

# **DEVELOPING HEALTH AND INDEPENDENCE**

## **(A company limited by guarantee)**

**REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

Registered charity number	01078154
Company number	03830311

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**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2016**

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# **DEVELOPING HEALTH AND INDEPENDENCE**

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## **REPORT OF THE BOARD OF TRUSTEES**

**FOR THE YEAR ENDED 31 MARCH 2016**

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The Board of Trustees, who are also Directors for the purposes of the Companies Act, presents its report and the audited financial statements for the year ended 31 March 2016. The financial statements comply with the Charities Act 2011, the Company's Act 2006 and the Charity Statement of Recommended Practice applicable to charities preparing their Financial Statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

### **Chair's Report**

While 2015/16 was a relatively stable year in terms of overall income and expenditure, preparing for change was at the heart of the charity's operations.

We saw an on-going move away from high levels of local authority contract funding, with many of our contracts coming to an end in 2017 and uncertainty around the future of some services. With this in mind, we have continued the drive to make all possible efficiency savings to central costs. We have also continued to support income generation through alternative sources, including the development of our social enterprises such as Home Turf Lettings, since housing remains a need for many of our clients and affordability a growing issue.

We are particularly proud that during the year 90 volunteers contributed over 3,650 hours of their time, alongside over 100 peers and student placements: their expertise and talents bringing enormous benefit to the organisation and its service users. Moreover, harnessing the value of our service users through our vibrant peer training programme, leading to peer support within DHI or elsewhere in the community is also something we feel puts the charity and its clients in the best possible position. Our peer support programme has become an area of expertise, and an area for growth.

Finally, despite the challenges of continual change we remain committed to the highest standards of care and improvement in our services, and so were delighted to have been awarded the Investors in Excellence quality standard this year. We remain robust financially and organisationally, and look forward to continuing to support and work with those most excluded.

### **Our Purpose and Activities**

#### **The Purpose of the Charity is:**

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

#### **The Charity's vision:**

Developing Health and Independence (DHI) challenges disadvantage and social exclusion by supporting people to achieve their potential and contribute to the richness and wellbeing of their community. DHI is flexible, creative and person centred in its approach, valuing each individual and their circumstances as unique.

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**The Charity's values:**

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

**The Charity's activities:**

DHI provide a wide range of support services across Bath and North East Somerset (B&NES), Bristol, South Gloucestershire, Somerset, Wiltshire and Swindon for people who are excluded for reasons such as homelessness, alcohol or drug problems, physical or mental ill health or a learning disability.

Services include:

- Drug and alcohol interventions: through from harm reduction, brief interventions, phased and layer structured interventions for those who have decided to address problem drug use, through to reintegration support, and support for the families and carers of substance users.
- Information, advice and brokerage services for people who need information and advice on a wide range of welfare, social and health related issues. This is a core service offering, and all services work in this way, however specifically this includes social prescribing, where we work alongside GP's with patients with a range of non-medical needs.
- DHI manages six supported housing projects for people who have experienced problems with substance use in the past, who are not currently using drugs or alcohol and benefit from support to remain abstinent, as well as one for those stable on a script.
- DHI Floating Support Services assist people in housing need to access housing and support them in managing and maintaining their accommodation by offering information and advice on benefits, budgeting and managing their debts. Money for the deposit and/or rent in advance is usually necessary to move into a private rented property. DHI runs two schemes which lend homeless clients the money to start a new tenancy.
- Specialist support for perpetrators of domestic violence.
- Support planning and direct payment service for those entitled to a personal budget in order to promote maximum independence.

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

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

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**Achievements and Performance**

During the 2015/16 financial year DHI's services continued to thrive despite the continued challenges that face the social care sector, including on-going cuts and increasing need.

- A net decrease of 8% in the charity's incoming resources
- A net increase of 2% in staffing costs
- Staffing, year on year, has remained stable.

The net decrease in incoming resources of 8% is as a result of a number of contractual gains and losses between the two financial years, most notably,

- Increase in income of 7% in Treatment Services primarily as a result of increases in DHI's Bristol Service: Golden Key and RSVP accounting for just over £260,000. However, expenditure, primarily as a result of set-up costs rose at a faster rate (by 11%) and thus a decrease in net contribution resulted.
- Increase in income of 40% in the Communities Service as a result of the award of the MyScript project in B&NES. Expenditure matched the rise in income and the net contribution remained stable.
- Housing Services income and expenditure fell by 40% as a result of the loss of two significant contracts – Community 4, Mendip and Somerset Family Focus Services and WASP.
- Underlying ('core business') HTL income rose by 40%. In 2014/5 £167,000 was received from two Empty Homes Grants which were used to fund works at three properties and the purchase of 19 Abbotswood. This income was not repeated in the 2015/6, hence an overall reduction in income of 60% year on year.

In terms of service delivery, this means that DHI still supported well in excess of 4,000 service users and their families and carers to be more independent and lead happier, more fulfilling lives.

During the year 90 volunteers contributed over 3,650 hours of their time, alongside over 100 peers and student placements combined: their expertise and talents bringing enormous benefit to the organisation and its service users.

Some of the key achievements in the year were:

- In drug and alcohol treatment services, performance was high across all our services with 58.5% exiting treatment in planned way.
- The B&NES Alcohol Liaison Service saved over 550 bed days per quarter for the RUH.
- Despite national trends in the opposite direction, the number of rough sleepers in Bath fell by 19%, due in no small part to the great work of our Assertive Outreach service.
- Having been selected by Bristol City Council, Home Turf Lettings began housing Syrian refugees coming to Bristol under the governments Resettlement Programme.
- DHI's My Script team began a new social prescribing service at Broadmead Medical Centre in Bristol following on from the successes of the BNES and South Gloucestershire services.
- Peer work went from strength to strength: our Golden Key Peer Mentoring service was formally launched in January by the then Bristol Mayor, George Ferguson; and the first of our Direct

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Payment services established a peer support forum, providing additional support to people received direct payments services.

- 80% of people left DHI's dry houses engaged in education, training or employment and were abstinent.

DHI uses a Balanced Score Card to drive our strategy and measure the achievement of the Charity's strategic objectives. The criteria against which success is measured for 2015/6 was:

- Educate and influence, creating a clear DHI brand with a compelling identity, narrative and offer.
- Increase access to affordable housing for the socially excluded.
- Provide value-for-money services: optimise use of resources to get the most advantageous combination of quality, sustainability and cost to achieve the intended outcomes.
- Future proofing the organisation to ensure that we are in a state of preparedness.
- Increase non-contract income to protecting DHI's core work with the socially excluded.

Cascade objectives were set at company, services, team and individual level to drive these high level objectives. Success was measured on a quarterly basis with action plans in areas where there is under-performance. 49 objectives were set of which and, on average, were 80% completed by the end of the financial year.

Against our three-year business plan, this translates into great strides against our core objectives, in particular, increasing the availability of affordable housing, and making efficiency savings to central costs. We also remodelled, to put services in the best possible position for the future, acknowledging that we face difficult times ahead in providing support for the most excluded.

### **Financial Review**

#### **Income**

DHI's total income decreased by £430,441 this year from £5,188,998 in 2014/15 to £4,758,557 in 2015/16, principally due to the completion of contracts relating to housing support in Somerset and Wiltshire.

Income from Grants decreased this year from £296,808 to £119,909. This was due to the ending of the Home Turf Letting Empty Homes Scheme which during 2014/2015 allowed DHI to purchase a property in South Gloucestershire.

*A detailed analysis of income is shown in the Statement of Financial Activities (SOFA) and Notes 2 – 4 of the Financial Statements.*

#### **Expenditure**

Total spending of charitable activities for the year of £4,814,398 represents a 2% decrease in expenditure from 2014/15 levels.

The amount spent on salaries remains consistent with previous years and is in the region of 70% of the organisation's charitable spend.

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

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**Fund Analysis**

The Board can confirm that the Charity's assets are available and adequate to fulfil the obligations of the charity on a fund by fund basis. Incoming resources for the year of £4,758,557 included £76,646 of designated funds and £3,716 of restricted funds. Of the £1,987,886 funds retained at year end, £165,586 were designated and £56,425 were restricted.

*Further analysis of designated and restricted funds, is shown in the SOFA and Notes 17-18 of the Financial Statements.*

**Reserves Policy**

The Board of Management has examined the Charity's requirements for reserves in the light of the main financial risks to the organisation. It has established a policy whereby the unrestricted funds not committed or invested in tangible fixed assets (free reserves) held by the charity should be maintained at a level in the region of three to six months organisational running costs. Budgeted expenditure for the year 2016/17 is £4,523,167 and the Board have set a target for reserves in the region of £1,200,000 in general funds.

Free reserves for the year 2015/16 are £1,474,426 which equates to approximately 3.7 months organisational running costs and is greater than the target value of reserves. At this level, the Board of Directors feel confident DHI is able to continue the core activities of the charity in the event of a significant drop in funding, whilst considering how any such loss in funding could be replaced or activities changed.

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

**Investment Policy**

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

**Principal Risks and Uncertainties**

DHI has a Risk Management Policy which is accessible to all members of staff, and a Risk Analysis and Management Planning Procedure – the Board of Directors review the procedure annually. The procedure takes into account all major risks that the charity may be exposed to in terms of likelihood and impact on the business if they happen. This review includes the operational, reputation, and financial impact combined with a 'likelihood' score.

This is then built into a Risk Register which is under continual review/monitoring and is a standing item at Board meetings.

The key risks, which remain the same as in previous years, and identified by the Executive relate to:

- DHI relies on contract income for over 90% of its funds. The continued and deepening cuts in contractual funding, the risks of which are being mitigated by diversification of sources of income. The Board agreed the appointment of an Income Generation Manager with the remit of sourcing funds from Trusts and other similar bodies. DHI's social enterprise, Home Turf Lettings, continues to provide an alternative source of funding income. The Executive continues

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to monitor performance issues which may result in the non-achievement of contractual obligations (thus putting funding at risk) and takes immediate, corrective action where necessary.

- Failures in safeguarding policies and processes which would result in breaches of regulatory and contractual obligations. The appointment of a Safeguarding Lead at Executive level (the Operations Director), the review of all policies and processes and an annual Board-level audit reduces the risks in this area.
- Failure of information governance causing loss or error in data resulting in breaches in DHI's regulatory requirements and/or causes inaccurate and/or loss or inappropriate access to data. Risks have been mitigated by the achievement of IG Toolkit accreditation.

#### **Going Concern**

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

#### **Plans for the future**

DHI's overarching strategic objectives have changed little since the 2014/17 Business Plan was prepared, with the exception that a fifth overarching objective was added in light of the predicted extent and speed of cuts: increase in non-contract income.

- Ensuring the impact of our services is better demonstrated and understood by those with the power to make decisions that affect our client groups.
- Increasing the availability of decent affordable housing for vulnerable people.
- Value for Money: optimise use of organisation resources to get the most advantageous combination of quality, sustainability and cost to achieve the intended outcomes.
- Future proofing the organisation through thorough preparation in terms of both mindsets and scenario planning.
- Increase of non-contract funding to ensure sustainability of services to the most vulnerable and to enable the organisation to continue to innovate through pilot projects.

DHI is currently preparing its next three-year Business Plan for the period 2017 – 2020.



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**Reference and Administrative Information**

<b>Charity Name</b>	Developing Health and Independence (Formerly Drugs and Homeless Initiative)
<b>Charity No</b>	1078154
<b>Company No</b>	3830311

The charitable company is governed by its Articles and Memorandum of Association, most recently amended on 30<sup>th</sup> October 2012 when the maximum term served by Trustees was amended.

<b>Registered Office &amp; Operational Address</b>	15 – 16 Milsom Street, Bath, BA1 1DE
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**Board of Directors/Trustees**

Ms Sarah Davies	(elected Chair 15 Mar 2016)
Mr Bill Shaw	(elected Treasurer 1 Sept 2015)
Ms Sarah Talbot Williams	(Chair until 15 Mar 2016, continues as Vice-Chair)
Mr Philip Milner	(resigned 26 Jan 2016)
Mr Will Rolt	
Ms Irene MacDonald	
Ms Charlotte Bayntun Coward	(appointed 21 Apr 2015, resigned 2 Sept 2015)
Mr Ken Littlewood	(completion of term of office – retired 2 Sept 2015)
Ms Anna Reut	(resigned 21 April 2015)
Ms Katharine Hegarty	(elected 17 May 2016)
Mr David Ollendorff	(elected 17 May 2016)

<b>Company Secretary</b>	Ms Anne Welch (appointed 24 Nov 2015) Ms Dawn Saxon (resigned 24 Nov 2015)
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**Key Management Personnel**

Ms Rosemary Phillips	Chief Executive Officer
Ms Anne Welch	Corporate Services & Finance Director (appointed 1 Jan 2016)
Ms Caroline Meddick	Finance Director (resigned 31 Dec 2015)
Mr Mark Coates	Social Enterprise & Strategic Housing Director
Ms Zoe Rice	Treatment Services Director (resigned 30 Nov 2015)
Ms Sarah Shatwell	Operations Director (appointed 1 June 2016)
Mr Jan Melichar	Medical Director

<b>Auditors</b>	Monahans, Fortescue House, Court Street, Trowbridge BA14 8FA
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<b>Bankers</b>	Unity Trust Bank plc, Nine Brindley Place, Birmingham B1 2HB
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<b>Solicitors</b>	Things, 2 Queen Square, Bath BA1 2HQ
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**Structure, Governance and Management**

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

The Board of Directors (Trustees) are elected from its membership by its members either at its AGM, or, where a vacancy exists, at any time between AGMs.

DHI's Board consists of up to 10 members who meet at least six times a year and who are responsible for the strategic direction and governance of the charity, agree the business plan, monitor progress toward achievement of organisational goals, review operational performance and oversee the management of organisational risk. Meetings must be quorate with the attendance of a minimum of three trustees, and each meeting is formally minuted.

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

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

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

The Executive of the organisation comprises:

- Chief Executive Officer, through whom the Board exercises its Governance
- Corporate Services & Finance Director
- Social Enterprise & Strategic Housing Director
- Operations Director
- Medical Director

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

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

Trustees are appointed following application and interview with the Chair, Chief Executive Office and another Trustee. Following a satisfactory interview, candidate Trustees will be invited to join at least one meeting as an observer. At the end of these meetings, the Board will review the candidate Trustees contribution and then invite them, if appropriate, to be a full member. Newly appointed Trustees are mentored by the Chair or another senior Trustee. Annual appraisals of Trustees take place and an 'Away Day' provides an opportunity for training and development.

Key Management Personnel, excluding Trustees, are remunerated by annual salary and the DHI standard pension contribution. There are no additional payments or benefits in kind. Remuneration levels for all grades under Chief Executive Officer are set against a standard point scale (the 'National Joint Committee' scale) and are subject to performance based review which is the same as

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**FOR THE YEAR ENDED 31 MARCH 2016**

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applied to all other members of staff. The Chief Executive Officer's salary is set by the Board of Trustees.

**Related parties and relationships with other organisations**

DHI holds an impressive track record of achievement against targets, and strives continuously to improve its performance and service quality, while achieving competitive service costs. However, in order to deliver excellent client centred services that have maximum impact for both individuals and communities, we rely on building and maintaining excellent partnerships with a wide range of statutory and non-statutory organisations. In addition to many informal partnerships, DHI has a number of formal contractual relationships, including with Curo, Knightstone and Bournemouth Churches Housing Associations where we are managing agent of their properties; or for example, with The Care Forum or Stonham, where we are the prime contractor.

**Guarantee of Members**

Members of the charitable company guarantee to contribute an amount not exceeding £1 to the assets of the charitable company in the event of winding up. The total number of such guarantees at 31 March 2016 was seven (2015: nine).

**Statement of Trustees' Responsibilities**

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

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

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

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

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

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**Statement of disclosure of information to the auditor**

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

Ms Sarah Davies

Chair



On behalf of the Board of Directors

Date

27/9/16.

**DEVELOPING HEALTH AND INDEPENDENCE**  
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**INDEPENDENT AUDITORS' REPORT**  
**TO THE MEMBERS OF DEVELOPING HEALTH AND INDEPENDENCE**  
**FOR THE YEAR ENDED 31 MARCH 2016**

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**Independent Auditor's Report to the members of Developing Health and Independence**

We have audited the financial statements of Developing Health and Independence for the year ended 31 March 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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

**Respective responsibilities of trustees and auditor**

As explained more fully in the Statement of Trustees' Responsibilities set out on page 11, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Report of the Trustees to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2016, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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**INDEPENDENT AUDITORS' REPORT**  
**TO THE MEMBERS OF DEVELOPING HEALTH AND INDEPENDENCE**  
**FOR THE YEAR ENDED 31 MARCH 2016**

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**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which we are required to report by exception**

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

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



James Gare (Senior Statutory Auditor)  
For and on behalf of Monahans  
Statutory Auditor  
Chartered Accountants  
Fortescue House  
Court Street  
Trowbridge  
Wiltshire  
BA14 8FA

4/10/16

**DEVELOPING HEALTH AND INDEPENDENCE**  
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**STATEMENT OF FINANCIAL ACTIVITIES (including income & expenditure account)**  
**FOR THE YEAR ENDED 31 MARCH 2016**

		General Unrestricted £	Designated Unrestricted £	Restricted £	Total 2015/2016 £	Total 2014/2015 £
<b>Income from:</b>						
Donations & Legacies	2	16,616			16,616	11,604
Charitable Activities	3					
<i>Treatment Services</i>		3,477,479	10,000	-	3,487,479	3,267,093
<i>Community Services</i>		342,355		-	342,355	244,624
<i>Housing Services</i>		735,555	45,042	-	780,597	1,305,674
<i>Home Turf Lettings</i>		82,295	21,604	3,716	107,615	269,265
<i>Central Services</i>		10,648	-	-	10,648	16,660
Investments	4	3,955	-	-	3,955	26,678
Other		9,292	-	-	9,292	47,400
<b>Total Income</b>		<u>4,678,195</u>	<u>76,646</u>	<u>3,716</u>	<u>4,758,557</u>	<u>5,188,998</u>
<b>Expenditure on:</b>						
Charitable activities						
<i>Treatment Services</i>		3,141,570	171,561	125,426	3,438,557	3,094,032
<i>Community Services</i>		316,105	58,037		374,142	263,187
<i>Housing Services</i>		797,427	40,632		838,059	1,376,617
<i>Home Turf Lettings</i>		106,769	15,403	7,131	129,303	145,711
<i>Central Services</i>		31,532	898	1,907	34,337	18,151
<b>Total Expenditure</b>	5	<u>4,393,403</u>	<u>286,531</u>	<u>134,464</u>	<u>4,814,398</u>	<u>4,897,698</u>
Net gains/(losses) on investments		<u>518</u>			<u>518</u>	<u>2,428</u>
<b>Net income/(expenditure)</b>		<u>285,310</u>	<u>(209,885)</u>	<u>(130,748)</u>	<u>(55,323)</u>	<u>293,728</u>
Transfers between funds	18	337,664	(337,664)		-	-
<b>Net Movement in funds</b>		<u>622,974</u>	<u>(547,549)</u>	<u>(130,748)</u>	<u>(55,323)</u>	<u>293,728</u>
<b>Reconciliation of funds</b>						
Funds at 1 April 2015		<u>1,142,901</u>	<u>713,135</u>	<u>187,173</u>	<u>2,043,209</u>	<u>1,749,481</u>
Funds at 31 March 2016		<u>1,765,875</u>	<u>165,586</u>	<u>56,425</u>	<u>1,987,886</u>	<u>2,043,209</u>

**DEVELOPING HEALTH AND INDEPENDENCE**  
**(a company limited by guarantee)**  
**BALANCE SHEET**  
**AS AT 31 MARCH 2016**

**Company Number: 03830311**

	Notes	2016 £	2015 £
<b>Fixed Assets</b>			
Tangible Assets	11	291,449	319,108
Investments	12	<u>400,518</u>	<u>402,428</u>
		691,967	721,536
<b>Current Assets</b>			
Debtors	13	261,334	565,334
Cash at Bank and in Hand		<u>1,600,870</u>	<u>1,167,472</u>
		1,862,204	1,732,806
<b>Creditors: Amounts falling due within one year</b>	14	<u>(466,304)</u>	<u>(336,954)</u>
<b>Net current assets</b>		1,395,900	1,395,852
<b>Total assets less current liabilities</b>		2,087,867	2,117,388
Provisions for liabilities	16	<u>(99,981)</u>	<u>(74,179)</u>
<b>Net Assets</b>		<u>1,987,886</u>	<u>2,043,209</u>
<b>Funds</b>			
<b>Unrestricted Funds</b>			
General Funds		1,765,875	1,142,901
Designated Funds	18	<u>165,586</u>	<u>713,135</u>
<b>Total Unrestricted Funds</b>		1,931,461	1,856,036
Restricted Funds	17	<u>56,425</u>	<u>187,173</u>
<b>Total Funds</b>		<u>1,987,886</u>	<u>2,043,209</u>

These financial statements have been prepared in accordance with the special provision of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved by the Board of Trustees on 27.9.16 & signed on its behalf by:

Ms Sarah Davies

*Sa Davies*

Chair of the Trustees

Mr Bill Shaw

*W Shaw*

Trustee



**DEVELOPING HEALTH AND INDEPENDENCE**  
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**CASHFLOW STATEMENT**  
**AS AT 31 MARCH 2016**

**1 Statement of Cash Flows**

	2016 £	2015 £
Cash flows from operating activities		
<i>Net cash used in operating activities</i>	469,653	446,276
Cash flows from investing activities		
<i>Payments to acquire tangible fixed assets</i>	(36,255)	(204,081)
<i>Purchase of investments</i>	-	(400,000)
	(36,255)	(604,081)
Change in cash and cash equivalents in the reporting period	433,398	(157,805)
Cash and cash equivalents at the beginning of the reporting period	1,167,472	1,325,277
Cash and cash equivalents at the end of the reporting period	<u>1,600,870</u>	<u>1,167,472</u>

**2 Reconciliation of net income/(expenditure) to net cash flow from operating activities**

	2016 £	2015 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(55,323)	293,728
Gain/losses on investments	1,910	(2,428)
Depreciation charges	17,567	47,358
Write off on fixed asset	46,347	844
Decrease/(increase) in debtors	304,000	2,732
Increase/(decrease) in creditors	129,350	29,863
Increase in provisions	25,802	74,179
Net Cash used in operating activities	<u>469,653</u>	<u>446,276</u>

**DEVELOPING HEALTH AND INDEPENDENCE**  
**(a company limited by guarantee)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS AT 31 MARCH 2016**

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**1 Accounting policies**

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

**General information and basis of preparation**

DHI is a charity limited by guarantee registered in the United Kingdom. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the reference and administrative information on page 9 of these financial statements. The nature of the charity's operations and principal activities are detailed within the Report of the Trustees.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their Financial Statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2015.

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

The charity adopted SORP (FRS 102) in the current year. An explanation of how transition to SORP (FRS 102) has affected the reported financial position and performance is given below.

**First-time adoption of Charities SORP (FRS 102)**

The charity has adopted the SORP (FRS 102) for the first time in the year ended 31 March 2016. The date of transition is 1 April 2014.

In preparing the Financial Statements, the trustees have considered whether in applying the accounting policies required by FRS 102 and the SORP (FRS 102) a restatement of comparative items was needed. No restatements were deemed necessary.

In accordance with the requirements of FRS 102 a reconciliation of the net income / (expenditure) for the year is provided.

*Reconciliation of comparative period net income / expenditure*

Adjustments to previously reported net income / (expenditure) in the comparative period were as follows:

	£
Net income / (expenditure) for the year ended 31 March 2015 under SORP (2005)	291,300
Adjustment for net gains / (losses) on investments now treated as a component of net income / (expenditure)	2,428
Net income / (expenditure) for the period ended 31 March 2015 under SORP (FRS 102)	<u>293,728</u>

**Fund accounting**

Unrestricted general funds are available for use at the discretion of the trustees in the furtherance of the general objectives of the charity.

Unrestricted designated funds have been set aside by the trustees out of unrestricted funds towards a specific purpose. Additional details can be found in note 18 to the Financial Statements. Restricted funds are subject to restrictions on their expenditure imposed by the fund provider. Additional details can be found in note 17 to the Financial Statements. Details of transfers can be found in note 18 to the Financial Statements.

**Income recognition**

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**AS AT 31 MARCH 2016**

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probable that the income will be received. The following specific policies are applied to particular categories of income:

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

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

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

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

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

**Expenditure recognition**

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

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

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

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

The costs of central support services have been allocated to activity cost categories on a pro-rata basis, based on the percentage value of specific contracts of the total income received by the charity. This is change compared to the prior year, when the costs of central support services were allocated to activity cost categories on the basis of number of full time equivalent staffing allocated to those activities.

**Income and expenditure allocation**

Income from charitable activities and donations has been re-analysed in the current year and prior year by activity. In the prior year Financial Statements income was split by income stream type. Expenditure on charitable activities has also been re-analysed in the current and prior years to match the revised income classification by activity.

**Fixed Assets**

Fixed assets are stated at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost of each asset over its expected useful life, which is four years for all assets except for freehold property which is depreciated over 50 years.

**DEVELOPING HEALTH AND INDEPENDENCE**  
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**Investments**

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

**Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**Debtors and creditors receivable / payable within one year**

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

**Provisions**

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

**Financial Instruments**

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

**Operating leases**

Rentals payable under operating leases are charged on a straight-line basis over the lease term.

**Pension schemes**

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

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

Deficit funding contributions are payable by the charity in respect of this multi-employer defined benefit scheme. No liability has been included within the Financial Statements in respect of the deficit reduction contributions payable, in line with the requirements of the SORP (FRS 102) on the basis that this liability is not deemed to be material to the Financial Statements. See note 23 to the Financial Statements for more details.

**Tax**

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

**Going concern**

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

**DEVELOPING HEALTH AND INDEPENDENCE**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**AS AT 31 MARCH 2016**

**2 Donations**

Donations	Unrestricted	Designated	Restricted	2016 Total	2015 Total
	£	£	£	£	£
Medlock Trust	8,333	-	-	8,333	-
The Community Arts	1,101	-	-	1,101	-
Other donations	7,182	-	-	7,182	7,604
Capita	-	-	-	-	2,000
C A Refarm	-	-	-	-	1,000
St John's Hospital	-	-	-	-	1,000
	<u>16,616</u>	<u>0</u>	<u>0</u>	<u>16,616</u>	<u>11,604</u>

The charity reclaims Gift Aid on an annual basis whenever possible. Advantage is taken of the Gift Aid Small Donations Scheme for cash donations wherever possible.

**3 Income from Charitable Activities**

a) Income for Treatment Services	Unrestricted	Designated	Restricted	2016 Total	2015 Total
	£	£	£	£	£
Contracts / SLAs	3,528,330	10,000	-	3,538,330	3,195,183
Transfer to partner providers	(165,156)	-	-	(165,156)	(46,834)
Grants	106,185	-	-	106,185	118,744
Fees & Service Charges	8,120	-	-	8,120	-
	<u>3,477,479</u>	<u>10,000</u>	<u>-</u>	<u>3,487,479</u>	<u>3,267,093</u>

  

b) Income for Community Services	Unrestricted	Designated	Restricted	2016 Total	2015 Total
	£	£	£	£	£
Contracts / SLAs	341,800	-	-	341,800	234,624
Grants	-	-	-	-	10,000
Fees & Service Charges	555	-	-	555	-
	<u>342,355</u>	<u>-</u>	<u>-</u>	<u>342,355</u>	<u>244,624</u>

  

c) Income for Housing Projects	Unrestricted	Designated	Restricted	2016 Total	2015 Total
	£	£	£	£	£
Contracts / SLAs	782,773	-	-	782,773	1,515,580
Transfer to partner providers	(221,037)	-	-	(221,037)	(396,408)
Transfer to landlord	(82,691)	-	-	(82,691)	(90,045)
Rental Income	299,186	45,042	-	344,228	321,581
Managment Chgs to Rental Income	(29,919)	-	-	(29,919)	-
Rental Voids	(43,616)	-	-	(43,616)	(45,034)
Fees & Service Charges	30,859	-	-	30,859	-
	<u>735,555</u>	<u>45,042</u>	<u>-</u>	<u>780,597</u>	<u>1,305,674</u>

  

d) Income for Home Turf Lettings	Unrestricted	Designated	Restricted	2016 Total	2015 Total
	£	£	£	£	£
Transfer to landlord	(197,708)	-	-	(197,708)	(117,526)
Rental Income	283,380	21,604	-	304,984	199,631
Managment Chgs to Rental Income	(28,338)	-	-	(28,338)	-
Rental Voids	(14,739)	-	-	(14,739)	(11,513)
Grants	10,008	-	3,716	13,724	168,064
Fees & Service Charges	29,692	-	-	29,692	30,609
	<u>82,295</u>	<u>21,604</u>	<u>3,716</u>	<u>107,615</u>	<u>269,265</u>

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e) Income for Central Services	Unrestricted	Designated	Restricted	2016 Total	2015 Total
	£	£	£	£	£
Contracts / SLAs	8,338	-	-	8,338	-
Fees & Service Charges	2,310	-	-	2,310	16,660
	<u>10,648</u>	<u>-</u>	<u>-</u>	<u>10,648</u>	<u>16,660</u>

**4 Investment Income**

All the charities investment income of £3,955 (2015: £26,678) arises from money held in interest bearing current and deposit accounts.

**5 Analysis of expenditure on Charitable Activities**

	Treatment	Communities	Housing	HTL	Central	2016 Total	2015 Total
	£	£	£	£	£	£	£
Provision of Services	3,141,016	345,583	772,946	106,841	5,017	4,371,403	4,393,150
Advertising & Publicity	16,960	1,413	2,085	616	-	21,074	24,152
Building Refurbishment	22,522	-	-	3,415	-	25,937	156,645
Depreciation	8,169	1,109	5,225	3,064	-	17,567	42,699
Loss on Disposal	-	-	-	-	-	-	843
Legal & Financial	33,231	4,255	7,069	1,563	-	46,118	21,633
Bad Debts/Write Off	430	10	2,482	6,852	29,320	39,094	72
Support Costs	200,037	19,699	44,808	6,190	-	270,734	241,195
Governance Costs	16,192	2,073	3,444	762	-	22,471	17,308
	<u>3,438,557</u>	<u>374,142</u>	<u>838,059</u>	<u>129,303</u>	<u>34,337</u>	<u>4,814,398</u>	<u>4,897,697</u>

**6 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel**

**a) Staff Costs**

	2016 £	2015 £
Salaries and wages	2,930,028	2,883,636
Social security costs	233,848	236,278
Pension contributions	148,401	127,562
	<u>3,312,277</u>	<u>3,247,474</u>

b) The number of employees who earned more than £60,000 during the year was as follows:

	2016 No.	2015 No.
£70,001 - £80,000	1	1

c) The charity trustees were not paid or received any other benefits from employment with the Charity or for professional services supplied to the charity. 1 trustee (2014/15: 4) received reimbursement for travel expenses totalling £109 (2014/15: £791).

d) The key management personnel of the charity comprise the Trustees, Chief Executive Officer, Corporate Services & Finance Director, Social Enterprise and Strategic Housing Director, Operations Director and Medical Director. The total employee benefits of the key management personnel of the Charity were £323,690 (2014/15: £225,979).

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- e) Redundancy payments made in 2015/16 amounted to £31,479 (2014/15: Nil). Redundancies were due to contracts ending in housing services and restructuring of treatment services.

**7 The annual average number of staff (head count) including casual and part-time staff over the reporting period were as follows:**

	2016 No.	2015 No.
Chief Executive Officer	1	1
Directors	3	4
Assistant Director	1	1
Service Managers	5	4
Administration, HR, Finance & IT	13	10
Team Leaders	14	18
Support Workers	128	125
	<u>165</u>	<u>163</u>

**8 Related party transactions**

£29,891 (2014/15: £Nil) was received in Grants from St John's Hospital in this financial year, a charity in which the trustee (Chair). Ms Sarah Davies is a trustee.

£552 (2014/15: £1,968) in respect of removal and delivery costs were paid to A J Removals and Deliveries Limited, a company in which the son of the former Finance Director, Ms Caroline Meddick, is a director.

£Nil (2014/15: £5,558) was paid to the Natural Theatre Company, a charity in which the trustee Mr Ken Littlewood is a trustee.

The transactions with the above organisations were all on an arms-length basis and no amounts were due to these organisations at the year-end date (2014-15: £Nil).

**9 Governance Costs**

	2016 £	2015 £
Audit and accountancy	17,708	13,558
Board volunteer expenses	109	791
Data audit costs	-	2,730
Other governance costs (Annual Event)	4,654	78
	<u>22,471</u>	<u>17,157</u>

**10 First-time adoption of Charities SORP (FRS 102)**

The charity has adopted the SORP (FRS 102) for the first time in the year ended 31 March 2016. The date of transition is 1 April 2014.

In preparing the Financial Statements, the trustees have considered whether in applying the accounting policies required by FRS 102 and the SORP (FRS 102) a restatement of comparative items was needed. No restatements were deemed necessary.

In accordance with the requirements of FRS 102 a reconciliation of the net income/expenditure for the year is provided.

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*Reconciliation of comparative period net income/expenditure*

	General Unrestricted	Designated Unrestricted	Restricted	Total 2015/2016	General Unrestricted	Designated Unrestricted	Restricted	Total 2014/2015
	£	£	£	£	£	£	£	£
<b>Income from:</b>								
Donations & Legacies	16,616	-	-	16,616	11,604	-	-	11,604
Charitable Activities								
Treatment Services	3,477,479	10,000	-	3,487,479	2,979,700	39,000	248,393	3,267,093
Community Services	342,355	-	-	342,355	244,624	-	-	244,624
Housing Services	735,555	45,042	-	780,597	1,305,674	-	-	1,305,674
Home Turf Lettings	82,295	21,604	3,716	107,615	114,951	-	154,314	269,265
Central Services	10,648	-	-	10,648	16,660	-	-	16,660
Investments	3,955	-	-	3,955	26,678	-	-	26,678
Other	9,292	-	-	9,292	47,400	-	-	47,400
<b>Total Income</b>	<b>4,678,195</b>	<b>76,646</b>	<b>3,716</b>	<b>4,758,557</b>	<b>4,747,291</b>	<b>39,000</b>	<b>402,707</b>	<b>5,188,998</b>
<b>Expenditure on:</b>								
Charitable activities								
Treatment Services	3,141,570	171,581	125,426	3,438,557	2,727,608	210,594	155,629	3,094,031
Community Services	316,105	58,037	-	374,142	262,224	963	-	263,187
Housing Services	797,427	40,632	-	838,059	1,363,485	13,132	-	1,376,617
Home Turf Lettings	106,769	15,403	7,131	129,303	95,871	2,062	47,778	145,711
Central Services	31,532	998	1,907	34,337	17,482	669	-	18,151
<b>Total Expenditure</b>	<b>4,393,403</b>	<b>286,531</b>	<b>134,464</b>	<b>4,814,398</b>	<b>4,466,870</b>	<b>227,420</b>	<b>203,407</b>	<b>4,897,697</b>
Net gains/(losses) on investments	518	-	-	518	2,428	-	-	2,428
<b>Net Income/(expenditure)</b>	<b>285,310</b>	<b>(209,885)</b>	<b>(130,748)</b>	<b>(55,323)</b>	<b>293,728</b>	<b>(188,420)</b>	<b>199,300</b>	<b>293,728</b>

*Adjustments to previously reported net income/(expenditure) in the comparative period were as follows:*

	£
Net income/(expenditure) for the year ended 31 March 2015 under SORP (2005)	291,300
Adjustment for net gains/(losses) on investments now treated as a component of net income/(expenditure)	2,428
Net income/(expenditure) for the period ended 31 March 2015 under SORP (FRS 102)	<u>293,728</u>

**11 Tangible Fixed Assets**

	Buildings	Vehicles	Furniture	Equipment	IT, Comms & Technology	Total
Cost	£	£	£	£		£
At 1 April 2015	278,558	14,500	21,088	214,497	-	528,643
Additions	2,975	-	-	-	33,280	36,255
Disposals	-	-	-	(214,497)	-	(214,497)
At 31 March 2016	<u>281,533</u>	<u>14,500</u>	<u>21,088</u>	<u>-</u>	<u>33,280</u>	<u>350,401</u>
<b>Accumulated Depreciation</b>						
At 1 April 2015	8,872	14,500	18,013	168,150	-	209,535
Charge for Year	6,172	-	3,075	-	8,320	17,567
Disposals	-	-	-	(168,150)	-	(168,150)
At 31 March 2016	<u>15,044</u>	<u>14,500</u>	<u>21,088</u>	<u>-</u>	<u>8,320</u>	<u>58,952</u>
<b>Net Book Value</b>						
At 31 March 2016	<u>266,489</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,960</u>	<u>291,449</u>
At 31 March 2015	<u>269,686</u>	<u>-</u>	<u>3,075</u>	<u>46,347</u>	<u>-</u>	<u>319,108</u>



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Included within buildings is a building with a net book value of £164,329 (2015: £164,765) which is held under a 999-year lease. This building is depreciated over 50 years on the basis that this is considered to be a more realistic estimate of the useful life of the asset.

**12 Investments**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
B/fwd market value	402,428	-
Additions	42,798	400,000
Disposals	(36,459)	-
Net Gains / losses	(8,249)	2,482
C/fwd market value	<u>400,518</u>	<u>402,428</u>

*Investments at Fair Value comprised:*

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
CAF Bank Ltd managed portfolio:		
Equities	<u>400,518</u>	<u>402,428</u>

All investments are carried at their fair value.

**13 Debtors**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Prepayments	90,225	136,165
Trade debtors	83,942	303,791
Rental debtors	50,693	59,636
Other debtors	36,474	65,742
	<u>261,334</u>	<u>565,334</u>

**14 Creditors: amounts falling due within one year**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Deferred income	238,652	60,453
Accruals	19,266	9,500
Social security	74,890	67,285
Trade creditors	69,321	195,237
Other creditors	64,175	4,479
	<u>466,304</u>	<u>336,954</u>

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**15 Movements in Deferred Income**

	Contracts & service level agreements	Income from rental activities	2016 £	2015 £
Balance deferred as at 1 April 2015	60,453	-	60,453	145,420
Amount released to incoming resources	(60,453)	-	(60,453)	(145,420)
Amount deferred in the year	238,652	-	238,652	60,453
Balance deferred as at 31 March 2016	<u>238,652</u>	<u>-</u>	<u>238,652</u>	<u>60,453</u>

Deferred income comprises amounts received in advance of the period in which they are to be delivered.

**16 Provisions**

	£	£
	Dilapidations provision	Total
At 1 April 2015	74,179	74,179
Additions during the year	<u>25,802</u>	<u>25,802</u>
	<u>99,981</u>	<u>99,981</u>

**17 Restricted Funds**

	At 1 April 2015 £	Incoming £	Outgoing £	Transfers £	At 31 March 2016 £
HTL Empty Homes Fund	59,840	-	(3,415)	-	56,425
St John's Hospital (Handy Help)	-	1,246	(1,246)	-	-
St John's Hospital (HTL)	-	2,470	(2,470)	-	-
Handy Help Training Fund	1,907	-	(1,907)	-	-
WASP (Wiltshire Service User Project)	<u>125,426</u>	<u>-</u>	<u>(125,426)</u>	<u>-</u>	<u>-</u>
	<u>187,173</u>	<u>3,716</u>	<u>(134,464)</u>	<u>-</u>	<u>56,425</u>

*Purposes of Funds*

HTL Empty Homes Fund: to enable properties in disrepair to be refurbished and rented out through DHI's Social Enterprise: Home Turf Lettings.

St John's Hospital (Handy Help): to enable ex-service users to gain skills & training through the Handy Help Service.

St John's Hospital (HTL): to provide a 0.5 FTE Housing Management Worker for 12 months.

Handy Help Training Fund: to enable ex-service users to gain skills & training through the Handy Help Service.

WASP (Wiltshire Service User Project): to support service users to volunteer in Wiltshire Drug and Alcohol Services.

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**18 Unrestricted Designated Funds**

	At 1 April 2015	Incoming	Outgoing	Transfers	At 31 March 2016
Unrestricted Designated Funds	£	£	£	£	£
Alcohol Liaison RUH/Detox Pilot	58,000	-	-	-	58,000
Hostels Sinking Fund	19,253	45,042	(19,825)	(5,888)	38,582
Tier 4 Detox Fund	30,000	-	-	-	30,000
2 Bridges Trust Fund	12,557	-	(898)	-	11,659
HTL Sinking Fund	4,445	21,604	(15,403)	-	10,646
Pension Provision	10,000	-	-	-	10,000
Alcohol Service Support Pilot (Sequin)(2y)	34,147	-	(29,879)	-	4,268
Detox Unit Fund	13,237	10,000	(20,807)	-	2,430
Alcohol Community Services	73,147	-	(73,147)	-	-
South Gloucestershire Project Funds	61,179	-	(61,179)	-	-
Social Prescribing Set Up Costs	49,000	-	(49,000)	-	-
B&NES Project 28	25,000	-	-	(25,000)	-
Mental Health SE Fund	9,037	-	(9,037)	-	-
South Gloucestershire Monitored Funds	7,356	-	(7,356)	-	-
Peter's House Property	168,611	-	-	(168,611)	-
19 Abbotswood Property	101,075	-	-	(101,075)	-
HTL General Funds	37,090	-	-	(37,090)	-
	<u>713,134</u>	<u>76,646</u>	<u>(286,531)</u>	<u>(337,684)</u>	<u>165,586</u>

Designated funds are expendable at the discretion of the trustees in furtherance of the charity's objects. If part of an unrestricted fund is earmarked for a particular project it may be designated as a separate fund, but the designation has an administrative purpose only, and does not legally restrict the trustees' discretion to apply the fund.

*Purposes of Funds*

Alcohol Liaison RUH/Detox Pilot: to provide support for DHI's Detox Unit in Burlington Street.

Hostel's Sinking Fund: retained funds for Repairs and Renewals at DHI's Supported Housing Hostels.

Tier 4 Detox Fund: managed by DHI for Tier 4 detoxes in B&NES.

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

HTL Sinking Fund: retained funds for Repairs and Renewals at HTL Homes.

Pension Provision: funding to be used to offset future pension liabilities as they occur.

Alcohol Service Support Pilot (Sequin): providing specialist advice and support to agencies working with service users whose alcohol use is problematic.

Detox Unit Fund: funding to support service users with housing costs at DHI's Detox Unit in Burlington Street.

Alcohol Community Services: for the delivery of Community Alcohol Services in B&NES during 2015/16.

South Gloucestershire Project Funds: for the provision of NPS and Criminal Justice Services during 2015/16.

Social Prescribing Set-Up Costs: for the set-up of a new service to be spent during 2015/16.

B&NES Project 28: funds for the Drink Think Project carried forward to 2015/16.

Mental Health SE Fund: to provide support with education, training and employment for service users.

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South Gloucestershire Monitored Funds: covering costs related to clients, families and carers through care activities and needle exchange in South Gloucestershire.

Peter's House Property: property donated through merger with the Peter's House Project.

19 Abbotswood Property: purchase of 19 Abbotswood property by Home Turf Lettings.

HTL General Funds: designated funds for use in Home Turf Lettings Social Enterprise Lettings Agency.

*Transfers between funds*

Transfers of £337,664 were made to general unrestricted funds to remove project balances which had previously been treated as designated funds no longer deemed necessary to designate separately.

**19 Net incoming resources for the year**

	2016	2015
	£	£
This is stated after charging:		
Depreciation	17,567	47,358
Loss on disposal of fixed assets	46,347	844
Auditor's remuneration	17,708	10,229
Auditor's remuneration - non audit services	-	3,329
	<u>81,622</u>	<u>61,760</u>

**20 Analysis of net assets between funds**

	Unrestricted	Restricted	2016	2015
	£	£	£	£
Fund balances at 31 March 2016				
are represented by:				
Fixed assets	691,967	-	691,967	721,536
Bank balances and cash	1,544,445	56,425	1,600,870	1,167,472
Other current assets and liabilities	(204,970)	-	(204,970)	228,380
Provisions	(99,981)	-	(99,981)	(74,179)
	<u>1,931,461</u>	<u>56,425</u>	<u>1,987,886</u>	<u>2,043,209</u>

**21 Lease commitments**

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

	2016	2015
	£	£
<u>Land and buildings:</u>		
Not later than one year	110,435	313,513
Later than one and not later than five years	207,889	704,543
Later than five years	167,300	114,968
	<u>485,624</u>	<u>1,133,024</u>

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**22 Funds received and held as Agent**

	2016	2015
	£	£
<u>Bath &amp; NE Somerset Direct Payment Service</u>		
Balance b/f	487,027	-
Incoming funds	2,081,611	1,039,188
Outgoing funds	<u>(2,198,222)</u>	<u>(552,162)</u>
Fund Balance	<u>370,416</u>	<u>487,026</u>
<u>Swindon Direct Payment Service</u>		
Balance b/f	158,472	79,917
Incoming funds	1,041,124	427,612
Outgoing funds	<u>(908,726)</u>	<u>(349,057)</u>
Fund Balance	<u>290,870</u>	<u>158,472</u>

The charity has two contracts for the provision of the Direct Payment Services against which it holds funds received as an agent. The charity operates a third Direct Payments Service but does not hold funds received as an agent.

Funds received by the charity as agent are not recognised as an asset in its Financial Statements because the funds are not within its control. Consequently, the receipt of funds as agent is not recognised as income nor is its distribution recognised as the agent's expenditure.

However, any fee receivable by a charity for acting as agent is recognised as its income. Similarly, any costs incurred by the charity in the administration of the agency arrangements are recognised as expenditure in its Financial Statements.

**23 Pension Commitments**

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

Developing Health & Independence participates in the scheme, a multi-employer scheme which provides benefits to some 1,300 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the charity to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore, it accounts for the scheme as a defined contribution scheme.

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

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

A full actuarial valuation for the scheme was carried out at 30 September 2011. This valuation showed assets of £780m, liabilities of £928m and a deficit of £148m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

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**Deficit Contributions**

From 1 April 2013 to 31 March 2023: £13.9m per annum (payable monthly and increasing by 3% each on 1st April)

A full actuarial valuation for the scheme was carried out at 30 September 2014. This valuation showed assets of £793m, liabilities of £970m and a deficit of £177m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

**Deficit Contributions**

From 1 April 2016 to 30 September 2025: £12,945,440 per annum (payable monthly and increasing by 3% each on 1st April)

From 1 April 2016 to 30 September 2028: £54,560 per annum (payable monthly and increasing by 3% each on 1st April)

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

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

**PRESENT VALUE OF PROVISION**

31-Mar-16	31-Mar-15	31-Mar-14
£	£	£
2,744	2,847	2,984

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

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

	Period ending 31-Mar-16	Period Ending 31-Mar-15
	£	£
Provision at start of period	2,847	2,984
Unwinding of the discount factor (interest expense)	47	78
Deficit contribution paid	(343)	(333)
Remeasurements - impact of any change in assumptions	(43)	118
Remeasurements - amendments to the contribution schedule	236	-
Provision at end of period	2,744	2,847

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**INCOME AND EXPENDITURE IMPACT**

	Period ending 31-Mar-16	Period Ending 31-Mar-15
	£	£
Interest expense	47	78
Remeasurements – impact of any change in assumptions	(43)	118
Remeasurements – amendments to the contribution schedule	236	-
Costs recognised in income and expenditure account	240	196

**ASSUMPTIONS**

	31-Mar-16	31-Mar-15	31-Mar-14
	% per annum	% per annum	% per annum
Rate of discount	2.07	1.74	2.82

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

*The Pensions Trust's Growth Plan Series 4*

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

**24 Controlling party**

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