


UNAUDITED ANNUAL REPORT  
AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
30 JUNE 2022

DOLPHIN HOMES LIMITED

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*AC82MLUR*		
A03	19/07/2023	#125
COMPANIES HOUSE		
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A28	29/06/2023	#171
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# DOLPHIN HOMES LIMITED

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## COMPANY INFORMATION

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**Directors**

B P Heather  
N P Heather  
D Moody  
A Campbell (appointed 10 November 2021)  
T K Lanes (resigned 3 September 2021)

**Company secretary**

ATG Coombs

**Registered number**

01685034

**Registered office**

3000A Parkway  
Whiteley  
Hampshire  
PO15 7FX

**Accountants**

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

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# DOLPHIN HOMES LIMITED

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# DOLPHIN HOMES LIMITED

## STRATEGIC REPORT FOR THE YEAR ENDED 30 JUNE 2022

### Principle activity

Due to the connected nature of the Company. The strategic report is constructed on the activities of the group on a whole.

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. The group also operates supported living and domiciliary care services (Dolphin @ Home) under Dolphin Homes Limited.

### Business review

#### Financial and Operational performance

The group has experienced unprecedented market challenges in terms of staffing this year which has led to a significant increase in staffing costs due to much higher agency usage. Staffing vacancies were at 26% at year end in line with the wider sector which has corresponding impacts on profitability.

Turnover growth has also been impacted by staffing shortages despite very high referrals to our services with admissions being delayed in order not to compromise our quality standards. Local and health authority budget constraints continue to have an impact on the sector being able to adequately recruit and retain staff.

As a result of these issues, despite Turnover increasing by 20%, both Gross and Net Profit have declined during the year. Our mature residential business continues to perform well in line with expectations but staffing challenges in the opening of new Supported Living and increases in capacity of our existing ABI services has resulted in overall margins being squeezed. However, with significant changes to and investment in our recruitment function, we are well placed to realise any improvements in the care recruitment space going forward.

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

Occupancy levels in our mature residential services held up well during the year and we opened a further 16 beds at Kingfisher Court, our Nursing ABI unit during the year. This consequently reduced occupancy %age across the group despite a significant number of new placements. We also opened 8 beds in our first Supported Living service during the year. New services across the group resulted in overall occupancy of 90.3% for year ending 30 June 2022. Relationships with commissioners and demand for placements with our services remains very strong. Our occupancy performance across the sectors is as follows:

	2022	2021
Residential Care Services	98.2%	98.8%
Supported Living Services	44.8%	N/A
Nursing Care Services	75.3%	99.5%

Revenue for the group increased 20.3% to £14.7m up from £12.2m in 2021. This growth was from both Residential Care Services and Nursing services, which grew 11.9% and 58.3% respectively, with a combination of increased occupancy and improved fee rates.

	2022	2021
Dolphin Homes Limited	£9.251m	£8.169m
Dolphin Homes (Southern) Limited	£1.922m	£1.820m
Dolphin Care Limited	£3.501m	£2.211m

# DOLPHIN HOMES LIMITED

## STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

Average fee rates for the group increased by 8.3% to £2,063 per week. 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 by 4.9% and within our nursing care services average fee rates increased by 10.2%.

	2022	2021
Residential Care Services (£ per week)	<b>£1,897</b>	£1,808
Supported Living Services (£ per week)	<b>£4,025</b>	N/A
Nursing Care Services (£ per week)	<b>£2,772</b>	£2,514

Gross profit increased by 5.2% for the year to £4.4m with gross margin falling by 4.3 percentage points to 29.9%. Contracted labour costs increased by £1.9m (415%) and overall labour costs by £2.3m (31.3%) as a consequence of the staffing shortages experienced by the group.

	2022	2021
Dolphin Homes Limited	<b>£3.010m</b>	£2.801m
Dolphin Homes (Southern) Limited	<b>£0.582m</b>	£0.539m
Dolphin Care Limited	<b>£0.803m</b>	£0.839m

Operating profit decreased to £0.562m (2021: £1.470m).

Net loss before tax at (£0.274m) after investment costs (2021: £0.684m profit).

The group agreed additional financing facilities with Clydesdale and Yorkshire Banking Group (CYBG) of £3.2m, allowing the group to purchase the freehold of Kingfisher Court. This purchase will enable the opportunity to link Kingfisher Court with the newly completed Osprey Court and increase the overall capacity from 33 to 39 bedrooms.

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# DOLPHIN HOMES LIMITED

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## STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

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### Human Resources

The recruitment and retention challenges faced by the Dolphin Homes group are similar to that experienced by the entire Health and Social Care sector. However, the increased complexity of needs of the people we support, especially from new admissions has exacerbated these problems.

As a group, whilst we have worked very hard on care staff recruitment and retention during the year, increasing staffing headcount from 321 employees at the start of the year to 359 by year end with our full time staff increasing from 281 to 307 over the period. We continue to promote equal opportunities for all current and potential employees, with a plan to be able to promote from within wherever possible.

Recruitment on an end to end basis is now administered by a dedicated Recruitment department with employee turnover closely monitored and exit interviews performed to identify underlying trends. Staff turnover stood at a rolling average of 34.1% at the year end, up on the prior year. We experienced a considerable number of staff exiting the care sector once pandemic related employment restrictions ended. We have introduced a number of additional employee benefit programmes during the year and continue to explore how we can further improve the overall package for our staff members.

The effect of new services and recruitment challenges resulted in overall labour costs increasing by £2.336m (31.3%) driven by contracted labour costs increasing by £1.924m (415%).

Agency spend represented 17.3% of care revenue (up from 5.0% in 2021). This is reflective of our commitment to continuing to provide the correct support levels for the vulnerable people that live within our services.

The transition of much of our face-to-face training requirements traditionally undertaken within our head office onto our e-learning platform during the pandemic continued to pay dividends. This enhanced use of technology resulted in our mandatory training statistics increasing further with compliance above 90% for most of the year. (89.17% at year end). We also introduced the Smartlog platform to handle all of our Health and Safety training and policies to sit alongside the Elfy platform which we use for care specific training programmes.

### Quality and Compliance

Due to COVID19 restrictions, none of our services were inspected by CQC during the year although 2 inspections had commenced at year end. The group now has 13 services rated as "Good" or higher and 1 being rated as "Requiring Improvement". 93% of our services are thus rated as "Good" or better (2021: 93%) and our target remains 100%.

Across the CQC domains, 96% of the individual inspected areas are rated as "Good" or higher.

Work on "Project Outstanding", launched in 2020, continues and our aim is still to have 20% of our services rated as "Outstanding" but due to the change in inspection criteria from the CQC, this will now take longer than originally anticipated.

Our internal quality function has incorporated the new CQC guidance of "Right support, right care, right culture" and our internal inspections continue to drive standards in line with our Project Outstanding deliverables.

Our "Voice for All" forum, "Good Practice Forum" and Health and Safety Committee, which all incorporate and indeed are led by the views of our service users, enables us to share ideas across all levels of the organisation.

Our suite of care management, care planning, medication management and health and safety software packages enable our front line managers and staff to deliver excellent support to the people that use our services and allow our area and central managers to see key performance indicators in real time.

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# DOLPHIN HOMES LIMITED

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## STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

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### **Principle risks and uncertainties**

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

#### Risk 1:

##### 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 platforms continue to be developed with Face to Face training conducted at Head Office.

A comprehensive suite of employee benefits which are regularly reviewed to ensure they are competitive and relevant. Management Development Programmes for all levels of operational management to facilitate easier career progression. Localised pay rates in employment hot spots.

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.

UKBA Licensed Sponsor giving us the flexibility to recruit from overseas or help existing applicants with their sponsorship requirements.

#### Risk 2:

##### 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 Compliance Manager conducting audits with additional audits undertaken by service managers.

Service Expert Auditors conducting audits within all services auditing each service at least quarterly.

Good Practice Forum meeting quarterly to share ideas and examine areas for improvement.

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 which was increased during the year.

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## DOLPHIN HOMES LIMITED

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### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

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Robust safeguarding and whistleblowing policies and procedures and regular staff and management training in same.

Risk 3:

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 Covid19 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.

**Operational & financial key performance indicators**

Occupancy remains the key driver for the Dolphin Homes group and we have set the occupancy KPI at 95.2% for the coming year (98.3% on mature services).

We have set the KPI for total staffing costs (exc. Directors) at 70.7% of turnover for 2022/23, (which includes the introduction and lead time costs of new services).

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

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

**Future developments**

Development of a further 6 beds at our ABI unit, Kingfisher Court to bring the overall capacity up to 39 beds was well advanced at year end. In addition, the group will open a further 6 bedded residential service for people with complex health needs in Portchester during the coming year together with 10 Supported Living flats for people with complex support needs.

The group is also in development of a further 4 dedicated supported living facilities, which will add an additional 36 beds to our portfolio and we continue to grow our community support services, primarily in the Southampton area.

We continue to have a strong pipeline of referrals for our services with a 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.



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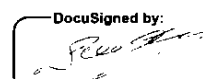
# DOLPHIN HOMES LIMITED

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## STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

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

DocuSigned by:  
  
.....  
N P Heather  
Director

Date: 22-Jun-2023

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# DOLPHIN HOMES LIMITED

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## DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2022

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The directors present their report and the financial statements for the year ended 30 June 2022.

### **Directors' responsibilities statement**

The directors are responsible for preparing the Strategic Report, the Directors' Report and the 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 of the profit or loss of the Company for that period.

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgements and accounting 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company 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 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 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 £81,694 (2021 - profit £79,017).

No dividend has been declared on these accounts.

### **Directors**

The directors who served during the year were:

B P Heather  
N P Heather  
D Moody  
A Campbell (appointed 10 November 2021)  
T K Lanes (resigned 3 September 2021)

### **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.

### **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.

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# DOLPHIN HOMES LIMITED

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## DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

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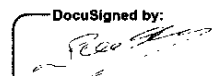
### **Greenhouse gas emissions, energy consumption and energy efficiency action**

The Company is taking the exemptions available to subsidiaries in relation to the Energy reporting guidelines as the usage data for the Group can be found in the parent Company's accounts.

### **Matters covered in the Strategic Report**

Matters relating to risk management and future developments are covered within the Strategic Report.

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

DocuSigned by:  
  
.....31D84C8DEC15479.....  
**N P Heather**  
Director

Date: 22-Jun-2023

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**DOLPHIN HOMES LIMITED**

**MENZIES**

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**CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS  
ON THE PREPARATION OF THE UNAUDITED STATUTORY FINANCIAL  
STATEMENTS OF DOLPHIN HOMES LIMITED  
FOR THE YEAR ENDED 30 JUNE 2022**

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In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Dolphin Homes Limited for the year ended 30 June 2022 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes from the Company's accounting records and from information and explanations you have given to us.

As a member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at:  
[www.icaew.com/en/members/regulations-standards-and-guidance/](http://www.icaew.com/en/members/regulations-standards-and-guidance/).

This report is made solely to the Board of Directors of Dolphin Homes Limited, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the financial statements of Dolphin Homes Limited and state those matters that we have agreed to state to the Board of Directors of Dolphin Homes Limited, as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Dolphin Homes Limited and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that Dolphin Homes Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the Company's assets, liabilities, financial position and loss. You consider that Dolphin Homes Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or review of the financial statements of Dolphin Homes Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

DocuSigned by:  
  
F3746970A0D043D.  
**Menzies LLP**

Chartered Accountants

3000a Parkway  
Whiteley  
Hampshire  
PO15 7FX

Date: 23-Jun-2023

# DOLPHIN HOMES LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 £	2021 £
Turnover	4	9,253,538	8,169,407
Cost of sales		(6,286,492)	(5,368,889)
<b>Gross profit</b>		<b>2,967,046</b>	<b>2,800,518</b>
Administrative expenses		(3,169,282)	(2,982,413)
Other operating income	5	243,308	456,322
<b>Operating profit</b>	6	<b>41,072</b>	<b>274,427</b>
Interest receivable and similar income	9	16	671
Interest payable and similar expenses	10	(15,193)	(132,496)
<b>Profit before tax</b>		<b>25,895</b>	<b>142,602</b>
Tax on profit	11	(107,589)	(63,585)
<b>(Loss)/profit for the financial year</b>		<b>(81,694)</b>	<b>79,017</b>
<b>Other comprehensive income for the year</b>			
Unrealised surplus on revaluation of tangible fixed assets		1,131,570	-
Movement in deferred tax relating to revalued properties		(502,011)	(428,743)
<b>Other comprehensive income for the year</b>		<b>629,559</b>	<b>(428,743)</b>
<b>Total comprehensive income for the year</b>		<b>547,865</b>	<b>(349,726)</b>

The notes on pages 14 to 27 form part of these financial statements.

# DOLPHIN HOMES LIMITED

REGISTERED NUMBER:01685034

## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Intangible assets	12	503,068	670,758
Tangible assets	13	17,802,041	16,468,292
		<u>18,305,109</u>	<u>17,139,050</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	14	2,777,981	2,625,837
Cash at bank and in hand		669,594	694,496
		<u>3,447,575</u>	<u>3,320,333</u>
Creditors: amounts falling due within one year	15	(13,604,097)	(12,753,083)
<b>Net current liabilities</b>		<u>(10,156,522)</u>	<u>(9,432,750)</u>
<b>Total assets less current liabilities</b>		<u>8,148,587</u>	<u>7,706,300</u>
<b>Provisions for liabilities</b>			
Deferred tax	16	(1,144,638)	(1,539,060)
		<u>(1,144,638)</u>	<u>(1,539,060)</u>
<b>Net assets</b>		<u>7,003,949</u>	<u>6,167,240</u>

# DOLPHIN HOMES LIMITED

REGISTERED NUMBER:01685034

## STATEMENT OF FINANCIAL POSITION (CONTINUED)

### AS AT 30 JUNE 2022

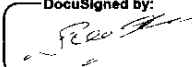
	Note	2022 £	2021 £
<b>Capital and reserves</b>			
Called up share capital	17	100	100
Revaluation reserve	18	6,717,679	5,863,789
Profit and loss account	18	286,170	303,351
		<u>7,003,949</u>	<u>6,167,240</u>

The directors considers that the Company is entitled to exemption from the requirement to have an audit under the provisions of section 479A of the Companies Act 2006.

The members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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

DocuSigned by:  
  
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**N P Heather**  
Director

22-Jun-2023

The notes on pages 14 to 27 form part of these financial statements.

# DOLPHIN HOMES LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2022

	Called up share capital £	Revaluation reserve £	Profit and loss account £	Total equity £
<b>At 1 July 2020</b>	<b>100</b>	<b>6,357,367</b>	<b>159,499</b>	<b>6,516,966</b>
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	79,017	79,017
Deferred tax relating to revaluations	-	(428,743)	-	(428,743)
Excess depreciaton on revalued properties	-	(64,835)	64,835	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>(493,578)</b>	<b>143,852</b>	<b>(349,726)</b>
<b>At 1 July 2021</b>	<b>100</b>	<b>5,863,789</b>	<b>303,351</b>	<b>6,167,240</b>
<b>Comprehensive income for the year</b>				
Loss for the year	-	-	(81,694)	(81,694)
Surplus on revaluation of freehold property net of deferred taxes	-	918,403	-	918,403
Excess depreciaton on revalued properties	-	(64,513)	64,513	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>853,890</b>	<b>(17,181)</b>	<b>836,709</b>
<b>At 30 June 2022</b>	<b>100</b>	<b>6,717,679</b>	<b>286,170</b>	<b>7,003,949</b>

The notes on pages 14 to 27 form part of these financial statements.



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# DOLPHIN HOMES LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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### 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 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 management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

#### 2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Dolphin Homes (Holdings) Limited as at 30 June 2022 and these financial statements may be obtained from Companies House.

#### 2.3 Going concern

The balance sheet is showing net current liabilities totalling £10,156,522. The reason for this is intercompany creditor balances totalling £10,681,117. The company retains the support of the parent entity and fellow subsidiaries within the group and these loans will not be recalled until such time that funds allow.

As such, the directors continue to assess that the company is a going concern and have drawn up the accounts on this basis.

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# DOLPHIN HOMES LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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### 2. Accounting policies (continued)

#### 2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company 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. The following criteria must also be met before revenue is recognised:

##### **Rendering of services**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

#### 2.5 Operating leases: the Company 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.

#### 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 Statement of Comprehensive Income 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.

#### 2.9 Borrowing costs

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

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# DOLPHIN HOMES LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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### 2. Accounting policies (continued)

#### 2.10 Pensions

##### Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company 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 Company 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 operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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.

#### 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 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 Statement of Comprehensive Income over its useful economic life of 10 years.

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# DOLPHIN HOMES LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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### 2. Accounting policies (continued)

#### 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.

Depreciation is provided on the following bases:

Freehold property	- straight line over 50 years
Long-term leasehold property	- Over the life of the lease
Motor vehicles	- 25% reducing balance
Fixtures and fittings	- 15% straight line

#### 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 reporting 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.

#### 2.15 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company 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 Company becomes aware of the obligation, and are measured at the best estimate at the reporting 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.

# DOLPHIN HOMES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### 2. Accounting policies (continued)

#### 2.16 Financial instruments

The Company 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 Statement of Comprehensive Income.

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.

### 3. Judgements 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.

Assumptions have been made around the useful life of goodwill and other fixed assets. These estimations have been made in accordance with the usual replacement period for these assets, and the expected life of the goodwill acquired.

### 4. Turnover

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

	2022 £	2021 £
Care services	9,253,538	8,169,407
	<u>9,253,538</u>	<u>8,169,407</u>

All turnover arose within the United Kingdom.

# DOLPHIN HOMES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### 5. Other operating income

	2022 £	2021 £
Government grants receivable	178,018	456,322
Insurance claims receivable	65,290	-
	<u>243,308</u>	<u>456,322</u>

### 6. Operating profit

The operating profit is stated after charging:

	2022 £	2021 £
Other operating lease rentals	<u>198,090</u>	<u>203,837</u>

### 7. Employees

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

	2022 £	2021 £
Wages and salaries	5,881,719	5,741,458
Social security costs	44,458	43,131
Cost of defined contribution scheme	27,857	27,619
	<u>5,954,034</u>	<u>5,812,208</u>

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

	2022 No.	2021 No.
Production staff	306	306
Administrative staff	10	10
Management staff	7	7
	<u>323</u>	<u>323</u>

# DOLPHIN HOMES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### 8. Directors' remuneration

	2022 £	2021 £
Directors' emoluments	315,481	355,530
Company contributions to defined contribution pension schemes	8,133	11,774
	<u>323,614</u>	<u>367,304</u>

During the year retirement benefits were accruing to 3 directors (2021 - 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £154,564 (2021 - £134,252).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £4,600 (2021 - £3,804).

### 9. Interest receivable

	2022 £	2021 £
Other interest receivable	16	671
	<u>16</u>	<u>671</u>

### 10. Interest payable and similar expenses

	2022 £	2021 £
Bank interest payable	4,753	120,848
Finance leases and hire purchase contracts	5,271	8,611
Other interest payable	5,169	3,037
	<u>15,193</u>	<u>132,496</u>

# DOLPHIN HOMES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### 11. Taxation

	2022 £	2021 £
<b>Total current tax</b>	-	-
<b>Deferred tax</b>		
Origination and reversal of timing differences	107,589	47,550
Changes to tax rates	-	16,035
<b>Total deferred tax</b>	107,589	63,585
<b>Taxation on profit on ordinary activities</b>	107,589	63,585

#### Factors affecting tax charge for the year

The tax assessed for the year is higher than (2021 - higher than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
Profit on ordinary activities before tax	25,895	142,602
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	4,920	27,094
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	3,052	5,827
Short term timing difference leading to an increase (decrease) in taxation	87,217	90,744
Other timing differences leading to an increase (decrease) in taxation	4,365	-
Re-measurement of deferred tax – change in the UK tax rate	-	16,035
Group relief	8,035	(76,115)
<b>Total tax charge for the year</b>	107,589	63,585

#### Factors that may affect future tax charges

There were no factors that may affect future tax charges.



# DOLPHIN HOMES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### 12. Intangible assets

	Goodwill £
<b>Cost</b>	
At 1 July 2021	2,113,752
At 30 June 2022	<u>2,113,752</u>
<b>Amortisation</b>	
At 1 July 2021	1,442,994
Charge for the year on owned assets	<u>167,690</u>
At 30 June 2022	<u>1,610,684</u>
<b>Net book value</b>	
At 30 June 2022	<u>503,068</u>
At 30 June 2021	<u>670,758</u>

# DOLPHIN HOMES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### 13. Tangible fixed assets

	Freehold property £	Long-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Total £
<b>Cost or valuation</b>					
At 1 July 2021	16,473,685	86,339	532,102	1,700,763	18,792,889
Additions	2,281,234	-	63,445	167,006	2,511,685
Disposals	(1,318,740)	-	(44,435)	-	(1,363,175)
Revaluations	(213,167)	-	-	-	(213,167)
At 30 June 2022	17,223,012	86,339	551,112	1,867,769	19,728,232
<b>Depreciation</b>					
At 1 July 2021	530,806	81,977	388,422	1,323,392	2,324,597
Charge for the year on owned assets	123,063	4,362	40,479	123,468	291,372
Disposals	(20,409)	-	(39,810)	-	(60,219)
On revalued assets	(629,559)	-	-	-	(629,559)
At 30 June 2022	3,901	86,339	389,091	1,446,860	1,926,191
<b>Net book value</b>					
At 30 June 2022	17,219,111	-	162,021	420,909	17,802,041
At 30 June 2021	15,942,879	4,362	143,680	377,371	16,468,292

The Freehold Property value has been considered by the Directors during the year and they have revalued the property in line with the market valuation provided by Christie & Co in August 2020.

Freehold property is included in a cross guarantee over the assets of the Company, due to the overdraft facility in the Company, bank loans and a revolving credit facility both held in parent company, Dolphin Homes (Holdings) Limited.

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2022 £	2021 £
Motor vehicles	102,839	115,488
	<u>102,839</u>	<u>115,488</u>

# DOLPHIN HOMES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### 14. Debtors

	2022 £	2021 £
Trade debtors	568,521	482,372
Amounts owed by group undertakings	2,059,874	1,979,297
Other debtors	59,979	48,484
Prepayments and accrued income	89,607	115,684
	<b>2,777,981</b>	<b>2,625,837</b>

### 15. Creditors: Amounts falling due within one year

	2022 £	2021 £
Bank overdrafts	320,647	-
Trade creditors	318,712	165,858
Amounts owed to group undertakings	10,681,117	10,805,894
Corporation tax	13,182	13,182
Other taxation and social security	572,970	179,051
Obligations under finance lease and hire purchase contracts	65,144	54,038
Other creditors	918,242	623,982
Accruals and deferred income	714,083	911,078
	<b>13,604,097</b>	<b>12,753,083</b>

A cross guarantee over the assets of the Company is in place, due to the overdraft facility in the Company, bank loans and a revolving credit facility both held in parent company, Dolphin Homes (Holdings) Limited.

# DOLPHIN HOMES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### 16. Deferred taxation

	2022 £
At beginning of year	1,539,060
Charged to profit or loss	107,589
Charged to other comprehensive income	(502,011)
<b>At end of year</b>	<b>1,144,638</b>

The provision for deferred taxation is made up as follows:

	2022 £	2021 £
Accelerated capital allowances	204,601	120,763
Pension surplus	8,186	6,399
Unrealised capital gains	948,223	1,424,696
	<b>1,144,638</b>	<b>1,539,060</b>

### 17. Share capital

	2022 £	2021 £
<b>Allotted, called up and fully paid</b>		
100 (2021 - 100) Ordinary shares of £1.00 each	100	100

Each ordinary share has equal voting and dividend rights.

### 18. Reserves

#### Revaluation reserve

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

#### Profit and loss account

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

# DOLPHIN HOMES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### 19. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £27,857 (2021 - £27,619). Contributions totalling £32,742 (2021 - £30,310) were payable to the fund at the balance sheet date and are included in creditors.

### 20. Commitments under operating leases

At 30 June 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022 £	2021 £
Not later than 1 year	18,878	68,610
Later than 1 year and not later than 5 years	30,791	49,669
	<u>49,669</u>	<u>118,279</u>

The total lease payments, relating to rent and equipment hire recognised as an expense in the financial year amounts to £71,731 (2021 - £99,533).

### 21. Transactions with directors

During the year, the outstanding directors loans were transferred to the parent company, Dolphin Homes (Holdings) Limited.

### 22. Related party transactions

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

The Company, by way of a fixed and floating charge over all assets, has provided security via a cross guarantee on the borrowings of the parent company.

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

#### JNP Developments and Investments Limited

JNP Developments and Investments Limited is owned by B P & N P Heather. During the period Dolphin Homes Limited paid expenses on behalf of JNP of £Nil (2021 - £8,553). JNP provided services of £1,293,633 (2021 - £497,842) and made repayments of £1,073,659 (2021 - £520,200) to Dolphin Homes Limited.

At the year end, Dolphin Homes Limited owed JNP £207,873 (2021 - JNP owed £12,101).

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# DOLPHIN HOMES LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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### **23. Controlling party**

The Company is a 100% subsidiary of Dolphin Homes (Holdings) Limited.

The smallest and largest company which prepares consolidated accounts in which these figures are included is Dolphin Homes (Holdings) Limited. A copy of these can be obtained from Companies House.

The ultimate controlling party throughout the whole period is Mr N P Heather, the director.