

Company registration number: 07221367

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

DOLPHIN HOMES
(HOLDINGS) LIMITED



MENZIES
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DOLPHIN HOMES (HOLDINGS) LIMITED

COMPANY INFORMATION

Directors	N Heather A Campbell (appointed 10 November 2021) F Gibson B Heather D Moody A Winning T Lanes (resigned 3 September 2021)
Company secretary	A T G Coombs
Registered number	07221367
Registered office	3000a Parkway Whiteley Hampshire PO15 7FX
Independent auditors	Menzies LLP Chartered Accountants & Statutory Auditor 3000a Parkway Whiteley Hampshire PO15 7FX

DOLPHIN HOMES (HOLDINGS) LIMITED

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DOLPHIN HOMES (HOLDINGS) LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 30 JUNE 2022

Principal activity

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

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%.

DOLPHIN HOMES (HOLDINGS) LIMITED

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

	2022	2021
Residential Care Services (£ per week)	£1,897	£1,808
Supported Living Services (£ per week)	£4,025	N/A
Nursing Care Services (£ per week)	£2,772	£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	£3.010m	£2.801m
Dolphin Homes (Southern) Limited	£0.582m	£0.539m
Nursing Care Services	£0.803m	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.

DOLPHIN HOMES (HOLDINGS) LIMITED

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

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.

DOLPHIN HOMES (HOLDINGS) LIMITED

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

Principal 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.

DOLPHIN HOMES (HOLDINGS) LIMITED

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

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 92.8% for the coming year (98.4% on mature services).

We have set the KPI for total staffing costs (exc. Directors) at 77.3% of turnover for 2021/22, (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.

Operational 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.

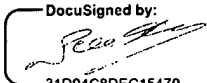
The group is also in development of a further 4 dedicated supported living facilities, which will add an additional 36 beds to our portfolio and we continue to grow our community support services, primarily in the Southampton area.

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.

DOLPHIN HOMES (HOLDINGS) LIMITED

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

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

DocuSigned by:

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N Heather
Director

Date: 22-Jun-2023

DOLPHIN HOMES (HOLDINGS) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2022

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 Group Strategic Report, the Directors' Report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

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

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

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

Results and dividends

The loss for the year, after taxation, amounted to £508,184 (2021 - profit £441,198).

The directors have not recommended a dividend.

Directors

The directors who served during the year were:

N Heather
A Campbell (appointed 10 November 2021)
F Gibson
B Heather
D Moody
A Winning
T Lanes (resigned 3 September 2021)

Future developments

Future developments are disclosed within the Strategic Report.

Engagement with employees

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

DOLPHIN HOMES (HOLDINGS) LIMITED

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

Disabled employees

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

Energy efficiency

Environmental matters - streamlined energy and carbon reporting:

In accordance with the requirements of The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 the Directors would like to disclose the following information for the year ended 30 June 2022 together with comparisons to the year ended 30 June 2021.

Carbon emissions plus intensity ratio

	kWh 2022	Tonnes CO2e 2022	kWh 2021	Tonnes CO2e 2021
Scope 1 - Direct Emissions				
Natural Gas / LPG	1,290,364	244	1,118,271	227
Scope 2 - Energy Indirect Emissions				
Electricity	718,730	139	666,046	141

Intensity Ratio

Average Tonnes CO2e per resident calculated at 2.94 (2021 - 3.01)

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

Methodologies used within calculation:

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

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

Energy efficient action taken this year

We are constantly reviewing various methods to reduce emissions, such as the development of energy efficient homes and through the review and replacement of old technologies with new energy efficient methods. During the year we have replaced aging gas boilers, installed solar panels and LED lighting at several of our facilities.

Matters covered in the Group Strategic Report

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

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

Disclosure of information to auditors

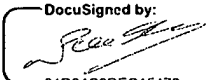
DOLPHIN HOMES (HOLDINGS) LIMITED

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

Auditors

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

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

DocuSigned by:

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N Heather
Director

Date: 22-Jun-2023

DOLPHIN HOMES (HOLDINGS) LIMITED

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

Opinion

We have audited the financial statements of Dolphin Homes (Holdings) Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 30 June 2022, which comprise the Group Income Statement, the Group Statement of Comprehensive Income, the Group and Company Statements of Financial Position, the Group Statement of Cash Flows, the Group and Company Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 30 June 2022 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

DOLPHIN HOMES (HOLDINGS) LIMITED

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

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

DOLPHIN HOMES (HOLDINGS) LIMITED

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

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- The Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation, and general regulations such as health and safety. The industry specific laws and regulations which would be deemed to have a significant impact on the financial statements are the compliance with the care standards. We assessed the extent of compliance with the appropriate laws and regulations as part of our procedures on the related financial statement items. In particular, we reviewed the Care Quality Commission reports to ensure their compliance with the care standards.
- We understood how the Company is complying with the legal and regulatory frameworks by, making inquiries to management, those responsible for legal and compliance procedures and the company secretary. We corroborated our inquiries through our review of board minutes.
- The engagement partner assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognize non-compliance with laws and regulations. The assessment did not identify any issues in this area.
- We assessed the susceptibility of the Company financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:
 - Identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
 - Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
 - Challenging assumptions and judgments made by management in its significant accounting estimates; and
 - Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations.
- As a result of the above procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas:
 - Posting of unusual journals and complex transactions.
 - Misappropriation of funds through fraudulent purchase ledger and payroll activity.
 - Manipulation of amounts subject to significant judgment or estimate.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

DOLPHIN HOMES (HOLDINGS) LIMITED

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

Use of our report

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

DocuSigned by:

Andrew Galliers

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Andrew Galliers FCA (Senior Statutory Auditor)

for and on behalf of

Menzies LLP

Chartered Accountants

Statutory Auditor

3000a Parkway

Whiteley

Hampshire

PO15 7FX

Date:

23-Jun-2023

DOLPHIN HOMES (HOLDINGS) LIMITED

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 £	2021 £
Turnover	4	14,676,604	12,199,686
Cost of sales		(10,381,482)	(8,021,143)
Gross profit		4,295,122	4,178,543
Administrative expenses		(4,146,620)	(3,371,139)
Other operating income	5	312,394	662,474
Operating profit	6	460,896	1,469,878
Interest receivable and similar income	10	16	671
Interest payable and similar expenses	11	(835,794)	(786,939)
(Loss)/profit before tax		(374,882)	683,610
Tax on (loss)/profit	12	(133,302)	(242,412)
(Loss)/profit for the financial year		(508,184)	441,198
(Loss)/profit for the year attributable to:			
Owners of the parent		(508,184)	441,198
		(508,184)	441,198

The notes on pages 24 to 41 form part of these financial statements.

DOLPHIN HOMES (HOLDINGS) LIMITED

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

	Note	2022 £	2021 £
(Loss)/profit for the financial year		<u>(508,184)</u>	<u>441,198</u>
Other comprehensive income			
Unrealised surplus on revaluation of tangible fixed assets		1,024,426	-
Movement on deferred tax in relation to revalued properties		<u>364,087</u>	<u>(634,016)</u>
Other comprehensive income for the year		<u>1,388,513</u>	<u>(634,016)</u>
Total comprehensive income for the year		<u>880,329</u>	<u>(192,818)</u>
(Loss)/profit for the year attributable to:			
Owners of the parent Company		<u>(508,184)</u>	<u>441,198</u>
		<u>(508,184)</u>	<u>441,198</u>
Total comprehensive income attributable to:			
Owners of the parent Company		<u>880,329</u>	<u>(192,818)</u>
		<u>880,329</u>	<u>(192,818)</u>

The notes on pages 24 to 41 form part of these financial statements.

DOLPHIN HOMES (HOLDINGS) LIMITED

REGISTERED NUMBER:07221367

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	13	503,068	670,758
Tangible assets	14	29,174,361	23,145,629
		<u>29,677,429</u>	<u>23,816,387</u>
Current assets			
Stocks		8,626	-
Debtors: amounts falling due within one year	16	1,942,481	1,448,731
Cash at bank and in hand		689,055	869,156
		<u>2,640,162</u>	<u>2,317,887</u>
Creditors: amounts falling due within one year	17	(16,406,878)	(3,094,976)
Net current liabilities		<u>(13,766,716)</u>	<u>(777,089)</u>
Total assets less current liabilities		<u>15,910,713</u>	<u>23,039,298</u>
Creditors: amounts falling due after more than one year	18	(5,450,000)	(13,266,729)
Provisions for liabilities			
Deferred taxation	20	(1,818,223)	(2,049,008)
		<u>(1,818,223)</u>	<u>(2,049,008)</u>
Net assets		<u>8,642,490</u>	<u>7,723,561</u>

DOLPHIN HOMES (HOLDINGS) LIMITED


REGISTERED NUMBER:07221367

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 30 JUNE 2022

	Note	2022 £	2021 £
Capital and reserves			
Called up share capital	21	12,765	12,305
Share premium account	22	335,837	297,697
Revaluation reserve	22	2,104,344	747,834
Merger reserve	22	6,842,428	6,906,941
Profit and loss account	22	(652,884)	(241,216)
Equity attributable to owners of the parent Company		8,642,490	7,723,561
		8,642,490	7,723,561

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

DocuSigned by:


31D94C8DEC15479.....

N Heather
 Director

22-Jun-2023

The notes on pages 24 to 41 form part of these financial statements.

DOLPHIN HOMES (HOLDINGS) LIMITED

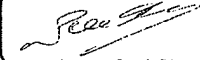
REGISTERED NUMBER:07221367

COMPANY STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	14	3,186	3,313
Investments	15	10,000	10,000
		<u>13,186</u>	<u>13,313</u>
Current assets			
Debtors: amounts falling due within one year	16	15,145,815	11,855,455
Cash at bank and in hand		-	186
		<u>15,145,815</u>	<u>11,855,641</u>
Creditors: amounts falling due within one year	17	(12,626,305)	(636,528)
Net current assets		<u>2,519,510</u>	<u>11,219,113</u>
Total assets less current liabilities		<u>2,532,696</u>	<u>11,232,426</u>
Creditors: amounts falling due after more than one year	18	(5,450,000)	(13,266,729)
Net liabilities		<u>(2,917,304)</u>	<u>(2,034,303)</u>
Capital and reserves			
Called up share capital	21	12,765	12,305
Share premium account	22	335,837	297,697
Profit and loss account brought forward		(2,344,305)	(1,600,929)
Loss for the year		(921,601)	(743,376)
Profit and loss account carried forward		<u>(3,265,906)</u>	<u>(2,344,305)</u>
		<u>(2,917,304)</u>	<u>(2,034,303)</u>

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

DocuSigned by:



.....31D84C8DEC18478.....

N Heather
Director

22-Jun-2023

The notes on pages 24 to 41 form part of these financial statements.

DOLPHIN HOMES (HOLDINGS) LIMITED

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

	Called up share capital £	Share premium account £	Revaluation reserve £	Merger reserve £	Profit and loss account £	Equity attributable to owners of parent Company £	Total equity £
At 1 July 2020	12,305	297,697	1,413,853	6,971,776	(779,252)	7,916,379	7,916,379
Comprehensive income for the year							
Profit for the year	-	-	-	-	441,198	441,198	441,198
Surplus on revaluation of freehold property net of deferred tax	-	-	(634,016)	-	-	(634,016)	(634,016)
Reserve transfers relating to depreciation on revalued property	-	-	(32,003)	(64,835)	96,838	-	-
Total comprehensive income for the year	-	-	(666,019)	(64,835)	538,036	(192,818)	(192,818)
At 1 July 2021	12,305	297,697	747,834	6,906,941	(241,216)	7,723,561	7,723,561
Comprehensive income for the year							
Loss for the year	-	-	-	-	(508,184)	(508,184)	(508,184)
Surplus on revaluation of freehold property net of deferred tax	-	-	1,388,513	-	-	1,388,513	1,388,513
Reserve transfers relating to depreciation on revalued property	-	-	(32,003)	(64,513)	96,516	-	-
Total comprehensive income for the year	-	-	1,356,510	(64,513)	(411,668)	880,329	880,329
Shares issued during the year	460	38,140	-	-	-	38,600	38,600
At 30 June 2022	12,765	335,837	2,104,344	6,842,428	(652,884)	8,642,490	8,642,490

The notes on pages 24 to 41 form part of these financial statements.

DOLPHIN HOMES (HOLDINGS) LIMITED

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

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 July 2020	12,305	297,697	(1,600,929)	(1,290,927)
Comprehensive income for the year				
Loss for the year	-	-	(743,376)	(743,376)
At 1 July 2021	12,305	297,697	(2,344,305)	(2,034,303)
Comprehensive income for the year				
Loss for the year	-	-	(921,601)	(921,601)
Total comprehensive income for the year	-	-	(921,601)	(921,601)
Shares issued during the year	460	38,140	-	38,600
At 30 June 2022	12,765	335,837	(3,265,906)	(2,917,304)

The notes on pages 24 to 41 form part of these financial statements.

DOLPHIN HOMES (HOLDINGS) LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2022

	2022 £	2021 £
Cash flows from operating activities		
(Loss)/profit for the financial year	(508,184)	441,198
Adjustments for:		
Amortisation of intangible assets	167,690	167,690
Depreciation of tangible assets	581,583	386,119
Loss on disposal of tangible assets	(6,343)	(463,158)
Government grants	(247,104)	(662,474)
Interest paid	835,795	786,939
Interest received	(16)	(671)
Taxation charge	228,951	242,411
(Increase)/decrease in stocks	(8,626)	-
(Increase) in debtors	(493,748)	(179,122)
Increase/(decrease) in creditors	1,177,365	(516,135)
Increase/(decrease) in provisions	-	(100,000)
Corporation tax (paid)	(59,460)	(47,760)
Net cash generated from operating activities	1,667,903	55,037
Cash flows from investing activities		
Purchase of tangible fixed assets	(6,888,846)	(2,641,869)
Sale of tangible fixed assets	1,309,299	1,206,877
Government grants received	247,104	662,474
Interest received	16	671
HP interest paid	(5,271)	(8,654)
Net cash from investing activities	(5,337,698)	(780,501)

DOLPHIN HOMES (HOLDINGS) LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

	2022 £	2021 £
Cash flows from financing activities		
Issue of ordinary shares	38,600	-
New secured loans	2,761,575	8,972,299
Repayment of loans	-	(7,950,910)
Other new loans	1,000,000	-
Repayment of/new finance leases	11,106	(36,817)
Interest paid	(830,524)	(778,285)
Net cash used in financing activities	2,980,757	206,287
Net (decrease) in cash and cash equivalents	(689,038)	(519,177)
Cash and cash equivalents at beginning of year	869,156	1,388,333
Cash and cash equivalents at the end of year	180,118	869,156
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	689,055	869,156
Bank overdrafts	(508,937)	-
	180,118	869,156

DOLPHIN HOMES (HOLDINGS) LIMITED

CONSOLIDATED ANALYSIS OF NET DEBT FOR THE YEAR ENDED 30 JUNE 2022

	At 1 July 2021 £	Cash flows £	At 30 June 2022 £
Cash at bank and in hand	869,156	(180,101)	689,055
Bank overdrafts	-	(508,937)	(508,937)
Debt due after 1 year	(13,266,729)	8,101,264	(5,165,465)
Debt due within 1 year	(440,105)	(11,862,839)	(12,302,944)
Finance leases	(54,131)	(11,106)	(65,237)
	<u>(12,891,809)</u>	<u>(4,461,719)</u>	<u>(17,353,528)</u>

The notes on pages 24 to 41 form part of these financial statements.

DOLPHIN HOMES (HOLDINGS) LIMITED

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

1. General information

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

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

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

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

For the year ending 30 June 2022, the following subsidiaries of the Company were entitled to, and has claimed the exemption from audit under s479a of the Companies Act 2006 relating to subsidiary companies.

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

The following principal accounting policies have been applied:

2.2 Basis of consolidation

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

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

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

2.3 Going concern

The Group balance sheet is showing net current liabilities totalling £13,766,716. This is a result of the classification of bank loans where covenant breaches had occurred at the balance sheet date. After the year end, the situation has been rectified with new covenants set and trading in line with those benchmarks.

The Directors continually review going concern and further narrative can be found in the Strategic Report.

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

DOLPHIN HOMES (HOLDINGS) LIMITED

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

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 Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

2.5 Operating leases: the Group as lessee

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

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

2.6 Government grants

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

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

2.7 Interest income

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

2.8 Finance costs

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

2.9 Borrowing costs

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

2.10 Pensions

Defined contribution pension plan

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

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

DOLPHIN HOMES (HOLDINGS) LIMITED

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

2. Accounting policies (continued)

2.11 Current and deferred taxation

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

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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

2.12 Intangible assets

Goodwill

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

Other intangible assets

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

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

2.13 Tangible fixed assets

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

DOLPHIN HOMES (HOLDINGS) LIMITED

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

2. Accounting policies (continued)

2.13 Tangible fixed assets (continued)

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

Depreciation is provided on the following basis:

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

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

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

2.14 Revaluation of tangible fixed assets

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

Investments in subsidiaries are measured at cost less accumulated impairment.

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

2.16 Provisions for liabilities

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

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the 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 (HOLDINGS) LIMITED

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

2. Accounting policies (continued)

2.17 Financial instruments

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

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

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

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

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

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

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

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

DOLPHIN HOMES (HOLDINGS) LIMITED

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

4. Turnover

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

	2022 £	2021 £
Care services	14,676,604	12,199,686
	<u>14,676,604</u>	<u>12,199,686</u>

All turnover arose within the United Kingdom.

5. Other operating income

	2022 £	2021 £
Government grants receivable	247,104	662,474
Insurance claims receivable	65,290	-
	<u>312,394</u>	<u>662,474</u>

6. Operating profit

The operating profit is stated after charging:

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

7. Auditors' remuneration

During the year, the Group obtained the following services from the Company's auditors:

	2022 £	2021 £
Fees payable to the Company's auditors for the audit of the consolidated and parent Company's financial statements	18,000	21,000
Fees payable to the Group's auditor and its associates in respect of:		
Tax compliance services	6,400	1,775
	<u>6,400</u>	<u>1,775</u>

DOLPHIN HOMES (HOLDINGS) LIMITED

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

8. Employees

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

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Wages and salaries	8,376,195	7,889,985	-	-
Social security costs	120,499	106,202	-	-
Cost of defined contribution scheme	27,857	27,619	-	-
	8,524,551	8,023,806	-	-

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

	Group 2022 No.	Group 2021 No.	Company 2022 No.	Company 2021 No.
Production staff	303	305	-	-
Administration staff	17	10	-	-
Management staff	7	7	7	7
	327	322	7	7

9. Directors' remuneration

	2022 £	2021 £
Directors' emoluments	410,315	397,589
Group contributions to defined contribution pension schemes	9,861	11,774
	420,176	409,363

During the year retirement benefits were accruing to 4 directors (2021 - 4) in respect of defined contribution pension schemes.

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

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

DOLPHIN HOMES (HOLDINGS) LIMITED

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

10. Interest receivable

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

11. Interest payable and similar expenses

	2022 £	2021 £
Bank interest payable	825,354	874,405
Other loan interest payable	-	(99,157)
Finance leases and hire purchase contracts	5,271	8,654
Other interest payable	5,169	3,037
	<u>835,794</u>	<u>786,939</u>

12. Taxation

	2022 £	2021 £
Corporation tax		
Current tax on profits for the year	-	(4,390)
	<u>-</u>	<u>(4,390)</u>
Total current tax	<u>-</u>	<u>(4,390)</u>
Deferred tax		
Origination and reversal of timing differences	133,302	151,792
Changes to tax rates	-	43,330
Other timing differences	-	51,680
Total deferred tax	<u>133,302</u>	<u>246,802</u>
Taxation on profit on ordinary activities	<u>133,302</u>	<u>242,412</u>

DOLPHIN HOMES (HOLDINGS) LIMITED

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

12. Taxation (continued)

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 £
(Loss)/profit on ordinary activities before tax	(374,883)	683,610
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	(71,228)	129,886
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	4,657	6,107
Utilisation of tax losses	12,005	-
Remeasurement of deferred tax - change in UK tax rate	-	43,330
Adjustments to tax charge in respect of prior periods	-	47,289
Permanent timing differences	187,868	15,800
Total tax charge for the year	133,302	242,412

Factors that may affect future tax charges

After the balance sheet date, the UK overnment confirmed that the headline rate of tax would move to 25%.

DOLPHIN HOMES (HOLDINGS) LIMITED

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

13. Intangible assets

Group

	Goodwill £
Cost	
At 1 July 2021	2,113,752
At 30 June 2022	<u>2,113,752</u>
Amortisation	
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>
Net book value	
At 30 June 2022	<u><u>503,068</u></u>
At 30 June 2021	<u><u>670,758</u></u>

DOLPHIN HOMES (HOLDINGS) LIMITED

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

14. Tangible fixed assets

Group

	Freehold property £	Short-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation					
At 1 July 2021	21,016,233	2,420,329	555,623	1,868,240	25,860,425
Additions	2,281,234	4,324,242	63,445	219,925	6,888,846
Disposals	(1,318,740)	-	(44,435)	-	(1,363,175)
Transfers between classes	6,658,232	(6,658,232)	-	-	-
Revaluations	(173,667)	-	-	-	(173,667)
At 30 June 2022	28,463,292	86,339	574,633	2,088,165	31,212,429
Depreciation					
At 1 July 2021	828,079	90,458	404,503	1,391,756	2,714,796
Charge for the year on owned assets	192,561	197,909	42,182	148,932	581,584
Disposals	(20,409)	-	(39,810)	-	(60,219)
Transfers between classes	202,028	(202,028)	-	-	-
On revalued assets	(1,198,093)	-	-	-	(1,198,093)
At 30 June 2022	4,166	86,339	406,875	1,540,688	2,038,068
Net book value					
At 30 June 2022	28,459,126	-	167,758	547,477	29,174,361
At 30 June 2021	20,188,154	2,329,871	151,120	476,484	23,145,629

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.

DOLPHIN HOMES (HOLDINGS) LIMITED

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

14. Tangible fixed assets (continued)

Company

	Freehold property £
Cost or valuation	
At 1 July 2021	3,451
At 30 June 2022	3,451
Depreciation	
At 1 July 2021	138
Charge for the year on owned assets	127
At 30 June 2022	265
Net book value	
At 30 June 2022	3,186
At 30 June 2021	3,313

DOLPHIN HOMES (HOLDINGS) LIMITED

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

15. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 July 2021	10,000
At 30 June 2022	10,000

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

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

The registered office of all of the above subsidiaries is;

3000A Parkway
Whiteley
Hampshire
PO15 7FX.

DOLPHIN HOMES (HOLDINGS) LIMITED

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

16. Debtors

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Trade debtors	1,160,175	733,000	-	-
Amounts owed by group undertakings	-	-	14,610,024	11,395,366
Other debtors	628,815	533,164	518,402	448,834
Prepayments and accrued income	153,491	182,567	17,389	11,255
	1,942,481	1,448,731	15,145,815	11,855,455

17. Creditors: Amounts falling due within one year

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Bank overdrafts	508,937	-	188,290	-
Bank loans	12,018,409	440,105	12,018,409	440,105
Trade creditors	660,847	279,185	51,154	19,013
Amounts owed to group undertakings	-	-	30,001	1
Corporation tax	66,338	30,150	16,968	16,968
Other taxation and social security	573,174	179,255	-	-
Obligations under finance lease and hire purchase contracts	65,237	54,131	-	-
Other creditors	919,443	648,470	-	22,252
Accruals and deferred income	1,594,493	1,463,680	321,483	138,189
	16,406,878	3,094,976	12,626,305	636,528

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.

The bank loans are secured by a fixed and floating charge over the assets of the company, as well as a cross guarantee over the assets of all group companies.

DOLPHIN HOMES (HOLDINGS) LIMITED

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

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

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Bank loans	-	8,816,729	-	8,816,729
Other loans	5,450,000	4,450,000	5,450,000	4,450,000
	5,450,000	13,266,729	5,450,000	13,266,729

The bank loans are secured by a fixed and floating charge over the assets of the company, as well as a cross guarantee over the assets of all group companies.

19. Loans

Analysis of the maturity of loans is given below:

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Amounts falling due within one year				
Bank loans	12,018,409	440,105	12,018,409	440,105
	12,018,409	440,105	12,018,409	440,105
Amounts falling due 1-2 years				
Bank loans	-	178,218	-	178,218
Other loans	-	600,000	-	600,000
	-	778,218	-	778,218
Amounts falling due 2-5 years				
Bank loans	-	8,638,512	-	8,638,512
Other loans	-	1,200,000	-	1,200,000
	-	9,838,512	-	9,838,512
Amounts falling due after more than 5 years				
Other loans	5,450,000	2,650,000	5,450,000	2,650,000
	5,450,000	2,650,000	5,450,000	2,650,000
	17,468,409	13,706,835	17,468,409	13,706,835

The bank loans are secured by a fixed and floating charge over the assets of the company, as well as a cross guarantee over the assets of all group companies.

At 30 June 2022 the Group had a revolving credit facility with a maximum of £2 million, included within bank loans.

The classification of loans as due within one year, is due to a technical breach of covenants at the balance sheet date, which has been remedied post year end.

DOLPHIN HOMES (HOLDINGS) LIMITED

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

20. Deferred taxation

Group

	2022 £
At beginning of year	(2,049,008)
Charged to profit or loss	(133,302)
Charged to other comprehensive income	364,087
At end of year	(1,818,223)

	Group 2022 £	Group 2021 £
Accelerated capital allowances	(459,079)	(340,933)
Capital gains on revalued properties	(1,367,630)	(1,714,775)
Pension surplus	8,486	6,700
	(1,818,223)	(2,049,008)

21. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
7,629 (2021 - 7,629) Ordinary shares of £1.00 each	7,629	7,629
4,675 (2021 - 4,675) Ordinary A shares of £1.00 each	4,675	4,675
1 (2021 - 1) Ordinary B share of £1.00	1	1
200 (2021 -) Ordinary C shares of £1.00 each	200	-
260 (2021 -) Ordinary D shares of £1.00 each	260	-
	12,765	12,305

Each ordinary share has equal voting and dividend rights.

There were 200 Ordinary C shares issued for £36,000 during the period.

There were 260 Ordinary D shares issued for £2,600 during the period.

DOLPHIN HOMES (HOLDINGS) LIMITED

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

22. Reserves

Share premium account

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

Revaluation reserve

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

Merger Reserve

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

Profit and loss account

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

23. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £156,527 (2021 - £146,386).

Contributions totalling £32,742 (2021 - £30,236) were payable to the fund at the balance sheet date and are included in creditors.

24. Commitments under operating leases

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

	Group 2022 £	Group 2021 £
Not later than 1 year	53,088	102,118
Later than 1 year and not later than 5 years	105,431	115,261
Later than 5 years	2,939	-
	161,458	217,379

The total lease payments relating to rent and equipment hire recognised as an expense in the financial year amounts to £91,520 (2021 - £131,233).

DOLPHIN HOMES (HOLDINGS) LIMITED

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

25. Transactions with directors

At the year-end, N P Heather, a director, owed the company £294,475 (2021 - £244,475).

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

- Payments made on his behalf £50,000 (2021 - £52,040)

At the year-end, B P Heather, a director, owed the company £62,066 (2021 - £62,066).

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

- Payments made on his behalf £Nil (2021 - £168).

At the year-end, D Moody, a director, owed the company £2,600 (2021 - £Nil).

- Payments made on his behalf £2,600 (2021 - £Nil).

26. Related party transactions

Group

JNP Developments and Investments Limited

JNP Developments and Investments Limited is owned by B P & N P Heather. During the period, JNP paid expenses on behalf of the Group of £10,801 (2021 - the Group paid expenses of £8,553 on behalf of JNP). JNP provided services of £1,674,480 (2021 - £1,981,878) and made repayments of £1,482,229 (2021 - £2,086,012) to the Group.

At the year end, JNP was owed from the Group £177,037 (2021 - owed from JNP £47,411).

Company

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

All subsidiary companies have provided a fixed and floating charge over their assets, by way of a cross-guarantee, in respect of the new bank loans in the year.

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