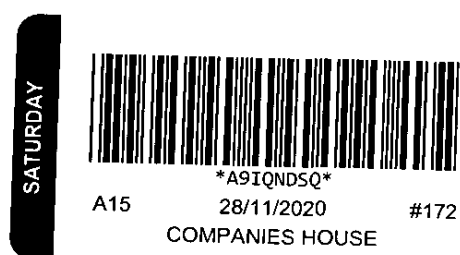


Company registration number: 07221367

ANNUAL REPORT AND FINANCIAL
STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2020

DOLPHIN HOMES
(HOLDINGS) LIMITED

MENZIES



DOLPHIN HOMES (HOLDINGS) LIMITED

COMPANY INFORMATION

Directors

N P Heather
B P Heather
G Norman (resigned 20 January 2020)
R N Tooze (resigned 14 November 2019)
A Winning
F J Gibson (appointed 20 January 2020)
T K Lanes (appointed 2 December 2019)
D Moody (appointed 3 November 2020)

Company secretary

A T G Coombs

Registered number

07221367

Registered office

3000a Parkway
Whiteley
Hampshire
PO15 7FX

Independent auditors

Menzies LLP
Chartered Accountants & Statutory Auditor
3000a Parkway
Whiteley
Hampshire
PO15 7FX

DOLPHIN HOMES (HOLDINGS) LIMITED

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DOLPHIN HOMES (HOLDINGS) LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 30 JUNE 2020

Principal activity

Dolphin Homes (Holdings) Limited ("DHHL") is the holding company for the Dolphin Homes group of companies. We are a leading provider in Southern England of registered care for adults with learning disabilities and other complex health and support needs. The group operates residential care services for adults with learning difficulties under Dolphin Homes Limited and Dolphin Homes (Southern) Limited, and nursing care services for adults with an Acquired Brain Injury ("ABI") under Dolphin Care Limited.

Business review

Financial and Operational Performance

The group has continued to grow over the past year despite well documented challenging market conditions. Local Authority and Health Authority budgets continue to be squeezed whilst the recruitment difficulties within the Social Care sector remains our greatest challenge both this year and we forecast in the years to come. Despite these issues, both turnover and underlying net profit have improved and we are well set to improve further during the new financial year.

The key highlights for the Dolphin Homes group this year are:

Occupancy levels across the group improved to 98.0% for year ending 30 June 2020, up from 93.2% in 2019. Occupancy at year end stood at 99.2% with further admission transitions in progress. Our occupancy performance across the sectors is as follows:

	2020 %	2019 %
Residential care services	97.9%	92.6%
Nursing care services	98.6%	97.9%

Revenue for the group increased 17.1% to £11.8m up from £10.1m in 2019. This growth was from both Residential Care Services and Nursing services with growth of 8.7% and 52.5% respectively. This growth was driven by increased occupancy within residential and the 31% increase in capacity at Kingfisher Court together with higher fee rates.

	2020 £'000	2019 £'000
Dolphin Homes Limited	7,836	7,018
Dolphin Homes (Southern) Limited	1,829	1,677
Dolphin Care Limited	2,144	1,392

Average fee rates for the group increased by 6.1% to £1,817 per week (£1,850 at year end). These changes reflect both increased support needs of new and existing clients but also our bed capacity growth in high acuity sectors both within residential and nursing care facilities. Within our core residential services, average fee rates increased 2.8%.

	2020 £	2019 £
Residential care services - per week	1,722	1,675
Nursing care services - per week	2,413	1,967

DOLPHIN HOMES (HOLDINGS) LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

Gross profit improved further during the year up 18% to £4.5m representing a gross margin of 38.1%. This is up from £3.6m in 2019 (36.1%). This was above planned margin of 34.7% reflective of improved occupancy and overall control of staffing costs.

Adjusted EBITDA for the group was up 45% to £1.355m (2019: £0.984m)

Operating profit (after exceptional items) increased to £0.790m (2019: £0.447m).

Net profit before tax at £0.008m after investment costs (2019: (£0.117m) loss).

The company secured a further £2.25m investment from BGF during the year to finance further growth in both Residential and Nursing provision.

Human Resources

Investment in our human capital continued apace during the year, despite the challenges posed by the COVID19 pandemic situation. Staff turnover stood at 29% for the year which remains higher than we would like but we continue to explore how we can improve this via staff surveys and improving our systems. Recruitment on an end to end basis is administered by our HR department with employee turnover closely monitored and exit interviews performed to identify underlying trends. We promote equal opportunities for all current and potential employees, with a plan to be able to promote from within wherever possible.

Our focus on care staff recruitment and retention has yielded positive results and we managed to increase our staffing headcount from 280 at the beginning of the year to 308 staff by year end with our full time staff increasing from 233 to 265 over the period. This has significantly reduced the number of staffing vacancies within the business which stood at 10 full time equivalent positions at year end.

This in turn has resulted in lower staffing costs which (including Directors remuneration and external agency) represented 67.2% of revenue during the year against a planned KPI of 69.8%. This is also a reduction compared to last year of 67.6%.

Agency usage has consequently declined with agency spend dropping to £844k in 2019/20, a 10.7% reduction compared to 2018/19. Our agency usage in the final quarter had dropped to 4.1% of revenue. This is reflective of both the progress made in reducing staff vacancies but also the outstanding dedication of our staff in supporting our vulnerable clients during the pandemic.

Our transition to a new E-learning platform last year has resulted in our mandatory training statistics increasing from 52.9% to 85.3% by year end. During the pandemic we also successfully transitioned much of the face to face training conducted at our Head Office to training conducted virtually using video conferencing software. This has enabled us to not only continue to deliver high quality training but actually increase the number of training sessions conducted and attended and improve the knowledge and capabilities of our staff team.

DOLPHIN HOMES (HOLDINGS) LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

Quality and Compliance

Due to COVID19 restrictions, only 2 of our services were inspected by CQC during the year. It remains that 12 of our services are rated as "Good" or higher and 2 being rated as "Requiring Improvement". 86% of our services are thus rated as Good or better (2019: 86%) and our target remains 100%.

We have launched Project Outstanding with the aim of 20% of our services to be rated as "Outstanding" by June 2022. Our internal quality review systems continue to identify matters needing to be addressed and we continue to make further improvements in our auditing and support systems.

We have introduced a Best Practice Group during the year to share ideas across all levels of the organisation and to evaluate the impact of the operational changes being made.

We have introduced new care management and care planning software packages to enable our front line management and staff to deliver excellent support to the people that use our services. We have also introduced a new e-learning training platform to further improve the knowledge and skills of our staff in order to better support the people who live in our homes.

Principal risks and uncertainties

The principal risks facing the company and the measures put in place to mitigate against them are as follows:

Addressing the Challenges created by the COVID-19 Pandemic

Ensuring that the people we support and staff are protected from harm due to catching COVID-19.

Control measures

- Pandemic plan initiated with clear procedures for managers and staff to follow on what to do if there is a suspected or confirmed case in a service.
- Weekly testing for staff and monthly testing for the people we support.
- Access to and strict use of PPE including enhanced training on correct usage.
- Enhanced Infection Control Measures including regular cleaning and daily checks on staff member's temperature before they are allowed on duty together with a questionnaire that staff have to complete before they are allowed on duty to confirm they have not had symptoms or have been in contact with anyone who has symptoms. We follow the same procedure for all visitors coming into the services and check the temperatures of the people we support three times a day.
- Paying sick leave to staff when they are symptomatic or needing to self-isolate.

Maintaining the Quality of Care to the People We Support

Our reputation for quality care and support that we deliver to the People We Support is essential to the company success.

Failure to comply with regulations about quality and safety or the care and welfare of the People we Support is a central consideration of CQC and providers must comply with regulations that safeguard.

Control measures

- CQC based internal inspection regime to drive a focus on quality and better outcomes for the people we support.
- Dedicated Quality Manager conducting audits.
- Best Practice Group meeting quarterly to share ideas and examine areas for improvement.

DOLPHIN HOMES (HOLDINGS) LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

- Voice4All forum for the People We Support to get feedback on what matters for them.
- Regular re-assessment of client needs and annual negotiation of core costs.
- Enhanced pay rates based on training achievement and competencies.
- Robust safeguarding and whistleblowing policies and procedures and regular staff and management training in same.

Local Authority Funding

Central and Local Government budgets are under ever greater strain and our commissioning partners are under pressure to find savings. This situation has been exacerbated by the COVID-19 Pandemic.

Control measures

- Work closely with commissioners to ensure that we get a fair price for the levels of care the people we support require.
- Undertake a continuous programme of re-assessment of needs of all of the people we support.
- Explore additional opportunities for economies within our operations.

Lack of Community Based Support

Commissioners continue to push Supported Living placements at the expense of Residential placements.

Control measures

- The company will develop new bespoke Supported Living provision and is working with housing and development partners to achieve this.

Recruitment and Retention of Staff

A well trained staff team with appropriate staffing levels are essential to both the quality of care we expect to give to the people we support and the ongoing success of the business.

Uncertainty surrounding immigration post Brexit is expected to exacerbate the staff shortages within the sector.

Control measures

- The complexity of need of the people we support continues to drive our investment in better and more specialised staff training and Head Office support. Our E-learning platform continues to be developed with Face to Face training now being conducted by Video Conferencing software where possible.
- Regular staff surveys are now conducted online via Survey Monkey to ensure we know and address the concerns of our employees.
- Creating an environment where good decisions can be made throughout the company.
- Training for managers in how to increase morale and performance.
- Close control of agency usage is in place including weekly reporting to senior management.
- Localised pay rates in employment hot spots.

DOLPHIN HOMES (HOLDINGS) LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

Operational key performance indicators

Occupancy remains the key driver for the Dolphin Homes group and we have set the occupancy KPI at 93.2% for the coming year (97.1% on mature services).

We have set the KPI for total staffing costs (exc. Directors) at 67.6% of turnover for 2020/21.

Staff turnover rate to be below 25% by year end.

100% compliance in all CQC Reports to be rated 'Good' or better.

Future developments

2020/21 will see the opening of an expected minimum of 3 new developments and a total of 31 new beds across all provision types including the building of a further 16 new beds at our ABI unit, Kingfisher Court, run under Dolphin Care Limited.

The group is developing new Community Based service provision within the Supported Living sector over the coming year and further senior management appointments will follow to enable this growth.

Our pipeline of referrals for our services remains strong due to our reputation as a market leader in the care of adults with complex health needs. We remain committed to providing a high quality of care for all of the people who use our services, utilising our unique 'skill set' and infrastructure to expand and improve the services we provide.

Section 172 statement

This section serves as our section 172 statement and should be read in conjunction with the Director's report on pages 7 to 9.

Section 172 of the Companies Act 2006 requires Directors to take into consideration the interests of stakeholders in their decision making. The Board of Dolphin Homes (Holdings) continue to have regard to the interests of the Group's employees and other stakeholders, including the impact of its activities on the community, the environment and the Group's reputation, when making decisions. Whilst the importance of giving due consideration to our stakeholders is not new, we are explaining in more detail this year how the Board engages with our stakeholders, thus seeking to comply, a year early, with the requirement to include a statement setting out how our Directors have discharged this duty.

The Board will regularly review our principal stakeholders and how we engage with them through information provided by management and also by direct engagement with stakeholders themselves.

Culture

The group continues to articulate its values both internally and externally to further strengthen our culture and this forms a key part of the induction process for new employees and as part of our discussions with commissioning partners.

Employee Engagement and Wellbeing

The group recognises that our people are core to the delivery of our specialist care and support services and we need to manage performance and develop the talent to achieve our group goals. The Board continues to enhance its methods of engagement with our people. We continue to encourage staff feedback through anonymous employee engagement surveys, the results of which are analysed by the Directors and actions subsequently developed. We continue to involve all levels of the business in our Best Practice Group and Continuous Improvement Group quality initiatives. It is envisaged that our Continuous Improvement Group will enhance our consideration of stakeholder interests in decision making going forward at both Board and management level.

The board continues to review the levels of employee benefits and how we can address the health, especially mental health, needs of our people.

DOLPHIN HOMES (HOLDINGS) LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

Customers

The board recognises that the people that use our services are the most important stakeholder in the continued success of the business. We have developed "Service Expert Audits" to inform the Board and Senior Management of areas where our customers believe we can improve the outcomes for the people that use our services.

Maintaining a reputation for high standards both our levels of care and support but also our business conduct with our commissioning partners is central to the philosophy of the Directors of Dolphin Homes (Holdings).

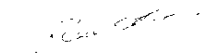
Business Relationships

We aim to work responsibly with our suppliers. During the year, the Board reviewed our arrangements with all staffing agencies to ensure full compliance with immigration status for all directly and indirectly employed staff.

Risk Management

Risk Management is an integral part of how Dolphin Homes (Holdings) operates on a daily basis and forms the core elements of our care and support packages. The board formally reviews the major risks within our business on a monthly basis. As part of our person centred approach to the people we support we have a positive approach to risk and involve the people we support, their families and advocates, our commissioning and health and social professional partners and our staff.

This report was approved by the board and signed on its behalf.



.....
Nicholas Heather
Director

19-Nov-2020

DOLPHIN HOMES (HOLDINGS) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2020

The directors present their report and the financial statements for the year ended 30 June 2020.

Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The loss for the year, after taxation, amounted to £155,780 (2019 - loss £130,311).

The directors have not recommended a dividend.

Directors

The directors who served during the year were:

N P Heather
B P Heather
G Norman (resigned 20 January 2020)
R N Tooze (resigned 14 November 2019)
A Winning
F J Gibson (appointed 20 January 2020)
T K Lanes (appointed 2 December 2019)

Future developments

Future developments are disclosed within the Strategic Report.

Engagement with employees

During the year, the policy of providing employees with information about the company has been continued through the internal media methods in which employees have also been encouraged to present their suggestions and views on the company's performance. Regular meetings are held between local management and employees to allow a free flow of information and ideas.

DOLPHIN HOMES (HOLDINGS) LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

Disabled employees

The company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled, it is the company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

Energy efficiency

Environmental matters - streamlined energy and carbon reporting:

In accordance with the requirements of The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 the Directors would like to disclose the following information for the year ended 30 June 2020. No information is present for comparative periods as this is the first period applying these regulations.

Carbon emissions plus intensity ration

	kWh	Tonnes CO ₂ e
Scope 1 - Direct Emissions		
Natural Gas	1,178,618	216,712
Scope 2 - Energy Indirect Emissions		
Electricity	434,524	101,305

Intensity Ratio

Average tonnes CO₂e per resident calculated at 3,279.

This calculation uses Gas and Electricity consumption / Average resident numbers.

Methodologies used within calculation:

The Company has used the actual kWh data from the monthly invoices it receives and then applied the "Government conversion factors for company reporting" to calculate the CO₂e content.

The Group has not included information in regard to direct emissions from owned vehicles as the collating of this information was not considered practicable.

Energy efficient action taken this year

We are constantly reviewing various methods to reduce emissions, such as the development of energy efficient homes and through the review and replacement of old technologies with new energy efficient methods (eg LED lighting).

Matters covered in the strategic report

The company has chosen in accordance with Section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out within the company's Strategic Report the Company's Strategic Report Information Required by Schedule 7 of the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulation 2008. This includes information that would have been included in the business review and details of the principal risks and uncertainties.

The directors are aware of the matters set out in section 172(1)(a) to (f) (duty to promote the success of the company) when performing their duties and do so appropriately.

DOLPHIN HOMES (HOLDINGS) LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

Post balance sheet events

Subsequent to the year end, the Group agreed new financing facilities of £9.9m with Clydesdale bank. These facilities enabled the Group to pay off the bank loans that are detailed within the creditors note as items due within 12 months

Auditors

Under section 487(2) of the Companies Act 2006, Menzies LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board and signed on its behalf.



.....
Nicholas Heather
Director

19-Nov-2020

DOLPHIN HOMES (HOLDINGS) LIMITED

MENZIES

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DOLPHIN HOMES (HOLDINGS) LIMITED

Opinion

We have audited the financial statements of Dolphin Homes (Holdings) Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 30 June 2020, which comprise the Group Income Statement, the Group Statement of Comprehensive Income, the Group and Company Statements of Financial Position, the Group Statement of Cash Flows, the Group and Company Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 30 June 2020 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent 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 directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' 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.

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 we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

DOLPHIN HOMES (HOLDINGS) LIMITED

MENZIES

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DOLPHIN HOMES (HOLDINGS) LIMITED (CONTINUED)

Opinion 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 Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Directors' Report.

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

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 7, the directors 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 directors 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 directors are responsible for assessing the Group's and the parent 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 directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 Auditors' 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 Auditors' Report.

DOLPHIN HOMES (HOLDINGS) LIMITED

MENZIES

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DOLPHIN
HOMES (HOLDINGS) LIMITED (CONTINUED)

Use of our report

This report is made solely to the Company's members 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 Company's members those matters we are required to state to them in an Auditors' 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 Company and the Company's members for our audit work, for this report, or for the opinions we have formed.

James Hadfield

James Hadfield FCA
(Senior Statutory Auditor) for and on behalf of
Menzies LLP

Chartered Accountants
Statutory Auditor

3000a Parkway
Whiteley
Hampshire
PO15 7FX
23-Nov-2020

DOLPHIN HOMES (HOLDINGS) LIMITED

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 £	2019 £
Turnover	4	11,808,985	10,087,192
Cost of sales		(7,303,993)	(6,450,010)
Gross profit		4,504,992	3,637,182
Administrative expenses		(3,746,417)	(3,189,732)
Other operating income	5	31,940	-
Operating profit	6	790,515	447,450
Interest receivable and similar income	10	1,458	682
Interest payable and similar expenses	11	(884,484)	(565,599)
Loss before tax		(92,511)	(117,467)
Tax on loss	12	(63,269)	(12,844)
Loss for the financial year		(155,780)	(130,311)
Loss for the year attributable to:			
Owners of the parent		(155,780)	(130,311)
		(155,780)	(130,311)

The notes on pages 23 to 42 form part of these financial statements.

DOLPHIN HOMES (HOLDINGS) LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2020

	2020 £	2019 £
Loss for the financial year	<u>(155,780)</u>	<u>(130,311)</u>
Other comprehensive income		
Movement on deferred tax in relation to revalued properties	<u>34,207</u>	<u>-</u>
Total comprehensive income for the year	<u><u>(121,573)</u></u>	<u><u>(130,311)</u></u>
(Loss) for the year attributable to:		
Owners of the parent Company	<u>(155,780)</u>	<u>(130,311)</u>
	<u><u>(155,780)</u></u>	<u><u>(130,311)</u></u>
Total comprehensive income attributable to:		
Owners of the parent Company	<u>(121,573)</u>	<u>(130,311)</u>
	<u><u>(121,573)</u></u>	<u><u>(130,311)</u></u>

The notes on pages 23 to 42 form part of these financial statements.

DOLPHIN HOMES (HOLDINGS) LIMITED

REGISTERED NUMBER:07221367

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	13	838,448	1,006,138
Tangible assets	14	21,633,599	19,316,703
		<u>22,472,047</u>	<u>20,322,841</u>
Current assets			
Debtors: amounts falling due within one year	16	1,269,609	1,622,168
Cash at bank and in hand		1,388,333	495,777
		<u>2,657,942</u>	<u>2,117,945</u>
Creditors: amounts falling due within one year	17	(10,978,920)	(3,059,299)
Net current liabilities		<u>(8,320,978)</u>	<u>(941,354)</u>
Total assets less current liabilities		<u>14,151,069</u>	<u>19,381,487</u>
Creditors: amounts falling due after more than one year	18	(4,966,500)	(10,364,028)
Provisions for liabilities			
Deferred taxation	21	(1,168,190)	(1,179,507)
Other provisions		(100,000)	-
		<u>(1,268,190)</u>	<u>(1,179,507)</u>
Net assets		<u>7,916,379</u>	<u>7,837,952</u>
Capital and reserves			
Called up share capital	23	12,305	10,310
Share premium account	24	297,697	99,692
Revaluation reserve	24	1,413,853	1,411,649
Merger reserve	24	6,971,776	7,036,611
Profit and loss account	24	(779,252)	(720,310)
		<u>7,916,379</u>	<u>7,837,952</u>

DOLPHIN HOMES (HOLDINGS) LIMITED
REGISTERED NUMBER:07221367

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 30 JUNE 2020

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



.....
Nicholas Heather
Director

19-Nov-2020

The notes on pages 23 to 42 form part of these financial statements.

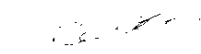
DOLPHIN HOMES (HOLDINGS) LIMITED

REGISTERED NUMBER:07221367

COMPANY STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	14	3,451	23,451
Investments	15	10,000	10,000
		<u>13,451</u>	<u>33,451</u>
Current assets			
Debtors: amounts falling due within one year	16	4,789,293	2,224,368
		<u>4,789,293</u>	<u>2,224,368</u>
Creditors: amounts falling due within one year	17	(1,043,671)	(321,428)
		<u>3,745,622</u>	<u>1,902,940</u>
Net current assets		<u>3,745,622</u>	<u>1,902,940</u>
Total assets less current liabilities		<u>3,759,073</u>	<u>1,936,391</u>
Creditors: amounts falling due after more than one year	18	(4,950,000)	(2,640,000)
Provisions for liabilities			
Other provisions		(100,000)	-
		<u>(100,000)</u>	<u>-</u>
Net liabilities		<u>(1,290,927)</u>	<u>(703,609)</u>
Capital and reserves			
Called up share capital	23	12,305	10,310
Share premium account	24	297,697	99,692
Profit and loss account brought forward		(813,611)	(481,632)
Loss for the year		(787,318)	(331,979)
Profit and loss account carried forward		(1,600,929)	(813,611)
		<u>(1,290,927)</u>	<u>(703,609)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



.....
Nicholas Heather
Director

19-Nov-2020

The notes on pages 23 to 42 form part of these financial statements.

DOLPHIN HOMES (HOLDINGS) LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2020

	Called up share capital £	Share premium account £	Revaluation reserve £	Merger reserve £	Profit and loss account £	Equity attributable to owners of parent Company £	Total equity £
At 1 July 2018	10,310	99,692	1,443,652	7,101,446	(686,837)	7,968,263	7,968,263
Comprehensive income for the year							
Loss for the year	-	-	-	-	(130,311)	(130,311)	(130,311)
Reserve transfers relating to depreciation on revalued property	-	-	(32,003)	(64,835)	96,838	-	-
Total comprehensive income for the year	-	-	(32,003)	(64,835)	(33,473)	(130,311)	(130,311)
At 1 July 2019	10,310	99,692	1,411,649	7,036,611	(720,310)	7,837,952	7,837,952
Comprehensive income for the year							
Loss for the year	-	-	-	-	(155,780)	(155,780)	(155,780)
Deferred tax relating to revaluations	-	-	34,207	-	-	34,207	34,207
Reserve transfers relating to depreciation on revalued property	-	-	(32,003)	(64,835)	96,838	-	-
Total comprehensive income for the year	-	-	2,204	(64,835)	(58,942)	(121,573)	(121,573)
Shares issued during the year	1,995	198,005	-	-	-	200,000	200,000
At 30 June 2020	12,305	297,697	1,413,853	6,971,776	(779,252)	7,916,379	7,916,379

The notes on pages 23 to 42 form part of these financial statements.

DOLPHIN HOMES (HOLDINGS) LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2020

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 July 2018	10,310	99,692	(481,632)	(371,630)
Comprehensive income for the year				
Loss for the year	-	-	(331,979)	(331,979)
Total comprehensive income for the year			(331,979)	(331,979)
At 1 July 2019	10,310	99,692	(813,611)	(703,609)
Comprehensive income for the year				
Loss for the year	-	-	(787,318)	(787,318)
Total comprehensive income for the year			(787,318)	(787,318)
Contributions by and distributions to owners				
Shares issued during the year	1,995	198,005	-	200,000
At 30 June 2020	12,305	297,697	(1,600,929)	(1,290,927)

The notes on pages 23 to 42 form part of these financial statements.

DOLPHIN HOMES (HOLDINGS) LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020

	2020 £	2019 £
Cash flows from operating activities		
Loss for the financial year	(155,780)	(130,311)
Adjustments for:		
Amortisation of intangible assets	167,690	167,690
Depreciation of tangible assets	396,043	367,743
Loss on disposal of tangible assets	502	883
Government grants	(31,940)	-
Interest paid	884,484	565,599
Interest received	(1,458)	(682)
Taxation charge	63,269	12,716
Decrease/(increase) in debtors	352,557	(208,343)
Increase in creditors	658,001	673,707
Increase in provisions	100,000	-
Corporation tax (paid)/received	(24,830)	10,673
Net cash generated from operating activities	2,408,538	1,459,675
Cash flows from investing activities		
Purchase of tangible fixed assets	(2,717,922)	(425,422)
Sale of tangible fixed assets	4,480	-
Government grants received	31,940	-
Interest received	1,458	682
HP interest paid	(9,223)	(11,756)
Net cash from investing activities	(2,689,267)	(436,496)

DOLPHIN HOMES (HOLDINGS) LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

	2020 £	2019 £
Cash flows from financing activities		
Issue of ordinary shares	200,000	-
Repayment of loans	(270,417)	(362,370)
Other new loans	2,245,740	-
Repayment of other loans	-	(21,593)
Repayment of/new finance leases	(6,090)	(17,091)
Interest paid	(875,261)	(553,843)
Net cash used in financing activities	1,293,972	(954,897)
Net increase in cash and cash equivalents	1,013,243	68,282
Cash and cash equivalents at beginning of year	375,090	306,808
Cash and cash equivalents at the end of year	1,388,333	375,090
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	1,388,333	495,777
Bank overdrafts	-	(120,687)
	1,388,333	375,090

DOLPHIN HOMES (HOLDINGS) LIMITED

CONSOLIDATED ANALYSIS OF NET DEBT FOR THE YEAR ENDED 30 JUNE 2020

	At 1 July 2019 £	Cash flows £	At 30 June 2020 £
Cash at bank and in hand	495,777	892,556	1,388,333
Bank overdrafts	(120,687)	120,687	-
Debt due after 1 year	(10,295,305)	5,345,305	(4,950,000)
Debt due within 1 year	(414,818)	(7,320,629)	(7,735,447)
Finance leases	(97,038)	6,090	(90,948)
	<u>(10,432,071)</u>	<u>(955,991)</u>	<u>(11,388,062)</u>

The notes on pages 23 to 42 form part of these financial statements.

DOLPHIN HOMES (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

1. General information

These financial statements have been prepared in compliance with FRS102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

Dolphin Homes (Holdings) Limited is a private company limited by shares, registered in England and Wales. The address of its registered office is disclosed on the company information page. The principal place of business is Unit A3 Endeavour Business Park, Penner Road, Havant PO9 1QN.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Income Statement in these financial statements.

For the year ending 30 June 2020, the following subsidiaries of the Company were entitled to, and has claimed the exemption from audit under s479a of the Companies Act 2006 relating to subsidiary companies.

Dolphin Homes Limited (Co. Number 01685034)
Dolphin Homes (Southern) Limited (Co. Number 06982830)
Dolphin Homes (West) Limited (Co. Number 09726595)
Dolphin Care Limited (Co. Number 10650613)

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidation has been completed using merger relief meaning that no goodwill has been recognised, and there is no requirement to undertake a fair value review of the assets acquired.

As such, at the date of acquisition, the difference between the book value of the assets acquired, and the shares issued in exchange for those assets, has been entered to the Merger reserve.

DOLPHIN HOMES (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

2. Accounting policies (continued)

2.3 Going concern

As widely reported in the media COVID-19 is impacting many businesses at the time these accounts are being filed.

The Directors continually review job programmes and finances, and where there has been little change in trading activity, assessments remain as they had been pre virus.

The Directors have conducted a COVID assessment within the strategic report.

Our finances remain strong and having taken that into consideration along with the expected performance over the foreseeable future, the Directors consider that the company has sufficient resources to continue operational existence for that time.

For this reason, the Directors continue to adopt the going concern basis of accounting in preparing these annual financial statements.

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

2.5 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Group has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 July 2018 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.6 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated Income Statement in the same period as the related expenditure.

2.7 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.8 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

DOLPHIN HOMES (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

2. Accounting policies (continued)

2.9 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.10 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

2.11 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

DOLPHIN HOMES (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

2. Accounting policies (continued)

2.12 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated Income Statement over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.13 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight line and reducing balance basis.

Depreciation is provided on the following basis:

Freehold property	- straight line over 50 years
Long-term leasehold property	- Life of lease
Motor vehicles	- 25% reducing balance
Fixtures and fittings	- 15% straight line
Other fixed assets	- 15% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.14 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Statement of Financial Position date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in other comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

DOLPHIN HOMES (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

2. Accounting policies (continued)

2.15 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Group shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Consolidated Income Statement for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

2.16 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.17 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Income Statement.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

DOLPHIN HOMES (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. No significant judgements have been applied within these financial statements.

4. Turnover

An analysis of turnover by class of business is as follows:

	2020 £	2019 £
Care services	11,808,985	10,087,192
	<u>11,808,985</u>	<u>10,087,192</u>

All turnover arose within the United Kingdom.

5. Other operating income

	2020 £	2019 £
Government grants receivable	31,940	-
	<u>31,940</u>	<u>-</u>

6. Operating profit

The operating profit is stated after charging:

	2020 £	2019 £
Other operating lease rentals	202,178	204,625
	<u>202,178</u>	<u>204,625</u>

DOLPHIN HOMES (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

7. Auditors' remuneration

	2020 £	2019 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	20,000	20,000
Fees payable to the Group's auditor and its associates in respect of:		
Taxation compliance services	1,650	1,750
	1,650	1,750

8. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Wages and salaries	6,917,648	5,787,665	-	-
Social security costs	28,650	22,936	-	-
Cost of defined contribution scheme	53,448	63,343	-	-
	6,999,746	5,873,944	-	-

The average monthly number of employees, including the directors, during the year was as follows:

	Group 2020 No.	Group 2019 No.	Company 2020 No.	Company 2019 No.
Production staff	279	255	-	-
Administration staff	15	15	-	-
Management staff	6	4	6	4
	300	274	6	4

DOLPHIN HOMES (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

9. Directors' remuneration

	2020 £	2019 £
Directors' emoluments	346,673	223,859
	<u>346,673</u>	<u>223,859</u>

The highest paid director received remuneration of £83,426 (2019 - £112,467).

This relates to the highest paid director within the Group.

10. Interest receivable

	2020 £	2019 £
Other interest receivable	1,458	682
	<u>1,458</u>	<u>682</u>

11. Interest payable and similar expenses

	2020 £	2019 £
Bank interest payable	740,460	521,694
Other loan interest payable	100,000	150
Mortgage interest payable	29,628	15,000
Finance leases and hire purchase contracts	9,223	11,756
Other interest payable	5,173	16,999
	<u>884,484</u>	<u>565,599</u>

DOLPHIN HOMES (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

12. Taxation

	2020 £	2019 £
Corporation tax		
Current tax on profits for the year	40,379	-
	<u>40,379</u>	<u>-</u>
Total current tax	<u>40,379</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	22,890	12,844
Total deferred tax	<u>22,890</u>	<u>12,844</u>
Taxation on profit on ordinary activities	<u>63,269</u>	<u>12,844</u>

DOLPHIN HOMES (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

12. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2019 - *higher than*) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Loss on ordinary activities before tax	(92,511)	(117,467)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	(17,577)	(22,319)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	4,710	1,373
Capital allowances for year in (excess)/deficit of depreciation	67,240	52,219
Utilisation of tax losses	(10,947)	(36,889)
Increase or decrease in pension fund prepayment leading to an increase (decrease) in tax	(3,060)	-
Short term timing difference leading to an increase (decrease) in taxation	22,890	12,716
Book profit on chargeable assets	95	-
Changes in provisions leading to an increase (decrease) in the tax charge	-	5,438
Unrelieved tax losses carried forward	(82)	82
Other differences leading to an increase (decrease) in the tax charge	-	224
Total tax charge for the year	63,269	12,844

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

DOLPHIN HOMES (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

13. Intangible assets

Group

	Goodwill £
Cost	
At 1 July 2019	2,113,752
At 30 June 2020	<u>2,113,752</u>
Amortisation	
At 1 July 2019	1,107,614
Charge for the year on owned assets	167,690
At 30 June 2020	<u>1,275,304</u>
Net book value	
At 30 June 2020	<u><u>838,448</u></u>
At 30 June 2019	<u><u>1,006,138</u></u>

DOLPHIN HOMES (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

14. Tangible fixed assets

Group

	Freehold property £	Long-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation					
At 1 July 2019	19,086,906	142,435	539,565	1,539,738	21,308,644
Additions	1,689,386	844,035	64,459	120,042	2,717,922
Disposals	-	-	(36,011)	-	(36,011)
At 30 June 2020	<u>20,776,292</u>	<u>986,470</u>	<u>568,013</u>	<u>1,659,780</u>	<u>23,990,555</u>
Depreciation					
At 1 July 2019	416,802	70,182	351,558	1,153,400	1,991,942
Charge for the year on owned assets	204,323	10,879	61,877	118,964	396,043
Disposals	-	-	(31,029)	-	(31,029)
At 30 June 2020	<u>621,125</u>	<u>81,061</u>	<u>382,406</u>	<u>1,272,364</u>	<u>2,356,956</u>
Net book value					
At 30 June 2020	<u>20,155,167</u>	<u>905,409</u>	<u>185,607</u>	<u>387,416</u>	<u>21,633,599</u>
At 30 June 2019	<u>18,670,105</u>	<u>72,253</u>	<u>188,007</u>	<u>386,338</u>	<u>19,316,703</u>

The Freehold Property was last revalued in line with a valuation prepared by Gerald Eve property consultants in March 2017, to a market value of £18.13m.

DOLPHIN HOMES (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

14. Tangible fixed assets (continued)

Company

	Freehold property £
Cost or valuation	
At 1 July 2019	23,451
Transfers intra group	(20,000)
At 30 June 2020	<u>3,451</u>
Net book value	
At 30 June 2020	<u>3,451</u>
At 30 June 2019	<u>23,451</u>

DOLPHIN HOMES (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

15. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 July 2019	10,000
At 30 June 2020	10,000

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Holding
Dolphin Homes Limited	100%
Dolphin Homes (Southern) Limited	100%
Dolphin Homes (West) Limited	100%
Dolphin Care Limited	100%

The registered office of all of the above subsidiaries is;

3000A Parkway
Whiteley
Hampshire
PO15 7FX.

DOLPHIN HOMES (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

16. Debtors

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Trade debtors	706,487	1,166,973	-	-
Amounts owed by group undertakings	-	-	4,409,636	1,912,283
Other debtors	446,571	370,652	379,657	312,085
Prepayments and accrued income	116,551	84,543	-	-
	1,269,609	1,622,168	4,789,293	2,224,368

17. Creditors: Amounts falling due within one year

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Bank overdrafts	-	120,687	-	-
Bank loans	7,728,476	362,370	-	-
Other loans	6,970	52,448	-	-
Trade creditors	268,123	327,382	32,338	-
Amounts owed to group undertakings	-	-	1	1
Corporation tax	82,300	66,751	28,718	64,612
Other taxation and social security	143,846	171,826	-	-
Obligations under finance lease and hire purchase contracts	90,948	64,315	-	-
Other creditors	548,290	561,481	-	-
Accruals and deferred income	2,109,967	1,332,039	982,614	256,815
	10,978,920	3,059,299	1,043,671	321,428

The bank loans are secured by a floating charge over all assets of the company and a fixed charge over the freehold property.

DOLPHIN HOMES (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

18. Creditors: Amounts falling due after more than one year

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Bank loans	-	7,636,523	-	-
Other loans	4,950,000	2,658,782	4,950,000	2,640,000
Net obligations under finance leases and hire purchase contracts	-	32,723	-	-
Other creditors	16,500	36,000	-	-
	4,966,500	10,364,028	4,950,000	2,640,000

The bank loans are secured by a floating charge over all assets of the company and a fixed charge over the freehold property.

19. Loans

Analysis of the maturity of loans is given below:

Analysis of the maturity of loans is given below:

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Amounts falling due within one year				
Bank loans	7,728,476	362,370	-	-
Other loans	6,970	52,448	-	-
	7,735,446	414,818	-	-
Amounts falling due 1-2 years				
Bank loans	-	7,636,523	-	-
Other loans	-	258,782	-	240,000
	-	7,895,305	-	240,000
Amounts falling due 2-5 years				
Other loans	2,175,000	1,200,000	2,175,000	1,200,000
	2,175,000	1,200,000	2,175,000	1,200,000
Amounts falling due after more than 5 years				
Other loans	2,775,000	1,200,000	2,775,000	1,200,000
	12,685,446	10,710,123	4,950,000	2,640,000

DOLPHIN HOMES (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

20. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2020 £	Group 2019 £
Within one year	90,948	64,315
Between 1-5 years	-	32,723
	90,948	97,038

21. Deferred taxation

Group

	2020 £
At beginning of year	1,179,507
Charged to profit or loss	(22,890)
Charged to other comprehensive income	(34,207)
At end of year	1,168,190

	Group 2020 £	Group 2019 £
Accelerated capital allowances	87,432	64,542
Capital gains on revalued properties	1,080,758	1,114,965
	1,168,190	1,179,507

DOLPHIN HOMES (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

22. Provisions

Group

	Early loan settlement costs £
Charged to profit or loss	100,000
At 30 June 2020	100,000

Company

	Early loan settlement costs £	Total £
Charged to profit or loss	100,000	100,000
At 30 June 2020	100,000	100,000

23. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
7,629 (2019 - 7,629) Ordinary shares of £1.00 each	7,629	7,629
4,675 (2019 - 2,680) Ordinary A shares of £1.00 each	4,675	2,680
1 (2019 - 1) Ordinary B share of £1.00	1	1
	12,305	10,310

Each ordinary share has equal voting and dividend rights.

There were 1,995 Ordinary A shares issued for £200,000 during the period.

DOLPHIN HOMES (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

24. Reserves

Share premium account

Share premium represents the difference between the par value of shares issued and the amount that was received.

Revaluation reserve

The revaluation reserve represents the accumulated difference between the revalued amount and the carrying value of properties, net of estimated deferred taxes.

Merger Reserve

The merger reserve represents the difference between the book value of assets acquired and nominal share value issued in the creation of the Dolphin Homes (Holdings) Group.

Profit and loss account

The profit and loss account represents the accumulated profits or losses made by the Company.

25. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £53,448 (2019 - £63,343).

Contributions totalling £30,310 (2019 - £46,416) were payable to the fund at the balance sheet date and are included in creditors.

26. Commitments under operating leases

At 30 June 2020 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2020 £	Group 2019 £
Not later than 1 year	115,431	110,315
Later than 1 year and not later than 5 years	120,718	208,103
Later than 5 years	6,228	13,284
	242,377	331,702

The total lease payments relating to rent and equipment hire recognised as an expense in the financial year amounts to £202,178 (2019 - £204,625).

DOLPHIN HOMES (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

27. Transactions with directors

At the year-end, N P Heather, a director, owed the company £192,436 (2019 - £137,388).

During the year, N P Heather undertook the following transactions with the company:

- Payments received £55,148 (2019 - £54,526)
- Payments made on his behalf £100 (2019 - £22,287)

At the year-end, B P Heather, a director, owed the company £61,898 (2019 - £61,418).

During the year, B P Heather undertook the following transactions with the company:

- Payments received £NIL (2019 - £Nil)
- Payments made on his behalf £480 (2019 - £440)

28. Related party transactions

Group

JNP Developments and Investments Limited

JNP Developments and Investments Limited is owned by B P & N P Heather. During the period the Group, paid expenses on behalf of JNP of £10,363 (2019 - £28,509). JNP provided services of £1,726,292 (2019 - £593,051) and made repayments of £1,702,652 (2019 - £505,011) to the Group.

At the year end, the Group owed JNP £61,833 (2019 - £48,556).

Company

Under the provisions of Section 33 of Financial Reporting Standard 102, the Company is exempt from disclosing transactions with fellow Group Companies.

The Company has provided a guarantee on a rent agreement entered into by a fellow subsidiary of the Group.

29. Post balance sheet events

Subsequent to the year end, the Group agreed new financing facilities of £9.9m with Clydesdale bank. These facilities enabled the Group to pay off the bank loans that are detailed within the creditors note as items due within 12 months