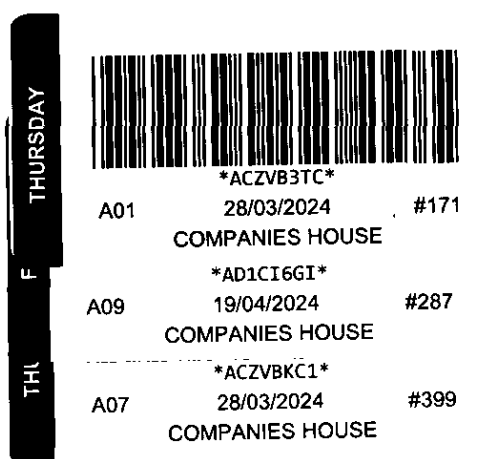


DOLPHIN HOMES LIMITED



MENZIES

DOLPHIN HOMES LIMITED

COMPANY INFORMATION

Directors	B P Heather N P Heather D Moody A Lane-Campbell
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

DOLPHIN HOMES LIMITED

CONTENTS

	Page
Strategic Report	1 - 6
Directors' Report	7 - 8
Statement of Comprehensive Income	9
Statement of Financial Position	10 - 11
Statement of Changes in Equity	12
Notes to the Financial Statements	13 - 28

DOLPHIN HOMES LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 30 JUNE 2023

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 continued to experience challenging market conditions in terms of staffing this year, however, the decision to invest in the in-house recruitment team last year has delivered, with staffing vacancies running at 9.57% at year end. In addition to the servicing of routine vacancies the group has continued the expansion of our existing ABI service and has launched a new 6-bed complex health residential service. The group has also grown its supported living business with its first location reaching full occupancy during the year and the introduction of its second facility, a 10 bed flat purpose built service. The addition of recruiting complete staffing teams for the new and expanding facilities together with the ongoing challenge of routine vacancies has led to overall labour costs increasing and agency costs rising during the year.

Turnover growth has continued to be impacted by staffing shortages in specific areas despite very high referrals to our services as admissions were delayed in order not to compromise our safety and quality standards. Continued fee pressures from local and health authority budgets has further impacted on the sector's ability to adequately retain and recruit staff.

The addition of new and expanding services delivered headline turnover growth of 18% and with cost of sales percentage remaining static, gross profit converted at a similar level to prior year. Overall group labour costs inevitably increased as a result of a larger portfolio, and short-term agency requirements resulted in agency costs rising by 17% in the year. Successes from our recruitment strategy, however, went some way to mitigating these.

Strategic investments in a larger in-house recruitment team together with associated advertising and sponsorship support further squeezed operating margins, as did investment in greater software automation to enhance and streamline clinical and quality processes. Whilst these investments have impacted the current year, they mean the group is very well placed to take advantage and realise efficiency improvements 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 new 6-bed complex health residential service, which reduced occupancy percentage across the group despite a number of new placements. The opening of our second supported living service during the year and the timeframe associated with our first supported living service reaching maturing further impacted the overall group occupancy. Relationships with commissioners and demand for placements within our services remains very strong. Our occupancy performance across the sectors is as follows:

	2023	2022
Residential Care Services	96.3%	98.2%
Supported Living Services	49.3%	44.8%
Nursing Care Services	77.6%	75.3%

DOLPHIN HOMES LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

Revenue for the group increased 18.1% to £17.3m up from £14.7m in 2022. This growth was from all three sectors with Residential Care Services improving by 9%, Supported Living Services by 64% and Nursing Care Services by 34% as a result of increased capacity and improved fee rates.

	2023	2022
Dolphin Homes Limited	£10.560m	£9.251m
Dolphin Homes (Southern) Limited	£2.079m	£1.922m
Dolphin Care Limited	£4.687m	£3.501m

Average fee rates for the group increased by 10.9% to £2,289 per week. This change reflects 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 residential services, average fee rates increased by 8.12% and within our nursing care services average rates rose by 14.9%. Average rates in supported living services normalised during the year as a result of increased occupancy and the elimination of block contract agreements for minimum staffing..

	2023	2022
Residential Care Services (£ per week)	£2,051	£1,897
Supported Living Services (£ per week)	£3,278	£4,025
Nursing Care Services (£ per week)	£3,185	£2,772

Gross profit increased by 17.85% for the year to £5.06m with gross margin remaining broadly static at 29.2%. Contracted labour costs increased by £1.88m (25.85%) and overall labour costs by £2.28m (23.64%) impacted by the expansion within supported living and nursing services and the introduction of new services.

	2023	2022
Dolphin Homes Limited	£3.670m	£3.010m
Dolphin Homes (Southern) Limited	£0.616m	£0.582m
Dolphin Care Limited	£0.776m	£0.803m

Operating profit decreased to £0.144m (2022: £1.461m).

Net loss before tax at (£1.331m) after investment costs (2022: £0.375m loss).

DOLPHIN HOMES LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

Human Resources

The recruitment and retention challenges the group face are similar to that experienced by the entire Health and Social Care sector. In addition, however, the introduction of new services, the expansion and growth in other areas and the rise in the acuity of the people we support brings added challenges.

The group has seen headcount rise from 359 at the start of the year to 421 by the year end with full-time staff increasing from 307 to 369 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.

The full recruitment pathway is administered by an in-house, dedicated recruitment department utilising a variety of direct and indirect recruitment channels. Statistical analysis of applications, interviews, conversions and new starters are monitored to determine the efficiency and effectiveness of current practices and to better inform future recruitment decisions. In addition, employee turnover is closely monitored and through the performance of exit interviews trends can be identified and understood, which feeds directly into the groups retention strategy. Employee turnover stood at a rolling average of 36% at the year end, up on the prior year. We constantly monitor our employee benefits programmes and continue to explore how we can further improve the overall package for our staff members.

The expansion of existing services within nursing and supported living together with the introduction of new services in *residential and supported living resulted in overall labour costs increasing by £2.28m (23.64%) driven by contracted labour rising by £1.88m (25.85%).*

Agency spend represented 15.89% of care revenue (down from 17.3% in 2022). Whilst inroads have been made into our reliance on agency through our recruitment strategy and the enhanced recruitment team, this remains higher than we would like however the current level continues to demonstrate our commitment to provide the correct support levels for the vulnerable people that live within our services.

Group training compliance continues to be above 90% with training requirements being delivered through a mixture of e-learning, face-to-face in-house courses and externally provided specialist training as required. Our dedicated in-house team is responsible for monitoring compliance, coordinating all staff members and the delivery of all in-house courses.

Quality and Compliance

During the year, 4 of our services were inspected by CQC with 1 additional inspection ongoing at the year end. 87% of our services are rated as "Good" or better and our target remains 100%..

Across the CQC domains, 93.3% of the individual inspected areas are rated as "Good" or higher.

Work on "Project Outstanding" continues and is acknowledged as being an ongoing body of work to fit with the ever-changing landscape within CQC inspection criteria.

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.

DOLPHIN HOMES LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

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.

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. Every new starter to join the group goes through a comprehensive induction programme that lasts for 8 days and culminates in a graduation ceremony on the final day. The induction programme covers the 8 key elements of their initial mandatory training. Our E-learning platforms continue to be developed, supplemented by Face to Face training conducted at Head Office and externally sourced, specialist training as required.
- 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.

DOLPHIN HOMES LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

- 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.
- 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.

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 97.3% for the coming year (98.4% on mature services).
- We have set the KPI for total staffing costs (exc. Directors) at 70.7% of turnover for 2023/24, (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.

DOLPHIN HOMES LIMITED

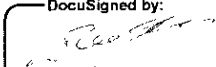
STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

Future developments

The group is looking to further develop its supported living business. A facility in Havant encompassing 8 individual flats is scheduled to open in April 2024 and another facility encompassing 10 individual flats in Littlehampton, West Sussex is scheduled for opening in August 2024. In addition, another 4 supported living facilities are currently in the planning or early development phases, which would add another 38 beds; this would bring the total number of supported living beds to 75.

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.

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

DocuSigned by:

.....
N P Heather
Director

Date: 27-Mar-2024

DOLPHIN HOMES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2023

The directors present their report and the financial statements for the year ended 30 June 2023.

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 £209,713 (2022 - loss £81,694).

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 Lane-Campbell

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.

DOLPHIN HOMES LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

Greenhouse gas emissions, energy consumption and energy efficiency action

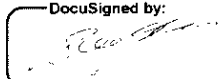
The Company is taking the exemptions available to subsidiaries in relation to the Energy reporting guidelines as the usage data for the Group can be found in the parent Company's accounts.

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:



.....31094C8DEC15479.....

N P Heather

Director

Date: 27-Mar-2024

DOLPHIN HOMES LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 £	2022 £
Turnover	4	10,559,905	9,253,538
Cost of sales		(6,889,580)	(6,286,492)
Gross profit		3,670,325	2,967,046
Administrative expenses		(3,807,232)	(3,169,282)
Other operating income	5	-	243,308
Operating (loss)/profit	6	(136,907)	41,072
Interest receivable and similar income	9	8,576	16
Interest payable and similar expenses	10	(21,613)	(15,193)
(Loss)/profit before tax		(149,944)	25,895
Tax on (loss)/profit	11	(59,769)	(107,589)
Loss for the financial year		(209,713)	(81,694)
Other comprehensive income for the year			
Unrealised surplus on revaluation of tangible fixed assets		1,856,109	1,131,570
Movement in deferred tax relating to revalued properties		(698,492)	(502,011)
Other comprehensive income for the year		1,157,617	629,559
Total comprehensive income for the year		947,904	547,865

The notes on pages 13 to 28 form part of these financial statements.

DOLPHIN HOMES LIMITED

REGISTERED NUMBER:01685034

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	12	335,377	503,068
Tangible assets	13	17,912,090	17,802,044
		<u>18,247,467</u>	<u>18,305,112</u>
Current assets			
Debtors: amounts falling due within one year	14	3,318,846	2,777,981
Cash at bank and in hand		823,103	669,594
		<u>4,141,949</u>	<u>3,447,575</u>
Creditors: amounts falling due within one year	15	(12,460,842)	(13,604,100)
Net current liabilities		<u>(8,318,893)</u>	<u>(10,156,525)</u>
Total assets less current liabilities		<u>9,928,574</u>	<u>8,148,587</u>
Creditors: amounts falling due after more than one year	16	(60,640)	-
Provisions for liabilities			
Deferred tax	18	(1,916,081)	(1,144,638)
		<u>(1,916,081)</u>	<u>(1,144,638)</u>
Net assets		<u><u>7,951,853</u></u>	<u><u>7,003,949</u></u>

DOLPHIN HOMES LIMITED
REGISTERED NUMBER:01685034

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 30 JUNE 2023

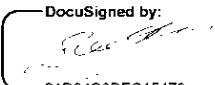
	Note	2023 £	2022 £
Capital and reserves			
Called up share capital	19	100	100
Revaluation reserve	20	7,791,524	6,717,679
Profit and loss account	20	160,229	286,170
		7,951,853	7,003,949

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 by:

DocuSigned by:

01094000E016479.....
N P Heather
Director

Date:27-Mar-2024

The notes on pages 13 to 28 form part of these financial statements.

DOLPHIN HOMES LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2023

	Called up share capital £	Revaluation reserve £	Profit and loss account £	Total equity £
At 1 July 2021	100	5,863,789	303,351	6,167,240
Comprehensive income for the year				
Loss for the year	-	-	(81,694)	(81,694)
Surplus on revaluation of freehold property	-	918,403	-	918,403
Excess depreciaton on revalued properties	-	(64,513)	64,513	-
Total comprehensive income for the year	-	853,890	(17,181)	836,709
At 1 July 2022	100	6,717,679	286,170	7,003,949
Comprehensive income for the year				
Loss for the year	-	-	(209,713)	(209,713)
Surplus on revaluation of freehold property net of deferred taxes	-	1,157,617	-	1,157,617
Excess depreciaton on revalued properties	-	(83,772)	83,772	-
Total comprehensive income for the year	-	1,073,845	(125,941)	947,904
At 30 June 2023	100	7,791,524	160,229	7,951,853

The notes on pages 13 to 28 form part of these financial statements.

DOLPHIN HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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 2023 and these financial statements may be obtained from Companies House.

2.3 Going concern

The balance sheet is showing net current liabilities totalling £8,318,893 (2022 - £10,156,525). The reason for this is intercompany creditor balances totalling £9,425,830 (2022 - £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.

DOLPHIN HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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.

DOLPHIN HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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.

DOLPHIN HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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 2023

2. Accounting policies (continued)

2.16 Financial instruments

The Company has elected to apply the provisions of Section 11 "Basic Financial Instruments" of FRS 102 to all of its financial instruments.

Basic financial assets

Basic financial assets, which include trade and other receivables, cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables due with the operating cycle fall into this category of financial instruments.

Financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after the deduction of all its liabilities.

Basic financial liabilities, which include trade and other payables, bank loans and other loans are initially measured at their transaction price after transaction costs. When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Discounting is omitted where the effect of discounting is immaterial.

Debt instruments are subsequently carried at their amortised cost using the effective interest rate method.

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if the payment is due within one year. If not, they represent non-current liabilities. Trade payables are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

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.

DOLPHIN HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

4. Turnover

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

	2023 £	2022 £
Care services	10,559,905	9,253,538
	<u>10,559,905</u>	<u>9,253,538</u>

All turnover arose within the United Kingdom.

5. Other operating income

	2023 £	2022 £
Government grants receivable	-	178,018
Insurance claims receivable	-	65,290
	<u>-</u>	<u>243,308</u>

6. Operating (loss)/profit

The operating (loss)/profit is stated after charging:

	2023 £	2022 £
Other operating lease rentals	217,107	198,090
	<u>217,107</u>	<u>198,090</u>

DOLPHIN HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

7. Employees

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

	2023 £	2022 £
Wages and salaries	7,205,404	5,881,719
Social security costs	51,166	44,458
Cost of defined contribution scheme	42,703	27,857
	7,299,273	5,954,034

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

	2023 No.	2022 No.
Production staff	350	306
Administrative staff	18	10
Management staff	7	7
	375	323

8. Directors' remuneration

	2023 £	2022 £
Directors' emoluments	396,342	315,481
Company contributions to defined contribution pension schemes	10,188	8,133
	406,530	323,614

During the year retirement benefits were accruing to 3 directors (2022 - 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £168,260 (2022 - £154,564).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £4,760 (2022 - £4,600).

9. Interest receivable

	2023 £	2022 £
Other interest receivable	8,576	16
	8,576	16

DOLPHIN HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

10. Interest payable and similar expenses

	2023 £	2022 £
Bank interest payable	264	4,753
Finance leases and hire purchase contracts	5,081	5,271
Other interest payable	16,268	5,169
	<u>21,613</u>	<u>15,193</u>

DOLPHIN HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

11. Taxation

	2023 £	2022 £
Corporation tax		
Adjustments in respect of previous periods	(13,182)	-
	(13,182)	-
Total current tax	(13,182)	-
Deferred tax		
Origination and reversal of timing differences	72,951	107,589
Total deferred tax	72,951	107,589
Taxation on profit on ordinary activities	59,769	107,589

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2022 - *higher than*) the standard rate of corporation tax in the UK of 20.5% (2022 - 19%). The differences are explained below:

	2023 £	2022 £
(Loss)/profit on ordinary activities before tax	(149,944)	25,895
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.5% (2022 - 19%)	(30,739)	4,920
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	8,558	3,052
Adjustments to tax charge in respect of prior periods	(13,182)	-
Short term timing difference leading to an increase (decrease) in taxation	85,368	87,217
Other timing differences leading to an increase (decrease) in taxation	(126,478)	4,365
Group relief	136,242	8,035
Total tax charge for the year	59,769	107,589

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 2023

12. Intangible assets

	Goodwill £
Cost	
At 1 July 2022	2,113,752
At 30 June 2023	<u>2,113,752</u>
Amortisation	
At 1 July 2022	1,610,684
Charge for the year on owned assets	<u>167,691</u>
At 30 June 2023	<u>1,778,375</u>
Net book value	
At 30 June 2023	<u><u>335,377</u></u>
At 30 June 2022	<u><u>503,068</u></u>

DOLPHIN HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

13. Tangible fixed assets

	Freehold property £	Long-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation					
At 1 July 2022	17,223,013	86,339	551,112	1,867,768	19,728,232
Additions	764,947	-	35,890	216,296	1,017,133
Disposals	(2,431,869)	-	(105,262)	-	(2,537,131)
Revaluations	1,740,000	-	-	-	1,740,000
At 30 June 2023	17,296,091	86,339	481,740	2,084,064	19,948,234
Depreciation					
At 1 July 2022	3,900	86,339	389,091	1,446,858	1,926,188
Charge for the year on owned assets	125,539	-	43,084	151,567	320,190
Disposals	-	-	(94,125)	-	(94,125)
On revalued assets	(116,109)	-	-	-	(116,109)
At 30 June 2023	13,330	86,339	338,050	1,598,425	2,036,144
Net book value					
At 30 June 2023	17,282,761	-	143,690	485,639	17,912,090
At 30 June 2022	17,219,113	-	162,021	420,910	17,802,044

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 November 2023.

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.

DOLPHIN HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

13. Tangible fixed assets (continued)

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

	2023 £	2022 £
Motor vehicles	70,982	102,839
Furniture, fittings and equipment	42,699	-
	<u>113,681</u>	<u>102,839</u>

The Freehold Property value has been considered by the Directors during the year and they have determined that there has not been a material change in the market valuation provided by Christie & Co in November 2023.

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	2023 £	2022 £
Cost	7,054,794	7,054,794
Accumulated depreciation	(1,200,611)	(1,084,502)
Net book value	<u>5,854,183</u>	<u>5,970,292</u>

DOLPHIN HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

14. Debtors

	2023 £	2022 £
Trade debtors	929,335	568,521
Amounts owed by group undertakings	1,800,968	2,059,874
Other debtors	113,530	59,979
Prepayments and accrued income	475,013	89,607
	<u>3,318,846</u>	<u>2,777,981</u>

15. Creditors: Amounts falling due within one year

	2023 £	2022 £
Bank overdrafts	-	320,647
Other loans	101	-
Trade creditors	346,548	318,712
Amounts owed to group undertakings	9,425,830	10,681,117
Corporation tax	-	13,182
Other taxation and social security	614,192	572,970
Obligations under finance lease and hire purchase contracts	37,521	65,144
Other creditors	765,941	918,243
Accruals and deferred income	1,270,709	714,085
	<u>12,460,842</u>	<u>13,604,100</u>

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.

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

	2023 £	2022 £
Net obligations under finance leases and hire purchase contracts	60,640	-
	<u>60,640</u>	<u>-</u>

DOLPHIN HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

17. Hire purchase and finance leases

	2023 £	2022 £
Within one year	37,521	65,144
Between 1-5 years	60,640	-
	<u>98,161</u>	<u>65,144</u>

18. Deferred taxation

	2023 £
At beginning of year	1,144,638
Charged to profit or loss	72,951
Charged to other comprehensive income	698,492
At end of year	<u>1,916,081</u>

The provision for deferred taxation is made up as follows:

	2023 £	2022 £
Accelerated capital allowances	274,073	204,601
Pension surplus	4,707	8,186
Unrealised capital gains	1,646,715	948,223
	<u>1,916,081</u>	<u>1,144,638</u>

19. Share capital

	2023 £	2022 £
Allotted, called up and fully paid		
100 (2022 - 100) Ordinary shares of £1.00 each	<u>100</u>	<u>100</u>

Each ordinary share has equal voting and dividend rights.

DOLPHIN HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

20. 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.

21. 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. Contributions totalling £45,026 (2022 - £32,742) were payable to the fund at the balance sheet date and are included in creditors.

22. Commitments under operating leases

At 30 June 2023 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2023 £	2022 £
Not later than 1 year	109,656	18,878
Later than 1 year and not later than 5 years	274,973	30,791
	<u>384,629</u>	<u>49,669</u>

The total lease payments, relating to rent and equipment hire recognised as an expense in the financial year amounts to £111,888 (2022 - £71,731).

23. 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. JNP provided services of £695,071 (2022 - £1,293,633) and made repayments of £910,857 (2022 - £1,073,659) to Dolphin Homes Limited.

At the year end, Dolphin Homes Limited owed JNP £10,258 (2022 - £223,893).

DOLPHIN HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

24. 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.