donations	**199,481**	197,133	**300,000**	3,302,353
Direct costs	**5,437,406**	4,270,122	**4,142,884**	3,289,142
Property management costs	**1,090,924**	1,037,697	**839,906**	799,863
Office costs	**52,276**	110,981	**53,522**	100,889
Legal and professional fees	**65,894**	81,535	**58,192**	138,086
Support costs	**64,014**	13,929	**63,828**	32,727
Audit and accountancy fees	**49,248**	60,551	**30,638**	43,407
Depreciation: buildings	**1,616,335**	1,530,436	**1,525,602**	1,455,477
	9,653,919	8,352,486	**7,570,939**	9,668,053
Strategic development costs				
Staff costs	**25,846**	26,043	**13,335**	12,953
Direct costs	**526**	-	**-**	-
Office costs	**72,191**	123,778	**73,911**	112,522
Legal and professional fees	**90,996**	112,597	**80,360**	-
Support costs	**88,400**	-	**88,143**	-
Audit and accountancy fees	**3,200**	3,200	**-**	-
Other	**-**	19,235	**-**	-
	281,159	284,853	**255,749**	125,475

Support costs are either directly allocated to the activity, e.g. salaries, or shared pro-rata between the activities e.g. premises costs.

During the year salary costs capitalised to developments amounted to £239,639 (2023: £264,702).

Legal and professional fees include costs relating to Crowe U.K. LLP for accountancy and tax services which totalled £13,540 for the Group (2023: £29,030).

Grants and donations comprise:	Group		Charity	
	2024 £	2023 £	2024 £	2023 £
Paid in the year	**199,481**	197,133	**300,000**	3,288,096

4. STAFF COSTS

	2024	2023
	£	£
Gross salaries	**1,008,748**	998,626
Employer's NI contributions	**102,565**	97,466
Employer's pension contributions	**168,838**	153,476
	1,280,151	1,249,568
Key management benefits	**559,698**	598,365

The average number of employees in the year was 16 (2023: 15). Employees are divided between housing support and strategic development, 8:8 (2022: 7:8), respectively.

The number of employees whose emoluments, excluding pensions, exceeded £60,000 was:

	2024	2023
£60,000 - £69,999	**2**	3
£70,000 - £79,999	**3**	-
£80,000 - £89,999	**1**	-
£90,000 - £99,999	**-**	-
£100,000 - £109,999	**-**	1
£110,000 - £119,999	**-**	1
£120,000 - £129,999	**1**	-
£130,000 - £139,999	**-**	-
£140,000 - £149,999	**-**	-
£150,000 - £159,999	**-**	1
£160,000 - £169,999	**1**	-

Pension payments of £168,838 (2023: £153,476) were made during the year in respect of 14 employees (2023: 14).

The Governors received no remuneration during the year (2023: £nil).

5. FREEHOLD LAND AND BUILDINGS:

Group	Land £	Buildings £	Total £
COST			
At 1 April 2023	42,344,016	56,835,628	99,179,644
Additions	-	755,272	755,272
Disposals	(314,285)	(101,687)	(415,972)
At 31 March 2024	**42,029,731**	**57,489,213**	**99,518,944**
DEPRECIATION			
At 1 April 2023	-	4,253,758	4,253,758
Charge in the year	-	403,484	403,484
Disposals	-	(8,667)	(8,667)
At 31 March 2024	**-**	**4,648,575**	**4,648,575**
NET BOOK VALUE			
At 31 March 2024	**42,029,731**	**52,840,638**	**94,870,369**
At 31 March 2023	42,344,016	52,581,870	94,925,886
Charity			
COST			
At 1 April 2023	21,435,768	52,144,098	73,579,866
Additions	-	734,942	734,942
Disposals	(314,285)	(101,687)	(415,972)
At 31 March 2024	**21,121,483**	**52,777,353**	**73,898,836**
DEPRECIATION			
At 1 April 2023	-	3,668,732	3,668,732
Charge in the year	-	377,805	377,805
Disposals	-	(8,667)	(8,667)
At 31 March 2024	**-**	**4,037,870**	**4,037,870**
NET BOOK VALUE			
At 31 March 2024	**21,121,483**	**48,739,483**	**69,860,966**
At 31 March 2023	21,435,768	48,475,366	69,911,134

6. LEASEHOLD BUILDINGS

Group	Total £
COST	
At 1 April 2023	162,761,948
Additions	691,085
Disposals	(1,678,234)
Transfers from land and buildings under development	3,453,411
At 31 March 2024	**165,228,210**
DEPRECIATION	
At 1 April 2023	5,843,820
Charge in the year	1,166,832
Disposals	(71,190)
At 31 March 2024	**6,939,462**
NET BOOK VALUE	
At 31 March 2024	**158,288,748**
At 31 March 2023	156,918,128

Charity	Total £
COST	
At 1 April 2023	154,527,577
Additions	271,651
Disposals	(1,893,115)
At 31 March 2024	152,906,113
DEPRECIATION	
At 1 April 2023	5,800,925
Charge in the year	1,101,776
Disposals	(71,190)
At 31 March 2024	**6,831,511**
NET BOOK VALUE	
At 31 March 2024	**146,074,602**
At 31 March 2023	148,726,652

7. LAND AND BUILDINGS UNDER DEVELOPMENT

Group	Land £	Buildings under development £	Total £
At 1 April 2023	7,041,749	8,576,670	15,618,419
Additions	-	1,094,599	1,094,599
Transfer to leasehold buildings	-	(3,453,411)	(3,453,411)
Impairment	-	(2,500,000)	(2,500,000)
At 31 March 2024	**7,041,749**	**3,717,858**	**10,759,607**
Charity			
At 1 April 2023	7,041,749	2,115,887	9,157,636
Additions	-	622,431	622,431
Impairment	-	(2,500,000)	(2,500,000)
At 31 March 2024	**7,041,749**	**238,318**	**7,280,067**

The impairment of £2.5m relates to our property at Parkhouse Street, Camberwell. We have a resolution to grant planning for 85 homes. However, in order to comply with new Fire Safety regulations and incorporate second staircase access and to ensure financial viability of the scheme, we are updating the planning application for our proposed development. At the year end, we have reassessed the value of the site and as a result have recognised an impairment of £2.5m.

8. TANGIBLE FIXED ASSETS

Group and Charity	Office improvements	Computer and office equipment	Total
	£	£	£
COST			
At 1 April 2023	87,886	117,783	205,669
Additions	9,200	11,444	20,644
At 31 March 2024	**97,086**	**129,227**	**226,313**
DEPRECIATION			
At 1 April 2023	18,004	90,289	108,293
Charge in the year	8,643	1,060	9,703
At 31 March 2024	**26,647**	**91,349**	**117,996**
NET BOOK VALUE			
At 31 March 2024	**70,439**	**37,878**	**108,317**
At 31 March 2023	69,882	27,494	97,376

9. FIXED ASSET INVESTMENTS:

Group	2024 £	2023 £
Cash held as an investment	**12,000,000**	-
Historical cost	**12,000,000**	-

Charity	2024 £	2023 £
Investments in subsidiaries	**26,059,666**	26,059,666
Cash held as an investment	**12,000,000**	-
	38,059,666	26,059,666
Historical cost	**38,059,666**	26,059,666

Investments in cash are primarily held to preserve the capital to meet existing capital commitments and for appropriate property investment opportunities as they arise.

9. FIXED ASSET INVESTMENTS (continued)

The investment in subsidiaries figures above represent investments in the following subsidiaries:

Subsidiaries

	DSF Developments Limited	Dolphin Housing Limited	Hoxton Regeneration Limited
Company number	8327131	32446R	597445
Incorporation	England	England	England
Shareholding	100%	100%	100%
	2024	**2024**	**2024**
	£	**£**	**£**
Assets	913,406	13,276,666	22,844,134
Liabilities	919,011	9,985,411	5,192,782
Fund/net assets	(5,605)	3,291,255	17,651,352
Income	160,259	2,368,908	1,000,029
Expenditure	163,106	2,486,424	913,762
(Loss)/profit	(2,847)	(117,516)	86,267

10. DEBTORS

	Group £		Charity £	
	2024	**2023**	**2024**	**2023**
Trade debtors	287,926	299,571	173,831	178,603
Other debtors	1,693,439	1,162,253	1,670,642	1,127,224
Prepayments	178,110	194,379	175,393	191,717
Accrued income	338,855	-	338,855	-
Amounts owed by subsidiaries	-	-	11,382,610	10,001,420
	2,498,330	1,656,203	13,741,331	11,498,964

10. DEBTORS (continued)

During the year the Charity provided funds to wholly owned subsidiaries under loan agreements and an agreement to provide support.

At the year end, the amounts owed to the Charity by DSF Developments Limited were £238,014 (2023: £154,818) under the development agreement. During the year, shared costs of £186,656 were recharged by the Charity to DSF Developments Limited (2023: £132,351).

At the year end, the amounts owed to the Charity by Hoxton Regeneration Limited were £4,253,078 (2023: £4,764,925) including two loan agreements for £865,074 (2023: £865,074) and £2,491,190 (2023: £1,198,202). Both loan agreements have a ten-year term and are repayable in three and four years respectively. During the year, a gift of £106,594 (2023: £449,441) was donated by Hoxton Regeneration Limited to the Charity. Additionally, finance costs were recharged by the Charity to Hoxton Regeneration Limited £225,998 (2023: £nil) and shared costs of £287,085 were recharged by the Charity to Hoxton Regeneration Limited (2023: £297,972).

At the year end, the amounts owed to the Charity by Dolphin Housing Limited were £6,897,003 (2023: £5,946,851) for shared costs and expenses including three loan agreements for £1,885,000 (2023: £1,885,000), £1,500,000 (2023: £1,500,000) and £2,285,000 (2023: £2,285,000) which are secured against certain assets owned by Dolphin Housing Limited. During the year, finance costs of £163,561 were charged by the Charity to Dolphin Housing Limited (2023: £161,251) and shared costs of £283,751 were recharged by the Charity to Dolphin Housing Limited (2023: £296,478).

11. CASH AT BANK

An amount of £250,000 (2023: £250,000) is currently held in reserve for specific development costs.

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2024	2023	**2024**	2023
	£	£	**£**	£
Trade creditors	**2,691**	88,767	**2,791**	26,739
Social security & other taxes	**23,905**	34,566	**23,905**	34,566
VAT	**6,153**	14,228	**-**	14,228
Accruals	**1,836,866**	1,456,426	**1,705,459**	1,423,903
Development retentions	**819,221**	819,221	**-**	-
Loans	**111,748**	106,185	**111,748**	106,185
Deferred income	**-**	27,834	**-**	27,834
Other creditors	**781,442**	808,195	**781,520**	697,270
	3,582,026	3,355,422	**2,625,423**	2,330,725

Deferred income relates to rental income received in advance from tenants which is then released after the year end in the period to which it relates.

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

Group	**2024**	2023
	£	£
Loans maturing:		
Within one year	**123,771**	118,208
In one to two years	**132,520**	126,439
In two to five years	**25,455,807**	25,434,634
In more than five years	**95,518,236**	95,668,636
	121,230,334	121,347,917
Unamortised issue costs	**(2,052,730)**	(2,202,414)
	119,177,604	119,145,503
Due within one year	**(111,748)**	(106,185)
Due in more than one year	**119,065,856**	119,039,318

Charity	**2024**	2023
	£	£
Loans maturing:		
Within one year	**123,771**	118,208
In one to two years	**132,520**	126,439
In two to five years	**25,455,807**	25,434,634
In more than five years	**92,593,236**	92,743,636
	118,305,334	118,422,917
Unamortised issue costs	**(1,958,705)**	(2,104,046)
	116,346,629	116,318,871
Due within one year	**(111,748)**	(106,185)
Due in more than one year	**116,234,881**	116,212,686

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR (continued)

	2024 £	2023 £	Interest rate	Maturity Year
Fixed rate				
Loan	**53,493,438**	53,493,438	3.73%	2046
Loan	**26,000,000**	26,000,000	3.48%	2046
Loan	**5,000,000**	5,000,000	5.35%	2042
Loan	**5,000,000**	5,000,000	5.42%	2053
Charity bond	**25,000,000**	25,000,000	4.25%	2026
	114,493,438	114,493,438		
Floating rate				
Loan	**3,811,896**	3,929,479	1.60% above base rate	2041
Loan	**2,925,000**	2,925,000	1.35% above base rate	2032
	121,230,334	121,347,917		

At the balance sheet date, the Group held financial assets at amortised cost of £13,312,150 (2023: £23,173,616), financial assets at fair value through income and expenditure of £12,000,000 (2023: £nil) and financial liabilities at amortised cost of £122,671,787 (2023: £122,289,399).

14. MOVEMENTS IN NET DEBT

Group	**At 1 April 2023 £**	**Cashflows £**	**Transfers £**	**Non-cash changes £**	**At 31 March 2024 £**
Cash	(21,711,801)	(1,280,129)	12,000,000	-	**(10,991,930)**
Cash held as investments	-	-	(12,000,000)	-	**(12,000,000)**
Loans due within one year	106,185	-	-	5,563	**111,748**
Loans due in more than one year	119,039,318	(49,804)	-	76,342	**119,065,856**
	97,433,702	(1,329,933)	-	81,905	**96,185,674**
Charity					
Cash	(21,558,645)	(1,128,899)	12,000,000	-	**(10,687,544)**
Cash held as investments	-		(12,000,000)	-	**(12,000,000)**
Loans due within one year	106,185	-	-	5,563	**111,748**
Loans due in more than one year	116,212,686	(44,242)	-	66,437	**116,234,881**
	94,760,226	(1,173,141)	-	72,000	**93,659,085**

15. MOVEMENTS IN RESERVES

Group	**At 1 April 2023**	**Surplus/ (deficit)**	**Transfer**	**At 31 March 2024**
	£	**£**	**£**	**£**
Unrestricted funds	133,296,640	(1,810,096)	3,415,286	**134,901,830**
Designated funds				
WHOA fund	3,744,270	(189,481)	-	**3,554,789**
Sinking fund	3,079,363	335,923	(3,415,286)	**-**
Total unrestricted funds	140,120,273	(1,663,654)	-	**138,456,619**
Restricted funds	28,412,800	-	-	**28,412,800**
	168,533,073	(1,663,654)	-	**166,869,419**

	At 1 April 2022	Surplus/ (deficit)	Transfer	At 31 March 2023
	£	£	£	£
Unrestricted funds	133,427,070	(130,430)	-	133,296,640
Designated funds				
WHOA fund	3,930,013	(185,743)	-	3,744,270
Sinking fund	2,631,467	447,896	-	3,079,363
Total unrestricted funds	139,988,550	131,723	-	140,120,273
Restricted funds	28,412,800	-	-	28,412,800
	168,401,350	131,723	-	168,533,073

Charity	**At 1 April 2023**	**Surplus/ (deficit)**	**Transfer**	**At 31 March 2024**
	£	**£**	**£**	**£**
Unrestricted funds	133,230,229	(1,660,915)	3,415,286	**134,984,600**
Designated funds				
WHOA fund	3,744,270	(189,481)	-	**3,554,789**
Sinking fund	3,079,363	335,923	(3,415,286)	**-**
Total unrestricted funds	140,053,862	(1,514,473)	-	**138,539,389**
Restricted funds	28,412,800	-	-	**28,412,800**
	168,466,662	(1,514,473)	-	**166,952,189**

15. MOVEMENTS IN RESERVES (continued)

Charity	At 1 April 2022	Surplus/ (deficit)	Transfer	At 31 March 2023
	£	£	£	£
Unrestricted funds	136,296,441	(3,066,212)	-	133,230,229
Designated funds				
WHOA fund	3,930,013	(185,743)	-	3,744,270
Sinking fund	2,631,467	447,896	-	3,079,363
Total unrestricted funds	142,857,921	(2,804,059)	-	140,053,862
Restricted funds	28,412,800	-	-	28,412,800
	171,270,721	(2,804,059)	-	168,466,662

Restricted funds and the related transfer relates to the purchase or development of homes for use in the WHOA scheme and reflects expenditure over and above the restricted grant received. The homes, and funds, are restricted for the duration of the scheme (15 years).

The designated WHOA fund and the related transfer reflects the contingent liability for the payment of enhanced deposits to the participants of the scheme. The expenditure of WHOA funds in the year relates to the successful payment of grants under the scheme.

16. NET ASSETS ACROSS FUNDS

	Restricted funds £	Designated funds £	Unrestricted funds £
Group			
At 31 March 2024			
Fixed assets	28,412,800	-	247,614,241
Current assets	-	3,554,789	9,935,471
Liabilities	-	-	(122,647,882)
Total funds	28,412,800	3,554,789	134,901,830
At 31 March 2023			
Fixed assets	28,412,800	-	239,147,009
Current assets	-	6,823,633	16,544,371
Liabilities	-	-	(122,394,740)
Total funds	28,412,800	6,823,633	133,296,640
Charity			
At 31 March 2024			
Fixed assets	28,412,800	-	233,170,818
Current assets	-	3,554,789	20,874,087
Liabilities	-	-	(118,860,306)
Total funds	28,412,800	3,554,789	135,184,599
At 31 March 2023			
Fixed assets	28,412,800	-	225,539,664
Current assets	-	6,823,633	26,233,976
Liabilities	-	-	(118,543,411)
Total funds	28,412,800	6,823,633	133,230,229

17. TRUSTEES' EXPENSES

The Governors of Dolphin Square Charitable Foundation received no remuneration during the year. Expenses of £569 (2023: £429) were reimbursed to three (2023: three) Governors for travel, entertaining and subsistence expenses incurred for business purposes.

18. CONTROLLING PARTY

The ultimate controlling party is the Dolphin Square Charitable Trustee Limited, which is the trustee for the Charity.

19. RELATED PARTY TRANSACTIONS

The Group operates a cost sharing agreement whereby support costs are shared between the entities within the Group. The employees are jointly employed by all Group operating entities. The details of these and other related party transactions can be found in notes 4 and 10. There were no other related party transactions in the current or prior year.

20. COMMITMENTS

The Charity and the Group has the following commitments payable within the year to 31 March 2024:

OPERATING LEASE: Group and Charity	2024 £	2023 £
Lease payments within one year	74,834	68,338
Lease payments later than one year not later than five years	65,480	68,338

Amounts payable under operating leases during the year ended 31 March 2024 amounted to £28,072 (2023: £110,534).

At the year end, the corporate trustee had authorised the following capital commitments for the Charity and the Group:

	2024 Authorised £	2024 Contracted £	2023 Authorised £	2023 Contracted £
Capital commitments	4,583,914	942,221	3,150,934	2,300,934

THE DOLPHIN SQUARE CHARITABLE FOUNDATION

England & Wales - Charity number 1110090

Accounts

THE DOLPHIN SQUARE CHARITABLE FOUNDATION

(Registered Charity Number: 1110090)

REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2023

THE DOLPHIN SQUARE CHARITABLE FOUNDATION

REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2023

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THE DOLPHIN SQUARE CHARITABLE FOUNDATION

REFERENCE AND ADMINISTRATIVE DETAILS

Corporate Trustee:	Dolphin Square Charitable Trustee Limited
Brand name:	Dolphin Living
Governors of Corporate Trustee	Andrew Giblin (Chair) Deirdra Armsby Bruce Clitherow Jo Moran Julia Moulder Sarah Philbrick Sarah Smith Jane Staveley Anna Strongman
Acquisition, Finance and Development Committee	Julia Moulder (Chair) Fenella Edge Andrew Giblin Richard Petty Sarah Philbrick Anna Strongman
Audit and Risk Committee	Jane Staveley (Chair) Deidra Armsby Ben Laryea Sarah Smith
Operations Committee	Richard Petty (Chair) Bruce Clitherow Ben Laryea Jo Moran Sarah Philbrick
Remuneration and Nominations Committee	Bruce Clitherow (Chair) Andrew Giblin Richard Petty Jane Staveley
Key management personnel	Olivia Harris (Chief Executive) Jacqueline England Gary Preston Octavia Williams

THE DOLPHIN SQUARE CHARITABLE FOUNDATION

REFERENCE AND ADMINISTRATIVE DETAILS (Continued)

Banker	Barclays Bank plc Level 25 1 Churchill Place London E14 5HP
Solicitors	CMS Cameron McKenna Nabarro Olswang LLP Cannon Place 78 Cannon Street London EC4N 6AF Stone King LLP 29 Ely Place London EC1N 6TD Devonshires Solicitors 30 Finsbury Circus London EC2M 7DT
Auditor	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW
Investment Managers	Cazenove Capital Management 12 Moorgate London EC2R 6DA

REPORT OF THE CHAIR
FOR THE YEAR ENDED 31 MARCH 2023

Introduction

The cost of living crisis presented the Group and its residents with a challenging environment during the 2022/23 financial year. Against this extremely difficult background, our team have maintained our proactive and collaborative approach whilst continuing to provide high quality and affordable homes to hard working Londoners.

Following the acquisition of three properties comprising 31 homes and the disposal of three homes during the year, the Group's portfolio totalled 819 homes at the year end. At which time occupancy was 96%.

Strong financial position

The Group's underlying financial performance during the year has been strong. As a result of the current year acquisitions, revenue increased by £0.8m to £12.6m and we achieved an operating surplus of £0.1m. Our rent collection remains strong and we have seen only a relatively small increase in arrears. Our balance sheet continues to grow and strengthen with net assets of £168.5m. We completed two loan facilities during the year totalling £12.9m which will support our development plans going forward.

Strategy

The Board formulated a new strategy in 2020 which will take the Group through to 2024. It is based around three core pillars: customers, our homes, and growth, which are discussed in more detail later in this report.

Supporting our residents

The challenges faced by our residents caused by the continuing cost of living crisis are varied and, in some cases, extensive. We have continued our open dialogue with all residents and have encouraged those in need to approach us for assistance, particularly those in financial hardship. The response has been positive and we have provided assistance through rent deferrals and payment plans where appropriate.

Surveying our customers is an important tool to understand their views; our approach has changed for this coming year from an annual portfolio-wide survey to more frequent rolling surveys incorporating the new Tenant Satisfaction Measures ('TSMs') as set out by the Regulator of Social Housing. We have also held regular in person meetings with residents. These sources have and will continue to inform our approach and help us improve the services that we offer.

In addition to the annual surveys carried out by our managing agents, we carried out stock condition surveys at our older homes, as part of a programme to cover all homes every five years. This will inform future plans for improvements of these homes including works to comply with future sustainability legislation.

Properties and pipeline

We acquired three properties during the year comprising 31 homes for intermediate rent and have contracted to purchase a further 25 homes which will complete in autumn 2023.

Whilst our plans for the redevelopment of the New Era estate have been delayed as a result of the recent requirement by the London Borough of Hackney (LBH) and Emerging Building Regulations for a second staircase, we are working with LBH to produce a scheme which meets the new requirements and submit an updated planning application later in the year.

We are reviewing our homes built before 2013 to ensure that we can meet the emerging environmental/EPC requirements of these homes and deliver an improved offer to residents.

Environmental, social and governance (ESG) monitoring and reporting

Like all organisations, particularly those within real estate, we have both a responsibility and financial imperative to measure and improve our sustainability performance.

Our primary charitable objective is to *'provide reasonable assistance to those who cannot afford to rent or buy near their place of work'*. Delivering on this social purpose, with a particular focus on affordability of our homes, both in terms of rent and utilities, is therefore a priority.

As a property owner and developer, we are able to contribute to the reduction of carbon emissions through location, design, use and retrofit of our properties.

In 2020, the Group signed up as an early adopter of The Good Economy ESG reporting standard and delivered our first report in 2021. We also completed the Suss benchmark report during the year and will be including the outcomes in our 2023 ESG report in Autumn 2023 alongside our actions to actively address our environmental impact.

Health and safety

Achieving full compliance with health and safety regulations remains firmly at the core of our approach. We regularly review our portfolio and take appropriate action to keep our homes safe and compliant with emerging fire safety legislation.

Looking forward

Following the appointment of a dedicated Customer Services Director during the year, we are reviewing all aspects of our residents' customer experience and introducing improvements to our customer service offer in collaboration with our managing agent over the next year.

The organisation is well placed to continue to make significant progress and growth over the next decade, providing homes for the many people who keep London going and who help to make it such a successful, vibrant and multicultural city. I would like to thank the capable and dedicated team of trustees, executives and staff for helping to make this happen.

Andrew Giblin (Chair of Governors) 

DOLPHIN SQUARE CHARITABLE FOUNDATION

REPORT OF THE TRUSTEE
FOR THE YEAR ENDED 31 MARCH 2023

The Trustee presents the annual report and audited financial statements for the year ended 31 March 2023. These financial statements reflect the results of the Charity and its subsidiaries (the 'Group').

ESTABLISHMENT

The Dolphin Square Charitable Foundation (the 'Charity') was first registered as a charity on 17 June 2005 under registered Charity Number 1110090. Its governing document is a Trust Deed dated 11 May 2005.

TRUSTEE

Dolphin Square Charitable Trustee Limited is the corporate trustee of the Charity. Its Governors are as follows:

- Andrew Giblin (Chair)
- Deirdra Armsby
- Bruce Clitherow
- Jo Moran
- Julia Moulder
- Sarah Philbrick
- Sarah Smith
- Jane Staveley (resigned 26 July 2023)
- Anna Strongman

The company secretary is Olivia Harris.

There are four classes of membership:

A The Dolphin Square Trust (represented by Bruce Clitherow)
B Westminster City Council (represented by Deirdra Armsby)
C CityWest Homes
D Other Governors

The rights of the various classes of members are set out in the Memorandum and Articles but in summary are:

A The right to nominate a governor and to veto a governor's removal.
B The right to nominate a governor and to veto certain amendments to articles.
C The right to nominate a governor
D No special rights.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Dolphin Square Charitable Trustee Limited (the 'Trustee') is a company limited by guarantee (number 5442737, incorporated 4 May 2005) and was formed to declare the trust and to act as trustee of the Charity.

The Charity was originally funded by a total of £125m received in accordance with the Deed of Gift between Dolphin Square Trust Limited and the Trustee as trustee of the Charity. These monies were realised from the sale of leasehold interests held by Westminster City Council and the Dolphin Square Trust (Industrial & Provident Society: 16737R) in the Dolphin Square mansion block in Pimlico.

The Trustee holds the assets to apply the income and, at its discretion, the capital in furtherance of the objectives.

The Governors meet quarterly to set the strategy and policies of the Charity and monitor operational activity and financial performance. Day-to-day management of the work of the Charity is delegated to the Chief Executive and her team.

The Charity has committees covering areas of specialised interest:

- Acquisition, Finance and Development;
- Audit and Risk;
- Operations; and
- Remuneration and Nominations.

These committees meet regularly and help to implement the Board's decisions and report to the main board.

Training opportunities are regularly identified and Governors are encouraged to participate in those that they feel to be of use.

The Governors of the Dolphin Square Charitable Foundation received no remuneration during the year. Details of Governors' expenses and related party transactions are disclosed in notes 16 and 18 to the accounts. Governors are required to disclose all relevant interests and register them with the Chief Executive and in accordance with the Charity's policy withdraw from decisions where a conflict of interest arises. Several Governors are active in the affordable housing sector. The Charity's trust deed recognises the potential for conflicts of interest to occur and regulates how they are managed at Board meetings.

The Charity has three subsidiaries, Dolphin Living Limited (Community benefit society number 32446R, regulated by the Regulator of Social Housing), Hoxton Regeneration Limited and DSF Developments Limited. A number of Governors and staff of the Charity are directors of the subsidiaries. Dolphin Living Limited also has independent directors. The subsidiaries hold regular Board meetings and directors are invited to attend committee meetings as necessary. In accordance with normal industry practice independent directors of Dolphin Living Limited receive remuneration.

SUBSIDIARIES, STRUCTURE, GOVERNANCE AND MANAGEMENT

During 2023, one Governor of the Charity and two independent directors of Dolphin Living Limited, who are also members of the Board sub-committees, are due to resign. The process to recruit replacements has commenced and is based on an assessment of the Charity's business and skills requirements. The method of recruitment, induction and appraisal of Governors is decided upon by the Board in accordance with the articles and in light of best practice within the sector. All prospective Governors are asked to attend a full meeting and, if appointed, will be inducted into the procedures of the Charity by the Chief Executive and her staff.

All staff are jointly employed by the Charity and its subsidiaries. Each entity is responsible for its own direct costs. The Charity has entered into a cost sharing agreement for central costs with its subsidiaries based upon staff allocations. The Charity enters into other arms-length transactions with its subsidiaries.

OBJECTIVES AND ACTIVITIES

The Objectives of the Charity are to:

'Provide reasonable assistance in securing accommodation within the City of Westminster for individuals (and any dependants living with them) who are in need of accommodation as a result of:

- their employment in the public or voluntary sectors or in relevant employment in the City of Westminster and the surrounding area, having regard to the fact that such individuals could not afford to secure such accommodation on normal commercial terms; or
- financial hardship, social or economic need, age, ill health, disability or any other need.'

The objectives define the interpretation of the terms 'public sector,' 'voluntary sector,' and 'relevant employment.' They also describe the consultation required between the Charity and Westminster City Council regarding the determination of the needs of people living in the area and the activities of the Charity, which will meet those needs. With the consent of Westminster City Council, the Charity may secure accommodation outside of the City of Westminster.

ACHIEVEMENTS AND PERFORMANCE

Homes available to rent

During the year, we acquired three properties at Broadway, Millbank and Wardour Street which added 10, 13 and 8 homes respectively to our portfolio. We also disposed of three homes from our portfolio which now comprises 819 homes for rent and 13 commercial units. Of the total portfolio 72% is intermediate rent, providing homes at an average discount of 34% to market rent whilst delivering a financial return that ensures the continued financial viability and growth of the Charity.

	Number of homes					
	Intermediate	Social	PRS/ Market sale	TOTAL	Commercial units	TOTAL
Portfolio at 31 March 2022	**573**	**49**	**169**	**791**	**13**	**804**
Additions	31	-	-	31	-	31
Disposals	(3)	-	-	(3)	-	(3)
Portfolio at 31 March 2023	**601**	**49**	**169**	**819**	**13**	**832**
% of portfolio	*72%*	*6%*	*20%*	*98%*	*2%*	*100%*
Homes under construction	25	-	-	25	-	25
Forecast to 31 March 2024	**626**	**49**	**169**	**844**	**13**	**857**
Planning:						
Parkhouse Street	13	21	51	85	5	90
Forecast to 31 March 2027	**639**	**70**	**220**	**929**	**18**	**947**

We continue to meet our charitable objectives with the majority of our affordable housing being intermediate rental homes. These homes provide stable tenancies at a range of rents affordable to households earning less than the affordable housing incomes limits set annually by the Mayor of London. Priority is given to those who can afford the rent yet earn the least and those who will most fully occupy each home. In following our charitable objects, we aim to prioritise those with a Westminster connection.

Alongside our intermediate rental homes we provide a smaller number of homes at affordable and social rent that are subject to nominations by the local authority. We also own and let a portfolio of homes for those with a more acute housing need. Both our intermediate and social rent homes are cross-subsidised by the 169 market rent homes.

Throughout the year we achieved 100% compliance (2022: 99%) with our Health and Safety KPI targets. These KPIs include:

- ensuring homes have current fire and general risk assessments, and valid gas and electrical certificates; and
- that they have been inspected in the current year.

ACHIEVEMENTS AND PERFORMANCE (continued)

Customer service

To meet the needs of our growing portfolio, and in line with the industry focus on customer service, we have undertaken a review of our residents' experience - from initial engagement to the end of their tenancy. This review has highlighted several areas on which to prioritise our focus, including resident engagement, repairs, arrears management and the onboarding process for new residents. In conjunction with our managing agent we will be addressing improvements in these areas throughout the coming year.

We have updated our customer satisfaction survey to include the new Tenant Satisfaction Measures (TSMs) and adapted the mechanics to provide a rolling set of data from across the portfolio. We will use this data to ensure we are taking action on the areas that matter most to our residents.

As we look to embed a customer service focus in every part of the organisation, we have begun meeting more frequently with our residents, both in groups and 1:1's, and during regular estate walk rounds. These meetings ensure our residents feel they have a voice and give us an opportunity to listen and act upon their feedback.

Development properties and pipeline

During the year we agreed to purchase 25 homes for intermediate rent at Marylebone Square, Westminster which are expected to complete in October.

In July 2020, the London Borough of Hackney resolved to grant planning consent for the New Era estate in Hackney where 199 new homes will be built. This consent was subject to improving the affordable housing provision and financial viability and had been resolved with the London Borough of Hackney ('LBH'). However, the recent requirement for a second staircase in new developments above 18m has delayed our plans but we continue to work with LBH and a revised application will be submitted in late 2023 with a redesign of our plans to incorporate the second staircase and to ensure financial viability of the scheme.

We are reviewing the potential for our proposed development at Parkhouse Street, Camberwell, where we received resolution to grant planning for 85 homes during the year, to deliver greater charitable/social benefit. We are also reviewing our older (pre 2013) portfolio to deliver an improved offer to residents.

We continue to be active in the market looking for opportunities to acquire sites, completed properties and existing homes. We remain committed to our Westminster beneficiaries, albeit acknowledging that in balancing costs against number of beneficiaries, we will continue to seek opportunities in areas that provide a sustainable commute to Westminster as well as making acquisitions within Westminster.

ACHIEVEMENTS AND PERFORMANCE (continued)

Strategy

During 2020, the Board and the executive team formulated a new three-year strategy to take the Group through to 2024. The strategy is broken down into three areas of focus: customers; our homes; and growth.

Customers
Our customers are our charitable beneficiaries and we continue to focus on:

- affordability and delivering intermediate rents at an average of two thirds of local market rent;
- improving service levels and customer satisfaction by staying ahead of all regulatory requirements including health & safety, reviewing and streamlining our approach to repairs, and enhancing technology to improve the customer experience; and
- being innovative in the way we service our customers.

Our homes
Both new and existing homes should meet the evolving needs of our customers in terms of quality, sustainability and safety. We will continue to improve our 200+ older homes through estate refurbishment or regeneration in consultation with our customers and by refurbishing individual homes as they fall vacant or as needs are identified; We will always aim for 100% health and safety compliance at our homes; and create a sustainability strategy in line with emerging best practice and plan how to deliver this across our homes.

Growth
We will continue to provide good homes at below local market rent and to further improve our service levels and customer satisfaction. In 2021, we agreed an objective to grow our portfolio by 200 affordable homes which would be committed to by March 2024. Following the acquisitions made over the past two years, the outstanding target is 169 homes.

A key element of the growth strategy is the development of the New Era estate in Hackney. The Board and Executive team have invested significant amounts of time and energy to the development over a number of years. Whilst New Era remains a significant strategic development, the recent requirement for a second staircase in new developments above 18 metres has caused our plans to be delayed and will not be completed within the 2021-24 strategic plan timeframe. We continue to work with the London Borough of Hackney to deliver a revised design to incorporate the second staircase whilst providing a financially viable scheme.

Delays in the planning process at Parkhouse Street, Camberwell mean that this development will also not be completed within the 2021-2024 timeframe. Plans for both this and the New Era development are expected to be resolved within the next two years.

Construction continues at the Marylebone Square development in Westminster where the Group has forward purchased 25 intermediate rent homes with completion due in September 2023. This acquisition will take our portfolio to 844 homes.

ACHIEVEMENTS AND PERFORMANCE (continued)

Environmental, social and governance (ESG) monitoring and reporting

Our stakeholders include our residents, local communities, investors, local government, our staff and Board. It is becoming increasingly important to maintain and increase our current and future appeal through measuring, reporting and improving our sustainability credentials. To this end, in 2020, the Group signed up as an early adopter of The Good Economy ESG reporting standard which sets out a number of baseline sustainability measures against which adopters must report and evidences our commitment to achieving high performance in all areas of ESG. We are measured as an organisation on our environmental and social impacts and risks, and the quality of our governance. The objectives of ESG reporting closely align to the Group's charitable objectives, our culture and the future legislative requirements we expect to emerge in coming years. Our third report is due in Autumn 2023.

In both our homes, our office and through development and our supply chain we will:

- minimise our carbon footprint through reducing electricity and gas usage, and prioritising carbon reduction measures in our homes, developments and refurbishments;
- monitor our construction projects to reduce the environmental impact of activities on site;
- risk assess all our construction, development and refurbishment projects against the predicted local impacts of climate change;
- develop sustainable procurement processes for our goods and services;
- assess and improve carbon emissions across our housing stock;
- deliver net gain biodiversity at our developments, creating great places for both people and nature to thrive;
- work with residents so they can make greener choices; and
- encourage our residents to put the environment first and to integrate good environmental practices into their everyday lives.

Following a review of the available industry benchmarks undertaken last year, SHIFT by Suss Housing was selected as a sustainability measure/benchmark and we completed the Suss benchmark report last year and included the outcomes in our 2022 Sustainability Report.

A sustainability group comprising the CEO and other senior members of staff was established during the year to monitor and review our progress against the Group's targets. Additionally, our Net Zero Carbon roadmap was established during the year and will be updated quarterly and used to guide the improvements required for each individual property.

The team

Our Executive team, led by Olivia Harris as Chief Executive, comprises 16 employees across property acquisition & development, property letting & management, and finance. Remuneration is reviewed annually with reference to current salaries, wage inflation and market rates. Management sets the remuneration for all staff except for senior management whose remuneration is set by the Remuneration and Nominations Committee who also approve the overall salary expenditure. Key management personnel are Olivia Harris (Chief Executive), Gary Preston (Finance Director), Octavia Williams (Operations Director) and Jacqueline England (Customer Services Director).

FINANCIAL REVIEW

	2023	2022	2021	2020	2019
Net assets	£168.5m	£168.4m	£166.7m	£166.0m	£164.1m
Turnover	£12.7m	£12.5m	£12.1m	£9.2m	£9.7m
Operating surplus [1]	£4.4m	£5.6m	£4.3m	£3.7m	£3.9m
Operating margin [2]	34%	45%	36%	40%	43%
Gearing [3]	71%	63%	64%	64%	64%
Interest cover [4]	3.1	3.2	3.2	5.1	4.9
Homes in portfolio	819	791	798	660	631
Homes completed in year	31	-	141	33	-

[1] Operating surplus excludes finance costs, restricted and investment income and goodwill amortisation.
[2] Operating surplus as a proportion of income from charitable and other trading activities.
[3] Loans as a proportion of total funds.
[4] Income from charitable and other trading activities divided by finance costs.

Turnover during 2022/23 increased from last year due to the three acquisitions comprising a total of 31 homes which completed during the year offset by the decrease in income resulting from the disposal of three homes that did not deliver our strategic objectives (2022: seven).

Rental income is received from two types of property;

- purpose-built developments; and
- existing properties that the Charity has acquired,

and from three sources;

- intermediate rent leases;
- market rent leases (residential and commercial); and
- leases under its objective to assist those in acute housing need.

Expenditure in the year was considerably higher than during the previous year due to an increased level of repairs at our properties as these properties age as well as post-lockdown catch-up and the high levels of inflation experienced during the year. Furthermore, capitalised interest was reduced resulting in higher interest cost as major developments during the year came to an end. In addition, higher property management and depreciation costs reflect the increased portfolio size. We expect our costs to again increase in 2023/24 in correlation with the increased revenue from the new homes being introduced and the ongoing high levels of inflation.

Net income for the Group for the year was £0.1m (2022: £1.7m). After realised and unrealised losses on investments, general reserves of £168.5m (2022: £168.4m) were carried forward.

FINANCIAL REVIEW (continued)

Funding

In 2017, we issued a £25m charity bond and we have a further £20m of bonds available for future issue if required.

During the year we completed two new facilities of £10.0m and £2.9m with Legal and General and Unity Trust Bank respectively. We will continue to investigate the requirement for new funding facilities over the short and medium-term as we look to implement our development and acquisition strategies.

The financial strength of the Group remains strong with cash or near cash being £21.6m and a net asset position of £168.5m.

PLANS FOR FUTURE PERIODS

We will continue to build our portfolio of intermediate rental properties through direct development, working with developers to acquire the affordable housing element of larger schemes and through the acquisition of existing homes. We continue to be open to joint venture opportunities with other charitable or benevolent landowners who wish to develop their sites and lack either capital or development expertise. The successes we have had in the schemes which complete during the year at Broadway, Millbank and Wardour Street as well as Marylebone Square, which completes later this year, can be used to support future applications as a joint venture partner and we anticipate future opportunities and growth in similar areas.

Our planning consents at the New Era estate and Parkhouse Street, Camberwell will further enhance our growing portfolio of intermediate rents. We will cautiously progress these schemes as well as other development opportunities within our portfolio in terms of both the resource required and the financial capacity to deliver them.

As the residential portfolio has grown so the future plans of the Charity have expanded to include the responsibilities of being a landlord. We aim to provide an exemplary customer experience, as well as ensuring that our homes are regularly upgraded and the portfolio delivers its potential. Throughout all the Charity does, from design, through construction and delivery, to management, there is a strong commitment embedded throughout the organisation to meet our customers' needs and in doing so fulfilling our charitable objectives.

We will champion the provision of intermediate rental housing as essential in central London and other high value locations.

We are considering the impact of rent reform on our tenancies and our ability to continue to deliver charitable benefit to those who need it.

To fund future growth we will raise additional finance as required but will always be mindful of maintaining the strong financial stability that currently exists.

PUBLIC BENEFIT

The Charity has had regard to the guidance issued by the Charity Commission in respect of public benefit under the Charities Act 2011. The Board of Governors is keen to ensure there is an effective and appropriate balance of activity addressing the objectives of the Charity, both of which generate public benefit.

Every development scheme the Charity undertakes will have a proportion of the development providing accommodation at rents lower than those available in an open market. This benefits those working in the City of Westminster and Greater London by reducing travel time and expense and providing a stable tenancy with limited rental increases in a property that is managed for the benefit of the tenants. These factors improve quality of life for those working in the City of Westminster and Greater London who are not able to afford market rents.

The Charity provides accommodation to those in more acute financial hardship such as the homeless in the City of Westminster. The beneficiaries are housed in accommodation in the City of Westminster which is appropriate to their needs and family composition. The Charity also invests in projects that support the homeless to obtain work and provides accommodation to the beneficiaries of the projects. The provision of accommodation is another key stability factor supporting those entering the workplace.

CHARITY CODE OF GOVERNANCE

The Charity has adopted the Charity Code of Governance as set out by the Charities Commission. The Charity substantively complies with the Code of Governance and aspires to adopt all of the Code.

FUTURE LEGLISLATION

We actively track emerging legislation which, at present, includes the Fairer Private Rented Sector White Paper. Currently, it is too early to understand the impact on our organisation as much of the detail will only be decided following consultation with the sector.

RESERVES POLICY

The reserves policy of the Charity is to hold sufficient liquid assets and undrawn loan facilities to meet all commitments and at least 12 months of operating costs.

The reserves of the Charity invested in liquid assets are held to provide certainty of amount, at maturity, to match the Charity's utilisation of these funds in its property development activities.

The Charity has reserves of £168.5m invested in properties, working capital and liquid assets. Included in general reserves are £3.1m of reserves designated for the long-term maintenance of the properties. The life cycle costs for our properties are reviewed annually and a long-term plan is in place to incur these costs at the end of their expected lives which are incorporated into our forecast cash flows. Free reserves, excluding fixed assets, long-term debt and committed funds, are £16.5m. This is in excess of our target of 12 months of operating costs as funds are held for acquisition opportunities.

INVESTMENT POLICY

The Charity's treasury policy, including its investment strategy for non-property assets, is regularly under review by the Acquisition, Finance and Development Committee. In accordance with the reserves policy the Committee ensures that the projected investment in properties and operating costs can be covered by readily available funds, whilst ensuring that the risks inherent in the investment portfolio are mitigated and returns are maintained. During the year investment performance has been in line with the investment strategy.

GOING CONCERN

The continuing cost of living crisis has impacted both the UK economy and to a lesser extent the charity's operations and finances. While the longer term impacts and length of the downturn resulting and the cost of living crisis still remain unknown, we expect that, in the short-term, the situation is manageable by the charity.

The cost of living crisis has had a impact on the core operations of the Charity and Group with increased costs reflecting ongoing high inflation levels. Whilst we have seen a small increase in the rent arrears position our collection rates of our residential income have remained high and the impact has been modest.

Where tenants have approached the Charity for assistance, we have addressed each case individually and on its merits. We are providing as much assistance as we can where appropriate to tenants and want to work with them to overcome any financial hardship they may sustain.

The Charity, as disclosed in this report, has substantial cash reserves. Having forecasted the Group's cashflow out to 2024/25, and having stress tested the rental receipts and costs impacted by interest rate and inflationary increases, over that same period, the Governors consider that the Group has sufficient cash reserves to meet any potential falls in rental income as well as any interest rate and inflationary cost increases.

Staff work a minimum of two days in the office with the remainder remotely. The IT platform supporting remote working continues to work well and in April 2022 we transferred our systems to be completely 'cloud' based strengthening our strategy of working anywhere at any time. We have experienced no down time in systems during the year with no disruption to the service levels expected of the Group.

In 2021/22, we respecified and retendered our property management services and as a result reappointed Touchstone CPS for a term of three years and we have agreed to extend their contract for a further year. We have a continuous dialogue with them and they are key to delivering the Group's service model. They are part of a larger housing group of companies and are financially secure.

The executive team continue to monitor the financial position and performance of the Charity closely with updates on key metrics provided to Governors on a monthly basis.

The Governors, although acknowledging the potential impact of the cost of living crisis, are satisfied that the financial strength that underpins the Charity provides sufficient confidence that the Charity and its subsidiaries have the ability to continue to operate as a going concern.

BUSINESS RISK MITIGATION POLICY

The Governors are responsible for safeguarding the assets of the Charity and for ensuring that it is fully compliant with relevant regulations and best practice. They review the key risks to which the Charity is exposed at least once a year, together with the operating and financial compliance controls that have been implemented to mitigate those risks. The detailed risk register is maintained by the executive team and a strategic risk register is prepared for regular review by the Audit & Risk Committee, and annually by the Board. The Board are of the view that the formal ongoing process for identifying, evaluating and managing the Charity's significant risks that has been in place for the year ending 31 March 2023 continues to be appropriate for the Charity.

The key risks identified in the most recent review by the Board, including factors that are likely to affect the financial performance or position going forward are:

- external market risks including supply chain, cost inflation and labour shortages that would impact on the Charity's ability to deliver services and manage costs;
- regulatory changes, in particular around sustainability, fire safety and housing delivery policy, which increase costs and potentially absorb significant amounts of management resources, as well as impacting on the delivery of housing for intermediate rent;
- insufficient business continuity capacity in the event of a critical or emergency event, which could result in cessation or delay of delivery of strategic objectives, and in the most extreme case organisational failure; and
- dependency on key suppliers whereby Dolphin has significant exposure to the performance and financial stability of a small number of key suppliers.

The controls and assurance in place for mitigating those risks are set out in the risk register and include:

- oversight by the Board and sub-committees of those risks and assurance on performance measures and reporting intended to mitigate the likelihood of occurrence or impact upon occurrence of those risks crystallising;
- setting and reporting of key performance indicators;
- sensitising and stress testing budgets and business plans;
- implementing service standards which can be flexed as required;
- recruiting and retaining suitably qualified and experienced staff and professional advisors to oversee, advise and manage properties;
- providing staff and Board members with training and information to keep abreast of regulatory changes;
- regular testing of the business continuity plan;
- robust procurement process including financial checks; and
- monthly health and safety monitoring of key supplier performance.

The Board continue to identify any skills gaps and the recruitment of new Governors is focused on acquiring the needed skills.

THE DOLPHIN SQUARE CHARITABLE FOUNDATION

STATEMENT OF TRUSTEE'S RESPONSIBILITIES

The Trustee is responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Law applicable to charities in England and Wales requires the Trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and the Group and of the Group's incoming resources and application of resources of the year. In preparing financial statements giving a true and fair view the Trustee should follow best practice and:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in operation.

The Trustee is responsible for keeping accounting records that disclose with reasonable accuracy the financial position of the Charity and the Group and enable the trustee to ensure that the financial statements comply with the Charities Act 2011 and regulations made thereunder. The Trustee is also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Crowe U.K. LLP has indicated its willingness to be reappointed as statutory auditor.

Approved and authorised for issue by the Trustee on 26 July 2023 and signed on its behalf.

Andrew Giblin
(Chair of Governors)

Julia Moulder
(Governor)

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF THE DOLPHIN SQUARE CHARITABLE FOUNDATION FOR THE YEAR ENDED 31 MARCH 2023

Opinion

We have audited the financial statements of The Dolphin Square Charitable Foundation for the year ended 31 March 2023 which comprise consolidated statement of financial activities, consolidated balance sheet, balance sheet, consolidated cashflow 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, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charity's affairs as at 31 March 2023 and of the group's incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the

audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 17, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the Group's and the parent Charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as Auditor under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

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

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

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

We obtained an understanding of the legal and regulatory frameworks within which the Group and charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 and together with the Charities SORP (FRS102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the group's and charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the group and charitable company for fraud. The only other laws and regulations we considered in this context are taxation and employment legislation.

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

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

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

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe U.K. LLP

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

Date 31 July 2023

THE DOLPHIN SQUARE CHARITABLE FOUNDATION

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2023

	Note	Restricted 2023 £	Unrestricted 2023 £	Total 2023 £
Income and endowments from:				
Restricted income – grants receivable		-	-	-
Charitable activities		-	11,386,521	11,386,521
Other trading activities		-	1,249,946	1,249,946
Investment income		-	113,530	113,530
Profit on sale of land and buildings		-	344,436	344,436
Total		-	**13,094,433**	**13,094,433**
Expenditure on:				
Raising funds				
Investment management fees			-	-
Charitable activities				
Housing support	3	-	8,352,486	8,352,486
Strategic development	3	-	284,853	284,853
Finance costs		-	4,325,371	4,325,371
Total resources expended		-	**12,962,710**	**12,962,710**
Net income		-	**131,723**	**131,723**
Transfers	15	-	-	-
Net movement for the year		-	**131,723**	**131,723**
Balance brought forward at 1 April 2022		28,412,800	139,988,550	168,401,350
Balance carried forward at 31 March 2023	15	**28,412,800**	**140,120,273**	**168,533,073**

All amounts relate to continuing operations. All gains and losses recognised in the year are included in the statement of financial activities.

The notes on pages 27 to 44 form part of the financial statements

THE DOLPHIN SQUARE CHARITABLE FOUNDATION

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2022

	Note	Restricted 2022 £	Unrestricted 2022 £	Total 2022 £
Income and endowments from:				
Restricted income – grants receivable		68,782	-	68,782
Charitable activities		-	11,126,556	11,126,556
Other trading activities		-	612,299	612,299
Investment income		-	8,014	8,014
Profit on sale of land and buildings		-	654,027	654,027
Total		68,782	12,400,896	12,469,678
Expenditure on:				
Raising funds				
Investment management fees		-	-	-
Charitable activities				
Housing support	3	-	(6,555,574)	(6,555,574)
Strategic development	3	-	(262,823)	(262,823)
Finance costs		-	(3,909,932)	(3,909,932)
Total resources expended		-	(10,728,329)	(10,728,329)
Net income		68,782	1,672,567	1,741,349
Transfers	15	1,279,551	(1,279,551)	-
Net movement for the year		1,348,333	393,016	1,741,349
Balance brought forward at 1 April 2021		27,064,467	139,595,534	166,660,001
Balance carried forward at 31 March 2022	15	28,412,800	139,988,550	168,401,350

All amounts relate to continuing operations. All gains and losses recognised in the year are included in the statement of financial activities.

THE DOLPHIN SQUARE CHARITABLE FOUNDATION

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2023

	Note	£	2023 £	£	2022 £
FIXED ASSETS					
Freehold buildings	5		**94,925,886**		95,168,610
Leasehold buildings	6		**156,918,128**		144,240,476
Land and buildings under development	7		**15,618,419**		19,276,730
Tangible fixed assets	8		**97,376**		61,524
Investments	9		**-**		7,887,904
			267,559,809		266,635,244
CURRENT ASSETS					
Debtors and prepayments	10	**1,656,203**		1,288,788	
Cash at bank	11	**21,711,801**		10,344,981	
		23,368,004		11,633,769	
LIABILITIES					
Creditors: amounts falling due within one year	12	**(3,355,422)**		(3,149,941)	
NET CURRENT ASSETS			**20,012,582**		8,483,828
TOTAL ASSETS LESS CURRENT LIABILITIES			**287,572,391**		275,119,072
Creditors: amounts falling due after more than one year	13		**(119,039,318)**		(106,717,722)
NET ASSETS			**168,533,073**		168,401,350
Unrestricted funds			**133,296,640**		133,427,070
Designated funds			**6,823,633**		6,561,480
Total unrestricted funds			**140,120,273**		139,988,550
Restricted funds			**28,412,800**		28,412,800
TOTAL FUNDS	15		**168,533,073**		168,401,350

Approved and authorised for issue by the Trustee on 26 July 2023 and signed on its behalf

Andrew Giblin
(Chair of Governors)

Julia Moulder
(Governor)

The notes on pages 27 to 44 form part of the financial statements

THE DOLPHIN SQUARE CHARITABLE FOUNDATION

BALANCE SHEET AS AT 31 MARCH 2023

	Note	£	2023 £	£	2022 £
FIXED ASSETS					
Freehold buildings	5		**69,911,134**		70,128,274
Leasehold buildings	6		**148,726,652**		144,240,476
Land and buildings under development	7		**9,157,636**		15,914,044
Tangible fixed assets	8		**97,376**		61,524
Investments	9		**26,059,666**		33,947,570
			253,952,464		264,291,888
CURRENT ASSETS					
Debtors and prepayments	10	**11,498,964**		7,408,946	
Cash at bank	11	**21,558,645**		9,451,253	
		33,057,609		16,860,199	
LIABILITIES					
Creditors: amounts falling due within one year	12	**(2,330,725)**		(3,163,644)	
NET CURRENT ASSETS			**30,726,884**		13,696,555
TOTAL ASSETS LESS CURRENT LIABILITIES			**284,679,348**		277,988,443
Creditors: amounts falling due after more than one year	13		**(116,212,686)**		(106,717,722)
NET ASSETS			**168,466,662**		171,270,721
Unrestricted funds			**133,230,229**		136,296,441
Designated funds			**6,823,633**		6,561,480
Total unrestricted funds			**140,053,862**		142,857,921
Restricted funds			**28,412,800**		28,412,800
TOTAL FUNDS	15		**168,466,662**		171,270,721

The Charity had gross income of £11,063,713 (2022: £11,356,171) in the year and a net negative movement on reserves of £2,804,059 (2022: £1,772,445 positive).

Approved and authorised for issue by the Trustee on 26 July 2023 and signed on its behalf:

Andrew Giblin
(Chair of Governors)

Julia Moulder
(Governor)

The notes on pages 27 to 44 form part of the financial statements

THE DOLPHIN SQUARE CHARITABLE FOUNDATION

CONSOLIDATED CASHFLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 £	2022 £
Cash flows from operating activities:			
Net cash used in operating activities	a	**994,202**	1,850,365
Cash flows from investing activities:			
Interest from investments		**113,350**	8,014
Proceeds from the sale of property, plant and equipment		**1,273,979**	2,981,109
Purchase of property, plant and equipment		**(11,259,492)**	(3,368,241)
Amounts invested		**-**	-
Proceeds of sales of investments		**7,887,904**	-
Net cash used in investing activities		**(1,984,259)**	(379,118)
Cash flows from financing activities:			
Repayments of borrowing		**(132,130)**	-
New financing net of fees		**12,489,007**	-
Net cash provided by financing activities		**12,356,877**	-
Cash and cash equivalents:			
Change in the reporting period		**11,366,820**	1,471,247
Balance brought forward at 1 April		**10,344,981**	8,873,734
Cash and cash equivalents at the end of the reporting period		**21,711,801**	10,344,981

Note

a. Reconciliation of cash flows from operating activities		
Net income for the reporting period	**142,460**	1,741,349
Adjustments for:		
Depreciation charges	**1,517,479**	994,004
Amortisation of costs of raising finance	**70,905**	72,232
Interest from investments	**(113,350)**	(8,014)
Profit on the sale of fixed assets	**(344,436)**	(654,292)
(Decrease)/increase in debtors	**(367,415)**	1,226,234
Increase/(decrease) in creditors	**88,559**	(1,521,148)
Net cash used in operating activities	**994,202**	1,850,365

1. CHARITY INFORMATION

The Charity is registered with the Charity Commission, registration number 1110090. The registered address of the Charity is 1 Castle Lane, London, SW1E 6DR.

2. ACCOUNTING POLICIES

(a) Going concern

Although the impact of the cost of living crisis to the economy has been significant the Charity and the Group are in a strong position to operate through the economic upheaval and be well placed for when the recovery comes. In addition, the Charity has substantial cash reserves to call upon if needed.

Having forecasted the Group's cashflow out to 2024/25 and having stress tested the rental receipts, and costs that could be impacted by interest rate and inflationary increases over that same period, the Governors feel that the Group has sufficient cash reserves to meet an any fall in rental income or increase in costs. In addition, the rent collection rates throughout 2022/23 remained high providing further confidence of the Group's cashflow and stability.

These accounts are therefore prepared on a going concern basis. There are no material uncertainties over the Group's ability to continue as a going concern.

(b) Basis of accounting

The accounts have been prepared in accordance with the Charities SORP (FRS102) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland, the Charities Act 2011 and UK Generally Accepted Practice.

The accounts have been prepared to give a true and fair view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005, which has since been withdrawn.

The Charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The financial statements of the Charity and its three subsidiaries, DSF Developments Limited, Dolphin Living Limited and Hoxton Regeneration Limited are consolidated, on a line-by-line basis, to produce group financial statements. The consolidated entity is referred to as 'the Group'. Only the financial activity of the Group is shown in the consolidated statement of financial activities.

2. ACCOUNTING POLICIES (continued)

(c) Critical accounting judgements and key sources of estimation uncertainty

In the application of the Charity's accounting policies, which are described in this note, judgements, estimates, and assumptions are made about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects the current and future periods.

There are no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date that are likely to result in a material adjustment to their carrying amounts in the next financial year.

Development expenditure

Development expenditure is capitalised in accordance with the accounting policy given below. Initial capitalisation of costs is based on management's judgement that technical and economic feasibility is confirmed, usually when a development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised management makes assumptions regarding the expected future cash generation of the assets, discount rates to be applied and the expected period of benefits.

Fixed asset depreciation

Tangible fixed assets are depreciated over their expected useful economic lives. The expected lives of the assets are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account.

(d) Grants and donations

Grants and donations are recognised when the Charity is entitled to the income, the receipt is probable and the amount can be quantified with reasonable accuracy.

(e) Rental income

Rental income is recognised as it falls due. Rental income charged at sub-market rates is recognised as income from charitable activities. All other rental income is recognised as income from other trading activities.

(f) Investment income

Interest income is included in incoming resources on a receivable basis.

2. ACCOUNTING POLICIES (continued)

(g) Resources expended

Expenditure is included on an accruals basis.

Costs of charitable activities comprise all the resources applied by the Charity in undertaking its work to meet its charitable objectives. Housing support costs comprise staff and overhead costs and grants payable in support of housing projects.

Grants payable are accounted for in the Statement of Financial Activities in the year in which they are authorised. Any amounts which have been authorised but which remain unpaid at the year-end are included within the current liabilities in the balance sheet.

Strategic development costs comprise staff costs, overheads and fees payable to advisers in conjunction with the development of the Charity's objects.

(h) Tangible fixed assets

All tangible assets are shown at cost less depreciation.

Additions to tangible fixed assets comprise costs of a capital nature and include capitalised interest and certain staff costs directly attributable to the management of a development. Capitalised interest is calculated at the rate on associated borrowings applied to direct expenditure between the date of gaining planning consent and the date of practical completion.

Depreciation on tangible assets is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives.

Depreciation will be calculated on the following basis;

Office and computer equipment	33% straight line
Office improvements	20% straight line
Furniture in tenanted property	33% straight line
Freehold buildings	Over 100 to 150 years
Leasehold properties	Over the lower of their lease term and 150 years

Land is not depreciated.

(i) Buildings in development

Developments are shown at cost of acquisition and spend to date after taking into account any impairment in value. No depreciation is charged on developments until such time as they are completed.

2. ACCOUNTING POLICIES (continued)

(j) Investments

Fixed asset investments are stated in the balance sheet at market value where there is a readily available market price. It is the Group's policy to keep valuations up to date so that when investments are sold, no gain or loss arises. As a result, the statement of financial activities includes those unrealised gains and losses arising from the revaluation of the investment portfolio throughout the year. The statement of financial activities does not distinguish between the valuation adjustments relating to sales and those relating to continued holdings, as they are treated together as changes in the value of the investment portfolio.

(k) Pension costs

The Group contributed to a defined contribution scheme pension scheme administered by an independent company and to employees' personal pension schemes. The pension costs represent the contributions payable by the Group to the schemes for the year.

(l) Lease commitments

Rental paid under operating leases is charged to income on a straight-line basis over the lease term.

(m) Business combinations

The consolidated financial statements incorporate the financial statements of the Charity and all subsidiaries. These are adjusted, where appropriate, to conform to Group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over five years from the year of acquisition. The results of entities acquired or disposed of are included in the income and expenditure account after or up to the date that control passes respectively.

(n) Financial instruments

Financial assets and liabilities are measured at fair value which is the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Loan transaction costs are amortised over the term of the loan.

3. RESOURCES EXPENDED

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Charitable activities				
Housing support costs				
Staff costs	**1,050,102**	1,024,417	**506,109**	805,744
Grants payable	**197,133**	216,015	**3,302,353**	100
Direct costs	**4,270,122**	3,076,677	**3,289,142**	3,156,567
Property management	**1,037,697**	1,019,044	**799,863**	803,314
Office costs	**110,981**	77,048	**100,889**	126,335
Legal and professional fees	**81,535**	73,064	**138,086**	160,088
Support costs	**13,929**	10,958	**32,727**	25,914
Audit fees	**60,551**	54,343	**43,407**	37,780
Depreciation: buildings	**1,530,436**	1,004,008	**1,455,477**	964,462
	8,352,486	6,555,574	**9,668,053**	6,080,304
Strategic development costs				
Staff costs	**26,043**	24,881	**12,953**	22,785
Direct costs	**-**	-		-
Office costs	**123,778**	118,563	**112,522**	78,084
Legal and professional fees	**112,597**	100,897	**-**	-
Audit fees	**3,200**	3,350	**-**	-
Other	**19,235**	15,132	**-**	-
	284,853	262,823	**125,475**	100,869

Support costs are either directly allocated to the activity e.g. salaries, or shared pro-rata between the activities e.g. premises costs.

During the year salary costs capitalised to developments amounted to £264,702 (2022: £271,829).

Legal and professional fees include costs relating to Crowe U.K. LLP for accountancy and tax services which totalled £29,030 for the Group (2022: £50,938).

Grants comprise:	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Paid in the year	**197,133**	216,015	**3,288,096**	303,778

4. STAFF COSTS

	2023	2022
	£	£
Gross salaries	998,626	900,228
Employer's NI contributions	97,466	101,051
Employer's pension contributions	153,476	141,414
	1,249,568	1,142,693
Key management benefits	**598,365**	585,788

The average number of employees in the year was 15 (2022: 13). Employees are divided between housing support and strategic development, 7:8 (2022: 6:7), respectively.

The number of employees whose emoluments, excluding pensions, exceeded £60,000 was:

	2023	2022
£60,000 - £69,999	**3**	4
£70,000 - £79,999	**0**	1
£80,000 - £89,999	**0**	-
£90,000 - £99,999	**0**	1
£100,000 - £109,999	**1**	-
£110,000 - £119,999	**1**	1
£140,000 - £149,999	**0**	1
£150,000 - £159,999	**1**	0

Pension payments of £153,476 (2022: £141,414) were made during the year in respect of 14 employees (2022: 17).

5. **FREEHOLD LAND AND BUILDINGS:**

Group	Land £	Buildings £	Total £
COST			
At 1 April 2022	42,344,016	56,680,445	99,024,461
Additions	-	155,183	155,183
At 31 March 2023	**42,344,016**	**56,835,628**	**99,179,644**
DEPRECIATION			
At 1 April 2022	-	3,855,851	3,855,851
Charge in the year	-	397,907	397,907
At 31 March 2023	**-**	**4,253,758**	**4,253,758**
NET BOOK VALUE			
At 31 March 2023	**42,344,016**	**52,581,870**	**94,925,886**
At 31 March 2022	42,344,016	52,824,594	95,168,610
Charity			
COST			
At 1 April 2022	21,435,768	51,995,395	73,431,163
Additions	-	148,703	148,703
At 31 March 2023	**21,435,768**	**52,144,098**	**73,579,866**
DEPRECIATION			
At 1 April 2022	-	3,302,889	3,302,889
Charge in the year	-	365,843	365,843
At 31 March 2023	**-**	**3,668,732**	**3,668,732**
NET BOOK VALUE			
At 31 March 2023	**21,435,768**	**48,475,366**	**69,911,134**
At 31 March 2022	21,435,768	48,692,506	70,128,274

6. LEASEHOLD BUILDINGS

Group	Total £
COST	
At 1 April 2022	149,022,248
Additions	7,369,382
Disposals	(974,148)
Transfers from land and buildings under development	7,344,466
At 31 March 2023	**162,761,948**
DEPRECIATION	
At 1 April 2022	4,781,772
Charge in the year	1,110,193
Disposals	(48,145)
At 31 March 2023	**5,843,820**
NET BOOK VALUE	
At 31 March 2023	**156,918,128**
At 31 March 2022	144,240,476

Charity	Total £
COST	
At 1 April 2022	149,022,248
Additions	181,464
Disposals	(974,148)
Transfers from land and buildings under development	6,298,013
At 31 March 2023	**154,527,577**
DEPRECIATION	
At 1 April 2022	4,781,772
Charge in the year	1,067,298
Disposals	(48,145)
At 31 March 2023	**5,800,925**
NET BOOK VALUE	
At 31 March 2023	**148,726,652**
At 31 March 2022	144,240,476

7. LAND AND BUILDINGS UNDER DEVELOPMENT

Group	Land £	Buildings under development £	Total £
At 1 April 2022	7,041,749	12,234,981	19,276,730
Additions	-	4,461,221	4,461,221
VAT adjustment	-	(664,047)	(664,047)
Transfer to leasehold buildings	-	(7,344,466)	(7,344,466)
Transfer to fixed assets	-	(107,060)	(107,060)
Amounts written off	-	(3,959)	(3,959)
At 31 March 2023	**7,041,749**	**8,576,670**	**15,618,419**
Charity			
At 1 April 2022	7,041,749	8,872,295	15,914,044
Additions	-	289,985	289,985
VAT adjustment	-	(664,047)	(664,047)
Transfer to leasehold buildings	-	(6,283,132)	(6,283,132)
Transfer to fixed assets	-	(44,674)	(44,674)
Transfer to subsidiary	-	(51,000)	(51,000)
Amounts written off	-	(3,540)	(3,540)
At 31 March 2023	**7,041,749**	**2,115,887**	**9,157,636**

8. TANGIBLE FIXED ASSETS

Group and Charity	Office improvements £	Computer and office equipment £	Total £
COST			
At 1 April 2022	72,566	106,504	179,070
Additions	44,674	16,433	61,107
Disposal	(29,354)	(5,154)	(34,508)
At 31 March 2023	**87,886**	**117,783**	**205,669**
DEPRECIATION			
At 1 April 2022	38,716	78,830	117,546
Charge in the year	8,642	16,100	24,742
Disposal	(29,354)	(4,641)	(33,995)
At 31 March 2023	**18,004**	**90,289**	**108,293**
NET BOOK VALUE			
At 31 March 2023	**69,882**	**27,494**	**97,376**
At 31 March 2022	33,850	27,674	61,524

9. FIXED ASSET INVESTMENTS:

Group	2023 £	2022 £
Cash held as an investment	-	7,887,904
Historical cost	-	7,887,904

Charity	2023 £	2022 £
Investments in subsidiaries	**26,059,666**	26,059,666
Cash held as an investment	-	7,887,904
	26,059,666	33,947,570
Historical cost	**26,059,666**	33,947,570

Investments which individually represent more than 5% of the portfolio by market value are:

Group and Charity	2023 £	2022 £
Cash	-	7,887,904

Investments in cash are primarily held to preserve the capital to meet existing capital commitments and for appropriate property investment opportunities as they arise.

9. FIXED ASSET INVESTMENTS (continued)

The investment in subsidiaries figures above represent investments in the following subsidiaries:

Subsidiaries

	DSF Developments Limited	Dolphin Living Limited	Hoxton Regeneration Limited
Company number	8327131	32446R	597445
Incorporation	England	England	England
Shareholding	100%	100%	100%
	2023	**2023**	**2023**
	£	**£**	**£**
Assets	809,482	12,421,198	22,551,288
Liabilities	(812,240)	(9,012,427)	(4,879,609)
Fund/net assets	(2,758)	3,408,771	17,671,679
Income	298,583	5,066,736	1,047,482
Expenditure	(294,961)	(2,096,656)	(604,521)
Profit/(loss)	3,622	2,970,080	422,961

10. DEBTORS

	Group £		Charity £	
	2023	**2022**	**2023**	**2022**
Trade debtors	299,571	249,201	178,603	125,223
Other debtors	1,162,253	862,456	1,127,224	787,804
Prepayments	194,379	177,131	191,717	175,150
Amounts owed by subsidiaries	-	-	10,001,420	6,320,769
	1,656,203	1,288,788	11,498,964	7,408,946

10. DEBTORS (continued)

During the year the Charity provided funds to wholly owned subsidiaries under loan agreements and an agreement to provide support.

At the year end, the amounts owed to the Charity by DSF Developments Limited were £154,818 (2022: £1,645,654) under the development agreement. During the year, a gift of £nil (2022: £nil) was donated by DSF Developments Limited to the Charity and shared costs of £132,351 were recharged by the Charity to DSF Developments Limited (2022: £nil).

At the year end, the amounts owed to the Charity by Hoxton Regeneration Limited were £4,764,925 (2022: £3,609,056) including two loan agreements for £865,074 (2022: £865,074) and £1,198,202 (2022: £1,198,202). Both loan agreements have a ten-year term and are repayable in three and four years respectively. During the year, shared costs of £297,972 were recharged by the Charity to Hoxton Regeneration Limited (2022: £148,782).

At the year end, the amounts owed to the Charity by Dolphin Living Limited were £5,946,851 (2022: £1,066,059) for shared costs and expenses including three loan agreements for £1,885,000 (2022: £nil), £1,500,000 (2022: £nil) and £2,285,000 (2022: £nil). During the year, shared costs of £296,478 were recharged by the Charity to Dolphin Living Limited (2022: £220,644).

11. CASH AT BANK

An amount of £250,000 (2022: £250,000) is currently held in reserve for specific development costs.

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2023	2022	**2023**	2022
	£	£	**£**	£
Trade creditors	**88,767**	244,865	**26,739**	981,716
Social security & other taxes	**34,566**	27,682	**34,566**	25,720
VAT	**14,228**	7,353	**14,228**	7,353
Accruals	**1,456,426**	1,121,801	**1,423,903**	1,100,169
Development retentions	**819,221**	646,472	**-**	-
Loans	**106,185**	203,706	**106,185**	203,706
Deferred income	**27,834**	27,374	**27,834**	27,834
Other creditors	**808,195**	870,688	**697,270**	817,146
	3,355,422	3,149,941	**2,330,725**	3,163,644

Deferred income relates to rental income received in advance from tenants which is then released after the year end in the period to which it relates.

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

Group	2023 £	2022 £
Loans maturing:		
Within one year	**118,208**	214,376
In one to two years	**126,439**	214,376
In two to five years	**25,434,634**	25,643,130
In more than five years	**95,668,636**	82,494,709
	121,347,917	108,566,591
Unamortised issue costs	**(2,202,414)**	(1,645,163)
	119,145,503	106,921,428
Due within one year	**(106,185)**	(203,706)
Due in more than one year	**119,039,318**	106,717,722

Charity	2023 £	2022 £
Loans maturing:		
Within one year	**118,208**	214,376
In one to two years	**126,439**	214,376
In two to five years	**25,434,634**	25,643,130
In more than five years	**92,743,636**	82,494,709
	118,422,917	108,566,591
Unamortised issue costs	**(2,104,046)**	(1,645,163)
	116,318,871	106,921,428
Due within one year	**(106,185)**	(203,706)
Due in more than one year	**116,212,686**	106,717,722

	2023 £	2022 £	Interest rate	Maturity Year
Fixed rate				
Loan	**53,493,438**	53,493,438	3.73%	2046
Loan	**26,000,000**	26,000,000	3.48%	2046
Loan	**5,000,000**	-	5.35%	2042
Loan	**5,000,000**	-	5.42%	2053
Charity bond	**25,000,000**	25,000,000	4.25%	2026
	114,493,438	104,493,438		
Floating rate				
Loan	**3,929,479**	4,073,153	2.25% above base rate	2041
Loan	**2,925,000**	-	1.35% above base rate	2032
	121,347,917	108,566,591		

At the balance sheet date, the Group held financial assets at amortised cost of £23,173,616 (2022: £11,454,797), financial assets at fair value through income and expenditure of £nil (2022: £7,887,764) and financial liabilities at amortised cost of £122,289,399 (2022: £109,447,390).

14. MOVEMENTS IN NET DEBT

Group	**At 1 April 2022 £**	**Cashflows £**	**Transfers £**	**Non-cash changes £**	**At 31 March 2023 £**
Cash	(10,344,981)	(2,196,094)	(9,170,726)	-	**(21,711,801)**
Cash held as investments	(7,887,904)	(1,282,822)	9,170,726	-	-
Loans due within one year	203,706	-	(97,521)	-	**106,185**
Loans due in more than one year	106,717,722	12,153,170	97,521	70,905	**119,039,318**
	88,688,543	8,674,254	-	70,905	**97,433,702**
Charity					
Cash	(9,451,253)	(2,936,666)	(9,170,726)	-	**(21,558,645)**
Cash held as investments	(7,887,904)	(1,282,822)	9,170,726	-	-
Loans due within one year	203,706	-	(97,521)	-	**106,185**
Loans due in more than one year	106,717,722	9,326,538	97,521	70,905	**116,212,686**
	89,582,271	5,107,050	-	70,905	**94,760,226**

15. MOVEMENTS IN RESERVES

Group	**At 1 April 2022**	**Surplus/ (deficit)**	**Transfer**	**At 31 March 2023**
	£	**£**	**£**	**£**
Unrestricted funds	133,427,070	(130,430)	-	**133,296,640**
Designated funds				
WHOA fund	3,930,013	(185,743)	-	**3,744,270**
Sinking fund	2,631,467	447,896	-	**3,079,363**
Total unrestricted funds	139,988,550	131,723	-	**140,120,273**
Restricted funds	28,412,800	-	-	**28,412,800**
	168,401,350	131,723	-	**168,533,073**

	At 1 April 2021	Surplus/ (deficit)	Transfer	At 31 March 2022
	£	£	£	£
Unrestricted funds	131,766,266	1,888,582	(227,778)	133,427,070
Designated funds				
WHOA fund	5,645,698	(216,015)	(1,499,670)	3,930,013
Sinking fund	2,183,570	-	447,897	2,631,467
Total unrestricted funds	139,595,534	1,672,567	(1,279,551)	139,988,550
Restricted funds	27,064,467	68,782	1,279,551	28,412,800
	166,660,001	1,741,349	-	168,401,350

Charity	**At 1 April 2022**	**Surplus/ (deficit)**	**Transfer**	**At 31 March 2023**
	£	**£**	**£**	**£**
Unrestricted funds	136,296,441	(3,066,212)	-	**133,230,229**
Designated funds				
WHOA fund	3,930,013	(185,743)	-	**3,744,270**
Sinking fund	2,631,467	447,896	-	**3,079,363**
Total unrestricted funds	142,857,921	(2,804,059)	-	**140,053,862**
Restricted funds	28,412,800	-	-	**28,412,800**
	171,270,721	(2,804,059)	-	**168,466,662**

15. MOVEMENTS IN RESERVES (continued)

Charity	At 1 April 2021 £	Surplus/ (deficit) £	Transfer £	At 31 March 2022 £
Unrestricted funds	134,409,319	2,003,970	(116,848)	136,296,441
Designated funds				
WHOA fund	5,840,921	(300,307)	(1,610,601)	3,930,013
Sinking fund	2,183,570	-	447,897	2,631,467
Total unrestricted funds	142,433,810	1,703,663	(1,279,552)	142,857,921
Restricted funds	27,064,466	68,782	1,279,552	28,412,800
	169,498,276	1,772,445	-	171,270,721

Restricted funds and the related transfer relates to the purchase or development of homes for use in the WHOA scheme and reflects expenditure over and above the restricted grant received. The homes, and funds, are restricted for the duration of the scheme (15 years).

The designated WHOA fund and the related transfer reflects the contingent liability for the payment of enhanced deposits to the participants of the scheme. The expenditure of WHOA funds in the year relates to the successful payment of grants under the scheme.

The designated sinking fund and the related transfer is for long-term repair and renewal costs for both individual homes and freehold buildings. Provisions are made reflecting current best estimates of future costs and when they are likely to be incurred. For buildings owned under a long leasehold, long-term repair costs are paid through the service charge recognised in the income and expenditure account and are not reflected in this designated fund. No provision has been made for properties where a capital works programme is underway and the future expenditure is reflected in financial commitments.

16. NET ASSETS ACROSS FUNDS

	Restricted funds £	Designated funds £	Unrestricted funds £
Group			
At 31 March 2023			
Fixed assets	28,412,800	-	239,147,009
Current assets	-	6,823,633	16,544,371
Liabilities	-	-	(122,394,740)
Total funds	28,412,800	6,823,633	133,296,640
At 31 March 2022			
Fixed assets	28,412,800	-	238,222,444
Current assets	-	6,561,480	5,072,289
Liabilities	-	-	(109,867,663)
Total funds	28,412,800	6,561,480	133,427,070
Charity			
At 31 March 2023			
Fixed assets	28,412,800	-	225,539,664
Current assets	-	6,823,633	26,233,976
Liabilities	-	-	(118,543,411)
Total funds	28,412,800	6,823,633	133,230,229
At 31 March 2022			
Fixed assets	28,412,800	-	235,879,088
Current assets	-	6,561,480	10,201,031
Liabilities	-	-	(109,881,366)
Total funds	28,412,800	6,561,480	136,198,753

16. TRUSTEES' EXPENSES

The Governors of Dolphin Square Charitable Foundation received no remuneration during the year. Expenses of £429 (2022: £977) were reimbursed to three (2022: three) Governors for travel, entertaining and subsistence expenses incurred for business purposes.

17. CONTROLLING PARTY

The ultimate controlling party is the Dolphin Square Charitable Trustee Limited, which is the trustee for the Charity.

18. RELATED PARTY TRANSACTIONS

The Group operates a cost sharing agreement whereby support costs are shared between the entities within the Group. The employees are jointly employed by all Group operating entities. The details of these and other related party transactions can be found in notes 4 and 10. There were no other related party transactions in the current or prior year.

19. COMMITMENTS

The Charity and the Group has the following commitments payable within the year to 31 March 2023:

OPERATING LEASE: Group and Charity	2023 £	2022 £
Lease payments within one year	68,338	87,159
Lease payments later than one year not later than five years	68,338	89,976

Amounts payable under operating leases during the year ended 31 March 2023 amounted to £110,534 (2022: £82,363).

At the year end, the corporate trustee had authorised the following capital commitments for the Charity and the Group:

	2023 Authorised £	2023 Contracted £	2022 Authorised £	2022 Contracted £
Capital commitments	3,150,934	2,300,934	13,128,921	12,646,471

THE DOLPHIN SQUARE CHARITABLE FOUNDATION

England & Wales - Charity number 1110090

Accounts

THE DOLPHIN SQUARE CHARITABLE FOUNDATION

(Registered Charity Number: 1110090)

REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2022

THE DOLPHIN SQUARE CHARITABLE FOUNDATION

REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2022

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THE DOLPHIN SQUARE CHARITABLE FOUNDATION

REFERENCE AND ADMINISTRATIVE DETAILS

Corporate Trustee:	Dolphin Square Charitable Trustee Limited
Brand name:	Dolphin Living
Governors of Corporate Trustee	Andrew Giblin (Chair) Deirdra Armsby Bruce Clitherow Jo Moran Julia Moulder Sarah Philbrick Sarah Smith Jane Staveley Anna Strongman
Acquisition, Finance and Development Committee	Julia Moulder (Chair) Fenella Edge Andrew Giblin Richard Petty Sarah Philbrick Anna Strongman
Audit and Risk Committee	Jane Staveley (Chair) Deidra Armsby Ben Laryea Sarah Smith
Operations Committee	Richard Petty (Chair) Bruce Clitherow Ben Laryea Jo Moran Sarah Philbrick
Remuneration and Nominations Committee	Bruce Clitherow (Chair) Andrew Giblin Richard Petty Jane Staveley
Key management personnel	Olivia Harris (Chief Executive) Gary Preston David Stevenson Octavia Williams Laura Talmage

THE DOLPHIN SQUARE CHARITABLE FOUNDATION

REFERENCE AND ADMINISTRATIVE DETAILS (Continued)

Banker	Barclays Bank plc Level 25 1 Churchill Place London E14 5HP
Solicitors	CMS Cameron McKenna Nabarro Olswang LLP Cannon Place 78 Cannon Street London EC4N 6AF Stone King LLP 29 Ely Place London EC1N 6TD Devonshires Solicitors 30 Finsbury Circus London EC2M 7DT
Auditor	Crowe U.K. LLP 4th Floor St James House St James Square Cheltenham, GL50 3PR
Investment Managers	Cazenove Capital Management 12 Moorgate London EC2R 6DA

THE DOLPHIN SQUARE CHARITABLE FOUNDATION
REPORT OF THE CHAIR
FOR THE YEAR ENDED 31 MARCH 2022

FOREWORD

The pandemic continued to present the Group and its residents with a challenging environment during the 2021/22 financial year. Against this extremely difficult background, our team have maintained our proactive and collaborative approach whilst continuing to provide high quality and affordable homes to hard working Londoners with little disruption to service levels.

Following the disposal of seven homes during the year, the Group's portfolio totalled 791 homes at the year end. At which time occupancy was 98.5%.

Health and safety

Achieving full compliance with health and safety regulations remains firmly at the core of our approach. We regularly review our portfolio and take appropriate action to keep our homes safe and compliant with emerging fire safety legislation.

Environmental, social and governance (ESG) monitoring and reporting

Like all organisations, particularly those within real estate, we have both a responsibility and financial imperative to measure and improve our sustainability performance.

Our primary charitable objective is to *"provide reasonable assistance to those who cannot afford to rent or buy near their place of work"*. Delivering on this social purpose, with a particular focus on affordability of our homes, both in terms of rent and utilities, is therefore a priority.

As a property owner and developer, we are able to contribute to the reduction of carbon emissions through location, design, use and retrofit of our properties.

In 2020, the Group signed up as an early adopter of The Good Economy ESG reporting standard and delivered our first report in 2021. We continue to actively address our environmental impact and will be reporting on this in more detail in our second report in Autumn 2022.

Supporting our residents

The challenges faced by our residents caused by the continuing pandemic are varied and, in some cases, extensive. We have continued our open dialogue with all residents and have encouraged those in need to approach us for assistance, particularly those in financial hardship resulting from the various lockdowns. The response has been positive and we have provided assistance through rent deferrals where appropriate.

Strategy

The Board formulated a new strategy in 2020 which will take the Group through to 2024. It is based around three core pillars: customers, our homes, and growth, which are discussed in more detail later on in this report:

- Surveying is an important tool to understand the views of our customers; our approach included a portfolio-wide survey, alongside other touch-point surveys and we held several meetings with residents, both in-person and virtually. These will inform and help us improve the services we offer.
- Refurbishment of 12 homes completed during the year alongside a project to improve connectivity at our homes. We carried out stock condition surveys at our older homes which will inform future plans for improvements of these homes.
- We contracted to purchase a further 21 homes for intermediate rent in Westminster which, alongside 10 homes already under contract, will complete in summer 2022. Our plans for the redevelopment of the New Era estate continue with an updated planning application due for submission in summer 2022. Alongside this we have also updated and submitted our planning application for 85 homes in Southwark.

Strong financial position

The Group's underlying financial performance during the year has been strong. With a full year of income from the schemes at Lanark Road and Kingsland Road which completed last year together with the current year acquisitions, revenue has increased by £0.4m to £12.5m and we achieved an operating surplus of £0.3m. Despite the end of the government's furlough scheme, our rent collection remains strong and we have seen only a relatively small increase in arrears. Our balance sheet continues to grow and strengthen with net assets of £168.4m. We will leverage this strong position to support our development plans with new lending facilities.

Looking forward

This is my first report as Chair as, after 10 years with the Group, David Lavarack stepped down during the year. I would like to thank him for the dedication and leadership he provided over that period which has helped the organisation to achieve significant progress and growth over the past decade, providing homes for the many people who keep London going and who help to make it such a successful, vibrant and multicultural city.

I am looking forward to continuing David's legacy, together with the capable and dedicated team of trustees, executives and staff.



Andrew Giblin
(Chair of Governors)

DOLPHIN SQUARE CHARITABLE FOUNDATION

REPORT OF THE TRUSTEE
FOR THE YEAR ENDED 31 MARCH 2022

The Trustee presents the annual report and audited financial statements for the year ended 31 March 2022. These financial statements reflect the results of the Charity and its subsidiaries (the "Group").

ESTABLISHMENT

The Dolphin Square Charitable Foundation (the "Charity") was first registered as a charity on 17 June 2005 under registered Charity Number 1110090. Its governing document is a Trust Deed dated 11 May 2005.

TRUSTEE

Dolphin Square Charitable Trustee Limited is the corporate trustee of the Charity. Its Governors are as follows:

- Andrew Giblin (Chair)
- Deirdra Armsby
- Bruce Clitherow
- Jo Moran
- Julia Moulder
- Sarah Philbrick
- Sarah Smith
- Jane Staveley
- Anna Strongman

The company secretary is Olivia Harris.

There are four classes of membership:

A The Dolphin Square Trust (represented by Bruce Clitherow)
B Westminster City Council (represented by Deirdra Armsby)
C CityWest Homes
D Other Governors

The rights of the various classes of members are set out in the Memorandum and Articles but in summary are:

A The right to nominate a governor and to veto a governor's removal.
B The right to nominate a governor and to veto certain amendments to articles.
C The right to nominate a governor
D No special rights.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Dolphin Square Charitable Trustee Limited (the "Trustee") is a company limited by guarantee (number 5442737, incorporated 4 May 2005) and was formed to declare the trust and to act as trustee of the Charity.

The Charity was originally funded by a total of £125m received in accordance with the Deed of Gift between Dolphin Square Trust Limited and the Trustee as trustee of the Charity. These monies were realised from the sale of leasehold interests held by Westminster City Council and the Dolphin Square Trust (Industrial & Provident Society: 16737R) in the Dolphin Square mansion block in Pimlico.

The Trustee holds the assets to apply the income and, at its discretion, the capital in furtherance of the objectives.

The Governors meet quarterly to set the strategy and policies of the Charity and monitor operational activity and financial performance. Day-to-day management of the work of the Charity is delegated to the Chief Executive and her team.

The Charity has committees covering areas of specialised interest: Acquisition, Finance & Development; Audit & Risk; Operations; and Remuneration & Nominations. These committees meet regularly and help to implement the Board's decisions and report to the main board.

From time-to-time new Governors are recruited, based on assessment of the Charity's business requirements. The method of recruitment, induction and appraisal of Governors is decided upon by the Board in accordance with the articles and in light of best practice within the sector. All prospective Governors are asked to attend a full meeting and, if appointed, will be inducted into the procedures of the Charity by the Chief Executive and her staff.

A number of training opportunities have been identified and Governors are encouraged to participate in those that they feel to be of use.

The Governors of the Dolphin Square Charitable Foundation received no remuneration during the year. Details of Governors' expenses and related party transactions are disclosed in notes 16 and 18 to the accounts. Governors are required to disclose all relevant interests and register them with the Chief Executive and in accordance with the Charity's policy withdraw from decisions where a conflict of interest arises. Several Governors are active in the affordable housing sector. The Charity's trust deed recognises the potential for conflicts of interest to occur and regulates how they are managed at Board meetings.

SUBSIDIARIES, STRUCTURE, GOVERNANCE AND MANAGEMENT

The Charity has three subsidiaries, Dolphin Living Limited (Community benefit society number 32446R, regulated by the Regulator of Social Housing), Hoxton Regeneration Limited and DSF Developments Limited. A number of Governors and staff of the Charity are directors of the subsidiaries. Dolphin Living Limited also has independent directors. The subsidiaries hold regular Board meetings and directors are invited to attend committee meetings as necessary. In accordance with normal industry practice independent directors of Dolphin Living Limited receive remuneration.

All staff are jointly employed by the Charity and its subsidiaries. Each entity is responsible for its own direct costs. The Charity has entered into a cost sharing agreement for central costs with its subsidiaries based upon staff allocations. The Charity enters into other arms-length transactions with its subsidiaries.

OBJECTIVES AND ACTIVITIES

The Objectives of the Charity are to:

"Provide reasonable assistance in securing accommodation within the City of Westminster for individuals (and any dependants living with them) who are in need of accommodation as a result of:

- their employment in the public or voluntary sectors or in relevant employment in the City of Westminster and the surrounding area, having regard to the fact that such individuals could not afford to secure such accommodation on normal commercial terms; or
- financial hardship, social or economic need, age, ill health, disability or any other need."

The objectives define the interpretation of the terms "public sector," "voluntary sector," and "relevant employment." They also describe the consultation required between the Charity and Westminster City Council regarding the determination of the needs of people living in the area and the activities of the Charity, which will meet those needs. With the consent of Westminster City Council, the Charity may secure accommodation outside of the City of Westminster.

ACHIEVEMENTS AND PERFORMANCE

Homes available to rent

During the year we disposed of seven homes from our portfolio which now comprises 791 homes for rent and 13 commercial units. Of the total portfolio 72% is intermediate rent, providing homes at an average rent of 60% of market rent whilst delivering a financial return that ensures the continued financial viability and growth of the Charity.

	Number of homes					
	Intermediate	Social	PRS/ Market sale	TOTAL	Commercial units	TOTAL
Portfolio at 31 March 2021	**580**	**49**	**169**	**798**	**13**	**811**
Additions	-	-	-	-	-	-
Disposals	(7)	-	-	(7)	-	-
Portfolio at 31 March 2022	**573**	**49**	**169**	**791**	**13**	**804**
% of portfolio	*72%*	*6%*	*20%*	*98%*	*2%*	*100%*
Homes under construction	31	-	-	31	-	31
Forecast to 31 March 2023	**604**	**49**	**169**	**822**	**13**	**835**
Planning:						
New Era	91	6	102	199	1	200
Existing units demolished for redevelopment	(96)	-	-	(96)	(12)	(108)
Parkhouse Street	13	21	51	85	5	90
Forecast to 31 March 2025	**612**	**76**	**322**	**1,010**	**7**	**1,017**

We continue to meet our charitable objectives with the majority of our affordable housing being intermediate rental homes. These homes provide stable tenancies at a range of rents affordable to households earning less than the affordable housing incomes limits set annually by the Mayor of London. Priority is given to those who can afford the rent yet earn the least and those who will most fully occupy each home. In following our charitable objects, we aim to prioritise those with a Westminster connection.

Alongside our intermediate rental homes we provide a smaller number of homes at affordable and social rent that are subject to nominations by the local authority. We also own and let a portfolio of homes for those with a more acute housing need. Both our intermediate and social rent units are cross-subsidised by the 169 market rent units.

Throughout the year we achieved 99% compliance (2021: 95%) with our Health and Safety KPI targets. These KPIs include:

- ensuring homes have current fire and general risk assessments, and valid gas and electrical certificates; and
- that they have been inspected in the current year.

ACHIEVEMENTS AND PERFORMANCE (continued)

Development properties and pipeline

Development continued at The Broadway, a development in the heart of Westminster, where the Charity has purchased 10 homes for intermediate rent. These units are expected to be completed by June 2022, providing 10 high quality intermediate homes for working Londoners on modest incomes. During the year we agreed to purchase 21 homes for intermediate rent in Westminster. 13 of these, at Milbank, completed in April 2022, a further eight on Wardour Street are expected to complete in July.

In July 2020, the London Borough of Hackney resolved to grant planning consent for the New Era estate in Hackney where 199 new homes will be built. We have continued to work with the London Borough of Hackney and a revised application will be submitted in Summer 2022 to alter the tenure from build-to-rent to market sale for 102 homes. We are having ongoing discussions with the London Borough of Southwark on our planning application for the redevelopment of 85 homes at Parkhouse Street, Camberwell.

We continue to be active in the market looking for opportunities to acquire sites, completed properties and existing homes. We remain committed to our Westminster beneficiaries, albeit acknowledging that in balancing costs against number of beneficiaries, we will continue to seek opportunities in areas that provide a sustainable commute to Westminster as well as making acquisitions within Westminster.

Strategy

During 2020, the Board and the executive team formulated a new three-year strategy to take the Group through to 2024. The strategy is broken down into three areas of focus: customers; our homes; and growth.

Customers
Our customers are our charitable beneficiaries. Over the next three years we will continue to focus on:

- affordability and delivering intermediate rents at an average of two thirds of local market rent;
- improving service levels and customer satisfaction by staying ahead of all regulatory requirements including health & safety, reviewing and streamlining our approach to repairs, and enhancing technology to improve the customer experience; and
- being innovative in the way we service our customers.

Our homes
Both new and existing homes should meet the evolving needs of our customers in terms of quality, sustainability and safety. We will continue to improve our 200+ older homes through estate refurbishment or regeneration in consultation with our customers and by refurbishing individual homes as they fall vacant or as needs are identified; We will always aim for 100% health and safety compliance at our homes; and create a sustainability strategy in line with emerging best practice and plan how to deliver this across our homes.

ACHIEVEMENTS AND PERFORMANCE (continued)

Strategy (continued)

Growth
We will continue to provide good homes at below local market rent and to further improve our service levels and customer satisfaction. We have agreed an objective to grow our portfolio of affordable homes, with an additional 200 units to be delivered by 2024. Our new and existing homes will be well designed for city living, built to a high standard, safe and have long-term sustainability.

Following the year end, we have completed the purchase of 13 intermediate rent homes at Millbank, Westminster. Construction continues at The Broadway and Wardour Street developments in Westminster where the Group has forward purchased 10 and eight intermediate rent homes with completion due in July 2022. These acquisitions will take our portfolio to 822 homes.

A key element of the growth strategy is the development of the New Era estate in Hackney. The Board and Executive team have invested significant amounts of time and energy to the development over a number of years. We continue to interact with tenants and with the London Borough of Hackney. There has been a clear focus on getting the design right to maximise our charitable objectives, provide for the existing tenants and create sufficient returns on the investment. Having received resolution to grant planning approval we continue to work with the London Borough of Hackney to deliver as many affordable homes as possible. New Era remains a significant strategic development for us. To achieve our growth targets and proceed with New Era we are currently negotiating new sources of funding which will complete later this year.

Environmental, social and governance (ESG) monitoring and reporting

Our stakeholders include our residents, local communities, investors, local government, our staff and Board. It is becoming increasingly important to maintain and increase our current and future appeal through measuring, reporting and improving our sustainability credentials. To this end, in 2020, the Group signed up as an early adopter of The Good Economy ESG reporting standard which sets out a number of baseline sustainability measures against which adopters must report and evidences our commitment to achieving high performance in all areas of ESG. We are measured as an organisation on our environmental and social impacts and risks, and the quality of our governance. The objectives of ESG reporting closely align to the Group's charitable objectives, our culture and the future legislative requirements we expect to emerge in coming years. We delivered our first report in 2021 and our second report is due in Autumn 2022.

In both our homes, our office and through development and our supply chain we will:

- minimise our carbon footprint through reducing electricity and gas usage, and prioritising carbon reduction measures in our homes, developments and refurbishments;
- monitor our construction projects to reduce the environmental impact of activities on site;
- risk assess all our construction, development and refurbishment projects against the predicted local impacts of climate change;
- develop sustainable procurement processes for our goods and services;
- assess and improve carbon emissions across our housing stock;

Environmental, social and governance (ESG) monitoring and reporting (continued)

- deliver net gain biodiversity at our developments, creating great places for both people and nature to thrive;
- work with residents so they can make greener choices; and
- encourage our residents to put the environment first and to integrate good environmental practices into their everyday lives.

During the year, we undertook a review of the available industry benchmarks. Consideration was given to audience (resident or investor), scope, service levels and cost and SHIFT by Suss Housing was selected as a sustainability measure/benchmark. We will complete the Suss benchmark report this summer, in time to include the outcomes in our 2022 Sustainability Report.

A sustainability group comprising the CEO and other senior members of staff was established during the year to monitor and review our progress against the Group's targets.

Additionally, Suss Housing have been instructed to map out our Net Zero Carbon roadmap. This roadmap will be updated quarterly and used to guide the improvements required for each individual property.

Funding

In 2017, we successfully issued a £25m charity bond. The Charity still has a further £20m of bonds available for future issue if required.

We are currently negotiating new funding facilities which will complete during the coming year as we look to implement our development and acquisition strategies.

The financial strength of the Group remains strong with cash or near cash being £10.3m and a net asset position of £168.4m.

The team

Our Executive team, led by Olivia Harris as Chief Executive, comprises 13 employees across property acquisition & development, property letting & management, and finance & management. Remuneration is reviewed annually with reference to current salaries, wage inflation and market rates. Management sets the remuneration for all staff except for senior management whose remuneration is set by the Remuneration and Nominations Committee who also approve the overall salary expenditure. Key management personnel is made up of Olivia Harris (Chief Executive), Gary Preston (Finance Director), David Stevenson (Development Director), Octavia Williams (Operations and Compliance Director – on maternity leave) and Laura Talmage (Operations Director – maternity leave cover).

PUBLIC BENEFIT

The Charity has had regard to the guidance issued by the Charity Commission in respect of public benefit under the Charities Act 2011. The Board of Governors is keen to ensure there is an effective and appropriate balance of activity addressing the objectives of the Charity, both of which generate public benefit.

Every development scheme the Charity undertakes will have a proportion of the development providing accommodation at rents lower than those available in an open market. This benefits those working in the City of Westminster and Greater London by reducing travel time and expense and providing a stable tenancy with limited rental increases in a property that is managed for the benefit of the tenants. These factors improve quality of life for those working in the City of Westminster and Greater London who are not able to afford market rents.

The Charity provides accommodation to those in more acute financial hardship such as the homeless in the City of Westminster. The beneficiaries are housed in accommodation in the City of Westminster which is appropriate to their needs and family composition. The Charity also invests in projects that support the homeless to obtain work and provides accommodation to the beneficiaries of the projects. The provision of accommodation is another key stability factor supporting those entering the workplace.

CHARITY CODE OF GOVERNANCE

The Charity has adopted the Charity Code of Governance as set out by the Charities Commission. The Charity substantively complies with the Code of Governance and aspires to adopt all of the Code.

FUTURE LEGLISLATION

We actively track emerging legislation which, at present, includes the Fairer Private Rented Sector White Paper. Currently, it is too early to understand the impact on our organisation as much of the detail will only be decided following consultation with the sector.

INVESTMENT POLICY

The Charity's treasury policy, including its investment strategy for non-property assets, is regularly under review by the Acquisition, Finance and Development Committee. In accordance with the reserves policy the Committee ensures that the projected investment in properties and operating costs can be covered by readily available funds, whilst ensuring that the risks inherent in the investment portfolio are mitigated and returns are maintained. During the year investment performance has been in line with the investment strategy.

RESERVES POLICY

The reserves policy of the Charity is to hold sufficient liquid assets and undrawn loan facilities to meet all commitments and at least 12 months of operating costs.

The reserves of the Charity invested in liquid assets are held to provide certainty of amount, at maturity, to match the Charity's utilisation of these funds in its property development activities.

RESERVES POLICY (continued)

The Charity has reserves of £168.4m invested in properties, working capital and liquid assets.

Included in general reserves are £2.6m of reserves designated for the long-term maintenance of the properties. A review of the life cycle costs indicates that significant expenditure from designated reserves is unlikely for 10 years as the majority of the properties owned by the Charity are new build properties. Free reserves, excluding fixed assets, long-term debt and committed funds, is £2.9m. This is in excess of our target of 12 months of operating costs as funds are held for acquisition opportunities.

FINANCIAL REVIEW

	2022	2021	2020	2019	2018
Net assets	£168.4m	£166.7m	£166.0m	£164.1m	£161.7m
Turnover	£12.5m	£12.1m	£9.2m	£9.7m	£8.7m
Operating surplus [1]	£5.6m	£3.7m	£3.6m	£3.9m	£3.2m
Operating margin	33%	31%	39%	40%	36%
Gearing	64%	67%	68%	69%	63%
Interest cover	2.8	2.7	2.2	2.5	2.8
Homes and under management	791	798	660	631	629
Homes completed in year	-	141	33	-	29

1 Operating surplus excludes finance costs, restricted and investment income and goodwill amortisation.

Turnover during 2021/22 was significantly up last year due to a full year's income from Lanark Road and Kingsland Road developments which completed last year. This was offset by the absence of grant income this year (2021: £0.5m) and a decrease in income resulting from the disposal of seven homes that did not deliver our strategic objectives (2021: three).

Rental income is received from two types of property; purpose-built developments and existing stock that the Charity has acquired and three sources; income from leases:

- at intermediate rent;
- at market rent (residential and commercial); and
- to residents under its objective to assist those in acute housing need.

Expenditure in the year was considerably higher than during the previous year which included additional costs incurred in running new properties at Kingsland Road and Lanark Road. Furthermore capitalised interest was reduced resulting in higher interest cost as major developments during the year came to an end. In addition, higher property management and depreciation costs reflects the increased portfolio size. We expect our costs to again increase in 2022/23 in correlation with the increased revenue from the new homes being introduced.

Net income for the Group for the year was £1.7m (2021: £0.6m). After realised and unrealised losses on investments, general reserves of £168.4m (2021: £166.7m) were carried forward.

GOING CONCERN

The Covid-19 pandemic has impacted both the UK economy and to a lesser extent the charity's operations and finances. While the longer term impacts of the pandemic still remain unknown, we expect that, in the short-term, the situation is manageable by the charity.

The pandemic has had a marginal impact on the core operations of the Charity and Group. Costs have increased reflecting greater wear and tear within our properties. Whilst we have seen a small increase in the rent arrears position our collection rates of our residential income have remained high and the impact has been modest.

Where tenants have approached the Charity for assistance, we have addressed each case individually and on its merits. We are providing as much assistance as we can where appropriate to tenants and want to work with them to overcome any financial hardship they may sustain.

The Charity, as disclosed in this report, has substantial cash reserves. Having forecasted the Group's cashflow out to 2023/24, and having stress tested the rental receipts and costs impacted by interest rate and inflationary increases, over that same period, the Governors consider that the Group has sufficient cash reserves to meet any potential falls in rental income as well as any interest rate and inflationary cost increases.

Staff now work a minimum of two days in the office with the remainder remotely. The IT platform supporting remote working continues to work well and in April 2022 we transferred our systems to be completely 'cloud' based strengthening our strategy of working anywhere at any time. We have experienced no down time in systems during the year with no disruption to the service levels expected of the Group.

Last year we respecified and retendered our property management services and as a result reappointed Touchstone CPS for a further term of a minimum of three years. We have a continuous dialogue with the Touchstone CPS who are key to delivering the Group's service model and they continue to operate and deliver a solid service. They are part of a larger housing group of companies and are financially secure.

The executive team continue to monitor the financial position and performance of the Charity closely with updates on key metrics provided to Governors on a monthly basis.

The Governors, although acknowledging the potential impact of Covid-19, are satisfied that the financial strength that underpins the Charity provides sufficient confidence that the Charity and its subsidiaries have the ability to continue to operate as a going concern.

BUSINESS RISK MITIGATION POLICY

The Governors are responsible for safeguarding the assets of the Charity and for ensuring that it is fully compliant with relevant regulations and best practice. They review the key risks to which the Charity is exposed at least once a year, together with the operating and financial compliance controls that have been implemented to mitigate those risks. The detailed risk register is maintained by the executive team and a strategic risk register is prepared for regular review by the Audit & Risk Committee, and annually by the Board. The Board are of the view that the formal ongoing process for identifying, evaluating and managing the Charity's significant risks that has been in place for the year ending 31 March 2022 continues to be appropriate for the Charity.

The key risks identified in the most recent review by the Board, including factors that are likely to affect the financial performance or position going forward are:

- external market risks including supply chain, cost inflation and labour shortages that would impact on the Charity's ability to deliver services and manage costs;
- regulatory changes, in particular around sustainability, fire safety and housing delivery policy, which increase costs and potentially absorb significant amounts of management resources, as well as impacting on the delivery of housing for intermediate rent;
- insufficient business continuity capacity in the event of a critical or emergency event, which could result in cessation or delay of delivery of strategic objectives, and in the most extreme case organisational failure; and
- dependency on key suppliers whereby Dolphin has significant exposure to the performance and financial stability of a small number of key suppliers.

The controls and assurance in place for mitigating those risks are set out in the risk register and include:

- oversight by the Board and sub-committees of those risks and assurance on performance measures and reporting intended to mitigate the likelihood of occurrence or impact upon occurrence of those risks crystallising;
- setting and reporting of Key Performance Indicators;
- sensitising and stress testing budgets and business plans;
- implementing service standards which can be flexed as required;
- recruiting and retaining suitably qualified and experienced staff and professional advisors to oversee, advise and manage properties;
- providing staff and Board members with training and information to keep abreast of regulatory changes;
- regular testing of the business continuity plan;
- robust procurement process including financial checks; and
- monthly health and safety monitoring of key supplier performance.

The Board continue to identify any skills gaps. Recruitment of new Governors is focused on acquiring the needed skills.

PLANS FOR FUTURE PERIODS

We will continue to build our portfolio of sub-market rental properties through direct development, working with developers to acquire the affordable housing element of larger schemes and through the acquisition of existing homes where suitable opportunities arise. We continue to be open to joint venture opportunities with other charitable or benevolent landowners who wish to develop their sites and lack either capital or development expertise. The successes we have had in the schemes which complete following the year end at Millbank and Wardour Street can be used to support future applications as a joint venture partner and we anticipate future opportunities and growth through similar joint venture opportunities.

Our planning consent for the New Era estate and submitted application at Parkhouse Street, Camberwell will further enhance our growing portfolio of intermediate rents. We will cautiously progress these developments in terms of both resource required and financial capacity to deliver them.

As the residential portfolio has grown so the future plans of the Charity have expanded to include the responsibilities of being a landlord. We aim to provide an exemplary service, ensuring that our homes are regularly upgraded and the portfolio delivers its potential. Throughout all the Charity does, from design, through construction and delivery, to management, there is embedded a strong commitment to meeting our customers' needs and in doing so fulfilling our charitable objectives.

We will champion the provision of sub-market rental housing as essential in central London and other high value locations.

We are following closely the emerging Build to Rent planning policies and, whilst continuing to focus on our charitable objects, are adapting our offering to fit within this framework. What sets us apart from other Build to Rent providers is our stated goal to maximise the amount of sub-market rental housing within each development. We aim to help a wide range of beneficiaries and income brackets and this is achieved particularly effectively and efficiently through our personalised rent.

To fund future growth we will raise additional finance as required but will always be mindful of maintaining the strong financial stability that currently exists.

THE DOLPHIN SQUARE CHARITABLE FOUNDATION

STATEMENT OF TRUSTEE'S RESPONSIBILITIES

The Trustee is responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Law applicable to charities in England and Wales requires the Trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and the Group and of the Group's incoming resources and application of resources of the year. In preparing financial statements giving a true and fair view the Trustee should follow best practice and:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in operation.

The Trustee is responsible for keeping accounting records that disclose with reasonable accuracy the financial position of the Charity and the Group and enable the trustee to ensure that the financial statements comply with the Charities Act 2011 and regulations made thereunder. The Trustee is also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Crowe U.K. LLP has indicated its willingness to be reappointed as statutory auditor.

Approved and authorised for issue by the Trustee on 26 July 2022 and signed on its behalf.



Andrew Giblin
(Chair of Governors)



Julia Moulder
(Governor)

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF THE DOLPHIN SQUARE CHARITABLE FOUNDATION FOR THE YEAR ENDED 31 MARCH 2022

Opinion

We have audited the financial statements of The Dolphin Square Charitable Foundation for the year ended 31 March 2022 which comprise consolidated statement of financial activities, consolidated balance sheet, balance sheet, consolidated cashflow 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, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charity's affairs as at 31 March 2022 and of the group's incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the

audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 17, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the Group's and the parent Charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as Auditor under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

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

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

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

We obtained an understanding of the legal and regulatory frameworks within which the Group and charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 and together with the Charities SORP (FRS102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the group's and charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the group and charitable company for fraud. The only other laws and regulations we considered in this context are taxation and employment legislation.

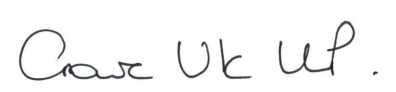
Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

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

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

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Crowe U.K. LLP

Statutory Auditor

Cheltenham

Date: 15 August 2022

THE DOLPHIN SQUARE CHARITABLE FOUNDATION

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2022

	Note	Restricted 2022 £	Unrestricted 2022 £	Total 2022 £
Income and endowments from:				
Restricted income – grants receivable		68,782	-	68,782
Charitable activities		-	11,126,556	11,126,556
Other trading activities		-	612,299	612,299
Investment income		-	8,014	8,014
Profit on sale of land and buildings		-	654,027	654,027
Total		**68,782**	**12,400,896**	**12,469,678**
Expenditure on:				
Raising funds				
Investment management fees		-	-	-
Charitable activities				
Housing support	3	-	(6,555,574)	(6,555,574)
Strategic development	3	-	(262,823)	(262,823)
Finance costs		-	(3,909,932)	(3,909,932)
Total resources expended		**-**	**(10,728,329)**	**(10,728,329)**
Net income		**68,782**	**1,672,567**	**1,741,349**
Transfers	15	1,279,551	(1,279,551)	-
Net movement for the year		**1,348,333**	**393,016**	**1,741,349**
Balance brought forward at 1 April 2021		27,064,467	139,595,534	166,660,001
Balance carried forward at 31 March 2022	15	**28,412,800**	**139,988,550**	**168,401,350**

All amounts relate to continuing operations. All gains and losses recognised in the year are included in the statement of financial activities.

The notes on pages 27 to 44 form part of the financial statements

THE DOLPHIN SQUARE CHARITABLE FOUNDATION

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2021

	Note	Restricted 2021 £	Unrestricted 2021 £	Total 2021 £
Income and endowments from:				
Restricted income – grants receivable		504,747	-	504,747
Charitable activities		-	10,092,944	10,092,944
Other trading activities		-	1,113,930	1,113,930
Investment income		-	58,652	58,652
Profit on sale of land and buildings		-	334,046	334,046
Total		504,747	11,599,572	12,104,319
Expenditure on:				
Raising funds				
Investment management fees		-	(5,216)	(5,216)
Charitable activities				
Housing support	3	-	(7,443,990)	(7,443,990)
Strategic development	3	-	(279,651)	(279,651)
Finance costs		-	(3,743,514)	(3,743,514)
Total resources expended		-	(11,472,371)	(11,472,371)
Net incoming resources before losses on investments		504,747	127,201	631,948
Net losses on investments		-	(5,729)	(5,729)
Net income		504,747	121,472	626,219
Transfers	15	358,367	(358,367)	-
Net movement for the year		863,114	(236,895)	626,219
Balance brought forward at 1 April 2020		26,201,353	139,832,429	166,033,782
Balance carried forward at 31 March 2021	15	27,064,467	139,595,534	166,660,001

All amounts relate to continuing operations. All gains and losses recognised in the year are included in the statement of financial activities.

THE DOLPHIN SQUARE CHARITABLE FOUNDATION
CONSOLIDATED BALANCE SHEET AS AT
31 MARCH 2022

	Note	£	2022 £	£	2021 £
FIXED ASSETS					
Freehold buildings	5		**95,168,610**		94,093,995
Leasehold buildings	6		**144,240,476**		147,141,485
Land and buildings under development	7		**19,276,730**		17,405,545
Tangible fixed assets	8		**61,524**		57,787
Investments	9		**7,887,904**		7,889,012
			266,635,244		266,587,824
CURRENT ASSETS					
Debtors and prepayments	10	**1,288,788**		2,515,022	
Cash at bank	11	**10,344,981**		8,873,734	
		11,633,769		11,388,756	
LIABILITIES					
Creditors: amounts falling due within one year	12	**(3,149,941)**		(4,327,837)	
NET CURRENT ASSETS			**8,483,828**		7,060,919
TOTAL ASSETS LESS CURRENT LIABILITIES			**275,119,072**		273,648,743
Creditors: amounts falling due after more than one year	13		**(106,717,722)**		(106,988,742)
NET ASSETS			**168,401,350**		166,660,001
Unrestricted funds			**133,427,070**		131,766,266
Designated funds			**6,561,480**		7,829,268
Total unrestricted funds			**139,988,550**		139,595,534
Restricted funds			**28,412,800**		27,064,467
TOTAL FUNDS	15		**168,401,350**		166,660,001

Approved and authorised for issue by the Trustee on 26 July 2022 and signed on its behalf

Andrew Giblin
(Chair of Governors)

Julia Moulder
(Governor)

The notes on pages 27 to 44 form part of the financial statements

THE DOLPHIN SQUARE CHARITABLE FOUNDATION
BALANCE SHEET AS AT
31 MARCH 2022

	Note	£	2022 £	£	2021 £
FIXED ASSETS					
Freehold buildings	5		**70,128,274**		69,010,634
Leasehold buildings	6		**144,240,476**		147,141,484
Land and buildings under development	7		**15,914,044**		15,041,853
Tangible fixed assets	8		**61,524**		57,787
Investments	9		**33,947,570**		33,948,674
			264,291,888		265,200,432
CURRENT ASSETS					
Debtors and prepayments	10	**7,408,946**		6,607,326	
Cash at bank	11	**9,451,253**		8,446,109	
		16,860,199		15,053,435	
LIABILITIES					
Creditors: amounts falling due within one year	12	**(3,163,644)**		(3,766,849)	
NET CURRENT ASSETS			**13,696,555**		11,286,586
TOTAL ASSETS LESS CURRENT LIABILITIES			**277,988,443**		276,487,018
Creditors: amounts falling due after more than one year	13		**(106,717,722)**		(106,988,742)
NET ASSETS			**171,270,721**		169,498,276
Unrestricted funds			**136,296,441**		134,409,320
Designated funds			**6,561,480**		8,024,490
Total unrestricted funds			**142,857,921**		142,433,810
Restricted funds			**28,412,800**		27,064,466
TOTAL FUNDS	15		**171,270,721**		169,498,276

The Charity had gross income of £11,356,171 (2021: £11,086,831) in the year and a net movement on reserves of £1,772,445 (2021: £802,250).

Approved and authorised for issue by the Trustee on 26 July 2022 and signed on its behalf

Andrew Giblin
(Chair of Governors)

Julia Moulder
(Governor)

The notes on pages 27 to 44 form part of the financial statements

THE DOLPHIN SQUARE CHARITABLE FOUNDATION
CONSOLIDATED CASHFLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 £	2021 £
Cash flows from operating activities:			
Net cash used in operating activities	a	**1,850,365**	3,489,465
Cash flows from investing activities:			
Dividends, interest and rents from investments		**8,014**	58,654
Proceeds from the sale of property, plant and equipment		**2,981,109**	1,570,206
Purchase of property, plant and equipment		**(3,368,241)**	(8,446,088)
Proceeds from sale of investments		**-**	3,098,174
Net cash used in investing activities		**(379,118)**	(3,719,054)
Cash flows from financing activities:			
Repayments of borrowing		**-**	(171,166)
Net cash provided by financing activities		**-**	(171,166)
Cash and cash equivalents:			
Change in the reporting period		**1,471,247**	(400,755)
Balance brought forward at 1 April		**8,873,734**	9,274,489
Cash and cash equivalents at the end of the reporting period		**10,344,981**	8,873,734

Note

a. Reconciliation of cash flows from operating activities		
Net income for the reporting period	**1,741,349**	626,219
Adjustments for:		
Depreciation charges	**994,004**	2,371,796
Amortisation of costs of raising finance	**72,232**	76,272
Losses on investments	**-**	5,729
Dividends, interest and rents from investments	**(8,014)**	(58,654)
Profit on the sale of fixed assets	**(654,292)**	(334,046)
Increase in debtors	**1,226,234**	1,415,482
Decrease in creditors	**(1,521,148)**	(613,333)
Net cash used in operating activities	**1,850,365**	3,489,465

1. CHARITY INFORMATION

The Charity is registered with the Charity Commission, registration number 1110090. The registered address of the Charity is 1 Castle Lane, London, SW1E 6DR.

2. ACCOUNTING POLICIES

(a) Going concern

Although the impact of Covid-19 to the economy has been significant the Charity and the Group are in a strong position to operate through the economic upheaval and be well placed for when the recovery comes. In addition, the Charity has substantial cash reserves to call upon if needed.

Having forecasted the Group's cashflow out to 2023/24 and having stress tested the rental receipts, and costs that could be impacted by interest rate and inflationary increases over that same period, the Governors feel that the Group has sufficient cash reserves to meet an any fall in rental income or increase in costs. In addition, the rent collection rates throughout 2021/22 remained high providing further confidence of the Group's cashflow and stability.

These accounts are therefore prepared on a going concern basis. There are no material uncertainties over the Group's ability to continue as a going concern.

(b) Basis of accounting

The accounts have been prepared in accordance with the Charities SORP (FRS102) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland, the Charities Act 2011 and UK Generally Accepted Practice.

The accounts have been prepared to give a true and fair view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005, which has since been withdrawn.

The Charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The financial statements of the Charity and its three subsidiaries, DSF Developments Limited, Dolphin Living Limited and Hoxton Regeneration Limited are consolidated, on a line-by-line basis, to produce group financial statements. The consolidated entity is referred to as 'the Group'. Only the financial activity of the Group is shown in the consolidated statement of financial activities.

2. ACCOUNTING POLICIES (continued)

(c) Critical accounting judgements and key sources of estimation uncertainty

In the application of the Charity's accounting policies, which are described in this note, judgements, estimates, and assumptions are made about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects the current and future periods.

There are no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date that are likely to result in a material adjustment to their carrying amounts in the next financial year.

Development expenditure

Development expenditure is capitalised in accordance with the accounting policy given below. Initial capitalisation of costs is based on management's judgement that technical and economic feasibility is confirmed, usually when a development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised management makes assumptions regarding the expected future cash generation of the assets, discount rates to be applied and the expected period of benefits.

Fixed asset depreciation

Tangible fixed assets are depreciated over their expected useful economic lives. The expected lives of the assets are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account.

(d) Grants and donations

Grants and donations are recognised when the Charity is entitled to the income, the receipt is probable and the amount can be quantified with reasonable accuracy.

(e) Rental income

Rental income is recognised as it falls due. Rental income charged at sub-market rates is recognised as income from charitable activities. All other rental income is recognised as income from other trading activities.

(f) Investment income

Interest income is included in incoming resources on a receivable basis.

2. ACCOUNTING POLICIES (continued)

(g) Resources expended

Expenditure is included on an accruals basis.

Costs of charitable activities comprise all the resources applied by the Charity in undertaking its work to meet its charitable objectives. Housing support costs comprise staff and overhead costs and grants payable in support of housing projects.

Grants payable are accounted for in the Statement of Financial Activities in the year in which they are authorised. Any amounts which have been authorised but which remain unpaid at the year-end are included within the current liabilities in the balance sheet.

Strategic development costs comprise staff costs, overheads and fees payable to advisers in conjunction with the development of the Charity's objects.

(h) Tangible fixed assets

All tangible assets are shown at cost less depreciation.

Additions to tangible fixed assets comprise costs of a capital nature and include capitalised interest and certain staff costs directly attributable to the management of a development. Capitalised interest is calculated at the rate on associated borrowings applied to direct expenditure between the date of gaining planning consent and the date of practical completion.

Depreciation on tangible assets is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives.

Depreciation will be calculated on the following basis;

Office and computer equipment	33% straight line
Office improvements	20% straight line
Furniture in tenanted property	33% straight line
Freehold buildings	Over 100 to 150 years
Leasehold properties	Over the lower of their lease term and 150 years

Land is not depreciated.

(i) Buildings in development

Developments are shown at cost of acquisition and spend to date after taking into account any impairment in value. No depreciation is charged on developments until such time as they are completed.

2. ACCOUNTING POLICIES (continued)

(j) Investments

Fixed asset investments are stated in the balance sheet at market value where there is a readily available market price. It is the Group's policy to keep valuations up to date so that when investments are sold, no gain or loss arises. As a result, the statement of financial activities includes those unrealised gains and losses arising from the revaluation of the investment portfolio throughout the year. The statement of financial activities does not distinguish between the valuation adjustments relating to sales and those relating to continued holdings, as they are treated together as changes in the value of the investment portfolio.

(k) Pension costs

The Group contributed to a defined contribution scheme pension scheme administered by an independent company and to employees' personal pension schemes. The pension costs represent the contributions payable by the Group to the schemes for the year.

(l) Lease commitments

Rental paid under operating leases is charged to income on a straight-line basis over the lease term.

(m) Business combinations

The consolidated financial statements incorporate the financial statements of the Charity and all subsidiaries. These are adjusted, where appropriate, to conform to Group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over five years from the year of acquisition. The results of entities acquired or disposed of are included in the income and expenditure account after or up to the date that control passes respectively.

(n) Financial instruments

Financial assets and liabilities are measured at fair value which is the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Loan transaction costs are amortised over the term of the loan.

3. RESOURCES EXPENDED

	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
Charitable activities				
Housing support costs				
Staff costs	1,024,417	855,160	805,744	234,205
Grants payable	216,015	45,149	100	10,000
Direct costs	3,076,677	3,153,780	3,156,567	2,488,771
Property management	1,019,044	786,900	803,314	614,494
Office costs	77,048	68,381	126,335	53,071
Legal and professional fees	73,064	112,342	160,088	195,944
Support costs	10,958	6,141	25,914	29,549
Audit fees	54,343	20,800	37,780	18,514
Depreciation: buildings	1,004,008	1,615,312	964,462	1,874,020
	6,555,574	6,663,965	6,080,304	5,518,568
Strategic development costs				
Staff costs	24,881	19,638	22,785	324,711
Direct costs	-	18,372	-	-
Office costs	118,563	94,431	78,084	73,579
Legal and professional fees	100,897	135,529	-	34,323
Audit fees	3,350	3,200	-	3,200
Other	15,132	8,481	-	25,181
	262,823	279,651	100,869	460,994

Support costs are either directly allocated to the activity e.g. salaries, or shared pro-rata between the activities e.g. premises costs.

During the year salary costs capitalised to developments amounted to £271,829 (2021: £363,168).

Legal and professional fees include costs relating to Crowe U.K. LLP for accountancy and tax services which totalled £50,938 for the Group (2021: £40,080).

Grants comprise:	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
Paid in the year	**216,015**	45,149	**303,778**	129,441

4. STAFF COSTS

	2022	2021
	£	£
Gross salaries	900,228	845,836
Employer's NI contributions	101,051	102,363
Employer's pension contributions	141,414	127,503
	1,142,693	1,075,702
Key management benefits	**585,788**	560,003

The average number of employees in the year was 13 (2021: 13). Employees are divided between housing support and strategic development, 6:7 (2021: 6:7), respectively.

The number of employees whose emoluments, excluding pensions, exceeded £60,000 was:

	2022	2021
£60,000 - £69,999	**4**	1
£70,000 - £79,999	**1**	-
£80,000 - £89,999	**-**	1
£90,000 - £99,999	**1**	1
£100,000 - £109,999	**-**	1
£110,000 - £119,999	**1**	-
£140,000 - £149,999	**1**	1

Pension payments of £141,414 (2021: £127,503) were made during the year in respect of 17 employees (2021: 14).

5. FREEHOLD LAND AND BUILDINGS:

Group	Land £	Buildings £	Total £
COST			
At 1 April 2021	37,261,212	60,796,239	98,057,451
Additions	-	1,403,323	1,403,323
Disposals	(314,286)	(107,027)	(421,313)
Transfer	5,397,090	(5,397,090)	-
Transfers from land and buildings under development	-	(15,000)	(15,000)
At 31 March 2022	**42,344,016**	**56,680,445**	**99,024,461**
DEPRECIATION			
At 1 April 2021	-	3,963,457	3,963,457
Charge in the year	-	517,194	517,194
Disposals	-	(7,118)	(7,118)
Removed on transfer	-	(617,682)	(617,682)
At 31 March 2022	**-**	**3,855,851**	**3,855,851**
NET BOOK VALUE			
At 31 March 2022	**42,344,016**	**52,824,594**	**95,168,610**
At 31 March 2021	37,261,212	56,832,783	94,093,995

Charity	Land £	Buildings £	Total £
COST			
At 1 April 2021	16,352,963	56,107,710	72,460,673
Additions	-	1,391,802	1,391,802
Disposals	(314,285)	(107,027)	(421,312)
Transfer	5,397,090	(5,397,090)	-
At 31 March 2022	**21,435,768**	**51,995,395**	**73,431,163**
DEPRECIATION			
At 1 April 2021	-	3,450,039	3,450,039
Charge in the year	-	477,650	477,650
Disposals	-	(7,118)	(7,118)
Removed on transfer	-	(617,682)	(617,682)
At 31 March 2022	**-**	**3,302,889**	**3,302,889**
NET BOOK VALUE			
At 31 March 2022	**21,435,768**	**48,692,506**	**70,128,274**
At 31 March 2021	16,352,963	52,657,671	69,010,634

6. LEASEHOLD BUILDINGS

Group and Charity	Total £
COST	
At 1 April 2021	150,940,775
Additions	81,002
Disposals	(1,999,529)
Transfers from land and buildings under development	
At 31 March 2022	**149,022,248**
DEPRECIATION	
At 1 April 2021	3,799,290
Charge in the year	1,070,498
Disposals	(88,016)
At 31 March 2022	**4,781,772**
NET BOOK VALUE	
At 31 March 2022	**144,240,476**
At 31 March 2021	147,141,485

7. LAND AND BUILDINGS UNDER DEVELOPMENT

Group	Land £	Buildings under development £	Total £
At 1 April 2021	7,041,749	10,363,796	17,405,545
Additions	-	1,856,185	1,856,185
Transfer from freehold land and buildings	-	15,000	15,000
At 31 March 2022	**7,041,749**	**12,234,981**	**19,276,730**
Charity			
At 1 April 2021	7,041,749	8,000,104	15,041,853
Additions	-	872,191	872,191
At 31 March 2022	**7,041,749**	**8,872,295**	**15,914,044**

8. TANGIBLE FIXED ASSETS

Group and Charity	Office improvements	Computer and office equipment	Total
	£	£	£
COST			
At 1 April 2021	72,566	78,773	151,339
Additions	-	27,731	27,731
Disposal	-	-	-
At 31 March 2022	**72,566**	**106,504**	**179,070**
DEPRECIATION			
At 1 April 2021	30,069	63,483	93,552
Charge in the year	8,647	15,347	23,994
Disposal	-	-	-
At 31 March 2022	**38,716**	**78,830**	**117,546**
NET BOOK VALUE			
At 31 March 2022	**33,850**	**27,674**	**61,524**
At 31 March 2021	42,497	15,290	57,787

9. FIXED ASSET INVESTMENTS:

Group	2022 £	2021 £
Bonds at 1 April	-	1,205,729
Additions		-
Disposals	-	(1,200,000)
Unrealised losses	-	(5,729)
Bonds at 31 March	-	-
Cash held as an investment	**7,887,904**	7,889,012
At 31 March	**7,887,904**	7,889,012
Historical cost at 31 March	**7,887,904**	7,889,012

Charity	2022 £	2021 £
Bonds at 1 April	-	1,205,729
Additions	-	-
Disposals	-	(1,200,000)
Unrealised losses	-	(5,729)
Bonds at 31 March	-	-
Investments in subsidiaries	**26,059,666**	26,059,662
Cash held as an investment	**7,887,904**	7,889,012
At 31 March	**33,947,570**	33,948,674
Historical cost at 31 March	**33,947,570**	33,948,674

Investments which individually represent more than 5% of the portfolio by market value are:

Group and Charity	2022 £	2021 £
Cash	**7,887,904**	7,889,012

Investments in cash are primarily held to preserve the capital to meet existing capital commitments and for appropriate property investment opportunities as they arise.

9. FIXED ASSET INVESTMENTS (continued)

The investment in subsidiaries figures above represent investments in the following subsidiaries:

Subsidiaries

	DSF Developments Limited	Dolphin Living Limited	Hoxton Regeneration Limited
Company number	8327131	32446R	597445
Incorporation	England	England	England
Shareholding	100%	100%	100%
	2022	**2022**	**2022**
	£	**£**	**£**
Assets	2,320,561	1,575,238	22,276,779
Liabilities	(2,326,941)	(1,136,547)	(4,598,620)
Fund/net assets	(6,380)	438,691	17,678,159
Income	110,659	2,031,559	992,114
Expenditure	(117,139)	(2,014,458)	(463,898)
Profit/(loss)	(6,480)	17,101	528,216

10. DEBTORS

	Group £		Charity £	
	2022	2021	2022	2021
Trade debtors	24,156	1,396,076	-	-
Other debtors	1,087,501	781,733	913,027	913,231
Prepayments	177,131	337,213	175,150	335,424
Amounts owed to subsidiaries	-	-	6,320,769	5,358,671
	1,288,788	2,515,022	7,408,946	6,607,326

During the year the Charity provided funds to wholly owned subsidiaries under loan agreements and an agreement to provide support.

At the year end, the amounts owed to the Charity by DSF Developments Limited were £1,645,654 (2021: £1,378,214) under the development agreement. During the year, a gift of £nil (2021: £2,121) was donated by DSF Developments Limited to the Charity and shared costs of £nil were recharged by the Charity to DSF Developments Limited (2021: £191,472).

At the year end, the amounts owed to the Charity by Hoxton Regeneration Limited were £3,609,056 (2021: £3,467,135) including two loan agreements for £865,074 (2021: £865,074) and £1,198,202 (2021: £1,198,202). Both loan agreements have a ten-year term and are repayable in four and five years, respectively. During the year, shared costs of £148,782 were recharged by the Charity to Hoxton Regeneration Limited (2021: £103,253).

At the year end, the amounts owed to the Charity by Dolphin Living Limited were £1,066,059 (2021: £513,322) for shared costs and expenses. During the year, shared costs of £220,644 were recharged by the Charity to Dolphin Living Limited (2021: £103,253).

Amounts owed under each loan agreement incur interest at 3.5% above the base rate. No interest is charged on shared costs.

11. CASH AT BANK

An amount of £250,000 (2021: £250,000) is currently held in reserve for specific development costs.

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2022	2021	**2022**	2021
	£	£	**£**	£
Trade creditors	**244,865**	1,666,578	**981,716**	1,883,043
Social security & other taxes	**27,682**	22,095	**25,720**	20,133
VAT	**7,353**	7,488	**7,353**	7,488
Accruals	**1,121,801**	1,052,849	**1,100,169**	1,018,227
Development retentions	**646,472**	646,472	**-**	-
Loans	**203,706**	-	**203,706**	-
Deferred income	**27,374**	20,000	**27,834**	20,000
Other creditors	**870,688**	912,355	**817,146**	817,958
	3,149,941	4,327,837	**3,163,644**	3,766,849

Deferred income relates to rental income received in advance from tenants which is then released after the year end in the period to which it relates.

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

Group and Charity	**2022**	2021
	£	£
Loans maturing:		
Within one year	**214,376**	-
In one to two years	**214,376**	166,594
In two to five years	**25,643,130**	527,839
In more than five years	**82,494,709**	108,040,268
	108,566,591	108,734,701
Unamortised issue costs	**(1,645,163)**	(1,745,959)
	106,921,428	106,988,742
Due within one year	**(203,706)**	-
Due in more than one year	**106,717,722**	106,988,742

	2022	2021	Interest rate	Maturity
	£	£		Year
Fixed rate				
Loan	**53,493,438**	53,493,438	3.73%	2046
Loan	**26,000,000**	26,000,000	3.48%	2046
Charity bond	**25,000,000**	25,000,000	4.25%	2026
	104,493,438	104,493,438		
Floating rate	**4,073,153**	4,241,262	2.25% above base rate	2041
	108,566,591	108,734,700		

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR (continued)

At the balance sheet date, the Group held financial assets at amortised cost of £11,454,797 (2021: £11,051,543), financial assets at fair value through income and expenditure of £7,887,764 (2021: £7,889,012) and financial liabilities at amortised cost of £109,447,390 (2021: £111,274,484).

14. MOVEMENTS IN NET DEBT

Group	At 1 April 2021 £	Cashflows £	Transfers £	Non-cash changes £	At 31 March 2022 £
Cash	(8,873,734)	(1,471,247)	-	-	**(10,344,981)**
Cash held as investments	(7,889,012)	1,108	-	-	**(7,887,904)**
Loans due within one year	-	-	203,706	-	**203,706**
Loans due in more than one year	106,988,742	(168,110)	(203,706)	100,796	**106,717,722**
	90,225,996	(1,638,249)	-	100,796	**88,688,543**
Charity					
Cash	(8,446,109)	(1,005,144)	-	-	**(9,451,253)**
Cash held as investments	(7,889,012)	1,108	-	-	**(7,887,904)**
Loans due within one year	-	-	203,706	-	**203,706**
Loans due in more than one year	106,988,742	(168,110)	(203,706)	100,796	**106,717,722**
	90,653,621	(1,172,146)	-	100,796	**89,582,271**

15. MOVEMENTS IN RESERVES

Group	At 1 April 2021 £	Surplus/ (deficit) £	Net losses on investments £	Transfer £	At 31 March 2022 £
Unrestricted funds	131,766,266	1,888,582	-	(227,778)	**133,427,070**
Designated funds					
WHOA fund	5,645,698	(216,015)	-	(1,499,670)	**3,930,013**
Sinking fund	2,183,570	-	-	447,897	**2,631,467**
Total unrestricted funds	139,595,534	1,672,567	-	(1,279,551)	**139,988,550**
Restricted funds	27,064,467	68,782	-	1,279,551	**28,412,800**
	166,660,001	1,741,349	-	-	**168,401,350**
Unrestricted funds	132,415,909	162,350	(5,729)	(806,264)	131,766,266
Designated funds					
WHOA fund	5,680,847	(35,149)	-	-	5,645,698
Sinking fund	1,735,673	-	-	447,897	2,183,570
Total unrestricted funds	139,832,429	127,201	(5,729)	(358,367)	139,595,534
Restricted funds	26,201,353	504,747	-	358,367	27,064,467
	166,033,782	631,948	(5,729)	-	166,660,001

Charity

Unrestricted funds	134,409,319	2,003,970	-	(116,848)	**136,296,441**
Designated funds					
WHOA fund	5,840,921	(300,307)	-	(1,610,601)	**3,930,013**
Sinking fund	2,183,570	-	-	447,897	**2,631,467**
Total unrestricted funds	142,433,810	1,703,663	-	(1,279,552)	**142,857,921**
Restricted funds	27,064,466	68,782	-	1,279,552	**28,412,800**
	169,498,276	1,772,445	-	-	**171,270,721**

15. MOVEMENTS IN RESERVES (continued)

Charity	At 1 April 2020 £	Surplus/ (deficit) £	Net losses on investments £	Transfer £	At 31 March 2021 £
Unrestricted funds	134,918,080	303,232	(5,729)	(806,264)	134,409,319
Designated funds					
WHOA fund	5,840,921	-	-	-	5,840,921
Sinking fund	1,735,673	-	-	447,897	2,183,570
Total unrestricted funds	142,494,674	303,232	(5,729)	(358,367)	142,433,810
Restricted funds	26,201,353	504,746	-	358,367	27,064,466
	168,696,027	807,978	(5,729)	-	169,498,276

Restricted funds and the related transfer relates to the purchase or development of homes for use in the WHOA scheme and reflects expenditure over and above the restricted grant received. The homes, and funds, are restricted for the duration of the scheme (15 years).

The designated WHOA fund and the related transfer reflects the contingent liability for the payment of enhanced deposits to the participants of the scheme. The expenditure of WHOA funds in the year relates to the successful payment of grants under the scheme.

The designated sinking fund and the related transfer is for long-term repair and renewal costs for both individual homes and freehold buildings. Provisions are made reflecting current best estimates of future costs and when they are likely to be incurred. For buildings owned under a long leasehold, long-term repair costs are paid through the service charge recognised in the income and expenditure account and are not reflected in this designated fund. No provision has been made for properties where a capital works programme is underway and the future expenditure is reflected in financial commitments.

16. NET ASSETS ACROSS FUNDS

	Restricted funds	Designated funds	Unrestricted funds
Group	£	£	£
At 31 March 2022			
Fixed assets	28,412,800	-	238,222,444
Current assets	-	6,561,480	5,072,289
Liabilities	-	-	(109,867,663)
Total funds	28,412,800	6,561,480	133,427,070
At 31 March 2021			
Fixed assets	27,064,466	-	239,523,458
Current assets	-	7,829,268	3,559,488
Liabilities	-	-	(111,316,579)
Total funds	27,064,466	7,829,268	131,766,268
Charity			
At 31 March 2022			
Fixed assets	28,412,800	-	235,879,088
Current assets	-	6,561,480	10,201,031
Liabilities	-	-	(109,881,366)
Total funds	28,412,800	6,561,480	136,296,441
At 31 March 2021			
Fixed assets	27,064,466	-	238,135,966
Current assets	-	8,024,490	7,028,945
Liabilities	-	-	(110,755,591)
Total funds	27,064,466	8,024,490	134,409,319

16. TRUSTEES' EXPENSES

The Governors of Dolphin Square Charitable Foundation received no remuneration during the year. Expenses of £977 (2021: £1,045) were reimbursed to three (2021: two) Governors for travel, entertaining and subsistence expenses incurred for business purposes.

17. CONTROLLING PARTY

The ultimate controlling party is the Dolphin Square Charitable Trustee Limited, which is the trustee for the Charity.

18. RELATED PARTY TRANSACTIONS

The Group operates a cost sharing agreement whereby support costs are shared between the entities within the Group. The employees are jointly employed by all Group operating entities. The details of these and other related party transactions can be found in notes 4 and 10. There were no other related party transactions in the current or prior year.

19. COMMITMENTS

The Charity and the Group has the following commitments payable within the year to 31 March 2022:

OPERATING LEASE: Group and Charity	2022 £	2021 £
Lease payments within one year	87,159	58,220
Lease payments later than one year not later than five years	89,976	177,136

Amounts payable under operating leases during the year ended 31 March 2022 amounted to £82,363 (2021: £79,772).

At the year end, the corporate trustee had authorised the following capital commitments for the Charity and the Group:

	2022 Authorised £	2022 Contracted £	2021 Authorised £	2021 Contracted £
Capital commitments	13,128,921	12,646,471	6,757,625	4,213,796

THE DOLPHIN SQUARE CHARITABLE FOUNDATION

England & Wales - Charity number 1110090

Accounts

THE DOLPHIN SQUARE CHARITABLE FOUNDATION

(Registered Charity Number: 1110090)

REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2021

THE DOLPHIN SQUARE CHARITABLE FOUNDATION

REPORT AND ACCOUNTS
YEAR ENDED 31 MARCH 2021

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THE DOLPHIN SQUARE CHARITABLE FOUNDATION

REFERENCE AND ADMINISTRATIVE DETAILS

Corporate Trustee:	Dolphin Square Charitable Trustee Limited
Brand name:	Dolphin Living
Governors of Corporate Trustee	David Lavarack (Chair) Deirdra Armsby Bruce Clitherow Andrew Giblin Julia Moulder Sarah Philbrick Sarah Smith Jane Staveley Anna Strongman
Acquisition, Finance and Development Committee	Andrew Giblin (Chair) David Lavarack Fenella Edge Julia Moulder Richard Petty Sarah Philbrick Anna Strongman
Audit and Risk Committee	Jane Staveley (Chair) Deidra Armsby Ben Laryea Sarah Smith
Remuneration and Nominations Committee	Bruce Clitherow (Chair) Andrew Giblin David Lavarack Jane Staveley
Key management personnel	Olivia Harris (Chief Executive) James Hedgman Sam While Octavia Williams

THE DOLPHIN SQUARE CHARITABLE FOUNDATION

REFERENCE AND ADMINISTRATIVE DETAILS (Continued)

Banker	Barclays Bank plc Level 25 1 Churchill Place London E14 5HP
Solicitors	CMS Cameron McKenna Nabarro Olswang LLP Cannon Place 78 Cannon Street London EC4N 6AF Stone King LLP 29 Ely Place London EC1N 6TD Devonshires Solicitors 30 Finsbury Circus London EC2M 7DT
Auditor	Crowe U.K. LLP 4th Floor St James House St James Square Cheltenham, GL50 3PR
Investment Managers	Cazenove Capital Management 12 Moorgate London EC2R 6DA

DOLPHIN SQUARE CHARITABLE FOUNDATION

REPORT OF THE TRUSTEE
FOR THE YEAR ENDED 31 MARCH 2021

The Trustee presents the annual report and audited financial statements for the year ended 31 March 2021.These financial statements reflect the results of the Charity and its subsidiaries (the "Group").

ESTABLISHMENT

The Dolphin Square Charitable Foundation (the "Charity") was first registered as a charity on 17 June 2005 under registered Charity Number 1110090. Its governing document is a Trust Deed dated 11 May 2005.

TRUSTEE

Dolphin Square Charitable Trustee Limited is the corporate trustee of the Charity. Its governors are as follows:

- David Lavarack, (Chair)
- Deirdra Armsby
- Bruce Clitherow
- Andrew Giblin
- Julia Moulder
- Sarah Philbrick
- Sarah Smith
- Jane Staveley
- Anna Strongman

The company secretary is Olivia Harris BSc FCA.

There are four classes of membership:

A The Dolphin Square Trust (represented by Bruce Clitherow)
B Westminster City Council (represented by Deirdra Armsby)
C CityWest Homes
D Other Governors

The rights of the various classes of members are set out in the Memorandum and Articles but in summary are:

A The right to nominate a governor and to veto a governor's removal.
B The right to nominate a governor and to veto certain amendments to articles.
C The right to nominate a governor
D No special rights.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Dolphin Square Charitable Trustee Limited (the "Trustee") is a company limited by guarantee (number 5442737, incorporated 4 May 2005) and was formed to declare the trust and to act as trustee of the Charity.

The Charity is funded by a total of £125 million received to date in accordance with the Deed of Gift between Dolphin Square Trust Limited and the Trustee as trustee of the Charity. These monies were realised from the sale of leasehold interests held by Westminster City Council and the Dolphin Square Trust (Industrial & Provident Society: 16737R) in the Dolphin Square mansion block in Pimlico.

The Trustee holds the assets to apply the income and, at its discretion, the capital in furtherance of the objectives.

The Governors meet quarterly to set the strategy and policies of the Charity and monitor operational activity and financial performance. Day to day management of the work of the Charity is delegated to the Chief Executive and her team.

The Charity has committees covering areas of specialised interest: Acquisition, Finance & Development; Audit & Risk; and, Remuneration & Nominations. These committees meet regularly and help to implement the Board's decisions and report to the main board.

From time to time new Governors are recruited, based on assessment of the Charity's business requirements. The method of recruitment, induction and appraisal of Governors is decided upon by the Board in accordance with the articles and in light of best practice within the sector. All prospective Governors are asked to attend a full meeting and, if appointed, will be inducted into the procedures of the Charity by the Chief Executive and her staff.

A number of training opportunities have been identified and Governors are encouraged to participate in those that they feel to be of use.

The Governors of the Dolphin Square Charitable Foundation received no remuneration during the year. Details of Governors' expenses and related party transactions are disclosed in notes 16 and 18 to the accounts. Governors are required to disclose all relevant interests and register them with the Chief Executive and in accordance with the Charity's policy withdraw from decisions where a conflict of interest arises. Several Governors are active in the affordable housing sector. The Charity's trust deed recognises the potential for conflicts of interest to occur and regulates how they are managed at Board meetings.

SUBSIDIARIES, STRUCTURE, GOVERNANCE AND MANAGEMENT

The Charity has three subsidiaries, Dolphin Living Limited (Community benefit society number 32446R, regulated by the Regulator of Social Housing), Hoxton Regeneration Limited and DSF Developments Limited. A number of Governors and staff of the Charity are directors of the subsidiaries. Dolphin Living Limited also has independent directors. The subsidiaries hold regular Board meetings and directors are invited to attend committee meetings as necessary. In accordance with normal industry practice independent directors of Dolphin Living Limited receive remuneration.

All staff are jointly employed by the Charity and its subsidiaries. Each entity is responsible for its own direct costs. The Charity has entered into a cost sharing agreement for central costs with its subsidiaries based upon staff allocations. The Charity enters into other arms-length transactions with its subsidiaries.

OBJECTIVES AND ACTIVITIES

The Objectives of the Charity are to:

"Provide reasonable assistance in securing accommodation within the City of Westminster for individuals (and any dependants living with them) who are in need of accommodation as a result of:

- Their employment in the public or voluntary sectors or in relevant employment in the City of Westminster and the surrounding area, having regard to the fact that such individuals could not afford to secure such accommodation on normal commercial terms; or
- Financial hardship, social or economic need, age, ill health, disability or any other need."

The objectives define the interpretation of the terms "public sector," "voluntary sector," and "relevant employment." They also describe the consultation required between the Charity and Westminster City Council regarding the determination of the needs of people living in the area and the activities of the Charity, which will meet those needs. With the consent of Westminster City Council, the Charity may secure accommodation outside of the City of Westminster.

CHAIR'S FOREWORD

The global pandemic has provided the Dolphin Living Group with a challenging environment for the 2020/21 financial year. Nevertheless, the whole executive and staff team have shown real dedication and professionalism throughout and have continued to provide high quality and affordable homes to hard working Londoners with little disruption to service levels.

Supporting our tenants

The challenges faced by our tenants caused by the fallout from the pandemic are varied and, in some cases, extensive. From the start of the pandemic we have had open dialogue with all tenants and have encouraged those in need to approach us for assistance, particularly those in financial hardship resulting from the various lockdowns. The response has been positive and we have provided assistance through rent deferrals where appropriate.

We have maintained our repairs and maintenance programme, continued with estate inspections through the pandemic and have increased our cleaning regime where it has been practical and safe to do so. In addition, we have kept communication channels open and have facilitated online resident events.

We will continue to take this proactive and collaborative approach through these difficult times and beyond.

Growth in homes

With the difficult backdrop of the pandemic, we have completed two new development schemes at Lanark Road in Westminster and Kingsland Road in Hackney during the year. This has added an additional 141 homes, taking the Group's portfolio to 798 homes. Letting these homes during a pandemic and the restrictive elements of lockdown has proven difficult, but I am pleased to report that we have achieved near full occupancy.

Construction continues at The Broadway development in Westminster where the Group has forward purchased 10 intermediate rent homes with completion due in winter 2021/2022.

Planning permission for the redevelopment of the New Era estate, creating 199 homes, was granted by the London Borough of Hackney in July 2020. We continue to work with the London Borough of Hackney to improve the affordable housing offer. In addition, we are engaged in discussions with the London Borough of Southwark on our planning application for the redevelopment of 90 homes at Camberwell. Both developments underpin our growth aspirations moving forward.

Strong financial position

The Group's underlying financial performance during the year has been robust. With the new schemes at Lanark Road and Kingsland Road becoming income generating, revenue has increased by £2.9m to £12.1m and we achieved an operating surplus of £3.7m. Although a further test of resilience will come after the end of the government's furlough scheme, our rent collection remains strong and we have seen only a relatively small increase in arrears. Our balance sheet continues to grow and strengthen with net assets of £166.7m. We will leverage this strong position to support our development plans with new lending facilities.

Health and safety

Achieving full compliance with health and safety regulations remains firmly at the core of our approach. We regularly review our portfolio and take appropriate action to keep our homes safe and complaint with emerging fire safety legislation.

ESG reporting early adoption

In November 2020, the Group signed up as an early adopter of the Sustainability Reporting Standard for Social Housing. This evidences our commitment to achieving high performance in the areas of environmental, social and governance (ESG). We will be measured as an organisation on our environmental and social impacts and risks, and the quality of our governance. The objectives of ESG reporting closely align to the Group's charitable objectives, our culture and the future legislative requirements we expect to emerge in coming years. The Group is starting a programme of reviewing energy performance across our portfolio with a view to improving our sustainability.

Looking forward

The Board has formulated a new strategy which will take the Group through to 2024. It is based around three core pillars: customers, growth and our homes.

Our customers are our charitable beneficiaries. We will continue to provide good homes at below local market rent and to further improve our service levels and customer satisfaction. We have agreed an objective to grow our portfolio of affordable homes, with an additional 200 units to be delivered by 2024. Our new and existing homes will be well designed for city living, built to a high standard, safe and have long term sustainability.

This will be my final report as Chair. After 10 years with the Group, it is time for me to step down. It has been a privilege to be part of such a capable and dedicated team of trustees, executives and staff. The organisation has achieved significant progress and growth over the past decade, providing many more homes for the wonderful people who keep London going and who help to make it such a vibrant, successful and multicultural city. I am delighted to be handing over to Andrew Giblin, in whose talented hands I am confident that the group will continue to prosper. I wish Andrew and the whole Dolphin team every success.

ACHIEVEMENTS AND PERFORMANCE

Homes available to rent

During the year the Kingsland Road and Lanark Road developments completed which added a further 141 homes to our portfolio which now comprises 798 homes for rent and 13 commercial units. Of the total portfolio 72% is intermediate rent, providing homes at an average rent of 60% of market rent whilst delivering a financial return that ensures the continued financial viability and growth of the Charity. Of the 141 homes completed since 31 March 2020, 96% have been let during 2020/21 under difficult market conditions resulting from the covid-19 pandemic.

	Intermediate	Social	PRS	TOTAL No. of homes	Commercial units	TOTAL
Homes in management						
Portfolio at 31 March 2020	**510**	**39**	**111**	**660**	**13**	**673**
Additions	73	10	58	141	-	141
Disposals	(3)	-	-	(3)	-	(3)
Portfolio at 31 March 2021	**580**	**49**	**169**	**798**	**13**	**811**
% of portfolio	*72%*	*6%*	*20%*		*2%*	*100%*
Homes under construction	-	10	-	10	-	10
Portfolio at 31 March 2022	**580**	**59**	**169**	**808**	**13**	**821**
Planning	114	14	171	299	1	300
Existing units demolished for redevelopment	-96	-	-	-96	-11	-107
Forecast to 31 March 2024	**598**	**73**	**340**	**1,011**	**3**	**1,014**

We continue to meet our charitable objectives with the majority of our affordable housing being intermediate rental homes. These homes provide stable tenancies at a range of rents affordable to households earning less than the affordable housing incomes limits set annually by the Mayor of London. Priority is given to those who can afford the rent yet earn the least and those who will most fully occupy each home. In following our charitable objects, we aim to prioritise those with a Westminster connection.

Alongside our intermediate rental homes we provide a smaller number of homes at affordable and social rent that are subject to nominations by the local authority. We also own and let a portfolio of homes for those with a more acute housing need. Both our intermediate and social rent units are cross subsidised by the 169 market rent units.

Throughout the year we maintained 95% compliance (2020: 100%) with Health & Safety targets. The fall in performance reflects the restriction on operations during successive lockdowns. Since these have ended we have worked to regain 100% compliance.

ACHIEVEMENTS AND PERFORMANCE (Continued)

Development properties and pipeline

During the year construction was completed at two developments. At Lanark Road, Westminster 73 homes were completed with a mix of intermediate, market and social rent. At Kingsland Road, Hackney 68 units were completed with a mix of 34 intermediate and 34 market rent.

Development continued at The Broadway, a development in the heart of Westminster, where the Charity has purchased 10 homes for intermediate rent. These units are expected to be completed by February 2022, providing 10 high quality intermediate homes for working Londoners on modest incomes.

In July 2020 the London Borough of Hackney resolved to grant planning consent for the New Era estate in Hackney where 199 new homes will be built. We have continued to work with the London Borough of Hackney to improve the affordable housing offer as required by the planning committee. We are having ongoing discussions with the London Borough of Southwark on our planning application for the redevelopment of 90 homes at Camberwell.

We continue to be active in the market looking for opportunities to acquire sites, completed properties and existing homes. We remain committed to our Westminster beneficiaries, albeit acknowledging that in balancing costs against number of beneficiaries, we will continue to seek opportunities in areas that provide a sustainable commute to Westminster as well as making acquisitions within Westminster.

Funding

In 2017 we successfully issued a £25m charity bond. The Charity still has a further £20m of bonds available for future issue when required.

We anticipate acquiring new funding facilities during the coming year as we look to implement our development strategy.

The financial strength of the Group remains strong with cash or near cash being £16.8m and a net asset position of £166.7m. We are therefore well placed to look at a variety of funding avenues including the £20m unissued charity bonds as and when this funding is required.

ACHIEVEMENTS AND PERFORMANCE (Continued)

Strategy

During 2020 the Board and the executive team formulated a new three year strategy to take the Group through to 2024. The strategy is broken down into three areas of focus; customers, growth and our homes.

Customers
Our customers are our charitable beneficiaries. Over the next 3 years we will continue to focus on:

- affordability and delivering intermediate rents at an average of two thirds of local market rent;
- improving service levels and customer satisfaction by staying ahead of all regulatory requirements including health & safety, reviewing and streamlining our approach to repairs, and enhancing technology to improve the customer experience; and
- being innovative in the way we service our customers.

Growth
We plan to grow our portfolio by committing to deliver 200+ new homes by 2024. A key element of the growth strategy is the development of the New Era estate in Hackney. The Board and Executive team have invested significant amounts of time and energy to the development over a number of years. We continue to interact with tenants and with the London Borough of Hackney. There has been a clear focus on getting the design right to maximise our charitable objectives, provide for the existing tenants and create sufficient returns on the investment. Having received resolution to grant planning approval we continue to work with the London Borough of Hackney to deliver as many affordable homes as possible. New Era remains a significant strategic development for Dolphin Living. To achieve our growth targets and proceed with New Era we will look to source new funding through 2021/22.

Our Homes
Both new and existing homes should meet the evolving needs of our customers in terms of quality, sustainability and safety. We will continue to improve our 200+ older homes through estate refurbishment or regeneration in consultation with our customers and by refurbishing individual homes as they fall vacant or as needs are identified; We will always aim for 100% health and safety compliance at our homes; and create a sustainability strategy in line with emerging best practice and plan how to deliver this across our homes.

The Team

Our Executive team, led by Olivia Harris as Chief Executive, comprises 13 employees across property acquisition & development, property letting & management, and finance & management. Remuneration is reviewed annually with reference to current salaries, wage inflation and market rates. Management set remuneration for all staff except for senior management where remuneration is set by the Remuneration and Nominations Committee who also approve the overall salary expenditure. Key management personnel is made up of Olivia Harris (Chief Executive), James Hedgman (Finance Director), Samuel While (Development Director) and Octavia Williams (Operations and Compliance Director).

PUBLIC BENEFIT

The Charity has had regard to the guidance issued by the Charity Commission in respect of public benefit under the Charities Act 2011. The Board of Governors is keen to ensure there is an effective and appropriate balance of activity addressing the objectives of the Charity, both of which generate public benefit.

Every development scheme the Charity undertakes will have a proportion of the development providing accommodation at rents lower than those available in an open market. This benefits those working in the City of Westminster and Greater London by reducing travel time and expense and providing a stable tenancy with limited rental increases in a property that is managed for the benefit of the tenants. These factors improve quality of life for those working in the City of Westminster and Greater London who are not able to afford market rents.

The Charity provides accommodation to those in more acute financial hardship such as the homeless in the City of Westminster. The beneficiaries are housed in accommodation in the City of Westminster which is appropriate to their needs and family composition. The Charity also invests in projects that support the homeless to obtain work and provides accommodation to the beneficiaries of the projects. The provision of accommodation is another key stability factor supporting those entering the workplace.

CHARITY CODE OF GOVERNANCE

The Charity has adopted the Charity Code of Governance as set out by the Charities Commission. The Charity substantively complies with the Code of Governance and aspires to adopt all of the Code.

INVESTMENT POLICY

The Charity's Treasury Policy, including its Investment Strategy for non-property assets, is regularly under review by the Acquisition, Finance and Development Committee. In accordance with the reserves policy the Committee ensures that the projected investment in properties and operating costs can be covered by readily available funds, whilst ensuring that the risks inherent in the investment portfolio are mitigated and returns are maintained. During the year investment performance has been in line with the Investment Strategy.

RESERVES POLICY

The reserves policy of the Charity is to hold sufficient liquid assets and undrawn loan facilities to meet all commitments and at least 12 months of operating costs.

The reserves of the Charity invested in liquid assets are held to provide certainty of amount, at maturity, to match the Charity's utilisation of these funds in its property development activities.

The Charity has invested reserves of £167 million in properties, working capital and liquid assets.

Included in general reserves are £2.2 million of reserves designated for the long-term maintenance of the properties. A review of the life cycle costs indicates that significant expenditure from designated

RESERVES POLICY (Continued)

reserves is unlikely for 10 years as the majority of the properties owned by the Charity are new build properties. Free reserves, excluding fixed assets, long term debt and committed funds, is £10.7m million. This is in excess of our target of 12 months of operating costs as funds are held for acquisition opportunities.

FINANCIAL REVIEW

	2021	2020	2019	2018	2017
Net assets	£166.7	£166.0	£164.1	£161.7m	£161.5m
Turnover	£12.1m	£9.2m	£9.7m	£8.7m	£19.0m
Operating surplus ^	£3.7m	£3.6m	£3.9m	£3.2m	£13.6m
Operating margin	37%	39%	40%	36%	72%
Gearing	67%	68%	69%	63%	45%
Interest cover	2.7	2.2	2.5	2.8	8.8
Homes and under management	798	660	631	629	600
Homes completed in year	141	33	-	29	156

^ Operating surplus excludes finance costs, restricted and investment income and goodwill amortisation.

Turnover during 2020/21 was significantly up over 2019/20 due to Lanark Road and Kingsland Road developments being completed and let during the year. In addition £0.5m grant income was received from Westminster City Council at the completion of Lanark Road compared to nil grant income in 2020. We also continue to dispose of homes that do not deliver our strategic objectives with three homes sold during the year (2020: three).

Rental income is received from three sources; income from the tenants at our purpose built developments; income on existing stock that the Charity has acquired; and, income on properties that the Charity leases to tenants under its objective to assist those in acute housing need. We anticipate revenue will grow in the coming year although at a slower rate than 2021 as we account for a full year of rental income at Kingsland Road and Lanark Road.

Expenditure in the year was considerably higher than during the previous year which included additional costs incurred in running new properties at Kingsland Road and Lanark Road. Furthermore capitalised interest was reduced resulting in higher interest cost as major developments during the year came to an end. In addition higher property management and depreciation costs reflects the increased portfolio size. We expect our costs to again increase in 2021/22 in correlation with the increased revenue from the new homes being introduced.

Net income for the Group for the year was £0.6 million (2020: £1.9 million). After realised and unrealised losses on investments, general reserves of £166.7 million (2020: £166.0 million) were carried forward.

GOING CONCERN

Over the past 12 months the covid-19 pandemic has impacted both the UK economy and to a lesser extent the charity's operations and finances. The longer term impacts of the pandemic remain unknown however the short-term view, at least at the date of the signing of this report, is the situation is manageable by the charity.

The pandemic has had a marginal impact on the core operations of the Charity and Group as of June 2021. Costs have increased reflecting greater wear and tear within our properties as well as increased cleaning costs to keep our residents safe. We have seen an increase in the rent arrears position through the last 14 months however with collection rates of our residential income remaining high we see the impact as being modest. These rates will be truly tested once the government's furlough funding support ceases.

Where tenants have approached the Charity for assistance, we have addressed each case individually and on its merits. We are providing as much assistance as we can where appropriate to tenants and want to work with them to overcome any financial hardship they may sustain over this period of uncertainty.

The Charity, as disclosed in this report, has substantial cash reserves. With the development schemes at Kingsland Road and Lanark Road completing in June and July 2020 respectively, the Charity's contractual commitments have reduced significantly. Having forecasted the Group's cashflow out to 2023/24 and having stress tested the rental receipts over that same period, the Governors consider that the Group has sufficient cash reserves to meet an unexpected and significant fall in rental income.

In April 2021, the Charity moved offices from Belgrave Road to Castle Lane remaining in the Victoria and Westminster area. Most staff continue to work remotely though the offices are open to those that need to attend. The IT platform supporting remote working has worked well over the last 14 months with further plans to be completely 'cloud' based strengthening our strategy of working anywhere at any time. We have experienced no down time in systems during the year with no disruption to the service levels expected of the Group.

During the year we also respecified and retendered our property management services and as a result have reappointed Touchstone CPS for a further term of a minimum of three years. We continue to have a continuous dialogue with the Touchstone CPS who are key to delivering the Group's service model. They have continued to operate and deliver a solid service over the various lockdown periods. They are part of a larger housing group of companies and are financially secure.

The executive team are monitoring the financial position and performance of the Charity closely with updates on key metrics provided to governors on a monthly basis.

The Governors, although acknowledging the potential impact of Covid-19, are satisfied that the financial strength that underpins the Charity provides sufficient confidence that the Charity and its subsidiaries have the ability to continue to operate as a going concern.

BUSINESS RISK MITIGATION POLICY

The Governors are responsible for safeguarding the assets of the Charity and for ensuring that it is fully compliant with relevant regulations and best practice. They review the key risks to which the Charity is exposed at least once a year, together with the operating and financial compliance controls that have been implemented to mitigate those risks. The detailed risk register is maintained by the executive team and a strategic risk register is prepared for regular review by the Audit & Risk Committee, and annually by the Board. The Board are of the view that the formal on-going process for identifying, evaluating and managing the Charity's significant risks that has been in place for the year ending 31 March 2021 continues to be appropriate for the Charity.

The key risks identified in the most recent review by the Board, including factors that are likely to affect the financial performance or position going forward are:

- The impact of Covid-19 pandemic on the Charity's ability to collect rents as they fall due and subsequent impact on cashflow;
- economic recession stemming from the Covid-19 pandemic;
- the removal of section 21 of the Housing Act 1988; and
- the risk of growth being impeded by the lack of acquisition opportunities.

The plans and strategies in place for mitigating those risks are set out in the risk register and include:

- oversight by the Board and sub-committees of those areas of the organisation;
- recruiting and retaining suitably qualified and experienced staff and professional advisors to oversee, advise and manage those areas of the organisation;
- regular reporting against Key Performance Indicators and budgets;
- stress testing our budgets and our longer term forecasts;
- processes for approval of acquisitions and development expenditure; and
- an outward looking approach to key areas of operation focussing on regular contact with key stakeholders and those active in the affordable housing arena.

The Board continue to identify any skills gaps. Recruitment of new Governors is focussed on acquiring the needed skills.

PLANS FOR FUTURE PERIODS

We will continue to build our portfolio of sub-market rental properties through direct development, working with developers to acquire the affordable housing element of larger schemes

PLANS FOR FUTURE PERIODS (Continued)

and through the acquisition of existing homes where suitable opportunities arise. We continue to be open to joint venture opportunities with other charitable or benevolent landowners who wish to develop their sites and lack either capital or development expertise. The successes we have had in the recently completed schemes at Westbourne Park Baptist Church, Kingsland Road and at Lanark Road can be used to support future applications as a joint venture partner and we anticipate future opportunities and growth through similar joint venture opportunities.

Our planning consent for the New Era estate and submitted application at Camberwell will further enhance our growing portfolio of intermediate rents. We will cautiously progress these developments in terms of both resource required and financial capacity to deliver them.

As the residential portfolio has grown so the future plans of the Charity have expanded to include the responsibilities of being a landlord. We aim to provide an exemplary service, ensuring that our homes are regularly upgraded and the portfolio delivers its potential. Throughout all the Charity does, from design, through construction and delivery, to management, there is embedded a strong commitment to meeting our customers' needs and in doing so fulfilling our charitable objectives.

We will champion the provision of sub-market rental housing as essential in central London and other high value locations.

We are following closely the emerging Build to Rent planning policies and, whilst continuing to focus on our charitable objects, are adapting our offering to fit within this framework. What sets us apart from other Build to Rent providers is our stated goal to maximise the amount of sub-market rental housing within each development. We aim to help a wide range of beneficiaries and income brackets and this is achieved particularly effectively and efficiently through our personalised rent.

To fund future growth we will raise additional finance as required but will always be mindful of maintaining the strong financial stability that currently exists.

THE DOLPHIN SQUARE CHARITABLE FOUNDATION

STATEMENT OF TRUSTEE'S RESPONSIBILITIES

The Trustee is responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Law applicable to charities in England and Wales requires the Trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and the Group and of the Group's incoming resources and application of resources of the year. In preparing financial statements giving a true and fair view the Trustee should follow best practice and:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in operation.

The Trustee is responsible for keeping accounting records that disclose with reasonable accuracy the financial position of the Charity and the Group and enable the trustee to ensure that the financial statements comply with the Charities Act 2011 and regulations made thereunder. The Trustee is also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Crowe U.K. LLP has indicated its willingness to be reappointed as statutory auditor.

Approved and authorised for issue by the Trustee on 20th July 2021 and signed on its behalf.

David Lavarack
(Chair of Governors)

Andrew Giblin
(Governor)

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF THE DOLPHIN SQUARE CHARITABLE FOUNDATION FOR THE YEAR ENDED 31 MARCH 2021

Opinion

We have audited the financial statements of Dolphin Square Charitable Foundation for the year ended 31 March 2021 which comprise Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Consolidated Cashflow 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, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charity's affairs as at 31 March 2021 and of the group's incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 16, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and the parent charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

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

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

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

We obtained an understanding of the legal and regulatory frameworks within which the group and charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, Charities Act 2011 and together with the Charities SORP (FRS102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the group's and charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the group and charitable company for fraud. The only other laws and regulations we considered in this context are General Data Protection Regulations.

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

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

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

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe UK LLP

Crowe U.K. LLP

Statutory Auditor

Cheltenham

Date 4 August 2021

THE DOLPHIN SQUARE CHARITABLE FOUNDATION

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2021

	Note	Restricted 2021 £	Unrestricted 2021 £	Total 2021 £
Income and endowments from:				
Restricted Income – Grants Receivable		504,747	-	504,747
Charitable activities		-	10,092,944	10,092,944
Other trading activities		-	1,113,930	1,113,930
Investment income		-	58,652	58,652
Profit on sale of land and buildings		-	334,046	334,046
Total		504,747	11,599,572	12,104,319
Expenditure on:				
Raising funds				
Investment management fees		-	5,216	5,216
Charitable activities				
Housing support	3	-	7,443,990	7,443,990
Strategic development	3	-	279,651	279,651
Finance Costs		-	3,743,514	3,743,514
Total resources expended		-	11,472,371	11,472,371
Net incoming resources before losses on investments		504,747	127,201	631,948
Amortisation of goodwill		-	-	-
Net losses on investments		-	(5,729)	(5,729)
Net income		504,747	121,472	626,219
Transfers	15	358,367	(358,367)	-
Net movement for the year		863,114	(236,895)	626,219
Balance brought forward at 1 April 2020		26,201,353	139,832,429	166,033,782
Balance carried forward at 31 March 2021	15	27,064,467	139,595,534	166,660,001

All amounts relate to continuing operations. All gains and losses recognised in the year are included in the Statement of Financial Activities.

The notes on pages 26 to 43 form part of the financial statements

THE DOLPHIN SQUARE CHARITABLE FOUNDATION

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2020

	Note	Restricted 2020 £	Unrestricted 2020 £	Total 2020 £
Income and endowments from:				
Restricted Income – Grants Receivable		-	-	-
Charitable activities		-	8,308,665	8,308,665
Other trading activities		-	699,442	699,442
Investment income		-	188,599	188,599
Profit on sale of land and buildings		-	23,941	23,941
Total		-	9,220,647	9,220,647
Expenditure on:				
Raising funds				
Investment management fees		-	19,543	19,543
Property management costs		-	-	-
Charitable activities				
Housing support	3	-	5,130,707	5,130,707
Strategic development	3	-	228,546	228,546
Finance Costs		-	1,802,066	1,802,066
Total resources expended		-	7,180,862	7,180,862
Net incoming resources before (losses)/ gains on investments		-	2,039,785	2,039,785
Amortisation of goodwill		-	(54,544)	(54,544)
Net losses on investments		-	(36,030)	(36,030)
Net income		-	1,949,211	1,949,211
Transfers	15	2,219,397	(2,219,397)	-
Net movement for the year		2,219,397	(270,185)	1,949,211
Balance brought forward at 1 April 2019		23,981,956	140,102,614	164,084,570
Balance carried forward at 31 March 2020	15	26,201,353	139,832,429	166,033,782

THE DOLPHIN SQUARE CHARITABLE FOUNDATION
CONSOLIDATED BALANCE SHEET AS AT
31 MARCH 2021

	Note	£	2021 £	£	2020 £
FIXED ASSETS					
Freehold buildings	5		94,093,995		94,940,155
Leasehold buildings	6		147,141,485		89,850,237
Land and buildings under development	7		17,405,545		68,984,521
Tangible fixed assets	8		57,787		35,440
Investments	9		7,889,012		11,069,186
			266,587,824		264,879,539
CURRENT ASSETS					
Debtors and prepayments	10	2,515,022		3,930,504	
Cash at bank	11	8,873,734		9,274,489	
		11,388,756		13,204,993	
LIABILITIES					
Creditors: amounts falling due within one year	12	(4,327,837)		(4,941,170)	
NET CURRENT ASSETS			7,060,919		8,263,823
TOTAL ASSETS LESS CURRENT LIABILITIES			273,648,743		273,143,362
Creditors: amounts falling due after more than one year	13		(106,988,742)		(107,109,580)
NET ASSETS			166,660,001		166,033,782
Unrestricted funds			131,766,268		132,415,909
Designated funds			7,829,268		7,416,520
Total unrestricted funds			139,595,535		139,832,429
Restricted funds			27,064,466		26,201,353
TOTAL FUNDS	14		166,660,001		166,033,782

Approved and authorised for issue by the Trustee on 20 July 2021 and signed on its behalf

David Lavarack
(Chair of Governors)

Andrew Giblin
(Governor)

The notes on pages 26 to 43 form part of the financial statements

THE DOLPHIN SQUARE CHARITABLE FOUNDATION
BALANCE SHEET AS AT
31 MARCH 2021

	Note	£	2021 £	£	2020 £
FIXED ASSETS					
Freehold buildings	5		69,010,634		69,620,834
Leasehold buildings	6		147,141,484		89,850,237
Land and buildings under development	7		15,041,853		66,027,502
Tangible fixed assets	8		57,787		35,440
Investments	9		33,948,674		37,128,848
			265,200,432		262,662,861
CURRENT ASSETS					
Debtors and prepayments	10	6,607,326		7,790,405	
Cash at bank	11	8,446,109		8,745,098	
		15,053,435		16,535,503	
LIABILITIES					
Creditors: amounts falling due within one year	12	(3,766,849)		(3,392,758)	
NET CURRENT ASSETS			11,286,586		13,142,745
TOTAL ASSETS LESS CURRENT LIABILITIES			276,487,018		275,805,606
Creditors: amounts falling due after more than one year	13		(106,988,742)		(107,109,580)
NET ASSETS			169,498,276		168,696,026
Unrestricted funds			134,409,320		134,918,080
Designated funds			8,024,490		7,576,593
Total unrestricted funds			143,433,809		142,494,673
Restricted funds			27,064,466		26,201,353
TOTAL FUNDS	14		169,498,276		168,696,026

The Charity had gross income of £11,086,831 (2020: £8,217,997) in the year and a net movement on reserves of £802,250 (2020: £1,587,982).

Approved and authorised for issue by the Trustee on 20 July 2021 and signed on its behalf

David Lavarack
(Chair of Governors)

Andrew Giblin
(Governor)

The notes on pages 26 to 43 form part of the financial statements

THE DOLPHIN SQUARE CHARITABLE FOUNDATION
CONSOLIDATED CASHFLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 £	2020 £
Cash flows from operating activities:			
Net cash used in operating activities	a	3,489,465	694,963
Cash flows from investing activities:			
Dividends, interest and rents from investments		58,654	188,599
Proceeds from the sale of property, plant and equipment		1,570,206	1,364,983
Purchase of property, plant and equipment		(8,446,088)	(17,829,431)
Proceeds from sale of investments		3,098,174	13,337,992
Net cash used in investing activities		(3,719,054)	(2,937,857)
Cash flows from financing activities:			
Repayments of borrowing		(171,166)	(50,328)
Net cash provided by financing activities		(171,166)	(50,328)
Cash and cash equivalents:			
Change in the reporting period		(400,755)	(2,293,221)
Balance brought forward at 1 April		9,274,489	11,567,710
Cash and cash equivalents at the end of the reporting period		8,873,734	9,274,489

Note

a. Reconciliation of cash flows from operating activities		
Net income for the reporting period	626,219	1,949,211
Adjustments for:		
Depreciation charges	2,371,796	1,431,187
Amortisation of costs of raising finance	76,272	59,927
Losses on investments	5,729	36,030
Dividends, interest and rents from investments	(58,654)	(188,599)
Profit on the sale of fixed assets	(334,046)	(23,941)
Increase / (Decrease) in debtors	1,415,482	(1,206,352)
(Decrease)/Increase in creditors	(613,333)	(1,362,500)
Net cash used in operating activities	3,489,465	694,963

1. CHARITY INFORMATION

The Charity is registered with the Charity Commission, registration number 1110090. The registered address of the Charity is 1 Castle Lane, London, SW1E 6DR.

2. ACCOUNTING POLICIES

(a) Going Concern

Although the impact of Covid-19 to the economy has been significant the Charity and the Group are in a strong position to operate through the economic upheaval and be well placed for when the recovery comes. With the development schemes at Kingsland Road and Lanark Road completed during the 2020/21 financial year, the Group's contractual commitments are significantly reduced. In addition, the Charity has substantial cash reserves to call upon if needed.

Having forecasted the Group's cashflow out to 2023/24 and having stress tested the rental receipts over that same period, the Governors feel that the Group has sufficient cash reserves to meet an unexpected and significant fall in rental income. In addition the rent collection rates throughout 2020/21 remained high providing further confidence of the Group's cashflow and stability.

These accounts are therefore prepared on a going concern basis. There are no material uncertainties over the Group's ability to continue as a going concern.

(b) Basis of accounting

The accounts have been prepared in accordance with the Charities SORP (FRS102) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland, the Charities Act 2011 and UK Generally Accepted Practice, as it applies from 1 January 2015.

The accounts have been prepared to give a true and fair view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005, which has since been withdrawn.

The Charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The financial statements of the Charity and its three subsidiaries, DSF Developments Limited, Dolphin Living Limited and Hoxton Regeneration Limited are consolidated, on a line-by-line basis, to produce group financial statements. The consolidated entity is referred to as 'the

2. ACCOUNTING POLICIES (Continued)

Group'. Only the financial activity of the Group is shown in the consolidated statement of financial activities.

(c) Grants and donations

Grants and donations are recognised when the Charity is entitled to the income, the receipt is probable and the amount can be quantified with reasonable accuracy.

(d) Rental Income

Rental income is recognised as it falls due. Rental income charged at sub market rates is recognised as income from charitable activities. All other rental income is recognised as income from other trading activities.

(e) Critical accounting judgements and key sources of estimation uncertainty

In the application of the Charity's accounting policies, which are described in this note, judgements, estimates, and assumptions are made about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects the current and future periods.

There are no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date that are likely to result in a material adjustment to their carrying amounts in the next financial year.

Development expenditure

Development expenditure is capitalised in accordance with the accounting policy given below. Initial capitalisation of costs is based on management's judgement that technical and economic feasibility is confirmed, usually when a development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised management makes assumptions regarding the expected future cash generation of the assets, discount rates to be applied and the expected period of benefits.

2. ACCOUNTING POLICIES (Continued)

(f) Investment income

Interest income is included in incoming resources on a receivable basis.

(g) Resources expended

Expenditure is included on an accruals basis.

Costs of charitable activities comprise all the resources applied by the Charity in undertaking its work to meet its charitable objectives. Housing support costs comprise staff and overhead costs and grants payable in support of housing projects.

Grants payable are accounted for in the Statement of Financial Activities in the year in which they are authorised. Any amounts which have been authorised but which remain unpaid at the year-end are included within the current liabilities in the balance sheet.

Strategic development costs comprise staff costs, overheads and fees payable to advisers in conjunction with the development of the Charity's objects.

(h) Tangible fixed assets

All tangible assets are shown at cost less depreciation.

The Group's policy is to depreciate the properties over their expected useful life, the default for new build properties being 100 years.

Leasehold properties are depreciated over the length of the lease except where the expected useful economic life of properties is shorter than the lease, the lease and building elements are depreciated separately over their expected useful economic lives.

Land is not depreciated.

Depreciation on other tangible assets is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives.

Depreciation will be calculated on the following basis;

Office and computer equipment	33% straight line
Office improvements	20% straight line
Furniture in tenanted property	33% straight line

(i) Buildings in development

Developments are shown at cost of acquisition and spend to date after taking into account any impairment in value. No depreciation is charged on developments until such time as they are completed.

2. ACCOUNTING POLICIES (Continued)

(j) Investments

Fixed asset investments are stated in the balance sheet at market value where there is a readily available market price. It is the Group's policy to keep valuations up to date so that when investments are sold, no gain or loss arises. As a result, the Statement of Financial Activities includes those unrealised gains and losses arising from the revaluation of the investment portfolio throughout the year. The Statement of Financial Activities does not distinguish between the valuations adjustments relating to sales and those relating to continued holdings, as they are treated together as changes in the value of the investment portfolio.

(k) Pension costs

The Group contributed to a defined contribution scheme pension scheme administered by an independent company and to employees personal pension schemes. The pension costs represent the contributions payable by the Group to the schemes for the year.

(l) Lease commitments

Rental paid under operating leases is charged to income on a straight-line basis over the lease term.

(m) Business combinations

The consolidated financial statements incorporate the financial statements of the Charity and all subsidiaries. These are adjusted, where appropriate, to conform to Group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over five years from the year of acquisition. The results of entities acquired or disposed of are included in the income and expenditure account after or up to the date that control passes respectively.

2. ACCOUNTING POLICIES (Continued)

(o) Financial instruments

Financial assets and liabilities are measured at fair value which is the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

At the balance sheet date, the Group held financial assets at amortised cost of £11,388,756 (2020: £13,204,993), investment assets at fair value through income and expenditure of £7,889,012 (2020: £11,069,186) and financial liabilities at amortised cost of £106,988,742 (2020: £107,109,580).

3. RESOURCES EXPENDED

	2021		2020	
	Group	Charity	Group	Charity
	£	£	£	£
Charitable activities				
Housing support costs				
Staff costs	855,160	234,205	697,603	513,252
Grants payable	45,149	10,000	135,519	660,050
Direct costs	3,153,780	2,488,771	2,027,963	1,780,704
Property management	786,900	614,494	651,830	504,842
Office costs	68,381	53,071	75,724	55,732
Legal and professional fees	112,342	195,944	94,599	71,555
Support costs	6,141	29,549	16,306	29,351
Audit fees	20,800	18,514	20,340	33,880
Depreciation: buildings	2,395,337	1,874,020	1,410,823	1,287,223
	7,443,990	5,518,568	5,130,707	4,936,589

3. RESOURCES EXPENDED (continued)

	2021		2020	
	Group	Charity	Group	Charity
	£	£	£	£
Strategic development costs				
Staff costs	19,638	324,711	27,299	27,345
Direct costs	18,372	-	-	-
Office costs	94,431	73,579	92,448	64,867
Legal and professional fees	135,529	34,323	83,160	77,492
Audit fees	3,200	3,200	3,120	3,120
Other	8,481	25,181	22,519	40,693
	279,651	460,994	228,546	213,517

Support costs are either directly allocated to the activity e.g. salaries, or shared pro rata between the activities e.g. premises costs.

During the year salary costs capitalised to developments amounted to £363,168 (2020: £432,086).

Legal and professional fees include payments made to Crowe U.K. LLP for accountancy and tax services. These payments total £40,080 for the Group (2020: £21,090).

	2021		2020	
Grants comprise:	Group	Charity	Group	Charity
	£	£	£	£
Paid in the year	45,149	129,441	135,519	831,183

4. STAFF COSTS

	2021	2020
	£	£
Gross salaries	845,836	753,714
Employer's NI contributions	102,363	90,171
Employer's pension contributions	127,503	89,288
	1,075,702	933,173
Key management benefits	560,003	577,845

The average number of employees in the year was 13 (2020: 13). Employees are divided between housing support and strategic development, 6:7, respectively.

The number of employees whose emoluments, excluding pensions, exceeded £60,000 was:

	2021	2020
£60,000 - £69,999	1	-
£70,000 - £79,999	-	1
£80,000 - £89,999	1	-
£90,000 - £99,999	1	-
£100,000 - £109,999	1	2
£140,000 - £149,999	1	1

Pension payments of £87,223 (2020: £40,580) were made during the year in respect of 14 employees.

5. FREEHOLD LAND AND BUILDINGS: GROUP

	Land £	Buildings £	Total £
COST			
Cost at 1 April 2020	37,575,498	60,498,310	98,073,808
Additions	-	605,793	605,793
Disposals	(314,286)	(307,863)	(622,149)
Completions	-	-	-
Cost at 31 March 2021	**37,261,212**	**60,796,239**	**98,057,451**
DEPRECIATION			
Balance at 1 April 2020	-	3,133,653	3,133,653
Charge in the year	-	829,804	829,804
Balance at 31 March 2021	**-**	**3,963,457**	**3,963,457**
Net book value at 31 March 2021	**37,261,212**	**56,832,783**	**94,093,995**
Net book value at 31 March 2020	37,575,498	57,364,657	94,940,155

FREEHOLD LAND AND BUILDINGS: CHARITY

	Land £	Buildings £	Total £
COST			
Cost at 1 April 2020	16,667,249	55,665,279	72,332,528
Additions	-	544,118	544,118
Disposals	(314,286)	(101,687)	(415,973)
Completions	-	-	-
Cost at 31 March 2021	**16,352,963**	**56,107,710**	**72,460,673**
DEPRECIATION			
Balance at 1 April 2020	-	2,711,694	2,711,694
Charge in the year	-	745,039	745,039
Disposals	-	(6,694)	(6,694)
Balance at 31 March 2021	**-**	**3,450,039**	**3,450,039**
Net book value at 31 March 2021	**16,352,963**	**52,657,671**	**69,010,634**
Net book value at 31 March 2020	16,667,249	52,953,585	69,620,834

6. LEASEHOLD BUILDINGS: GROUP AND CHARITY

	Total £
COST	
Cost at 1 April 2020	92,142,499
Additions	336,667
Disposals	(613,674)
Transfers from land and buildings under development	59,075,283
Cost at 31 March 2021	**150,940,775**
AMORTISATION	
Balance at 1 April 2020	2,292,262
Charge in the year	1,523,878
Disposals	(16,850)
Balance at 31 March 2021	**3,799,290**
Net book value at 31 March 2021	**147,141,485**
Net book value at 31 March 2020	89,850,238

7. LAND AND BUILDINGS UNDER DEVELOPMENT: GROUP

	Land £	Buildings under development £	Total £
Cost at 1 April 2020	7,041,749	61,942,772	68,984,521
Additions	-	7,496,307	7,496,307
Completions	-	(59,075,284)	(59,075,284)
Cost at 31 March 2021	**7,041,749**	**10,363,796**	**17,405,545**

LAND AND BUILDINGS UNDER DEVELOPMENT: CHARITY

	Land £	Buildings under development £	Total £
Cost at 1 April 2020	7,041,749	58,985,753	66,027,502
Additions	-	8,089,634	8,089,634
Completions	-	(59,075,283)	(59,075,283)
Cost at 31 March 2021	**7,041,749**	**8,000,104**	**15,041,853**

8. TANGIBLE FIXED ASSETS: GROUP AND CHARITY

	Office Improvements	Computer and Office Equipment	Total
	£	£	£
COST			
Cost at 1 April 2020	29,354	64,868	94,222
Additions	43,212	14,435	57,647
Disposal	-	(530)	(530)
Cost at 31 March 2021	**72,566**	**78,773**	**151,339**
DEPRECIATION			
Balance at 1 April 2020	13,755	45,026	58,781
Charge in the year	16,314	18,647	34,961
Disposal	-	(190)	(190)
Balance at 31 March 2021	**30,069**	**63,483**	**93,552**
Net book value at 31 March 2021	**42,497**	**15,290**	**57,787**
Net book value at 31 March 2020	15,599	19,841	35,440

9. FIXED ASSET INVESTMENTS: GROUP

	2021 £	2020 £
Market value at 1 April	1,205,729	5,441,759
Additions	-	-
Disposals	(1,200,000)	(4,200,000)
Unrealised losses	(5,729)	(36,030)
Market value at 31 March	-	1,205,729
Cash held as an investment	7,889,012	9,863,457
Total market value at 31 March	7,889,012	11,069,186
Historical cost at 31 March	7,889,012	11,069,945

Market values at 31 March are analysed as:	2021 £	2020 £
Bonds	-	1,205,729
Cash	7,889,012	9,863,457
	7,889,012	11,069,186

FIXED ASSET INVESTMENTS: CHARITY

	2021 £	2020 £
Market value at 1 April	27,265,391	31,501,421
Additions	-	-
Disposals	(1,200,000)	(4,200,000)
Unrealised gains/(losses)	(5,729)	(36,030)
Market value at 31 March	26,059,662	27,265,391
Cash held as an investment	7,889,012	9,863,457
Total market value at 31 March	33,948,674	37,128,848
Historical cost at 31 March	30,636,352	33,843,204

9. FIXED ASSET INVESTMENTS: CHARITY (Continued)

Market values at 31 March 2021 are analysed as:	2021 £	2020 £
Bonds	-	1,205,729
Investment in subsidiaries	100	100
Purchase of Shares	26,059,562	26,059,562
Cash	7,889,012	9,863,457
	33,948,674	37,128,848

Investments in cash and bonds are primarily held to preserve the capital to meet existing capital commitments and for appropriate property investment opportunities as they arise.

Included in the Fixed Asset Investments owned by the Charity are investments of £26,059,662 (2020: £26,059,662) in wholly owned subsidiaries, DSF Developments Limited and Hoxton Regeneration Limited, which are consolidated in the Group balance sheet.

Investments which individually represent more than 5% of the portfolio by market value are:

	2021 £	2020 £
Cash	7,889,012	9,863,457

Subsidiaries

	DSF Developments Limited	Dolphin Living Limited	Hoxton Regeneration Limited
Company Number	8327131	32446R	597445
Incorporation	England	England	England
Shareholding	100%	100%	100%
	2021 £	**2021 £**	**2021 £**
Assets	2,062,946	987,918	23,206,243
Liabilities	(2,062,846)	(522,706)	(4,415,127)
Fund/net assets	100	421,590	18,791,116
Income	(2,045,010)	(1,551,573)	(1,036,142)
Expenditure	2,045,010	1,548,880	1,036,142
Profit/(loss)	-	2,693	-

10. DEBTORS

	2021 £		2020 £	
	Group	Charity	Group	Charity
Trade debtors	1,396,076	-	1,202,837	-
Other debtors	781,733	913,231	995,319	1,147,487
Prepayments	337,213	335,424	189,848	187,950
Intra group debts	-	5,358,671	-	4,912,468
Downham Road Ltd Loan	-	-	1,542,500	1,542,500
	2,515,022	6,607,326	3,930,504	7,790,405

During the year the Charity provided funds to wholly owned subsidiaries under loan agreements and an agreement to provide support.

At the year end the amounts owed to the Charity by DSF Developments Limited were £1,378,214 (2020: £1,299,488) under the development agreement, which included a gift of £2,121 (2020: £12,497) and £191,472 (2020: £189,492) for shared costs.

At the year end the amounts owed to the Charity by Hoxton Regeneration Limited were £3,467,135 (2020: £2,055,596) from two loan agreements £865,074 (2020: £2,268,933) and £1,198,202 (2020: £1,190,522). Both loan agreements have a ten-year term and are repayable in five and six years, respectively. During the year shared costs recharged by the Charity to Hoxton regeneration amounted to £103,253 (2020: £56,363).

At the year end the amounts owed to the Charity by Dolphin Living Limited were £513,322 (2020: £448,225) for shared costs and expenses.

Amounts owed under each loan agreement incur interest at 3.5% above the base rate. No interest is charged on shared costs.

During the year the loan to Downham Road Limited was paid in full.

11. CASH AT BANK

An amount of £250,000 (2020: £250,000) is currently held in reserve for specific development costs.

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £		2020 £	
	Group	**Charity**	**Group**	**Charity**
Trade creditors	1,666,578	1,883,043	1,437,318	93,359
Development creditors	-	-	-	-
Social security & other taxes	22,095	20,133	22,912	22,912
VAT	7,488	7,488	52,614	52,614
Accruals	1,052,849	1,018,227	1,456,827	1,407,265
Development retentions	646,472	-	1,301,386	-
Loans	-	-	-	-
Intercompany creditors	-	-	-	1,199,113
Other creditors	932,355	837,958	670,113	617,495
	4,327,837	3,766,849	4,941,170	3,392,758

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021 £		2020 £	
Amounts due:	**Group**	**Charity**	**Group**	**Charity**
One to two years	85,808	85,808	81,056	81,056
Two to five years	389,346	389,346	369,087	369,087
More than five years	106,513,588	106,513,588	106,659,437	106,659,437
	106,988,742	106,988,742	107,109,580	107,109,580

The cost of raising finance is amortised over the life of a loan in parallel with capital repayments.

The interest rates on £53.5 million and £26.0m of debt is fixed at 3.73% and 3.48% respectively until 2046. The interest rate on £5 million of the debt is floating at 2.25% above Bank of England base rate until 2041. The interest rate on £25 million of the debt is fixed at 4.25% until 2026.

14. MOVEMENT ON RESERVES: GROUP

	Balance 1 April 2020 £	Surplus/ (deficit) £	Net losses on Investments £	Transfer £	Balance 31 March 2021 £
Unrestricted funds	132,415,909	162,350	(5,729)	(806,264)	131,766,266
Designated funds					
WHOA fund	5,680,847	(35,149)	-	-	5,645,698
Sinking fund	1,735,673	-	-	447,897	2,183,570
Total unrestricted funds	139,832,429	127,201	(5,729)	(358,367)	139,595,534
Restricted Funds	26,201,353	504,747	-	358,367	27,064,467
	166,033,782	631,948	(5,729)	-	166,660,001

MOVEMENT ON RESERVES: GROUP

	Balance 1 April 2019 £	Surplus/ (deficit) £	Net losses on Investments £	Transfer £	Balance 31 March 2020 £
Unrestricted funds	133,336,876	2,110,711	(36,030)	(2,995,648)	132,415,909
Designated funds					
WHOA fund	5,477,962	(125,469)	-	328,354	5,680,847
Sinking fund	1,287,776	-	-	447,897	1,735,673
Total unrestricted funds	140,102,614	1,985,241	(36,030)	(2,219,397)	139,832,429
Restricted Funds	23,981,956	-	-	2,219,397	26,201,353
	164,084,570	1,985,241	(36,030)	-	166,033,782

MOVEMENT ON RESERVES: CHARITY

	Balance 1 April 2020 £	Surplus/ (deficit) £	Net losses on Investments £	Transfer £	Balance 31 March 2021 £
Unrestricted funds	134,918,080	303,232	(5,729)	(806,264)	134,409,319
Designated funds					
WHOA fund	5,840,921	-	-	-	5,840,921
Sinking fund	1,735,673	-	-	447,897	2,183,570
Total unrestricted funds	142,494,674	303,232	(5,729)	(358,367)	142,433,810
Restricted Funds	26,201,353	504,747	-	358,367	27,064,466
	168,696,027	807,978	(5,729)	-	169,498,276

MOVEMENT ON RESERVES: CHARITY

	Balance 1 April 2019 £	Surplus/ (deficit) £	Net losses on Investments £	Transfer £	Balance 31 March 2020 £
Unrestricted funds	136,325,746	1,624,013	(36,030)	(2,995,648)	134,918,080
Designated funds					
WHOA fund	5,512,566	-	-	328,355	5,840,921
Sinking fund	1,287,776	-	-	447,897	1,735,673
Total unrestricted funds	143,126,087	1,624,013	(36,030)	(2,219,397)	142,494,674
Restricted Funds	23,981,957	-	-	2,219,397	26,201,353
	167,108,044	1,624,013	(36,030)	-	168,696,027

The transfer of funds from unrestricted to restricted relates to the purchase or development of homes for use in the WHOA scheme and reflects expenditure over and above the restricted grant received. The homes, and funds, are restricted for the duration of the scheme (15 years). The expenditure of WHOA funds in the year relates to the successful payment of a grant under the scheme.

The transfer of funds from unrestricted to the designated sinking fund is for long term repair and renewal costs for both individual homes and freehold buildings. Provisions are made reflecting current best estimates of future costs and when they are likely to be incurred. For buildings owned under a long leasehold long term repair costs are paid through the service charge recognised in the income and expenditure account and are not reflected in this designated fund. No provision has been made for properties where a capital works programme is underway and the future expenditure is reflected in financial commitments.

The transfer of funds from unrestricted to the designated WHOA fund reflects the contingent liability for the payment of enhanced deposits to the participants of the scheme. The amount designated is the net present value of projected enhanced deposit payments over the duration of the scheme.

15. NET ASSETS ACROSS FUNDS: GROUP

	Restricted Funds 2021 £	Designated Funds 2021 £	Unrestricted Funds 2021 £
Fixed assets	27,064,466	-	239,523,458
Current assets	-	7,829,268	3,559,488
Liabilities	-	-	(111,316,579)
Total Funds	27,064,466	7,829,268	131,766,268

NET ASSETS ACROSS FUNDS: CHARITY

	Restricted Funds 2021 £	Designated Funds 2021 £	Unrestricted Funds 2021 £
Fixed assets	27,064,466	-	238,135,966
Current assets	-	8,024,490	7,028,945
Liabilities	-	-	(110,755,591)
Total Funds	27,064,466	8,024,490	134,409,319

NET ASSETS ACROSS FUNDS: GROUP

	Restricted Funds 2020 £	Designated Funds 2020 £	Unrestricted Funds 2020 £
Fixed assets	26,201,353	-	238,678,186
Current assets	-	7,416,520	5,788,473
Liabilities	-	-	(112,050,750)
Total Funds	26,201,353	7,416,520	132,415,909

NET ASSETS ACROSS FUNDS: CHARITY

	Restricted Funds 2020 £	Designated Funds 2020 £	Unrestricted Funds 2020 £
Fixed assets	26,201,353	-	236,461,508
Assets	-	7,576,593	8,958,910
Liabilities	-	-	(110,502,338)
Total Funds	26,201,353	7,576,593	134,918,080

16. TRUSTEES' EXPENSES

The Governors of Dolphin Square Charitable Foundation received no remuneration during the year. Expenses of £1,045 (2020: £ 1,045) were reimbursed to 2 (2020: 2) Governors for travel, entertaining and subsistence expenses incurred for business purposes.

17. CONTROLLING PARTY

The ultimate controlling party is the Dolphin Square Charitable Trustee Limited, which is the trustee for the Charity.

18. RELATED PARTY TRANSACTIONS

The group operates a cost sharing agreement whereby support costs are shared between the entities within the group. The employees are jointly employed by all group operating entities. The details of these and other related party transactions can be found in the investment and debtors notes above.

19. COMMITMENTS

The Charity and the Group has the following commitments payable within the year to 31 March 2021:

OPERATING LEASE: GROUP AND CHARITY	2021 £	2020 £
Lease payments within one year	58,220	79,772
Lease payments later than one year not later than five years	177,136	-

Amounts payable under operating leases during the year ended 31 March 2021 amounted to £79,772 (2020: £79,772).

At the year end, the corporate trustee had authorised the following capital commitments for the Charity and the Group:

	2021 Authorised £	2021 Contracted £	2020 Authorised £	2020 Contracted £
Capital commitments	6,757,625	4,213,796	10,271,284	8,343,643