

**DEVELOPING HEALTH AND
INDEPENDENCE**

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

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

Report and Accounts

DEVELOPING HEALTH AND INDEPENDENCE

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

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2017

CONTENTS

	Page
Legal and administrative information	1
Trustees's report	2
Auditors' report	11
Statement of financial activities	13
Balance sheet	14
Statement of cash flows	15
Notes to the financial statements	16
Prior year statement of financial activities	33

DEVELOPING HEALTH AND INDEPENDENCE

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS For the year ended 31 March 2017

Trustees	Ms Sarah Davies (Chair) Mr Bill Shaw (Treasurer) Ms Sarah Talbot Williams (Vice Chair) Mr Will Rott Ms Irene MacDonald, resigned 24 January 2017 Ms Katharine Hegarty, appointed 19 May 2016 Mr David Ollendorff, appointed 19 May 2016 Ms Carol Bowery, appointed 18 July 2017 Mr David Guy, appointed 26 September 2017
Secretary	Ms Anne Welch
Key Management Personnel	Ms Rosemary Phillips (Chief Executive Officer) Ms Anne Welch (Corporate Services & Finance Director) Mr Mark Coates (Social Enterprise & Strategic Housing Director), resigned 15 April 2017 Ms Sarah Shatwell (Operations Director) Mr Jan Melichar (Medical Director) Mr David Walton (Strategic Development Director - Housing and Social Exclusion), appointed 17 July 2017
Company reg. no.	03830311
Charity reg. no.	01078154
Registered office	15-16 Milsom Street Bath BA1 1DE
Accountants	Monahans Chartered Accountant Fortescue House Court Street, Trowbridge BA14 8FA
Bankers	Unity Trust Bank plc Nine Brindley Place Birmingham B1 2HB
Solicitors	Thrings 2 Queen Square Bath BA1 2HQ
Investment Manager	Octopus Investments 33 Holborn London EC1N 2HT

DEVELOPING HEALTH AND INDEPENDENCE

TRUSTEES' REPORT

For the year ended 31 March 2017

The Trustees, who are also Directors of the Company for the purposes of the Companies Act, and Trustees for charity law purposes, submit their annual report and the financial statements of Developing Health and Independence (DHI) for the year ended 31 March 2017. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

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

Chair's Report

While 2016/17 was a relatively stable year in terms of overall income and expenditure, managing change continues to be the order of the day, as it was last year.

We have continued to remodel services for a climate where we anticipate on-going reductions in statutory funding for the client groups we operate services for against increasing need. To do this we have focussed on closer work with the local communities in which we operate, developing services that are aimed more at early intervention and building our expertise in supporting peers and volunteers to deliver support for the Charity.

The impact of welfare reforms and a lack of affordable housing continues to be a challenge for us in supporting our clients, so we have strengthened our foundation needs offering, for example, bringing in-work benefits expertise through our partnership with Clean Slate into Reach and through our commitment to develop Home Turf Lettings (HTL).

Finally, despite the challenges of continual change we remain committed to the highest standards of care and improvement in our services. We remain robust financially and organisationally, and look forward to continuing to support and work with those most excluded.

Our Purpose and Activities

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

DEVELOPING HEALTH AND INDEPENDENCE

TRUSTEES' REPORT

For the year ended 31 March 2017

The Charity's vision:

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.

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: 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 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 GPs with patients with a range of non-medical needs.
- 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 assisting 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 a scheme which lends clients the money to start a new tenancy.
- Specialist support for perpetrators of domestic violence.

DEVELOPING HEALTH AND INDEPENDENCE

TRUSTEES' REPORT

For the year ended 31 March 2017

- 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.

Achievements and performance

During the 2016/17 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 which has resulted in a net decrease of 5% (2015/6: 8%) in the Charity's incoming resources. At the same time, staffing costs decreased by 6% which mitigated against the fall in incoming resources. The Charity's net movement in funds during the year contributed an additional £334,046 (2016: (£55,323)) to reserves.

In terms of service delivery, this means that DHI still supported well in excess of 4,500 clients and their families and carers to be more independent and lead happier, more fulfilling lives.

During the year 110 volunteers contributed over 12,420 hours of their time over all services and locations, alongside peers and student placements combined: their expertise and talents bringing enormous benefit to the organisation and its clients.

Some of the key achievements in the year were:

- Started a pilot project for people in South Gloucestershire with Opiate Analgesic Dependence.
- Secured the contract to deliver the entire substance misuse service in South Gloucestershire.
- Had our ninth Reach Out conference with a professionally produced film about our service called 'Love Runs Deep'.
- Set up our first emergency accommodation project, in partnership with Bristol City Council, under Home Turf Lettings.
- Restarted the RSVP domestic violence perpetrators project in B&NES.
- Secured grants from Public Health England (PHE) to buy Burlington Street and Oak House.
- Clean Slate joined Reach as a new partner to increase provision of employment and training support.

DEVELOPING HEALTH AND INDEPENDENCE

TRUSTEES' REPORT

For the year ended 31 March 2017

DHI uses a Balanced Score Card to drive strategy and measure the achievement of the Charity's strategic objectives. The criteria against which success is measured for 2016/7 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, on average, 80% were 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 £258,488 (5%) this year from £4,758,557 in 2015/16 to £4,500,069 in 2016/17. 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 on charitable activities for the year of £4,182,712 represents a 13% decrease in expenditure from 2015/16.

The amount spent on salaries showed a fall with the previous year of 6%, which includes a reduction of 25% in Executive Team pay which was the result of a restructuring of the team. As in previous years, salaries are 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.

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 £4,500,069 included £148,542 of restricted funds. Of the £2,321,932 funds retained at year end, £384,781 were designated and £84,307 were restricted.

DEVELOPING HEALTH AND INDEPENDENCE

TRUSTEES' REPORT

For the year ended 31 March 2017

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

Reserves Policy

The Board has examined the Charity's requirements for reserves in the light of the main financial risks to the organisation. 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 (£1,344,000 to £2,685,000) of organisational running costs. Budgeted expenditure for the year 2017/18 is £5,375,901.

Free reserves for the year 2016/17 are £1,567,520 which equates to approximately 3.5 months organisational running costs. At this level, the Board 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.

The Trustees are satisfied with investment performance in the current year and will continue to review performance.

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 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:

DEVELOPING HEALTH AND INDEPENDENCE

TRUSTEES' REPORT

For the year ended 31 March 2017

- DHI relies on contract income for over 90% of its funds. The continued and deepening cuts in contractual funding are being mitigated by diversification of sources of income. The Income Generation Manager (Funds & Trusts) has the remit of sourcing funds from Trusts and other similar bodies. DHI's social enterprise, HTL, continues to provide an alternative source of funding income. The Executive continues to monitor performance issues which may result in the non-achievement of contractual obligations (thus putting funding at risk) and takes immediate, corrective action where necessary.
- 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 been reviewed and a 2017/20 Business Plan prepared. As a result of the review, DHI's strategic objectives are:

- Strengthening the foundation needs offering to clients, including ensuring HTL's growth is self-sustaining and increasing owned and leased housing stock.
- Developing earlier and more sustainable support solutions by creating a Peers Centre of Excellence, creating and increased use of self-help and on-line tools and expanding the social prescribing
- Growing a sustainable and affordable drug and alcohol treatment model by embedding Asset Based Community Development and outreach models across all treatment services.

Underpinning these objectives are a number of operational and structural changes including improved efficiencies from Housing/Rent Accounting package and simplification of processes to support this, promoting remote and flexible working by further use of technology and focussing on DHI's recruitment, retention and training strategies to promote alignment to values and staff retention.

DEVELOPING HEALTH AND INDEPENDENCE

TRUSTEES' REPORT

For the year ended 31 March 2017

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

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 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 once 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:

- CEO, through whom the Board exercises its Governance
- Corporate Services & Finance Director
- Strategic Development Director - Housing and Social Exclusion
- 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 clients are heavily involved in shaping and continuously improving services, through a wide variety of mechanisms.

DEVELOPING HEALTH AND INDEPENDENCE

TRUSTEES' REPORT

For the year ended 31 March 2017

Trustees are appointed following application and interview with the Chair and Chief Executive Officer. Following a satisfactory interview, candidate Trustees are invited to join at least one meeting as an observer. At the end of these meetings, the Board will review the candidate Trustees contribution and then invite them, if appropriate, to be 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 CEO are set against a standard point scale (the 'National Joint Committee' scale) and are subject to performance based review which is the same as applied to all other members of staff. The CEO's salary is set by the Board.

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 Avon & Wiltshire Mental Health Partnership, Broadway Lodge, Curo, Knightstone and Bournemouth Churches Housing Associations where we are managing agent of their properties; or for example, with The Care Forum and 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 2017 was four (2016: seven).

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

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

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

DEVELOPING HEALTH AND INDEPENDENCE

TRUSTEES' REPORT

For the year ended 31 March 2017

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

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

Statement of disclosure of information to the auditor

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

Preparation of the report

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

Auditors

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

This report was approved and authorised for issue by the Trustees on 26/09/2017 and signed on its behalf by:



Sarah Davies
Chair

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

We have audited the financial statements of Developing Health and Independence for the year ended 31 March 2017 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, 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 Trustees' Report 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:

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made.



James Gare

For and on behalf on Monahans, Statutory Auditor
Fortescue House
Court Street
Trowbridge
BA14 8FA

Date

20/10/17.

DEVELOPING HEALTH AND INDEPENDENCE (company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (including income & expenditure account)
For the year ended 31 March 2017

	Note	Unrestricted Funds 2017 £	Designated Funds 2017 £	Restricted Funds 2017 £	Total Funds 2017 £	Total Funds 2016 £
INCOMING RESOURCES						
Donations	2	11,530	-	-	11,530	16,616
Income from charitable						
Treatment Services		3,088,026	-	60,044	3,148,070	3,487,479
Community Services		382,942	-	-	382,942	342,355
Housing Projects		697,482	-	-	697,482	780,597
Home Turf Lettings		148,191	-	58,296	206,487	107,615
Central Services		11,015	-	30,202	41,217	10,648
Investment income		12,341	-	-	12,341	3,955
Other income		-	-	-	-	9,292
TOTAL INCOMING RESOURCES		4,351,527	-	148,542	4,500,069	4,758,557
RESOURCES EXPENDED						
Charitable activities						
Treatment Services		2,751,774	-	60,044	2,811,818	3,438,557
Community Services		394,584	-	-	394,584	374,142
Housing Projects		715,229	-	-	715,229	838,059
Home Turf Lettings		145,099	-	60,355	205,454	129,303
Central Services		30,627	-	25,000	55,627	34,337
TOTAL RESOURCES EXPENDED		4,037,313	-	145,399	4,182,712	4,814,398
Net gains/(losses) on investments		16,689	-	-	16,689	518
NET INCOME / (EXPENDITURE)		330,903	-	3,143	334,046	(55,323)
Transfers between funds		(243,934)	219,195	24,739	-	-
NET MOVEMENT IN FUNDS		86,969	219,195	27,882	334,046	(55,323)
RECONCILIATION OF FUNDS:						
TOTAL FUNDS BROUGHT FORWARD		1,765,875	165,586	56,425	1,987,886	2,043,209
TOTAL FUNDS CARRIED FORWARD		£ 1,852,844	£ 384,781	£ 84,307	£ 2,321,932	£ 1,987,886

NOTE ON COMPARATIVES

An analysis of the comparatives between restricted and unrestricted funds are give on page 33.

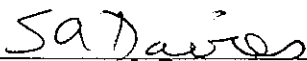
The annexed notes form part of these financial statements


DEVELOPING HEALTH AND INDEPENDENCE

BALANCE SHEET
As at 31 March 2017

	Notes	£	2017 £	£	2016 £
FIXED ASSETS					
Tangible assets	9		465,504		291,449
Investments	10		426,131		400,518
			<u>891,635</u>		<u>691,967</u>
CURRENT ASSETS					
Debtors	11	293,690		261,334	
Cash at bank and in hand		1,943,495		1,600,870	
			<u>2,237,185</u>	<u>1,862,204</u>	
CREDITORS: amounts falling due within one year	12	(516,951)		(466,304)	
NET CURRENT ASSETS			<u>1,720,234</u>	<u>1,395,900</u>	
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,611,869</u>	<u>2,087,867</u>	
CREDITORS: amounts falling due after one year	13		(180,180)		-
PROVISIONS FOR LIABILITIES AND CHARGES	14		(109,757)		(99,981)
NET ASSETS			<u>£ 2,321,932</u>	<u>£ 1,987,886</u>	
FUNDS					
Restricted funds	15		84,307		56,425
Unrestricted funds:					
Designated funds	15	384,781		165,586	
General fund	15	1,852,844		1,765,875	
			<u>2,237,625</u>	<u>1,931,461</u>	
			<u>£ 2,321,932</u>	<u>£ 1,987,886</u>	

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies. They were approved and authorised for issue by the Trustees on 26/09/2017


SARAH DAVIES, Chair


BILL SHAW, Treasurer

The annexed notes form part of these financial statements

DEVELOPING HEALTH AND INDEPENDENCE

STATEMENT OF CASH FLOWS For the year ended 31 March 2017

	Note	2017 £	2016 £
Cash flow from operating activities (see below)		£ 344,471	£ 465,698
Cash flow from investing activities			
Purchase of fixed asset additions		(192,166)	(36,255)
Interest received		12,341	3,955
Net cash used in investing activities		£ (179,825)	£ (32,300)
Cash flow from financing activities			
Repayments of borrowing		(7,120)	-
Cash inflow from new borrowing		187,300	-
Interest paid		(2,201)	-
Net cash provided by / (used in) financing activities		£ 177,979	£ Nil
Change in cash and cash equivalents in the year		342,625	433,398
Cash and cash equivalents bought forward		1,600,870	1,167,472
Cash and cash equivalents carried forward		£ 1,943,495	£ 1,600,870
RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH		2015	2014
		£	£
Surplus / (deficit) for the year		334,046	(55,323)
Depreciation charges		18,111	17,567
Net movement on investments		(25,613)	1,910
Write off fixed assets		-	46,347
Interest payable		2,201	-
Interest receivable		(12,341)	(3,955)
Loss on disposal of fixed assets		-	-
Change in provision		9,776	25,802
Decrease / (increase) in debtors		(32,356)	304,000
Increase / (decrease) in creditors		50,647	129,350
		£ 344,471	£ 465,698

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017

1. ACCOUNTING POLICIES

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

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

DHI is a charity limited by guarantee registered in England and Wales. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the reference and administrative information on page 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.

(b) Fund accounting

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

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

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

(c) Income recognition

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

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.

DEVELOPING HEALTH AND INDEPENDENCE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017

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

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

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

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

(d) Expenditure recognition

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017

(e) Support costs allocation

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

(f) Tangible fixed assets

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

(g) Investments

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

Current asset investments are short term highly liquid investments and are held at fair value. These include cash on deposit and cash equivalents with a maturity of less than one year.

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

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

(i) Loans and borrowings

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

(j) Provisions

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

(k) Financial Instruments

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

DEVELOPING HEALTH AND INDEPENDENCE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017

(l) Leases

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

(m) Pension schemes

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

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

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

(n) Tax

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

(w) Going concern

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

2. INCOME FROM DONATIONS

	Unrestricted Funds 2017 £	Designated Funds 2017 £	Restricted Funds 2017 £	Total Funds 2017 £	Total Funds 2016 £
The Medlock Trust	-	-	-	-	8,333
The Community Arts	-	-	-	-	1,101
General donations	11,530	-	-	11,530	7,182
	<u>£ 11,530</u>	<u>£ Nil</u>	<u>£ Nil</u>	<u>£ 11,530</u>	<u>£ 16,616</u>

General donations include amounts reclaimed as Gift Aid.

DEVELOPING HEALTH AND INDEPENDENCE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017

3. INCOME FROM CHARITABLE ACTIVITIES

a) Income for Treatment Services

	Unrestricted Funds 2017 £	Designated Funds 2017 £	Restricted Funds 2017 £	Total Funds 2017 £	Total Funds 2016 £
Contracts / SLAs	3,200,112	-	-	3,200,112	3,538,330
Transfers to partners	(141,773)	-	-	(141,773)	(165,156)
Grants	-	-	60,044	60,044	106,185
Other Fees and Charges	19,420	-	-	19,420	8,120
Other income	10,267	-	-	10,267	-
	<u>£ 3,088,026</u>	<u>£ Nil</u>	<u>£ 60,044</u>	<u>£ 3,148,070</u>	<u>£ 3,487,479</u>

Restricted funds relate to income from the performance of grant obligations during the year from BBC Children in Need, St John's for RSVP and Bath Boules. Any grant remaining at 31 March 2017 has been treated as deferred income pending release when grant conditions are met.

b) Income for Community Services

	Unrestricted Funds 2017 £	Designated Funds 2017 £	Restricted Funds 2017 £	Total Funds 2017 £	Total Funds 2016 £
Contracts / SLAs	382,335	-	-	382,335	341,800
Other Fees and Charges	607	-	-	607	555
	<u>£ 382,942</u>	<u>£ Nil</u>	<u>£ Nil</u>	<u>£ 382,942</u>	<u>£ 342,355</u>

c) Income for Housing Projects

	Unrestricted Funds 2017 £	Designated Funds 2017 £	Restricted Funds 2017 £	Total Funds 2017 £	Total Funds 2016 £
Contracts / SLAs	628,343	-	-	628,343	782,773
Transfers to partner providers	(144,684)	-	-	(144,684)	(221,037)
Rental Income	352,738	-	-	352,738	344,228
Rental Voids	(78,276)	-	-	(78,276)	(43,616)
Transfer to landlord	(79,420)	-	-	(79,420)	(82,691)
Grants	100	-	-	100	-
Other Fees and Charges	18,681	-	-	18,681	940
	<u>£ 697,482</u>	<u>£ Nil</u>	<u>£ Nil</u>	<u>£ 697,482</u>	<u>£ 780,597</u>

DEVELOPING HEALTH AND INDEPENDENCE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017

d) Income for Home Turf Lettings

	Unrestricted Funds 2017 £	Designated Funds 2017 £	Restricted Funds 2017 £	Total Funds 2017 £	Total Funds 2016 £
Rental Income	421,667	-	-	421,667	304,984
Transfer to landlord	(301,927)	-	-	(301,927)	(197,708)
Rental Voids	(18,536)	-	-	(18,536)	(14,739)
Grants	12,473	-	58,296	70,769	13,724
Other Fees and Charges	34,514	-	-	34,514	1,354
	<u>£ 148,191</u>	<u>£ Nil</u>	<u>£ 58,296</u>	<u>£ 206,487</u>	<u>£ 107,615</u>

Restricted funds relate to income from the performance of grant obligations during the year from Crisis, Big Venture and St John's Hospital - Handy Help. Any grant remaining at 31 March 2017 has been treated as deferred income pending release when grant conditions are met.

e) Income for Central Services

	Unrestricted Funds 2017 £	Designated Funds 2017 £	Restricted Funds 2017 £	Total Funds 2017 £	Total Funds 2016 £
Contracts / SLAs	-	-	-	-	8,338
Other Fees and Charges	375	-	-	375	2,310
Grants	-	-	30,202	30,202	-
Other income	10,640	-	-	10,640	-
	<u>£ 11,015</u>	<u>£ Nil</u>	<u>£ 30,202</u>	<u>£ 41,217</u>	<u>£ 10,648</u>

Restricted funds relate to income from the performance of grant obligations during the year from St Johns Hospital, the Medlock Charitable Trust and an appeal to fund Burlington Street. Any grant remaining at 31 March 2017 has been treated as deferred income pending release when grant conditions are met.

4. NET INCOME / EXPENDITURE FOR THE YEAR

	2017 £	2016 £
Net income / expenditure for the period includes		
Depreciation	18,111	17,567
Fees payable to auditor		
Audit and accountancy fee	<u>15,042</u>	<u>17,708</u>

DEVELOPING HEALTH AND INDEPENDENCE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017

5. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Treatment Services 2017 £	Communities Services 2017 £	Housing 2017 £	Home Turf Lettings 2017 £
Provision of services	2,601,148	365,569	661,128	175,429
Advertising & publicity	2,555	43	370	-
Building refurbishment	-	-	-	-
Depreciation	-	-	-	3,563
Legal and financial	-	-	-	650
Bad debt write off	-	36	31,224	12,681
Support costs	98,172	12,848	2,037	7,545
Reallocated support costs	109,943	16,088	20,470	5,586
Governance costs	-	-	-	-
	<u>2,811,818</u>	<u>394,584</u>	<u>715,229</u>	<u>205,454</u>
<i>Total 2016</i>	<u>3,438,567</u>	<u>374,142</u>	<u>838,059</u>	<u>129,308</u>

	Central 2017 £	Total 2017 £	Total 2016 £
Provision of Services	-	3,803,274	4,371,403
Advertising & publicity	6,563	9,531	21,074
Building refurbishment	-	-	25,937
Depreciation	14,548	18,111	17,567
Legal and Financial	3,536	4,186	46,118
Bad debt write off	899	44,840	39,094
Support costs	165,684	286,286	270,734
Reallocated support costs	(152,087)	-	-
Governance Costs	16,484	16,484	22,471
	<u>£ 55,627</u>	<u>£ 4,182,712</u>	<u>£ 4,814,398</u>
<i>Total 2016</i>	<u>34,337</u>	<u>4,814,398</u>	<u>129,308</u>

6. GOVERNANCE COSTS

	2017 £	2016 £
Audit and accountancy	15,042	17,708
Board volunteer expenses	148	109
Other governance costs (Annual Event)	1,294	4,654
	<u>£ 16,484</u>	<u>£ 22,471</u>

DEVELOPING HEALTH AND INDEPENDENCE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017

7. STAFF NUMBERS AND COSTS	2017	2016
	£	£
Wages and salaries	2,647,549	2,852,157
Social security costs	219,073	236,276
Pension costs	147,704	127,562
Redundancy costs	26,223	31,479
	<u>£ 3,040,549</u>	<u>£ 3,247,474</u>

The average weekly number of employees (head count), during the period was:

	Number	Number
Chief Executive Officer	1	1
Directors	3	3
Assistant Directors	-	1
Service Managers	5	5
Administration, HR, Finance & IT	17	13
Team Leaders	16	14
Support Workers	101	128
	<u>143</u>	<u>165</u>

One employee earned between £70,001 and £80,000, no other employee received remuneration of more than £60,000.

8. TRUSTEES AND KEY MANAGEMENT PERSONNEL

During the year, none of the Trustees, who comprise the charity's key management personnel, received any remuneration (2016 - £NIL). One member of the Trustees received reimbursement of travel expenses amounting to £148 (2016 - £109).

The key management personnel of the charity comprise the Trustees, Chief Executive Officer, Corporate Services & Finance Director, Strategic Development Director - Housing and Social Exclusion, Operations Director and Medical Director. The total employee benefits of the key management personnel of the Charity were £245,670 (2016 £323,690).

DEVELOPING HEALTH AND INDEPENDENCE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017

9. TANGIBLE FIXED ASSETS

	Buildings £	Vehicles £	Furniture £	IT, Comms & Technology £	Total
Cost					
At 1 April 2016	281,533	14,500	21,088	33,280	350,401
Additions	169,203	-	-	22,963	192,166
At 31 March 2017	<u>450,736</u>	<u>14,500</u>	<u>21,088</u>	<u>56,243</u>	<u>542,567</u>
Depreciation					
At 1 April 2016	15,044	14,500	21,088	8,320	58,952
Charge for the year	6,985	-	-	11,126	18,111
At 31 March 2017	<u>22,029</u>	<u>14,500</u>	<u>21,088</u>	<u>19,446</u>	<u>77,063</u>
Net book value					
At 31 March 2016	<u>£ 266,489</u>	<u>£ Nil</u>	<u>£ Nil</u>	<u>£ 24,960</u>	<u>£ 291,449</u>
At 31 March 2017	<u>£ 428,707</u>	<u>£ Nil</u>	<u>£ Nil</u>	<u>£ 36,797</u>	<u>£ 465,504</u>

Included within buildings is a building with a net book value of £160,907 (2016 : £164,329) 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.

10. FIXED ASSETS INVESTMENTS

	2017 £	2016 £
Market value		
At 1 April 2016	400,518	402,428
Additions	27,672	42,798
Disposals	(18,748)	(36,459)
Gains / (losses) on investments	16,689	(8,249)
At 31 March 2017	<u>£ 426,131</u>	<u>£ 400,518</u>

11. DEBTORS

	2017 £	2016 £
Due within one year		
Trade debtors	78,613	83,942
Rental debtors	34,728	50,693
Sundry debtors	43,962	36,474
Prepayments	136,387	90,225
	<u>£ 293,690</u>	<u>£ 261,334</u>

DEVELOPING HEALTH AND INDEPENDENCE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2017 £	2016 £
Trade creditors	153,776	69,321
Credit cards	1,170	-
Bank loans due within 1 year	5,178	-
Social security and other taxes	52,536	55,189
Other creditors	26,297	83,876
Accruals	70,578	19,266
Deferred income	207,416	238,652
	<u>£ 516,951</u>	<u>£ 466,304</u>
<u>Deferred income (contracts and service level agreements)</u>		
Balance at 1 April 2016	238,652	60,453
Amount released to incoming resources	(238,652)	(60,453)
Amount deferred in the year	207,416	238,652
Balance at 31 March 2017	<u>£ 207,416</u>	<u>£ 238,652</u>

Deferred income included the following grants with performance obligations in future periods

	2017 £	2016 £
The Medlock Charitable Trust	41,667	66,667
St John's Hospital - Resilience for Impact	2,400	-
St John's Hospital - RSVP Programme	26,449	-
St John's Hospital - Support of Home Turf Lettings	-	12,473
St John's Hospital - Support of Handy Help	-	13,702
Big Venture Challenge Programme	67,200	-
	<u>£ 137,716</u>	<u>£ 92,842</u>

13. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR	2017 £	2016 £
Bank loans	<u>£ 180,180</u>	<u>£ Nil</u>

The Charity has a bank loan agreement of £250,000 of which £187,300 had been drawn down at the year end. It is repayable over 25 years and interest is charged at base rate plus 2.5% (with a minimum rate of 3%). The loan is secured on the freehold property at Poyntz Road in Bristol and Abbotswood in Yate.

DEVELOPING HEALTH AND INDEPENDENCE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017

	2017 £	2016 £
The loan is repayable as follows:		
Within one year or on demand	5,178	-
Between one and two years	5,335	-
Between two and five years	17,000	-
After five years	157,845	-
	<u>£ 185,358</u>	<u>£ Nil</u>

14. PROVISIONS FOR LIABILITIES AND CHARGES

	2017 £	2016 £
Property dilapidations		
At 1 April	99,981	74,179
Addition during the year	9,776	25,802
At 31 March	<u>£ 109,757</u>	<u>£ 99,981</u>

15. STATEMENT OF FUNDS

	Brought Forward £	Incoming Resources £	Resources Expended £	Transfers and investment gains/(losses) £	Carried Forward £
DESIGNATED FUNDS					
Alcohol Liaison RUH/Detox					
Pilot	58,000	-	-	-	58,000
Hostels Sinking Fund	38,582	-	-	-	38,582
Tier 4 Detox Fund	30,000	-	-	-	30,000
HTL Sinking Fund	10,646	-	-	-	10,646
Pension Provision	10,000	-	-	-	10,000
2 Bridges Trust Fund	11,659	-	-	(84)	11,575
Alcohol Service Support (Sequin)(2Y)	4,269	-	-	(4,269)	-
Detox Unit Fund	2,430	-	-	(2,430)	-
HTL Property Fund	-	-	-	225,978	225,978
	<u>£ 165,586</u>	<u>£ Nil</u>	<u>£ Nil</u>	<u>£ 219,195</u>	<u>£ 384,781</u>

The following funds show no movement in the year.

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

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

The Tier 4 Detox Fund represents funds managed by DHI for Tier 4 detoxes in B&NES.

The HTL Sinking Fund represents retained funds for repairs and renewals at HTL Homes.

The Pension Provision fund is to be used to offset future pension liabilities as they occur.

DEVELOPING HEALTH AND INDEPENDENCE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017

The following funds show movement in the year.

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

The Alcohol Service Support Pilot (Sequin) fund represents fund set aside to support agencies providing specialist advice to service users whose alcohol use is problematic.

The Detox Unit Fund represents funding set aside to support users with housing costs at DHI's Detox Unit in Burlington Street.

The HTL property fund are funds set aside by the Board for the purchase of properties for Home Turf Lettings.

RESTRICTED FUNDS

	Brought Forward £	Incoming Resources £	Resources Expended £	Transfers and investment gains/(losses) £	Carried Forward £
Treatment Services					
BBC Children In Need	-	31,444	(31,444)	-	-
Bath Boules	-	1,000	(1,000)	-	-
St John's Hospital - RSVP Programme	-	27,600	(27,600)	-	-
Home Turf Lettings					
HTL Empty Homes Fund (Cash)	6,032	-	(2,059)	11,939	15,912
HTL Empty Homes Fund (loans)	50,393	-	-	(11,939)	38,454
St John's Hospital - Handy Help	-	13,224	(13,224)	-	-
Big Venture Challenge	-	32,800	(32,800)	-	-
Crisis Help to Rent	-	12,272	(12,272)	-	-
Central Services					
Medlock Charitable Trust	-	25,000	(25,000)	-	-
Burlington Street Appeal	-	5,202	-	-	5,202
Other					
SDAS Surplus Fund	-	-	-	24,739	24,739
	<u>£ 56,425</u>	<u>£ 148,542</u>	<u>£ (145,399)</u>	<u>£ 24,739</u>	<u>£ 84,307</u>

Treatment Services

The BBC Children In Need fund provides the young persons' service with a specialist alcohol project worker.

The Bath Boules fund supported young people with clothes for interviews.

DEVELOPING HEALTH AND INDEPENDENCE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017

The St John's Hospital - RSVP Programme funds DHI's programme working with perpetrators of domestic violence in B&NES.

Home Turf Lettings

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

HTL Empty Homes Fund (Loans) is the value of loans issued to landlords 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 fund is to support the Handy Help project, a social enterprise set up in conjunction with Clean Slate.

The Big Venture Challenge fund supports the work of DHI by provision of Home Turf Letting Housing Support Workers.

The Crisis Help to Rent Programme supports the work of a Peer Support Co-ordinator and Project Worker.

Central Services

The Medlock Charitable Trust grant is to support the role of the Income Generation Manager.

Burlington Street Appeal is the Charity's appeal to fund the shortfall in PHE grant funding and the purchase of the property.

Other

SDAS Surplus Fund is the underspend against contract in prior years agreed with the commissioner as available to spend against the purchase of Oak House.

	Brought Forward	Incoming Resources	Resources Expended	Transfers and investment gains/(losses)	Carried Forward
	£	£	£	£	£
SUMMARY OF FUNDS					
Designated Funds	165,586	-	-	219,195	384,781
General Funds	1,765,875	4,351,527	(4,037,313)	(227,245)	1,852,844
	1,931,461	4,351,527	(4,037,313)	(8,050)	2,237,625
Restricted Funds	56,425	148,542	(145,399)	24,739	84,307
	<u>£ 1,987,886</u>	<u>£ 4,500,069</u>	<u>£ (4,182,712)</u>	<u>£ 16,689</u>	<u>£ 2,321,932</u>

DEVELOPING HEALTH AND INDEPENDENCE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds		Restricted Funds	Total Funds
	Designated Funds	General Funds		
	£	£	£	£
Tangible fixed assets	-	465,504	-	465,504
Fixed asset investments	-	426,131	-	426,131
Net current assets	384,781	1,251,146	84,307	1,720,234
Creditors due in more than one year	-	(180,180)	-	(180,180)
Provision for liabilities and charges	-	(109,757)	-	(109,757)
	<u>£ 384,781</u>	<u>£ 1,852,844</u>	<u>£ 84,307</u>	<u>£ 2,321,932</u>

17. LEASE COMMITMENTS

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

	2017	2016
	£	£
Land and Buildings		
Not later than one year	105,746	110,435
Later than one and not later than 5 years	244,944	207,889
Later than five years	54,900	167,300
	<u>£ 405,590</u>	<u>£ 485,624</u>

18. FUNDS RECEIVED AND HELD AS AGENT

	2017	2016
	£	£
<u>Bath & NE Somerset Direct Payment Service</u>		
Balance b/fwd	370,416	487,027
Incoming funds	2,215,973	2,081,611
Outgoing funds	(1,920,043)	(2,198,222)
Fund Balance	<u>£ 666,346</u>	<u>£ 370,416</u>
<u>Swindon Direct Payment Service</u>		
Balance b/fwd	132,398	158,472
Incoming funds	914,318	1,041,124
Outgoing funds	(884,550)	(1,067,198)
Fund Balance	<u>£ 162,166</u>	<u>£ 132,398</u>

DEVELOPING HEALTH AND INDEPENDENCE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017

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.

19. 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:

Deficit Contributions

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

DEVELOPING HEALTH AND INDEPENDENCE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017

Deficit Contributions

From 1 April 2016 to 30 September 2025: £12.9m per annum (payable monthly and increasing by 3% each on 1st April)

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

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

Where the scheme is in deficit and where the charity has agreed to a deficit funding arrangement the 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

	2017	2016	2015
	£	£	£
	<u>£ 2,598</u>	<u>£ 2,744</u>	<u>£ 2,847</u>

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

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

	2017	2016
	£	£
Provision at start of the period	2,744	2,847
Unwinding of the discount factor	53	47
Deficit contribution paid	(280)	(343)
Remeasurements - impact on any changes in assumptions	81	(43)
Remeasurements - amendments to the contribution schedule	-	236
Provision at the end of period	<u>£ 2,598</u>	<u>£ 2,744</u>

Income and expenditure impact

Interest expense	53	47
Remeasurements - impact on any changes in assumptions	81	(43)
Remeasurements - amendments to the contribution schedule	-	236
	-	-
Costs recognised in income and expenditure account	<u>£ 134</u>	<u>£ 240</u>

DEVELOPING HEALTH AND INDEPENDENCE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017

Assumptions	2017 % per annum	2016 % per annum	2015 % per annum
	<u>1.32</u>	<u>2.07</u>	<u>2.82</u>

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

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.

20. RELATED PARTIES

£69,673 before deferral (2016 - £29,891) was received in two grants from St John's Hospital in this financial year, a charity in which the trustee (Chair) Ms Sarah Davies is a Trustee.

£nil (2016 - £552) 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.

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 (2016 - £Nil).

21. CONTROLLING PARTY

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

22. POST BALANCE SHEET EVENT

In May and June 2017, DHI received £750,000 and £232,000 from Public Health England for the purchase of Burlington Street, Bath and Oak House, Frome. The purchase of Burlington Street, for £897,000 was concluded on 11th August 2017 with the balance of funding raised via Trust Fund donations and use of General Reserves. The purchase of Oak House is expected to conclude during October 2017.

DEVELOPING HEALTH AND INDEPENDENCE (company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 March 2016

	Note	Unrestricted Funds 2016 £	Designated Funds 2016 £	Restricted Funds 2016 £	Total Funds 2016 £
INCOMING RESOURCES					
Donations	2	16,616	-	-	16,616
Income from charitable					
Treatment Services		3,477,479	10,000	-	3,487,479
Community Services		342,355	-	-	342,355
Housing Projects		735,555	45,042	-	780,597
Home Turf Lettings		82,295	21,604	3,716	107,615
Central Services		10,648	-	-	10,648
Investment income		3,955	-	-	3,955
Other income		9,292	-	-	9,292
TOTAL INCOMING RESOURCES		4,678,195	76,646	3,716	4,758,557
RESOURCES EXPENDED					
Charitable activities					
Treatment Services		3,141,570	171,561	125,426	3,438,557
Community Services		316,105	58,037	-	374,142
Housing Projects		797,427	40,632	-	838,059
Home Turf Lettings		106,769	15,403	7,131	129,303
Central Services		31,532	898	1,907	34,337
TOTAL RESOURCES EXPENDED		4,393,403	286,531	134,464	4,814,398
Net gains/(losses) on investments		518	-	-	518
NET INCOME / (EXPENDITURE)		285,310	(209,885)	(130,748)	(55,323)
Transfers between funds		337,664	(337,664)	-	-
NET MOVEMENT IN FUNDS		622,974	(547,549)	(130,748)	(55,323)
RECONCILIATION OF FUNDS:					
TOTAL FUNDS BROUGHT FORWARD		1,142,901	713,135	187,173	2,043,209
TOTAL FUNDS CARRIED FORWARD		£ 1,765,875	£ 165,586	£ 56,425	£ 1,987,886