

**Dimensions Somerset SEV Limited**

**Trading as**

**Discovery**

**(A Charitable Company Limited by Guarantee)**

Report and Financial Statements

For the year ended

31 March 2020



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**Dimensions Somerset SEV Limited trading as Discovery  
Advisors and Other Information  
Year ended 31 March 2020**

Trustees	D Lloyd-Evans (Chair) H Tavaré M Horlock (Resigned 11 <sup>th</sup> September 2019) S McLauchlan S Strong A Haigh	
Company Secretary	J Fletcher	
Executive Directors	L Joy-Smith C Best L Evans R Speight S Veevers	Managing Director HR Director Finance Director Regional Managing Director Director of Transformation
Bankers	National Westminster Bank Plc 13 Market Place Reading Berkshire RG1 2EP	HSBC Apex Plaza Forbury Road Reading RG1 1AX
Solicitors	Anthony Collins Solicitors LLP 134 Edmond Street Birmingham B3 2ES	Trowers & Hamblins 3 Bunhill Row London EC1Y 5YZ
Auditor	KPMG LLP 66 Queen Square Bristol, BS1 4BE	
Principal and Registered Office	1430 Arlington Business Park Theale Reading RG7 4SA	

## **Dimensions Somerset SEV Limited trading as Discovery Chair's and Managing Director's Statement Year ended 31 March 2020**

This year marks the third year since the transfer of over 900 people with learning disabilities and/or autism from Somerset County Council to Discovery. We understand this to be the largest transfer of learning disability services in the UK to date.

Embedding the operational management has been the main priority, to focus on assisting each person we support to live a fulfilling life, to be equal in society and be active in his or her local community. This has resulted in more people having choice and control in life, managing their own home, voting for the first time, getting jobs, and above all, staying healthy and safe.

We know it takes dedication to deliver support of this calibre and we have drawn on the knowledge and experience of the Dimensions Group to achieve our goals. Learning from the Dimensions' journey, we have been able to develop a person's independence over time and build his or her confidence and trust. The delivery of this vision will take time and each person's experience will be unique. The start of our third year, marks the completion of a phase of intense planning, working on developing the hearts and minds of our workforce with personalisation core to our ethos.

Each year provides new learning opportunities and challenges and we have seen some great improvements. Of particular note includes: ensuring the people we support have a louder voice, supporting over 100 people who are now in paid, sustainable employment and the creation of a Council made up of people we support.

Our delivery remains dependent upon our colleagues and we continue to see significant change in terms of embedding a new culture and a focus on learning and development. Significant progress has been made around recruitment and we are recognised as a strong, progressive and dependable employer within Somerset. Unemployment is low in Somerset (circa 1% unemployment) and plans to recruit new colleagues continues to require many different initiatives and campaigns to attract applicants.

Our colleagues remain the foundation of our performance. They continue to work tirelessly to achieve all the targets set for us by Somerset County Council and meet the ambitions of our stakeholders. This was evidenced this year at our first colleague award event, where almost 120 colleagues celebrated their successes. The awards included 65 nominations for our colleague recognition scheme - Everyday Heroes - and an impressive 115 nominations for the ten award categories, which included Manager of the Year, Initiative of the Year and Support Worker of the Year.

As a registered charity and social enterprise, we continue to manage financial challenges like many other reliable and established charities across the country. Clearly there is no return of profit or share with any investors or Directors, instead 50% of our surplus is allocated for social value return through our community fund. The Discovery Community Fund supports improvements to the health and independence of people with learning disabilities and/or autism across Somerset, awarding grants of between from £500 to £50,000. The fund focuses on priority areas such as:

- Strengthening the transition to young adulthood
- Tackling health inequalities
- Supporting people into employment
- Removing barriers to community spaces
- Combatting hate crime
- Putting people in the lead

So far, the fund has helped several groups and organisations, including the Calvert Trust on Exmoor, which provides adventure holidays for people with learning disabilities to experience abseiling, canoeing, horse carriage riding and more.

**Dimensions Somerset SEV Limited trading as Discovery  
Chair's and Managing Director's Statement  
Year ended 31 March 2019**

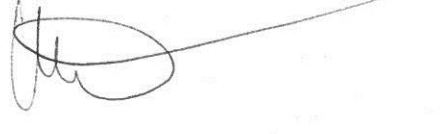
The Community Fund also provides 'Small Sparks' grants of up to £500 to people with a learning disability who wish to set up community projects. All funding decisions are made by people we support - an example of a project is the Dance Ability group in Yeovil.

Financially, this has been a challenging year in measuring and understanding our performance within the contract and responding to the environment in which we operate. We have worked in partnership with our commissioners to ensure the delivery of the contract remains within scope and our performance for the year was consistent with our expectations. From the surplus realised £617,000 has been designated to fund social projects in Somerset.

Our colleagues across Discovery at all levels, are central in everything we have been able to achieve and we are enormously grateful to them for their commitment and dedication to the people we support, despite the challenging environment in which we work. Our thanks go to every single colleague and everyone who has worked with us over the past twelve months. We look forward with confidence to the opportunities we continue to build on in the year to come.



**Delyth Lloyd-Evans**  
Chair



**Luke Joy-Smith**  
Managing Director

# **Dimensions Somerset SEV Limited trading as Discovery**

## **Trustees' Report**

### **Year ended 31 March 2020**

The trustees (who are also directors of the charitable company) present their report and the audited financial statements for the year ended 31 March 2020. This includes the directors' report required under company law.

Reference and administrative information set out on page 2 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice – Accounting and Reporting by Charities.

#### **Structure, Governance and Management**

Dimensions Somerset SEV ('the Charity'), which trades as 'Discovery', is a charitable company limited by guarantee. It was incorporated on 29 June 2016, and registered as a charity on 12 April 2017. Discovery is a member of the Dimensions Group and recognises Dimensions (UK) Limited as the Parent.

The objects of the Charity are to fulfil the needs of people with learning disabilities or autism, and those with challenging behaviours and complex needs. The Charity provides and manages housing, including social housing, and providing assistance to help house people and support their needs.

The Charity was established as a Social Enterprise and has achieved the Social Enterprise Mark for the third year running. Of our net surplus, 50% is invested in projects within Somerset that have a social purpose. Examples include: working with community-based organisations to be more inclusive and accessible; funding a group of people with learning disabilities with 20 community-based projects and funding the nationally recognised 'All Together Better' course facilitated by In-control.

Discovery maintains a strong relationship with Social Enterprise Mark CIC and remains structured and managed to comply with the three key areas of the Social Mark's requirements:

- Robust Governance
- Ethical & Good Business Practice
- Social Impact & Financial Transparency

#### **Modern Slavery and Human Trafficking Statement**

Discovery is committed to preventing modern slavery in its corporate activities and supply chains. The Charity's full statement can be found on the Discovery website at [www.discovery-uk.org](http://www.discovery-uk.org).

#### **The Board and its Role**

The governing body of Discovery is the Board of Trustees. Board members are directors of the Charity under the Companies Act, as well as being charity trustees. The Board has overall responsibility for the strategy, administration and control of the activities of the Charity. The Board members who served during the year are listed on page two.

The full Board met eight times during the year and followed an agreed agenda with various standing matters, including full reporting of management accounts, review of the risk register, and annual review of the register of interests.

The Board has access, at the expense of the Charity, to any professional services it may reasonably require to fulfil its statutory duties.

# **Dimensions Somerset SEV Limited trading as Discovery Trustees' Report Year ended 31 March 2020**

## **Training for Board members**

Board members are able to attend appropriate training at the expense of the Charity to help them fulfil their Board role most effectively.

## **Recruitment of New Board Members**

New Board members are recruited when a need for new board members is identified following the annual skills audit or when an individual leaves. An agency is used to source suitable candidates, and the process includes the provision of supporting statements, and confirming their status to act as Charity Trustee.

The recruitment process includes informal meetings with members of the Discovery Executive Team, visits to services and panel interviews. The Board seeks to attract a diverse range of membership in terms of interest, culture and background, most appropriately reflecting the richness and diversity of the communities served by the Charity.

## **The Strategic Partnership Board (SPB)**

During 2019/20, the SPB awarded twelve grants from the first round of the Discovery Community Fund applications to projects across Somerset helping people with learning disabilities and autism to live fulfilling lives in their own communities. The Community Fund also provided some 'Small Sparks' grants of up to £500 to people with a learning disability who wished to set up community projects. The SPB reopened the fund for round two in the autumn of 2019 and within this window, the SPB identified six priority areas where it would expect the fund to support projects to address: strengthening the transition to young adulthood, tackling health inequalities, supporting people into employment, removing barriers to community space, combatting hate crime, and putting people in the lead.

## **Risk Management**

The Board discusses and assesses the risk to which the Charity is exposed. This risk management process is ongoing and members of the Executive Team, as appropriate, provide regular updates to the Board.

## **Colleague Involvement**

All colleagues receive regular one-to-one supervision meetings and annual appraisals with their line manager. There are also regular team meetings, area management meetings and senior team meetings.

Colleagues' views are gathered and collated through these various media, and contribute to service improvement plans to ensure that the teams are constantly moving forward. These plans, in turn, contribute to the Charity's business plan.

## **Executive Pay and remuneration**

Executive pay levels are established in line with the Group Remuneration Strategy, which provides for pay to be set in the context of the relevant external market, informed by benchmarking. The Managing Director's pay is determined by Group Remuneration Committee. Salary multiples between pay at the top and bottom of the Charity are regularly monitored and are taken into consideration when setting pay.



## **Relationships with other organisations**

Discovery seeks to work in partnership with other organisations whenever such partnerships enable additional services to be provided. One newly formed and important relationship developed in the last year is that with Somerset Community Foundation (SCF). In partnership, Discovery and SCF have been able to promote the work of Discovery as a Social Enterprise and Charity and the unique potential it has in investing half of its surplus in new initiatives can improve the lives of people with learning disabilities and/or autism in Somerset, and/or can support the families of people with a learning disability.

To support the Charity to deliver its ambitions, Discovery will continue to engage with the National Development Team for Inclusion (NDTI); a nationally recognised organisation that works to enable people to live the life they choose.

## **Objectives and Activities**

Discovery supports people with learning disabilities, autism, challenging behaviour and complex needs. People with learning disabilities and their families are at the heart of everything we do and we wish every person supported to have a great life, with excellent outcomes.

Our values which drive all we do are:

Ambition	helping people be the best they can be
Courage	being brave enough to make a difference
Integrity	being honest and fair in all the things we do
Partnership	working with other people to make a bigger difference
Respect	treating everyone fairly and knowing that everyone's voice is important

We continue to develop our capacity and expertise to provide a range of services for people with particular needs such as autism, complex and challenging behaviour, young people in transition and people who wish to live independently.

# **Dimensions Somerset SEV Limited trading as Discovery Trustees' Report Year ended 31 March 2020**

## **Strategic Report**

### **Achievements and Performance**

#### **Delivery of public benefit**

In accordance with our objectives, Discovery benefits people with learning difficulties and/or autism in the Somerset area. Our main funding comes from the local authority, Somerset County Council (SCC), and therefore the majority of beneficiaries are referred via the local authority. We offer places in our day centres, the services of the supported employment team, residential properties and supported living schemes to individuals not funded by the local authority, however a cost is still attached to those placements. Discovery aims to keep placement fees to the minimum required to cover the Charity's costs.

We also support people who have individual budgets and choose to spend some, if not all, accessing our support. We liaise with people with learning disabilities and autism, their parents and families to enable personalised support to be purchased.

Discovery works in a way that is personalised, delivering support to people based on their individual needs and wishes, offering choice and control in all aspects of service delivery.

The trustees consider that they have complied with the duty in the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission.

#### **Achievements**

Discovery maintains a strong performance and has ensured the integration of our policies and procedures with those of the Dimensions Group. A strong working partnership with Somerset County Council continues to grow and there has been full contractual compliance during the year.

Turnover of colleagues will always remain a challenge in our sector and we have continued to increase the number of new applications month-on-month, with 355 new recruits in 2019/20. We provide excellent colleague benefits including flexible working hours, a generous holiday entitlement, discounts and cashback on high street and online shopping, and a 'Learn to Drive' scheme, covering 30 hours of paid lessons.

We offer a free and confidential Employee Assistance Scheme and have introduced Mental Health First Aiders into the organisation. There is also the opportunity to purchase Simply Health, a discounted health and dental cover scheme, and a death in service payment for a nominated beneficiary under Life Assurance.

We have introduced a variety of learning and development initiatives. All colleagues underwent 'Active Support' training, which is a method of enabling people with learning disabilities to engage more in their daily lives. Simple tasks for those more able are huge achievement for some of the people we support with more complex needs. Following the roll out of the training, people we support are becoming more involved in aspects of every-day tasks, including meal preparation, laundry and housework.

Discovery also promote the 'Activate' model of support. This is a support model created by Dimensions, based on sector-leading research and built around the eight domains of Health, Environment, Communication, Skills, Relationships, Service Staff, Service Management, Wider organisation. It puts decision making closer to the people supported by setting personalised and challenging goals with them, their families and colleagues.

A 3<sup>rd</sup> wave of Discovery colleagues completed the Group's award winning Aspire programme. Aspire helps colleagues meet their potential and directly benefits the people we support and Discovery.

Participants work with their own professional career coach over nine to twelve months, who helps them identify ways in which they can develop or enhance their career and working practices.

The organisation has 54 volunteers who help make a difference for people we support. They have assisted us in all parts of the county in many roles, bringing a range of different skills and experience.

2019/20 has seen the second survey of colleagues, family and people we support, to seek their views. Action plans to address feedback, include the setting up of a family working group, a colleague forum, the introduction of Better Practice initiatives and a comprehensive quality review across all locations. The Board continues to both support and challenge senior management within Discovery to strive for continued improvements in internal quality compliance measures.

Our successes in engaging with a range of internal and external stakeholders include:

- Improved internal communications, with a regular colleague newsletter
- Regular letters to families and the introduction of a family working group
- Positive and proactive engagement with national and local media, and various stakeholders on social media
- A revamp of our website making it easier to navigate and lots of new appealing content
- We have won several categories in national and regional learning disability awards. An example being, our dedicated Supported Employment Team who won the British Association of Supported Employment (BASE) national award for Team of the Year. Received for their achievement in supporting over 100 people into employment where 100% of families rated us as 'excellent' and 100% of employers rated us as 'excellent' or 'good'
- We held two All Together Better courses this year. The ethos of All Together Better is to create a network of champions who think that life for people who need extra support could be better. The policy and networking charity, In Control run these courses and has a strong commitment to change the status quo across the UK

Discovery has achieved all measurable KPI service target levels within our contract with Somerset County Council and consequently has not been subject to any contractual breaches. We commend the hard work and dedication of our colleagues.

### **Plans for Future Periods**

Discovery will continue to work on transformation and quality improvement activities, deliver our social objectives and remain financially viable and efficient.

We will ensure continuous improvement in compliance and quality, aiming to improve Care Quality Commission service ratings and embed a culture of greater ambition with colleagues for the people we support.

In April 2017, ten largely traditional day centres were transferred to Discovery. Since then, we have worked on transforming the support we provide, focussing on what individuals need to grow and develop, decommission old buildings in out-of-the-way locations that are no longer fit for purpose. In consultation with families and other stakeholders, we created a new hub in the centre of Yeovil that serves as a launch pad for a variety of activities and socialising, and we are in the process of developing similar hubs in Glastonbury and Street. We will continue this transformation across the county.

The hubs will be safe places in town centres, complete with multisensory space and Changing Places facilities. They will enable people with learning disabilities to access their local community and/or communities of interest to become active citizens. We are aiming for our hubs to be open in the evening and at weekends, and used by the local community. People we support can drop in for a drink, find information or meet a friend, and be supported to form new friendships and relationships.

# Dimensions Somerset SEV Limited trading as Discovery

## Trustees' Report

### Year ended 31 March 2020

#### **Financial Review**

The net movement in funds for the year ended 31 March 2020 was a surplus of £633,000 (2019: £1,654,000).

Performance for the year was consistent with expectations. From the surplus, £617,000 (2019: £1,142,000) has been designated to fund social projects in Somerset, £600,000 was spent during the year leaving a designated balance of £1,158,000.

#### **Principal Risks**

*Reduced public spending* – this has created the need to change to ensure Discovery and the services it delivers become financially sustainable for the future. It is unclear how Brexit will affect the ability to recruit in Somerset in the coming years and how this will impact on the growth prospects of the Charity.

*Workforce engagement* – the experience of transfer from Somerset County Council and the necessary restructuring activity will have been difficult for colleagues. Discovery invests in the training, development and well-being of colleagues to ensure that the right resources are available to support the services. Careful management is required to achieve a structure that can best deliver the high quality services that every customer needs.

*Regulation* - the expectations of Discovery's customers for service quality are increasing and regulatory frameworks continue to evolve. In particular, the Charity's main operations regulators, the Care Quality Commission (CQC), and the Charities Commission has high expectations of leadership and governance. Some quality issues identified within transferred services require change to ensure better outcomes.

The Charity has developed plans to mitigate these risks.

#### **Reserves policy**

Trustees are aware the Charity must balance the need to build sufficient reserves to maintain financial stability with meeting the costs of delivering its charitable objects. The target is to retain reserves equivalent to three months' expenditure, which equates to around £9,000,000, which the trustees believe allows for any unexpected interruptions to regular funding as well as to fund the transformation expenditure.

At 31 March 2020, Discovery continued to build up these reserves with unrestricted general income funds of £2,388,000 (2019: £1,771,000) and designated funds of £1,158,000 (2019: £1,141,000). Designated funds have been earmarked to fund social projects in Somerset. The Charity's cash balance at 31 March 2020 was £8,124,000 (2019: £9,667,000).

The trustees believe that after three years of trading, this puts Discovery in a good position for future sustainability and that future incoming resources will be sufficient to meet the needs of the Charity in delivering its charitable objects.

#### **Going Concern**

Discovery is forecasting a surplus for next year from its main operational activities and has sufficient cash in the bank to provide adequate resources for the group's day-to-day operations.

The board, after reviewing the company budgets for 2020/21 and the group's medium term financial position as detailed in the 2025 strategy including changes arising from the Covid-19 pandemic, is of the opinion that, taking account of severe but plausible downsides, the company has adequate resources to continue in business for the foreseeable future. The Board therefore continues to adopt the going concern basis of accounting in preparing the annual financial statements.

## **Statement of Trustees' Responsibilities in Respect of the Trustees' Annual Report and the Financial Statements**

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law they are required to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 (the Financial Reporting Standard applicable in the UK and Republic of Ireland).

Under company law the trustees 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 charitable company and of the excess of income over expenditure for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue its activities.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and to prevent and detect fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Each of the trustees confirms that to the best of their knowledge there is no information relevant to the audit of which the auditor is unaware. The trustees also confirm that they have taken all necessary steps to ensure that they themselves are aware of all relevant audit information and that this information has been communicated to the auditor.

### **Auditor**

A resolution for the re-appointment of KPMG LLP was approved at the Board meeting on the 15 July 2020.

Approved by the Board of Trustees and signed on its behalf by:



.....  
**Delyth Lloyd-Evans**

**Chair**

Dimensions Somerset SEV Limited trading as Discovery  
1430 Arlington Business Park  
Theale  
Reading  
RG7 4SA

# Dimensions Somerset SEV Limited trading as Discovery

## Trustees' Report

### Year ended 31 March 2020

#### Opinion

We have audited the financial statements of Dimensions Somerset SEV Limited ("the charitable company") for the year ended 31 March 2020 which comprise the Statement of Financial Activities, Balance Sheet, and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the charitable company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

#### Going concern

The trustees have prepared the financial statements on the going concern basis as they do not intend to liquidate the charitable company or to cease its operations, and as they have concluded that the charitable company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the trustees' conclusions, we considered the inherent risks to the charitable company's business model and analysed how those risks might affect the charitable company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the charitable company will continue in operation.

#### Other information

The trustees are responsible for the other information, which comprises the Chair's and Managing Director's Statement and the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information;
- in our opinion the information given in the Trustees' Annual Report, which constitutes the strategic report and the directors' report for the financial year, is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have nothing to report in these respects.

### **Trustees' responsibilities**

As explained more fully in their statement set out on page 11, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

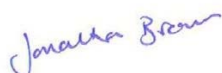
### **Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

### **The purpose of our audit work and to whom we owe our responsibilities**

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



**Jonathan Brown**  
**for and on behalf of KPMG LLP, Statutory Auditor**

*Chartered Accountants*  
KPMG LLP  
66 Queen Square  
Bristol  
BS1 4BE

17 July 2020

**Dimensions Somerset SEV Limited trading as Discovery**  
**Statement of Financial Activities**  
**(including Income and Expenditure Account and**  
**Statement of Total Recognised Gains and Losses)**  
**For the year ended 31 March 2020**

	Total funds for the year ended 31 March 2020 £'000	Total funds for the year ended 31 March 2019 £'000
<b>Incoming resources</b>		
Incoming resources from charitable activities:		
Provision of person centred support:		
Fees for support services	2    36,442	39,896
	<u>36,442</u>	<u>39,896</u>
<b>Total incoming resources</b>	<b>36,442</b>	<b>39,896</b>
<b>Resources expended</b>		
Charitable activities:		
Provision of person centred support	3    35,809	38,242
	<u>35,809</u>	<u>38,242</u>
<b>Total resources expended</b>	<b>35,809</b>	<b>38,242</b>
<b>Net income/(loss) for the year</b>	<b>633</b>	<b>1,654</b>
<b>Reconciliation of funds</b>		
Unrestricted funds balance at 1 April	2,912	1,258
	<u>2,912</u>	<u>1,258</u>
<b>Unrestricted funds balance at 31 March</b>	<b>3,545</b>	<b>2,912</b>
	<u><u>3,545</u></u>	<u><u>2,912</u></u>

The figures above relate to continuing activities.

The accompanying notes form part of these financial statements.



**Dimensions Somerset SEV Limited trading as Discovery**  
**Balance Sheet**  
**As at 31 March 2020**  
**Company Number: 10257343**

	<i>Note</i>	2020 £'000	2019 £'000
<b>Fixed assets</b>			
Tangible assets	<i>9</i>	98	115
<b>Current assets</b>			
Debtors	<i>10</i>	3,177	2,754
Cash at bank and in hand		8,124	9,667
		<u>11,301</u>	<u>12,421</u>
<b>Liabilities</b>			
Creditors: amounts falling due within one year	<i>11</i>	<u>(7,800)</u>	<u>(9,568)</u>
<b>Net current assets</b>		<u>3,501</u>	<u>2,853</u>
<b>Total assets less current liabilities</b>		3,599	2,968
Provisions for liabilities	<i>13</i>	<u>(54)</u>	<u>(56)</u>
<b>Total net assets</b>		<u><u>3,545</u></u>	<u><u>2,912</u></u>
<b>The funds of the charity</b>			
Unrestricted income funds	<i>15</i>	<u>3,545</u>	<u>2,912</u>
<b>Total charity funds</b>	<i>15</i>	<u><u>3,545</u></u>	<u><u>2,912</u></u>

The accompanying notes form part of these financial statements.

The financial statements were approved by the trustees and authorised for issue on 15 July 2020 and signed on their behalf by:



.....  
Delyth Lloyd-Evans  
Chair



.....  
J Fletcher  
Company Secretary

# Dimensions Somerset SEV Limited trading as Discovery

## Notes to the Financial Statements

### As at 31 March 2020

#### 1 Accounting policies

##### **Basis of Preparation**

The financial statements have been prepared on a going concern basis in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Discovery meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Discovery is forecasting a surplus for next year from its main operational activities and has sufficient cash in the bank to provide adequate resources for the group's day-to-day operations.

The board, after reviewing the company budgets for 2020/21 and the group's medium term financial position as detailed in the 2025 strategy including changes arising from the Covid-19 pandemic, is of the opinion that, taking account of severe but plausible downsides, the company has adequate resources to continue in business for the foreseeable future. The Board therefore continues to adopt the going concern basis of accounting in preparing the annual financial statements.

##### **Income recognition**

###### *Fees for support services*

Fees for support services represent care charges and grants receivable from Primary Care Trusts and local authorities, under grant funding agreements, for services provided in the year by Discovery for care and supported living, including charges to residents. Care charges and revenue grants from local authorities are recognised when the Charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income received in advance for the provision of specified services is deferred until the criteria for income recognition are met (see note 12).

###### *Income from rents and service charges*

Rent receivable under a tenancy agreement is recognised on an accruals basis.

###### *Donations*

Donations are recognised when the Charity receives notification that the donation has been pledged.

###### *Trading income*

Trading receipts are recognised when the receipts have been received.

##### **Apportionment of direct colleagues, occupancy and other costs**

Direct colleagues, occupancy and other costs have been apportioned to the relevant section of the Income and Expenditure account on the basis of costs of the colleagues engaged on operations dealt with in these financial statements.

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## 1 Accounting policies (continued)

### Fixed assets and depreciation

All assets are stated at cost less depreciation with the exception of donated assets, which are initially included at their fair value as at the date of donation. Assets having a value below £1,000 are not capitalised, but are expensed through the income and expenditure account. No depreciation is charged on freehold land.

Where an asset comprises two or more major components which have substantially different useful economic lives, each component is depreciated separately over its useful economic life.

Depreciation of tangible fixed assets is charged in annual instalments, on a straight-line basis, commencing from the date of acquisition, at rates estimated to write off their cost less any residual value over the expected useful lives which are as follows:

	Years
Building/Structure	80
Pitched roof coverings	80
Windows and doors	40
Electrical installations	40
Bathrooms	20
Boilers	15
Kitchen and utility rooms	10
Furniture, fittings and office equipment	2-3
Vehicles	2

Any assets that are impaired in value are written down to their recoverable amount.

The Charity has assessed whether there is any indication that any asset may be impaired and has found none.

### Expenditure

All expenditure including support costs, other than that which has been capitalised, is charged against income on an accruals basis. Expenditure includes VAT which cannot be recovered and is reported as part of the expenditure to which the VAT relates.

Expenditure is apportioned on the following basis:

- (a) costs attributable solely to one activity are allocated to that activity.
- (b) costs attributable to more than one activity are apportioned between activities as follows:
  - colleagues and occupancy costs are apportioned on the basis of estimated person hours spent on each different activity;
  - communication, stationery and printing and computer costs are apportioned based on estimated usage for each activity; and
  - depreciation is apportioned based on the estimated usage of the relevant assets.

Governance costs relate to the costs of running the Charity as a statutory body and include audit fees, certain legal and professional fees, and the costs of trustee and member meetings. No support costs are allocated to governance costs as any allocation would be immaterial.

# Dimensions Somerset SEV Limited trading as Discovery

## Notes to the Financial Statements

### 31 March 2020

#### 1 Accounting policies (continued)

##### **Operating leases**

Under section 20 of FRS 102, the Charity classifies the lease of properties and vehicles as operating leases; the title to the properties and vehicles remains with the lessor. The property leases are for ten years or less, whilst the economic life of such properties is normally sixty years.

Rentals paid under operating leases are charged against income on a straight-line basis over the lease term.

##### **Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered.

##### **Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

##### **Unrestricted funds**

Unrestricted general funds represent those assets, which may be used at the trustees' discretion for any purpose consistent with the aims of the Charity.

The designated fund is the portion of the unrestricted funds of the Charity that has been set aside to fund social projects within Somerset by the trustees. Designated funds are expected to be spent within 12-24 months of being earmarked.

##### **Transfers between funds**

Transfers are made between funds as follows:

- an amount of net income, decided upon each year by the trustees, is transferred to a designated fund earmarked to fund social projects in Somerset.

##### **Pension costs**

The Charity operates defined contribution pension schemes. The costs under these schemes are charged to the income and expenditure account as incurred.

1 Accounting policies (continued)

**Statement of cash flows**

Discovery has taken advantage of the disclosure exemption granted to qualifying entities under FRS 102 from Section 7: Statement of Cash Flows and accordingly no statement of cash flows has been produced. The cash flow of the Charity is included within the group cash flow in the statutory accounts of its parent, Dimensions UK, and further details on how to view these accounts can be found in note 20 of these accounts.

2 Provision of Person Centred Support Analysis of Income

	For the year ended 31 March 2020 £'000	For the year ended 31 March 2019 £'000
<i>Fees for support services</i>		
Income from support services	36,442	39,896
	<u>36,442</u>	<u>39,896</u>

3 Provision of Person Centred Support

	For the year ended 31 March 2020 £'000	For the year ended 31 March 2019 £'000
<i>Analysis of Expenditure</i>		
<i>Direct costs</i>		
Support costs (note 4)	20,977	24,814
Occupancy costs	3,261	4,055
Other costs	10,695	8,925
Depreciation	30	31
Governance costs (note 5)	846	417
	<u>35,809</u>	<u>38,242</u>

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4 Provision of person centred support – analysis of support costs

	For the year ended 31 March 2020 £'000	For the year ended 31 March 2019 £'000
Wages and salaries	17,257	19,639
Colleague training	496	587
Social security costs	1,257	1,368
Employer's pension contributions	1,967	3,220
	<u>20,977</u>	<u>24,814</u>

Included in wages and salaries costs are redundancy payments totalling £174k (2019: £1,133k).

5 Governance Costs

	For the year ended 31 March 2020 £'000	For the year ended 31 March 2019 £'000
Meetings	51	11
Legal and professional fees	780	381
Auditor's remuneration	15	25
	<u>846</u>	<u>417</u>

None of the trustees (or any persons connected with them) received any remuneration during the year. Trustees were reimbursed £0.1k for travel expenses (2019: £0.1k). No charity trustee received payment for professional or other services supplied to the charity (2019: £nil).

The Managing Director is the highest paid employee at 31 March 2020. The emoluments paid or payable to the Managing Director (excluding pension contributions but including benefits in kind) were:

	For the year ended 31 March 2020 £'000	For the year ended 31 March 2019 £'000
Emoluments	<u>102</u>	<u>107</u>

The pension contributions paid by the Charity for the Managing Director were £7k (2019: £7k).

## 6 Net expenditure for the year

	For the year ended 31 March 2020 £'000	For the year ended 31 March 2019 £'000
This is stated after charging:		
Depreciation	30	31
Auditor's remuneration:-		
Audit of these financial statements	15	25
Operating leases – land and buildings	709	902
Operating leases - vehicles	274	234
Operating leases - photocopiers	10	10

## 7 Colleagues

	For the year ended 31 March 2020 Number Headcount	For the year ended 31 March 2019 Number Headcount	For the year ended 31 March 2020 Number *FTE	For the year ended 31 March 2019 Number *FTE
<u>Average Number of Colleagues</u>				
Colleagues directly providing person-centred support	888	989	652	735
Administrative colleagues	78	55	71	50
	966	1,044	723	785

\*FTE: Full Time Equivalent.

Remuneration of colleagues (including taxable benefit in kind, excluding employer's pension contribution) exceeding £60,000 in the year is in the following bands:

	For the year ended 31 March 2020 Number	For the year ended 31 March 2019 Number
£100,000 to £109,999	1	1
£70,000 to £79,999	2	1
£60,000 to £69,999	2	4

## 8 Taxation Status

Discovery is a registered charity and as such is not subject to Corporation Tax on its charitable income and gains.



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9 Tangible fixed assets

	Fixtures, fittings and office equipment £'000	Motor vehicles £'000	Total £'000
Cost or Valuation			
At 1 April 2019	156	7	163
Additions	14	-	14
Disposals	-	(7)	(7)
	<hr/>	<hr/>	<hr/>
At 31 March 2020	170	-	170
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 April 2019	41	7	48
Charge for the year	30	-	30
Disposals	-	(7)	(7)
	<hr/>	<hr/>	<hr/>
At 31 March 2020	71	-	71
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 March 2020	98	-	98
	<hr/>	<hr/>	<hr/>
At 31 March 2019	115	-	115
	<hr/>	<hr/>	<hr/>

10 Debtors

	2020 £'000	2019 £'000
Trade debtors	2,856	2,677
Other debtors	3	7
Prepayments and accrued income	318	70
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	3,177	2,754
	<hr/>	<hr/>

11 Creditors: amounts falling due within one year

	2020 £'000	2019 £'000
Trade creditors	559	390
Other creditors	37	11
Accruals	1,288	1,587
Deferred income (note 12)	4,859	6,632
Taxation and social security	479	486
Amounts owed to group and associated undertakings	577	462
	<hr/>	<hr/>
	7,800	9,568
	<hr/>	<hr/>

## 12 Deferred income

Deferred income comprises advance billing for services which ended after the reporting date. The portion of the invoice relating to the next reporting period has been deferred and released in the period in which the service has been delivered.

	£'000
Balance as at 1 April 2019	6,632
Amount released to income earned from charitable activities	(6,632)
Amount deferred in year	<u>4,859</u>
Balance as at 31 March 2020	<u><u>4,859</u></u>

## 13 Provisions for liabilities

	£'000
At 1 April 2019	56
Released	<u>(2)</u>
At 31 March 2020	<u><u>54</u></u>

## 14 Share capital – non equity

The Company, which is incorporated under the Companies Act 2006, is limited by guarantee and as such has no share capital. The liability of each member is limited to £1, being the amount guaranteed.

## 15 Movement in Funds

	At 1 April 2019 £'000	Incoming resources £'000	Outgoing resources £'000	Transfers £'000	At 31 March 2020 £'000
Unrestricted funds:					
General fund	1,771	36,442	(35,209)	(617)	2,387
Designated fund	1,141	-	(600)	617	1,158
	<u>2,912</u>	<u>36,442</u>	<u>(35,809)</u>	<u>-</u>	<u><u>3,545</u></u>

The General fund represents the 'free reserves' after allowing for all designated funds.

Discovery is a social enterprise formed from a ground breaking partnership between Dimensions and Somerset County Council, together with customers, family, carers and staff. As such it has created a designated fund so that some of the net income generated by Discovery can be earmarked to fund social projects within Somerset. The total amount raised for this purpose to date currently stands at £2,388,000 (2019: £1,771,000).

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16 Unrestricted Funds

	£'000
At 1 April 2019	2,912
Surplus for the year	633
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At 31 March 2020	3,545
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17 Capital Commitments

As at 31 March 2020, the Charity had no capital commitments (2019: £nil).

18 Commitments under operating leases

The total of future minimum lease payments under non-cancellable operating leases for each of the following periods are as follows:

	2020		2019	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Due:				
Not later than one year	713	138	829	222
Later than one year and not later than five years	2,800	154	3,294	309
Over five years	1,366	-	2,398	-
	<hr/>	<hr/>	<hr/>	<hr/>
	4,879	292	6,521	531
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

19 Related Parties

Dimensions UK, the parent of the Charity, has apportioned and charged £2,148k (2019: £2,176k) of central overhead costs to Dimensions Somerset SEV during the year. These are apportioned based on the total direct costs of providing social housing and other activities in each entity within the Group. At 31 March 2020 the Charity owed Dimensions UK £577k (2019: £462k) for recharged central overhead costs. This intercompany balance is settled a month in arrears.

Discovery has delivered some support at its day centres on behalf of Dimensions UK, who is contracted by Tower Hamlets. Dimensions UK paid Discovery £25k (2019 - £49k) for this service during the year. There was no balance owed at year end.

There are no other related party transactions or outstanding balances during the year (2019: £nil).

## 20 Controlling Party

Discovery's parent association and controlling party is Dimensions (UK) Limited, a charitable registered society under the Co-operative and Community Benefit Societies Act 2014 registered number 31192R.

The principal purpose and activities of Dimensions (UK) Limited and its subsidiaries is the provision of person-centred support packages, with housing, for people with learning disabilities and autism.

The public can obtain the consolidated accounts of Dimensions (UK) Limited that include the Charity's accounts via the website [www.dimensions-uk.org](http://www.dimensions-uk.org) or by writing to the registered office address on page 2 of this report.

## 21 Off-balance sheet arrangements

Discovery, along with the other entities in the Dimensions Group, became party to a £10m Revolving Credit Facility with HSBC plc on 7 April 2017, whereby the liabilities to HSBC of each of the entities within the Dimensions Group are cross guaranteed by the others. Any amounts drawn down are held in the balance sheet of the parent of the Charity.

Discovery also became party to a pension bond facility with HSBC plc on 1 April 2017, whereby the liability to HSBC is guaranteed by the company and the parent Dimensions (UK) Limited, the current value of the bond is £3,720,000.

## 22 Pensions

Discovery contribute to the defined benefit pension scheme of some colleagues. Somerset County Council, however, retain responsibility for any scheme deficit, so no liability will fall to the Charity.

With no liability falling to the Charity in regards to the pension deficit there is no requirement for Discovery to include the FRS 102 disclosures in these accounts.