

Dimensions Somerset SEV Limited
Trading as
Discovery
(A Charitable Company Limited by Guarantee)

Report and Financial Statements

For the year ended

31 March 2019

Company Registration Number: 10257343
Charity Registration Number: 1172574

Dimensions Somerset SEV Limited trading as Discovery Contents

	Page(s)
Advisors and Other Information	2
Chair's and Managing Director's Statement	3-4
Trustees' Report	5-11
Independent Auditor's Report to the Members of Discovery	12-13
Statement of Financial Activities	14
Balance Sheet	15
Notes to the Financial Statements	16-25

**Dimensions Somerset SEV Limited trading as Discovery
Advisors and Other Information
Year ended 31 March 2019**

Trustees	D Lloyd-Evans (Chair) H Tavare M Horlock S McLaughlan S Strong A Haigh (appointed 21 st November 2018) M Blaker (resigned 25 th October 2018)	
Company Secretary	Jackie Fletcher	
Executive Directors	L Joy-Smith C Best L Evans	Managing Director HR Director Finance Director
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 & Hamlins 3 Bunhill Row London EC1Y EYZ
Auditor	KPMG LLP Arlington Business Park Reading RG7 4SD	
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 2019

This year marks our second year since the successful transfer of support of over 900 customers and 1,200 colleagues from the learning disability provider service within Somerset County Council to Discovery.

This year has placed even greater focus on supporting each person we support to live a fulfilling life, equal in society and active in his or her local community. It means being able to have choice and control in life. It means choosing to go out or to stay in, making friends and having relationships, finding and developing skills and interests. It also means managing a home, voting, staying healthy and being able to pursue employment or volunteering opportunities. It means being an active citizen.

It takes focused dedication to deliver support of that calibre. To develop a person's independence over time. To build his or her confidence and trust. To resist the urge to keep doing things for the person. To help a person, and their loved ones, believe that better really is possible despite – for many – experience that suggests the contrary.

We know that delivery of our vision will take time and that each person's experience will be unique. Personalisation, after all, is core to our ethos. Even now, two years on, we are under no illusion about the size of our task but our work to raise the ambitions, both of the people we support and those around them, continues. For many people, Discovery has already been life changing, including our success in supporting over 80 people in paid employment or successful internships created with Hinkley Point. For many others, we have much work to do. Over time, we will show that for everyone we support, life can get better.

Our delivery is dependent upon our colleagues and it is here that we have seen the most change as we worked to put in place the people and structure we need to realise our vision of supporting people to become active citizens during times of change.

Recruitment remains a key challenge for us and we are not alone in social care facing that pressure. Unemployment in Somerset is around 1% and therefore our recruitment advertising remain focused on attracting those that are currently in work. However, importantly, last year we completed the management restructure and we have already made great strides in filling vacant roles. Some of those great, lost colleagues are now starting to come back to Discovery which is good for everyone.

Our people are the foundation of our performance – which has overall been good. Our colleagues have been working tirelessly to achieve all the targets set for us by Somerset County Council. We've maintained our motivation, courage, ambition and belief, despite some bruising days.

That's why we want to take this opportunity to say thank you to our dedicated colleagues and all those families who have joined us and trusted us on this journey.

Our focus on quality and safety of all the services within Discovery has been noted in recent CQC reports highlighting the good initiatives introduced by Discovery. This has helped to determine a 'Good' status in 11 Registered Locations and an ongoing increase of ratings within our internal quality and compliance reviews.

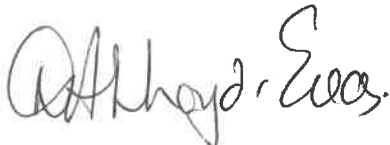
As a registered charity and social enterprise, we continue to manage financial challenges like many other reliable and established charities across the country. Clearly there is no return of profit or share with any investors or Directors, instead 50% of our surplus has been allocated for social value return. Already public announcements have been made on 7 successful applications from the Discovery Community Fund and we continue to meet with many other potential partner organisations to create further innovative new opportunities for people with learning disabilities within Somerset.

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

Financially this has been a challenging year in measuring and understanding our performance within the contract and responding to the environment we are operating within. We have worked in partnership with our commissioners to ensure delivery of the contract remains within the contractual financial envelope. We are pleased that performance for the year was consistent with our expectations and that from the surplus realised, £1,142k 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 2019

The trustees (who are also directors of the charitable company) present their report and the audited financial statements for the year ended 31 March 2019. 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 by providing and managing housing, including social housing, and providing assistance to help house those people and associated facilities in particular by providing support and services to meet their needs.

The Charity has been established as a Social Enterprise and has achieved the Social Enterprise Mark for the second year running. This means that 50% of our net surplus is invested in projects within Somerset having a social purpose. Examples of which include working with wider (non-learning disability) community based organisations to be more inclusive and accessible with their current provision, a further initiative to fund a group of people with learning disabilities to facilitate a small sparks initiative, which has the potential to kick start 20 individual led community based projects instigated by people with learning disabilities 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.

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 2.

The full Board met six 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 2019**

Dimensions Somerset SEV Limited trading as Discovery Trustees' Report Year ended 31 March 2019

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 on an ad hoc basis when a need for new board members is identified. Interested parties are required to write to the Company Secretary, attaching a full CV and a supporting statement, along with details of two referees. For particular posts an agency is used to headhunt suitable candidates.

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)

The SPB was formed in 2018/19. The SPB meet approximately every 3 months and are tasked to work closely with, and on behalf of, Discovery to advise on the direction of Discovery's social value return. Through the hard work and detailed planning of the SPB in partnership with the Somerset Community Foundation, this year alone the SPB has attracted over 30 applications from 30 different organisations to an entirely new community fund (called Discovery Community Fund). This has helped raise the profile of people with learning disabilities significantly in Somerset, the value of being a Social Enterprise and what it can provide the local community and the important work that Discovery does as a registered charity within Somerset.

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 Remuneration Strategy which provides for pay to be set in the context of the relevant external market informed by benchmarking. Additionally, 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.

Dimensions Somerset SEV Limited trading as Discovery Trustees' Report Year ended 31 March 2019

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 widely across Somerset the work of Discovery as a Social Enterprise and Charity and the unique potential is has in investing half of its surplus in new initiatives which 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. The Charity (and approved Social Enterprise) is driven by its values. People with learning disabilities and their families are at the heart of everything it does and the Charity wants every person it supports to have a great life, with excellent outcomes.

The Charity's values 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

The Charity continues to develop its 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 2019

Strategic Report

Achievements and Performance

Delivery of public benefit

Discovery, in accordance with its objects, benefits people with learning difficulties in the Somerset area. The majority of its funding comes from the local authority, Somerset County Council (SCC), and therefore the majority of its beneficiaries are referred to it via the local authority. The Charity is able to offer places in its day centres, 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. The Charity aims to keep placement fees to the minimum required to cover the Charity's costs.

The Charity also supports people who have individual budgets and choose to spend some, or all, of it in accessing the Discovery support. It interacts 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, having delivered support to people based on their bespoke 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 strong performance with Somerset County Council and have ensured the full integration of its 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 remains a challenge in light of our restructure, however, we continue to attract around 200 new applications every month from people who are interested in joining Discovery.

This year has also seen the Charity complete the roll out of colleague, family and customer surveys, introduce Better Practice initiatives and complete a quality review across all locations. The Board has been pleased to see month-on-month improvements in internal quality compliance measures.

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

Plans for Future Periods

The Charity is working on the completion of the contractual transformation activity which will deliver a change to the operational management structure and place a clear focus on improving quality. This will support Discovery to continue in delivering its social objectives whilst remaining financially viable and efficient.

Discovery will also ensure continuous improvement in compliance and quality, with the aim of improving all service ratings and establishing a culture of greater ambition with colleagues for our customers. The focus will be on challenging the historical way of doing things to achieve genuine quality improvements throughout the organisation.

Dimensions Somerset SEV Limited trading as Discovery Trustees' Report Year ended 31 March 2019

In April 2017 10 largely traditional day centres were transferred to Discovery. The Charity is aware that the day services, as they are currently delivered, do not meet the needs of customers in all areas and transformation of this ageing set of day services was also a requirement of the outsourcing tender. Discovery will continue to review, reconfigure and, where necessary, re-provide in a way that achieves better outcomes for customers. Discovery and Somerset County Council (SCC) have an agreed shared vision, which in summary is about:

Creating safe places in the heart of towns across Somerset, complete with multisensory space and Changing Places facilities and within easy access. This will enable people with learning disabilities to access their local community and/or communities of interest to become active citizens. Our offer would be personalised and be detailed within clear care plans and support plans.

The safe places (also known as hubs) must enable people to become part of their communities, not segregated away from them in isolating locations.

To deliver this, Discovery have been working to develop new partnerships with existing community venues. In developing our offer, Discovery has always talked about hubs, being different to the sort of day centres people have become used to. Our view is that hubs should be open in the evening and at weekends. They will be used by the local community – so libraries, cafes and other community centres can be hubs.

In hubs people we support can drop in for a drink, find information or meet a friend. Perhaps choose to use the facilities there before heading out into town to meet friends or with their support worker. Our support workers will enable people to maintain the existing friendships and relationships that have been, and continue to be, important to each individual, whilst supporting people to develop new relationships.

We believe strongly that this is better than the transferred day centres, as we know there are lots of things going on locally, and many people we support are missing out from natural connections and opportunities. Within our offer, there will be a greater focus on employment and our Support Employment Team will work closely with every Day Centre to support people around employment opportunities.

Discovery will also commence with the roll out of the Activate model of support at all of its services. This is a new support model, based on sector-leading research, built around eight structured domains and puts decision making closer to the people supported by setting personalised and challenging goals with them, their families and colleagues.

Eight Discovery colleagues joined the Group's award winning Aspire programme in April 2018. Aspire is aimed at helping colleagues to meet their potential in a way that benefits Discovery and, ultimately, the people we support. Participants work with a professional career coach over nine to twelve months. They help colleagues to identify ways in which they can develop or enhance their career.

In June 2018 Discovery launched its colleague recognition programme - #everydayheroes. The aim of the scheme is to recognise and reward colleagues who inspire others through their support or go over and above in their roles.

Financial Review

The net movement in funds for the year ended 31 March 2019 was a surplus of £1,654,000 (2018: £1,260,000).

Performance for the year was consistent with expectations. From the surplus, £1,142,000 (2018: £629,000) has been designated to fund social projects in Somerset.

Principal Risks

Dimensions Somerset SEV Limited trading as Discovery Trustees' Report Year ended 31 March 2019

Reduced public spending – this has created the need to change to ensure that Discovery and the services it delivers become financially sustainable for the future. It is also unclear how Brexit will affect the ability to recruit in Somerset in the coming years and so 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 need to invest 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 regarding service quality are increasing and so its regulatory frameworks are continuing to evolve. In particular, the Charity's main operations regulator, the Care Quality Commission (CQC), has higher expectations of leadership and governance. Some quality issues within transferred services have been identified which require change to ensure better outcomes.

The Charity has developed plans to mitigate these risks.

Reserves policy

The trustees are aware that 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 would tide the Charity over should there be any unexpected interruptions to regular funding as well as to fund the transformation expenditure.

At 31 March 2019, Discovery continued to build up these reserves with unrestricted general income funds of £1,771,000 (2018: £629,000) and designated funds of £1,141,000 (2018: £629,000). Designated funds have been earmarked to fund social projects in Somerset. The Charity's cash balance at 31 March 2019 was £9,667,000 (2018: £7,766,000).

The trustees believe that this puts Discovery in a good sustainable position for the future 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.

On this basis and after making appropriate enquiries, the Board confirms that it has a reasonable expectation that Discovery has adequate resources to continue in its operational existence for the foreseeable future, being a period of twelve months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements.

**Dimensions Somerset SEV Limited trading as Discovery
Trustees' Report
Year ended 31 March 2019**

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; and
- 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 25 July 2019.

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

Independent Auditor's Report to the Members of Dimensions Somerset SEV Limited trading as Discovery

Opinion

We have audited the financial statements of Dimensions Somerset SEV Limited ("the charitable company") for the year ended 31 March 2019 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 2019 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, including the impact of Brexit, 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.

Independent Auditor's Report to the Members of Dimensions Somerset SEV Limited trading as Discovery (continued)

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 10, the trustees (who are also the trustees 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.

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
Arlington Business Park
Theale
Reading
RG7 4SD

Date: 13 August 2019

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 2019

	<i>Note</i>	Total funds for the year ended 31 March 2019 £'000	Total funds for the year ended 31 March 2018 £'000
Incoming resources			
Incoming resources from charitable activities:			
Provision of person centred support:			
Fees for support services	2	39,896	36,934
		<hr/>	<hr/>
Total incoming resources		39,896	36,934
		<hr/>	<hr/>
Resources expended			
Charitable activities:			
Provision of person centred support	3	38,242	35,674
		<hr/>	<hr/>
Total resources expended		38,242	35,674
		<hr/>	<hr/>
Net income/(loss) for the year		1,654	1,260
 Reconciliation of funds			
Unrestricted funds balance at 1 April		1,258	(2)
		<hr/>	<hr/>
Unrestricted funds balance at 31 March		2,912	1,258
		<hr/> <hr/>	<hr/> <hr/>

The figures above relate to continuing activities.

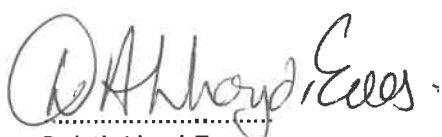
The accompanying notes form part of these financial statements.

Dimensions Somerset SEV Limited trading as Discovery
Balance Sheet
As at 31 March 2019
Company Number: 10257343

	<i>Note</i>	2019 £'000	2018 £'000
Fixed assets			
Tangible assets	<i>9</i>	115	138
Current assets			
Debtors	<i>10</i>	2,754	1,379
Cash at bank and in hand		9,667	7,766
		<u>12,421</u>	<u>9,145</u>
Liabilities			
Creditors: amounts falling due within one year	<i>11</i>	(9,568)	(8,019)
Net current assets		<u>2,853</u>	<u>1,126</u>
Total assets less current liabilities		2,968	1,264
Provisions for liabilities	<i>13</i>	(56)	(6)
Total net assets		<u>2,912</u>	<u>1,258</u>
The funds of the charity			
Unrestricted income funds	<i>15</i>	2,912	1,258
Total charity funds	<i>15</i>	<u>2,912</u>	<u>1,258</u>

The accompanying notes form part of these financial statements.

The financial statements were approved by the trustees and authorised for issue on 25 July 2019 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 2019

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).

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.

Dimensions Somerset SEV Limited trading as Discovery

Notes to the Financial Statements

31 March 2019

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 2019

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.

Dimensions Somerset SEV Limited trading as Discovery
Notes to the Financial Statements
31 March 2019

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 2019 £'000	For the year ended 31 March 2018 £'000
<i>Fees for support services</i>		
Income from support services	39,896	36,934
	<u>39,896</u>	<u>36,934</u>

3 Provision of Person Centred Support

	For the year ended 31 March 2019 £'000	For the year ended 31 March 2018 £'000
<i>Analysis of Expenditure</i>		
<i>Direct costs</i>		
Support costs (note 4)	30,854	29,462
Occupancy costs	4,055	3,862
Other costs	2,884	2,118
Depreciation	32	16
Governance costs (note 5)	417	216
	<u>38,242</u>	<u>35,674</u>

Dimensions Somerset SEV Limited trading as Discovery
Notes to the Financial Statements
31 March 2019

4 Provision of person centred support – analysis of support costs

	For the year ended 31 March 2019 £'000	For the year ended 31 March 2018 £'000
Wages and salaries	25,679	24,232
Colleague training	587	503
Social security costs	1,368	1,607
Employer's pension contributions	3,220	3,120
	<u>30,854</u>	<u>29,462</u>

Included in wages and salaries costs are redundancy payments totalling £1,133k (2018: £458k).

5 Governance Costs

	For the year ended 31 March 2019 £'000	For the year ended 31 March 2018 £'000
Meetings	11	7
Legal and professional fees	381	199
Auditor's remuneration	25	10
	<u>417</u>	<u>216</u>

None of the trustees (or any persons connected with them) received any remuneration during the year. One trustee was reimbursed a total of £0.1k for travel expenses (2018: £0.1k). No charity trustee received payment for professional or other services supplied to the charity (2018: £nil).

The Managing Director is the highest paid employee at 31 March 2019. The emoluments paid or payable to the Managing Director (excluding pension contributions but including benefits in kind) were:

	For the year ended 31 March 2019 £'000	For the year ended 31 March 2018 £'000
Emoluments	<u>107</u>	<u>103</u>

The pension contributions paid by the Charity for the Managing Director were £7k (2018: £7k).

Dimensions Somerset SEV Limited trading as Discovery
Notes to the Financial Statements
31 March 2019

6 Net expenditure for the year

	For the year ended 31 March 2019 £'000	For the year ended 31 March 2018 £'000
This is stated after charging:		
Depreciation	31	16
Auditor's remuneration:-		
Audit of these financial statements	25	10
Operating leases – land and buildings	902	916
Operating leases - vehicles	234	258
Operating leases - photocopiers	10	10
	<u> </u>	<u> </u>

7 Colleagues

	For the year ended 31 March 2019 Number Headcount	For the year ended 31 March 2018 Number Headcount	For the year ended 31 March 2019 Number *FTE	For the year ended 31 March 2018 Number *FTE
<u>Average Number of Colleagues</u>				
Colleagues directly providing person-centred support	989	1,152	735	860
Administrative colleagues	55	33	50	28
	<u>1,044</u>	<u>1,185</u>	<u>785</u>	<u>888</u>

*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 2019 Number	For the year ended 31 March 2018 Number
£100,000 to £109,999	1	1
£70,000 to £79,999	1	-
£60,000 to £69,999	4	3

8 Taxation Status

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

Dimensions Somerset SEV Limited trading as Discovery
Notes to the Financial Statements
31 March 2019

9 Tangible fixed assets

	Fixtures, fittings and office equipment £'000	Motor vehicles £'000	Total £'000
Cost or Valuation			
At 1 April 2018	147	7	154
Additions	9	-	9
Disposals	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 March 2019	156	7	163
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 April 2018	13	3	16
Charge for the year	28	3	31
Disposals	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 March 2019	41	7	48
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 March 2019	115	-	115
	<hr/>	<hr/>	<hr/>
At 31 March 2018	134	4	138
	<hr/>	<hr/>	<hr/>

10 Debtors

	2019 £'000	2018 £'000
Trade debtors	2,677	1,294
Other debtors	7	5
Prepayments and accrued income	70	80
	<hr/>	<hr/>
	2,754	1,379
	<hr/>	<hr/>

11 Creditors: amounts falling due within one year

	2019 £'000	2018 £'000
Trade creditors	390	294
Other creditors	11	18
Accruals	1,587	1,477
Deferred income (note 12)	6,632	5,101
Taxation and social security	486	676
Amounts owed to group and associated undertakings	462	453
	<hr/>	<hr/>
	9,568	8,019
	<hr/>	<hr/>

Dimensions Somerset SEV Limited trading as Discovery
Notes to the Financial Statements
31 March 2019

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 2018	5,101
Amount released to income earned from charitable activities	(5,101)
Amount deferred in year	<u>6,632</u>
Balance as at 31 March 2019	<u><u>6,632</u></u>

13 Provisions for liabilities

New provisions have been added during the year for the dilapidations of the new office. These outflows are expected to be incurred at the end of the lease.

	£'000
At 1 April 2018	6
Reversals	(6)
Additions	<u>56</u>
At 31 March 2019	<u><u>56</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 2018 £'000	Incoming resources £'000	Outgoing resources £'000	Transfers £'000	At 31 March 2019 £'000
Unrestricted funds:					
General fund	629	39,896	(37,612)	(1,142)	1,771
Designated fund	629	-	(630)	1,142	1,141
Total unrestricted funds	<u>1,258</u>	<u>39,896</u>	<u>(38,242)</u>	<u>-</u>	<u><u>2,912</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 £1,771,000.

Dimensions Somerset SEV Limited trading as Discovery
Notes to the Financial Statements
31 March 2019

16 Unrestricted Funds

	£'000
At 1 April 2018	1,258
Surplus for the year	1,654
	<hr/>
At 31 March 2019	2,912
	<hr/> <hr/>

17 Capital Commitments

As at 31 March 2019, the Charity had no capital commitments (2018: £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:

	2019		2018	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Due:				
Not later than one year	829	222	878	222
Later than one year and not later than five years	3,294	309	2,670	309
Over five years	2,398	-	3,390	-
	<hr/>	<hr/>	<hr/>	<hr/>
	6,521	531	6,938	531
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Care home and service property leases have been added, the majority of which end in 2027. Other includes vehicle and photocopier leases.

19 Related Parties

Dimensions UK, the parent of the Charity, has apportioned and charged £2,176k (2018: £2,105k) 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 2019 the Charity owed Dimensions UK £463k (2018: £453k) 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 £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 (2018: £nil).

Dimensions Somerset SEV Limited trading as Discovery

Notes to the Financial Statements

31 March 2019

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 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 £6.5m 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.

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.