

**DEVELOPING HEALTH AND
INDEPENDENCE**

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

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2018

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 2018

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DEVELOPING HEALTH AND INDEPENDENCE

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS

For the year ended 31 March 2018

Trustees	Ms Sarah Davies (Chair) Mr Bill Shaw (Treasurer) Ms Sarah Talbot Williams (Vice Chair), retired 25 June 2018 Mr Will Rolt, retired 21 November 2017 Ms Katharine Hegarty Mr David Ollendorff Ms Carol Bowery, appointed 18 July 2017, resigned 22 May 2018 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) 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	MHA Monahans Chartered Accountants 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 2018**

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 2018. 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

2017/18 was a highly successful year for DHI, with significant growth in areas which are strategic priorities to us in challenging social exclusion.

We were delighted to increase our reach and impact working with those with drug and alcohol problems in Bristol, as well as with their families and carers across most of Avon. While the overall level of statutory funding available within this area has decreased, we believe that by working closely with peers and local communities we can support more people to turn their lives around.

By increasing our housing stock in Home Turf Lettings and purchasing our flagship supported housing and detoxification project (Burlington Street) we ensured that we continue to put social justice at the heart of our work. Affordable housing remains a key challenge for the majority of our most vulnerable and excluded clients, and to us at DHI it hardly needs pointing out that without this basic need being met, making and sustaining positive changes to clients' wellbeing fade into the distance.

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.

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TRUSTEES' REPORT

For the year ended 31 March 2018

The Charity's vision

DHI helps disadvantaged people to turn their lives around, stand on their own two feet and reduce dependency. DHI is flexible, creative and person centred in its approach, valuing each individual and their circumstances as unique.

The Charity's values

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

The Charity's activities

Few if any of our clients come with a single issue so we work with the person to find and resolve the root cause of their issues. We help people through highly practical, solution focused and innovative projects and services. These include: supported housing as well as general needs housing for those on no or a low income, resettlement and floating support services, drug and alcohol treatment, employment reintegration and social prescribing.

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 2017/18 financial year DHI's services continued to thrive despite the continued challenges that face the social care sector with a net increase of 32% (2016/7: decrease of 5%) in the Charity's incoming resources, although the increase has been substantially caused by two large grants from Public Health England to purchase Burlington Street and Oak House. The Charity's net movement in funds during the year contributed an additional £1,331,238 (2017: £334,046) to reserves. To ensure transparency, the Trustees have separately identified Designated Funds for owned property which has resulted in an increase in Designated Funds of £1,371,817 in the year.

DHI uses a Balanced Score Card to drive strategy and measure the achievement of the Charity's strategic objectives. This was the first year of a new three-year strategy from 2017 – 20. The criteria against which success were measured for 2017/8 was:

- Strengthening foundation needs offering to clients
- Develop earlier and more sustainable support solutions
- Growth of sustainable and affordable drug/alcohol treatment model

Cascade objectives were set at company, services, team and individual level to drive these high level objectives. Targets were met or exceeded in over 50% of the objectives, and progress made in all other areas.

This translates into some of our key achievements over the year including:

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TRUSTEES' REPORT

For the year ended 31 March 2018

- Purchased our flagship supported housing and detoxification project, Burlington Street, having raised all the required funds.
- Won a significant new contract in Bristol to run the Community Recovery Service as part of the drug treatment system, working more closely with local communities and through peers.
- Held our 10th annual Reach Out conference for the families and carers of those with a drug or alcohol problem. In addition, we secured funding for a further 5 years to run our Families Also Matter Service across South Gloucestershire, Bristol and Bath & North East Somerset.
- Increased our leasing stock within Home Turf Lettings to 51 properties.
- Raised awareness to over 2,000 school age children across Wiltshire and Bath & North East Somerset about drugs and alcohol, promoting harm reduction.
- Toured schools with The Natural Theatre Company to explode some myths about universal credit and the realities of leaving home.

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 102 volunteers contributed over 8,150 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.

Financial review

Income

DHI's total income increased by £1,462,239 (32%) this year from £4,500,069 in 2016/17 to £5,962,308. £1,111,554 of the increase related to income for capital purchases. A detailed analysis of income is shown in the Statement of Financial Activities (SOFA) and Notes 2 – 3 of the Financial Statements.

Expenditure

Total spending on charitable activities for the year of £4,626,492 represents a 11% increase in expenditure from 2016/17 although to a great extent this was because DHI started a substantially larger contract in South Gloucestershire.

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 £5,962,308 included £1,296,242 of restricted funds. Of the £3,653,170 funds retained at year end, £1,756,598 were designated and £112,467 were restricted.

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

Reserves Policy

The Board has examined the Charity's requirements for reserves in the light of the main financial risks to the organisation.

Within DHI's Reserves & Investments Policy, to ensure the financial viability of the charity and its ability to meet its on-going commitments the Board have determined that Reserves should be maintained at

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TRUSTEES' REPORT For the year ended 31 March 2018

three to six months organisational Operational Costs. For 2018/9, budgeted monthly operating costs are £540,000. The organisation holds £1,784,105 (2017: £1,852,844) in General Funds, equating to 3.3 months.

In addition, the Trustees require that Free Reserves remain in surplus. This was the case at 31st March 2018.

Further, the Trustees required that cash (or cash equivalents) should be maintained between three and six months' average expenditure to meet ongoing commitments throughout the year.

At 31st March 2018, the organisation held £1,781,969 net current assets (current assets after deduction of creditors due within a year) equating to 3.3 months cash to meet average expenditure.

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 organisation's 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 to medium 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 Register which is standing item for review by the Board. The procedure takes into account all major risks that the Charity may be exposed to in terms of likelihood and impact on the business if they happen. This review includes the operational, reputational, and financial impact combined with a 'likelihood' score.

The key risks identified by the Executive remain the same as in previous years and include:

- DHI relies on contract income for over 90% of its operational funds. The continued and deepening cuts in contractual funding are being mitigated by diversification of sources of income, as well as through remodeling how we deliver services to achieve our core purpose. 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 way of making sure the charity continues to meet its core purpose. The Executive continues to monitor performance issues which may result in the non-achievement of contractual obligations (thus putting funding at risk) and takes immediate, corrective action where necessary.
- Failure 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, review of processes and training for staff.

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TRUSTEES' REPORT

For the year ended 31 March 2018

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 (2017–20) have been reviewed. There were no major changes as a result of the review with the main challenges, opportunities and trends remaining; reducing funding, housing need increasing, universal credit roll out and growing inequality. DHI's reviewed strategic objectives are:

- Strengthening the foundation needs offering to clients.
- Growth of sustainable and affordable drug/alcohol treatment.

Underpinning these objectives are a number of operational and structural changes including knowledge management, 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 focusing on DHI's recruitment, retention and training strategies to promote alignment to values and staff retention.

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 is elected from its membership by its Members either at its AGM, or, where a vacancy exists, at any time between AGMs.

DHI's Board consists of up to 10 Members who meet at least six times a year and who are responsible for the strategic direction and governance of the charity, agreeing the business plan, monitoring progress toward achievement of organisational goals, reviewing operational performance and overseeing the management of organisational risk. Meetings must be quorate with the attendance of a minimum of three Trustees, and each meeting is formally Minuted. A register of attendance at Board Meetings is maintained and attendance rates for the year by Board Members was 87%.

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.

The Board is aware of the publication of the Charity Governance Code for larger charities and the chairman and another trustee have attended a seminar during the year about it. The Board intends to review the charity against the seven principles which make up the Code during the 2018/19 financial year.

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.

In addition, there is a Housing Committee formed by the Board to oversee investment and development of the organisation's property for the furtherance of DHI's charitable objectives. The Committee consists of three Trustees and the Housing Director and meets as required through the year.

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TRUSTEES' REPORT

For the year ended 31 March 2018

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.

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 a Remuneration Committee, comprising three Board Members, including the Chair. Factors which the Remuneration Committee takes into account when setting pay includes: cost of living, performance and other key factors such as a significant increase in responsibility due to a new major contract.

Trustee roles, in line with all posts within DHI, are advertised widely to encourage broad participation and diversity. The Board and Executive work to ensure that diversity within the organisation is promoted.

The charity does not actively solicit donations from the public and does not need to develop formal policies on its fundraising approach. However, DHI is a member of the Fundraising Standards Board and by participating in the scheme is committing to best fundraising practices, honesty, transparency, clarity and accountability.

Related parties and relationships with other organisations

DHI holds an impressive track record of achievement against targets, and strives continuously to improve its performance and service quality, while achieving competitive service costs. However, in order to deliver excellent client centered 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, Liverty and Bournemouth Churches Housing Associations where we are managing agent of their properties.

TRUSTEES' REPORT For the year ended 31 March 2018

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 2018 was seven (2017: four).

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.

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.

DEVELOPING HEALTH AND INDEPENDENCE


TRUSTEES' REPORT

For the year ended 31 March 2018

Auditors

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

This report was approved and authorised for issue by the Trustees on 18 SEPT 2018 and signed on its behalf by:



Sarah Davies
Chair

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

Opinion

We have audited the financial statements of Developing Health and Independence (the 'charitable company') for the year ended 31 March 2018 which comprise the Statement of Financial Activities (including Income and Expenditure Account), the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2018, and of the its Incoming resources and application of resources, including its Income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and the Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions related to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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

Our responsibilities for the audit of the financial statements

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

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

Use of our report

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



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

26/09/18

DEVELOPING HEALTH AND INDEPENDENCE (company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (including income & expenditure account)
For the year ended 31 March 2018

	Note	Unrestricted Funds 2018 £	Designated Funds 2018 £	Restricted Funds 2018 £	Total Funds 2018 £	Total Funds 2017 £
INCOMING RESOURCES						
Donations	2	5,957	-	-	5,957	11,530
Charitable activities	3					
Treatment Services		3,334,086	-	72,272	3,406,358	3,148,070
Community Services		347,588	-	-	347,588	382,942
Housing Projects		774,745	-	1,118,883	1,893,628	697,482
Home Turf Lettings		188,403	-	65,781	254,184	206,487
Central Services		5,581	-	39,306	44,887	41,217
Investment income		9,706	-	-	9,706	12,341
Other income		-	-	-	-	-
TOTAL INCOMING RESOURCES		4,666,066	-	1,296,242	5,962,308	4,500,069
RESOURCES EXPENDED						
Charitable activities	5					
Treatment Services		2,975,045	-	72,272	3,047,317	2,811,818
Community Services		422,951	-	-	422,951	394,584
Housing Projects		724,221	-	7,329	731,550	715,229
Home Turf Lettings		198,110	-	65,781	263,891	205,454
Central Services		87,377	34,100	39,306	160,783	55,627
TOTAL RESOURCES EXPENDED		4,407,704	34,100	184,688	4,626,492	4,182,712
Net gains/(losses) on investments	10	(4,578)	-	-	(4,578)	16,689
NET INCOME / (EXPENDITURE)		253,784	(34,100)	1,111,554	1,331,238	334,046
Transfers between funds		(322,523)	1,405,917	(1,083,394)	-	-
NET MOVEMENT IN FUNDS		(68,739)	1,371,817	28,160	1,331,238	334,046
RECONCILIATION OF FUNDS:						
TOTAL FUNDS BROUGHT FORWARD	15	1,852,844	384,781	84,307	2,321,932	1,987,886
TOTAL FUNDS CARRIED FORWARD		£ 1,784,105	£ 1,756,598	£ 112,467	£ 3,653,170	£ 2,321,932

NOTE ON COMPARATIVES

An analysis of the comparatives between restricted and unrestricted funds are give on page 35.

The annexed notes form part of these financial statements

DEVELOPING HEALTH AND INDEPENDENCE

BALANCE SHEET As at 31 March 2018

	Notes	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	9		1,544,135		465,504
Investments	10		629,290		426,131
			<u>2,173,425</u>		<u>891,635</u>
CURRENT ASSETS					
Debtors	11	384,415		293,690	
Cash at bank and in hand		1,863,154		1,943,495	
			<u>2,247,569</u>	<u>2,237,185</u>	
CREDITORS: amounts falling due within one year	12	(465,600)		(516,951)	
NET CURRENT ASSETS			<u>1,781,969</u>	<u>1,720,234</u>	
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,955,394</u>	<u>2,611,869</u>	
CREDITORS: amounts falling due after one year	13		(174,845)		(180,180)
PROVISIONS FOR LIABILITIES AND CHARGES	14		(127,379)		(109,757)
NET ASSETS			<u>£ 3,653,170</u>	<u>£ 2,321,932</u>	
FUNDS					
Restricted funds	15		112,467		84,307
Unrestricted funds:					
Designated funds	15	1,756,598		384,781	
General fund	15	1,784,105		1,852,844	
			<u>3,540,703</u>	<u>2,237,625</u>	
			<u>£ 3,653,170</u>	<u>£ 2,321,932</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 15 SEPT 2018

Sa Davies SARAH DAVIES, Chair
Bill Shaw 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 2018

	Note	2018 £	2017 £
Cash flow from operating activities (see below)		£ 1,038,496	£ 344,471
Cash flow from investing activities			
Purchase of fixed asset additions		(1,117,875)	(192,166)
Interest received		9,706	12,341
Net cash used in investing activities		£ (1,108,169)	£ (179,825)
Cash flow from financing activities			
Cash inflow from new borrowing		-	187,300
Repayments of borrowing		(5,178)	(7,120)
Interest paid		(5,490)	(2,201)
Net cash provided by / (used in) financing activities		£ (10,668)	£ 177,979
Change in cash and cash equivalents in the year		(80,341)	342,625
Cash and cash equivalents bought forward		1,943,495	1,600,870
Cash and cash equivalents carried forward		£ 1,863,154	£ 1,943,495
 RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH		 2018 £	 2017 £
Surplus / (deficit) for the year		1,331,238	334,046
Depreciation charges		39,244	18,111
Net movement on investments		(203,159)	(25,613)
Interest payable		5,490	2,201
Interest receivable		(9,706)	(12,341)
Change in provision		17,622	9,776
Decrease / (increase) in debtors		(90,725)	(32,356)
Increase / (decrease) in creditors		(51,508)	50,647
		£ 1,038,496	£ 344,471

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2018

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 (as updated through Update Bulletin 1 published on 2 February 2016), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice.

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

(b) Fund accounting

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

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

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

(c) Income recognition

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

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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2018

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

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

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

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

(d) Expenditure recognition

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2018

(e) Support costs allocation

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

(f) Tangible fixed assets

Fixed assets are stated at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost of each asset on a straight line basis over its expected useful life, which is four years for all assets except for freehold property which is depreciated over 50 years. Assets costing over £1,000 are capitalised.

(g) Investments

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

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

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

(i) Loans and borrowings

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

(j) Provisions

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

(k) Financial Instruments

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

(l) Leases

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

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2018

(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 19 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 2018 £	Designated Funds 2018 £	Restricted Funds 2018 £	Total Funds 2018 £	Total Funds 2017 £
General donations	<u>5,957</u>	<u>-</u>	<u>-</u>	<u>5,957</u>	<u>11,530</u>
	<u>£ 5,957</u>	<u>£ Nil</u>	<u>£ Nil</u>	<u>£ 5,957</u>	<u>£ 11,530</u>

General donations include amounts reclaimed as Gift Aid.

DEVELOPING HEALTH AND INDEPENDENCE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2018

3. INCOME FROM CHARITABLE ACTIVITIES

a) Income for Treatment Services

	Unrestricted Funds 2018 £	Designated Funds 2018 £	Restricted Funds 2018 £	Total Funds 2018 £	Total Funds 2017 £
Contracts / SLAs	3,790,431	-	-	3,790,431	3,200,112
Transfers to partners	(477,507)	-	-	(477,507)	(141,773)
Grants	-	-	72,272	72,272	60,044
Other Fees and Charges	16,840	-	-	16,840	19,420
Other Income	4,322	-	-	4,322	10,267
	<u>£ 3,334,086</u>	<u>£ Nil</u>	<u>£ 72,272</u>	<u>£ 3,406,358</u>	<u>£ 3,148,070</u>

Restricted funds relate to income from the performance of grant obligations during the year from BBC Children in Need, St John's Foundation, St Monica's Trust, Epoch and a number of Church and Community Groups. Any grant remaining at 31 March 2018 has been treated as deferred income pending release when grant conditions are met.

b) Income for Community Services

	Unrestricted Funds 2018 £	Designated Funds 2018 £	Restricted Funds 2018 £	Total Funds 2018 £	Total Funds 2017 £
Contracts / SLAs	345,602	-	-	345,602	382,335
Other Fees and Charges	1,646	-	-	1,646	607
	<u>£ 347,588</u>	<u>£ Nil</u>	<u>£ Nil</u>	<u>£ 347,588</u>	<u>£ 382,942</u>

DEVELOPING HEALTH AND INDEPENDENCE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2018

c) Income for Housing Projects

	Unrestricted Funds 2018 £	Designated Funds 2018 £	Restricted Funds 2018 £	Total Funds 2018 £	Total Funds 2017 £
Capital grants	-		982,040	982,040	-
Burlington Street appeal			129,514	129,514	
Contracts / SLAs	581,461	-	-	581,461	628,343
Transfers to partner providers	(106,325)	-	-	(106,325)	(144,684)
Rental Income	350,556	-	-	350,556	352,738
Rental Voids	(58,868)	-	-	(58,868)	(78,276)
Transfer to landlord	(64,170)	-	-	(64,170)	(79,420)
Grants	-	-	7,329	7,329	100
Other Fees and Charges	72,091	-	-	72,091	18,681
	<u>£ 774,745</u>	<u>£ Nil</u>	<u>£ 1,118,883</u>	<u>£ 1,893,628</u>	<u>£ 697,482</u>

Restricted funds relate to income from the performance of grant obligations during the year from St John's Foundation, Fund for Human Need, a number of Church and Community Groups and capital grants to fund the purchase of property at Burlington Street and Oak House. Any grant remaining at 31 March 2018 has been treated as deferred income pending release when grant conditions are met.

d) Income for Home Turf Lettings

	Unrestricted Funds 2018 £	Designated Funds 2018 £	Restricted Funds 2018 £	Total Funds 2018 £	Total Funds 2017 £
Rental Income	561,962	-	-	561,962	421,667
Transfer to landlord	(424,244)	-	-	(424,244)	(301,927)
Rental Voids	(18,459)	-	-	(18,459)	(18,536)
Grants	-	-	65,781	65,781	70,769
Other Fees and Charges	69,144	-	-	69,144	34,514
	<u>£ 188,403</u>	<u>£ Nil</u>	<u>£ 65,781</u>	<u>£ 254,184</u>	<u>£ 206,487</u>

Restricted funds relate to income from the performance of grant obligations during the year from Crisis Help to Rent and Big Venture Challenge. Any grant remaining at 31 March 2018 has been treated as deferred income pending release when grant conditions are met.

DEVELOPING HEALTH AND INDEPENDENCE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2018

e) Income for Central Services

	Unrestricted Funds 2018 £	Designated Funds 2018 £	Restricted Funds 2018 £	Total Funds 2018 £	Total Funds 2017 £
Other Fees and Charges	-	-	-	-	375
Grants	300	-	39,306	39,606	30,202
Other income	5,281	-	-	5,281	10,640
	<u>£ 5,581</u>	<u>£ Nil</u>	<u>£ 39,306</u>	<u>£ 44,887</u>	<u>£ 41,217</u>

Restricted funds relate to income from the performance of grant obligations during the year from St Johns Foundation and the Medlock Charitable Trust. Any grant remaining at 31 March 2018 has been treated as deferred income pending release when grant conditions are met.

4. NET INCOME / EXPENDITURE FOR THE YEAR

	2018 £	2017 £
Net income / expenditure for the period includes		
Depreciation	39,244	18,111
Operating lease costs	128,404	105,746
Fees payable to auditor		
Audit and accountancy fee	15,650	15,042

5. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Treatment Services 2018 £	Community Services 2018 £	Housing 2018 £	Home Turf Lettings 2018 £
Provision of services	2,886,946	399,849	700,500	209,712
Advertising & Publicity	2,710	324	148	38
Depreciation	-	-	-	5,544
Legal & Financial	1,307	228	900	3,525
Bad debt write off	-	-	14,294	28,417
Support costs	156,322	22,550	15,708	15,305
Governance costs	32	-	-	1,350
	<u>3,047,317</u>	<u>422,951</u>	<u>731,550</u>	<u>263,891</u>
Total 2017	<u>2,811,818</u>	<u>394,584</u>	<u>715,229</u>	<u>205,454</u>

DEVELOPING HEALTH AND INDEPENDENCE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2018

	Central Services 2018 £	Total 2018 £	Total 2017 £
Provision of Services	19,215	4,216,222	3,803,274
Advertising & Publicity	7,580	10,800	9,531
Depreciation	33,700	39,244	18,111
Legal & Financial	9,240	15,200	4,186
Bad debt write off	-	42,711	44,840
Support costs	75,727	285,612	286,286
Governance Costs	15,321	16,703	16,484
	<u>£ 160,783</u>	<u>£ 4,626,492</u>	<u>£ 4,182,712</u>

Total 2017

55,627 4,182,712

6. GOVERNANCE COSTS

	2018 £	2017 £
Audit and accountancy	15,650	15,042
Board volunteer expenses	-	148
Other governance costs (Annual Event)	1,053	1,294
	<u>£ 16,703</u>	<u>£ 16,484</u>

7. STAFF NUMBERS AND COSTS

	2018 £	2017 £
Wages and salaries	2,927,413	2,647,549
Social security costs	234,846	219,073
Pension costs	162,495	147,704
Redundancy costs	25,137	26,223
	<u>£ 3,349,891</u>	<u>£ 3,040,549</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	8	5
Administration, HR, Finance & IT	13	17
Team Leaders	22	16
Support Workers	115	101
	<u>163</u>	<u>143</u>

DEVELOPING HEALTH AND INDEPENDENCE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2018

One employee earned between £70,001 and £80,000 (2017: one), no other employee received salary 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 (2017 - £NIL). None of the Trustees received reimbursement of travel expenses (2017 - £148).

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 £238,642 (2017 - £245,670).

9. TANGIBLE FIXED ASSETS

	Buldings £	Vehicles £	Furniture £	IT, Comms & Technology £	Total
Cost					
At 1 April 2017	450,736	14,500	35,588	56,243	557,067
Additions	1,074,116	-	11,761	31,998	1,117,875
At 31 March 2018	1,524,852	14,500	47,349	88,241	1,674,942
Depreciation					
At 1 April 2017	22,029	14,500	35,588	19,446	91,563
Charge for the year	22,628	-	1,470	15,146	39,244
At 31 March 2018	44,657	14,500	37,058	34,592	130,807
Net book value					
At 31 March 2017	£ 428,707	£ Nil	£ Nil	£ 36,797	£ 465,504
At 31 March 2018	£ 1,480,195	£ Nil	£ 10,291	£ 53,649	£ 1,544,135

Included within buildings is a building with a net book value of £157,485 (2017 : £160,907) 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

	2018 £	2017 £
Market value		
At 1 April 2017	426,131	400,518
Additions	1,919,270	27,672
Disposals	(1,711,533)	(18,748)
Gains / (losses) on investments	(4,578)	16,689
At 31 March 2018	£ 629,290	£ 426,131

DEVELOPING HEALTH AND INDEPENDENCE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2018

11. DEBTORS	2018	2017
Due within one year	£	£
Trade debtors	130,026	78,613
Rental debtors	27,410	34,728
Sundry debtors	40,971	43,962
Prepayments and accrued income	186,008	136,387
	£ 384,415	£ 293,690

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2018	2017
	£	£
Trade creditors	107,685	153,776
Credit cards	1,300	1,170
Bank loans (mortgage) due within 1 year	5,335	5,178
Social security and other taxes	67,669	52,536
Other creditors	54,687	26,297
Accruals	91,197	70,578
Deferred income	137,727	207,416
	£ 465,600	£ 516,951

Deferred income (contracts and service level agreements)

Balance at 1 April 2017	207,416	60,453
Amount released to incoming resources	(207,416)	(60,453)
Amount deferred in the year	137,727	207,416
Balance at 31 March 2018	£ 137,727	£ 207,416

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

	2018	2017
	£	£
The Medlock Charitable Trust	4,667	41,667
St John's Foundation - Resilience for Impact	-	2,400
St John's Foundation - RSVP Programme	26,449	26,449
Nisbet Trust for Home Turf Lettings	12,500	-
BBC Children In Need Grant	2,578	-
Building Better Opportunities Grant	21,092	-
Big Venture Challenge Programme	33,600	67,200
	£ 100,886	£ 137,716

DEVELOPING HEALTH AND INDEPENDENCE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2018

13. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR	2018 £	2017 £
Bank loans	<u>£ 174,845</u>	<u>£ 180,180</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.

	2018 £	2017 £
The loan is repayable as follows:		
Within one year or on demand	5,335	5,178
Between one and two years	5,498	5,335
Between two and five years	17,518	17,000
After five years	151,829	157,845
	<u>£ 180,180</u>	<u>£ 185,358</u>

14. PROVISIONS FOR LIABILITIES AND CHARGES	2018 £	2017 £
Property dilapidations		
At 1 April 2017	109,757	109,757
Addition during the year	17,622	-
At 31 March 2018	<u>£ 127,379</u>	<u>£ 109,757</u>

DEVELOPING HEALTH AND INDEPENDENCE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2018

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)	-
Housing 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	11,575	-	(100)	-	11,475
Strategic Development Fund	-	-	(34,000)	100,000	66,000
Burlington Street Contingency Fund	-	-	-	88,000	88,000
HTL Property Fund	225,978	-	-	(70,261)	155,717
Designated Funds - Properties					
- Burlington Street	-	-	-	888,177	888,177
- Oak House	-	-	-	258,939	258,939
- Peter's House	-	-	-	157,485	157,485
- 19 Abbotswood	-	-	-	27,393	27,393
- Poyntz Road	-	-	-	54,184	54,184
	<u>£ 384,781</u>	<u>£ Nil</u>	<u>£ (34,100)</u>	<u>£ 1,405,917</u>	<u>£ 1,756,598</u>

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

The Housing 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 detoxification in B&NES.

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

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

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

The Strategic Development Fund is to support the organisation in strategy Implementation as set out in the Balanced Score Card.

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

The Burlington Street Contingency Fund was created to support the operation of DHI's work at the project, recognising the possibilities of future funding restrictions.

DEVELOPING HEALTH AND INDEPENDENCE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2018

Designated Property Funds - are the funds allocated towards the purchase of properties owned by DHI, separately shown from General Funds. The amounts include the net book value of properties purchased by the charity, less any long term finance used to purchase them as well as unspent cash reserves allocated towards expected renovations or purchase costs.

RESTRICTED FUNDS

	Brought Forward £	Incoming Resources £	Resources Expended £	Transfers and Investment gains/(losses) £	Carried Forward £
Treatment Services					
Indivior Conference Fund	-	2,000	(2,000)	-	-
Recovery Café	-	3,200	(3,200)	-	-
Epoch Reach Out Fund	-	2,250	(2,250)	-	-
Wiltshire County Council for Motiv8	-	3,068	(3,068)	-	-
St John's Hospital - RSVP Programme	-	39,673	(39,673)	-	-
BBC Children in Need	-	20,624	(20,624)	-	-
Other funds less than £500 each	-	1,457	(1,457)	-	-
	-	72,272	(72,272)	-	-
Home Turf Lettings					
Crisis Help to Rent Programme	-	32,181	(32,181)	-	-
Big Venture Challenge Funding	-	33,600	(33,600)	-	-
HTL Empty Homes Fund (Cash)	15,912	-	-	14,167	30,079
HTL Empty Homes Fund (loans)	38,454	-	-	(14,167)	24,287
	54,366	65,781	(65,781)	-	54,366
Housing Services					
Capital grants	-	982,040	-	(923,939)	58,101
Burlington Street Appeal	5,202	129,514	-	(134,716)	-
St John's Detox Fund	-	5,000	(5,000)	-	-
The PCC of St John's	-	500	(500)	-	-
St John's Foundation	-	850	(850)	-	-
SDAS Surplus Fund	24,739	-	-	(24,739)	-
Other funds less than £500 each	-	979	(979)	-	-
	29,941	1,118,883	(7,329)	(1,083,394)	58,101

DEVELOPING HEALTH AND INDEPENDENCE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2018

Central Services

The Medlock Charitable Trust	-	36,700	(36,700)	-	-
St John's Foundation Building Resilience for Impact	-	2,400	(2,400)	-	-
Other funds less than £500 each	-	206	(206)	-	-
	-	39,306	(39,306)	-	-
	<u>£ 84,307</u>	<u>£ 1,296,242</u>	<u>£ (184,688)</u>	<u>£ (1,083,394)</u>	<u>£ 112,467</u>

Treatment Services

The Indivior Conference Fund represents grant income towards attendance at a Conference.

The Recovery Café Fund represents funding received towards the running of the South Gloucestershire Recovery Café.

The Epoch Reach Out Fund represents funds towards the sponsorship of the Charity's 2017 Reach Out event for families and carers of those with substance misuse.

The Wiltshire County Council for Motiv8 fund represents income from Wiltshire County Council for the provision of smart phones to Motiv8 staff.

The RSVP Programme funds the Charity's programme working with perpetrators of domestic violence in B&NES.

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

Home Turf Lettings

The Crisis Help to Rent Programme supports the work of a Project Worker within Home Turf Lettings.

The Big Venture Challenge funds supports the work of the Charity by provision of Home Turf Lettings Housing Support Workers.

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.

DEVELOPING HEALTH AND INDEPENDENCE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2018

Housing Projects

Capital Grants from Public Health England (PHE) received for the purchase of Burlington Street and Oak House have been expended in the year and duly transferred to designated funds.

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

The Detox Fund is to support the work of the Detox Unit at Burlington Street.

The PCC of St John's provided funding for the work of Peter's House.

The St John's Foundation provided funding for specific client needs.

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.

Central Services

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

The Building Resilience for Impact fund was for the development of DHI's brand.

	Brought Forward £	Incoming Resources £	Resources Expended £	Transfers and Investment gains/(losses) £	Carried Forward £
SUMMARY OF FUNDS					
Designated Funds	384,781	-	(34,100)	1,405,917	1,756,598
General Funds	1,852,844	4,666,066	(4,407,704)	(327,101)	1,784,105
	2,237,625	4,666,066	(4,441,804)	1,078,816	3,540,703
Restricted Funds	84,307	1,296,242	(184,688)	(1,083,394)	112,467
	<u>£ 2,321,932</u>	<u>£ 5,962,308</u>	<u>£ (4,626,492)</u>	<u>£ (4,578)</u>	<u>£ 3,653,170</u>

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds		Restricted Funds	Total Funds
	Designated Funds £	General Funds £	£	£
Tangible fixed assets	1,480,195	63,940	-	1,544,135
Fixed asset investments	-	629,290	-	629,290
Net current assets	451,248	1,218,254	112,467	1,781,969
Creditors due in more than one year	(174,845)	-	-	(174,845)
Provision for liabilities and charges	-	(127,379)	-	(127,379)
	<u>£ 1,756,598</u>	<u>£ 1,784,105</u>	<u>£ 112,467</u>	<u>£ 3,653,170</u>

DEVELOPING HEALTH AND INDEPENDENCE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2018

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:

	2018 £	2017 £
Land and Buildings		
Not later than one year	128,404	105,746
Later than one and not later than 5 years	256,716	244,944
Later than five years	33,900	54,900
	<u>£ 419,020</u>	<u>£ 405,590</u>

In addition to the total lease commitments above is £1,651,976 relating to the maximum rents that the Charity may have to pay on behalf of the tenants of Home Turf Lettings. Our experience is that voids are only 5% of total rental income and that the actual liability over the period may be closer to £82,599.

18. FUNDS RECEIVED AND HELD AS AGENT

	2018 £	2017 £
<u>Bath & NE Somerset Direct Payment Service</u>		
Balance b/fwd	666,346	370,416
Incoming funds	2,988,305	2,215,973
Outgoing funds	(3,291,801)	(1,920,043)
Fund Balance	<u>£ 362,850</u>	<u>£ 666,346</u>
<u>Swindon Direct Payment Service</u>		
Balance b/fwd	162,166	132,398
Incoming funds	1,153,118	914,318
Outgoing funds	(1,001,292)	(884,550)
Repayment at end of service	(312,259)	
Fund Balance	<u>£ 1,733</u>	<u>£ 162,166</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 operated a third Direct Payments Service, which closed in early 2018, but did 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2018

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.

At 31st March 2018, the charity had ceased operating two of the three direct payment services. The third service ceased to operate on 31st July 2018. At close, the balances retained as agent were transferred to the relevant authority.

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:

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2018

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

	2018	2017	2016
	£	£	£
	<u>£ 2,308</u>	<u>£ 2,598</u>	<u>£ 2,744</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:

	2018	2017
	£	£
Provision at start of the period	2,598	2,744
Unwinding of the discount factor	33	53
Deficit contribution paid	(289)	(280)
Remeasurements - impact on any changes in assumptions	(34)	81
Remeasurements - amendments to the contribution schedule	-	-
Provision at the end of period	<u>£ 2,308</u>	<u>£ 2,598</u>

Income and expenditure impact

Interest expense	33	53
Remeasurements - impact on any changes in assumptions	(34)	81
Remeasurements - amendments to the contribution schedule	-	-
Costs recognised in income and expenditure account	<u>£ (1)</u>	<u>£ 134</u>

Assumptions

	2018	2017	2016
	% per annum	% per annum	% per annum
	<u>1.71</u>	<u>1.32</u>	<u>2.07</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2018

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

£39,673 before deferral (2017 - £69,673) was received in grants from St John's Foundation in this financial year, a charity in which the trustee (Chair) Ms Sarah Davies is a Trustee.

£367 (2017 - £1,110) in respect of recruitment advertisements was paid to CVS South Gloucestershire in this financial year, a charity in which the Chief Executive Officer, Ms Rosemary Phillips 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 (2017 - £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

During Quarter 2, 2018-19, DHI is expected to purchase the property Newton Road, funded via grant and mortgage.

DEVELOPING HEALTH AND INDEPENDENCE (company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 March 2017

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