

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

Report and Financial Statements

For the year ended

31 March 2021



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**Dimensions Somerset SEV Limited trading as Discovery  
Advisors and Other Information  
Year ended 31 March 2021**

Trustees	Delyth Lloyd Evans (Chair) Steve McLauchlan Steve Strong Harry Tavare Alastair Haigh Angela McNab (appointed 5th Oct 2020) Jackie Fletcher (appointed 5th Oct 2020) Stella Cheetham (appointed 5th Oct 2020) Neil England (appointed 17th Dec 2020) Christine Carson (appointed 17th Dec 2020)	
Company Secretary	Jo Greenbank	
Executive Directors	Luke Joy-Smith Helen Orford Chris Best Lisa Evans Rebecca Speight Steve Veevers	Managing Director (until 4 <sup>th</sup> January 2021) Managing Director (from 4 <sup>th</sup> January 2021) HR Director Finance Director Regional Managing Director (resigned 19 <sup>th</sup> March 2021) Director of Transformation (resigned 31 <sup>st</sup> January 2021)
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 EYZ
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 2021**

This year marks the fourth year since the transfer of services for people with learning disabilities and/or autism from Somerset County Council to Discovery.

The impact of Coronavirus (Covid-19) has been felt throughout the year with some inevitable operational disruption but our main priority as an organisation has been to focus and respond to the challenge of the pandemic in a way that has kept both our colleagues and the people we support safe, healthy and supported and to emerge from the crisis as a strong, resilient fit-for-purpose provider.

Robust emergency pandemic plans have been continually reviewed over the year making sure that people received good support. A Dimensions Group Pandemic Emergency Response Team has met regularly to ensure that resources and support has been in place when required, including establishing a secure supply and distribution of Personal Protective Equipment (PPE) to front line colleagues and ensuring that all government guidance has been implemented immediately. As a result of this efficient and careful response to the pandemic we continue to come through the challenging time, although sadly some people have died of the virus. People we support, their families and our colleagues have experienced a very high level of emotional and physical fatigue and we know that adjustment and recovery will take some time.

Whilst Covid-19 has dominated the year, 2020/21 was also the first year of implementation of the Dimensions Group Strategy – Better Lives for More People. The strategy, focused upon applying Dimensions' strength to the greatest opportunity to create value, is ambitious: it recognises that the biggest challenge in our sector is to find, recruit and retain great people who can deliver great support within significant financial constraints and seeks, in response, to hone our status as a great organisation to work for. The strategy sets out clear aims, aligned to 5 Pillars (Quality, Reputation, Scale, Capacity and Sustainability).

Given the wide operation and demand disruption that Covid-19 has created, through which so many working practices have changed across industries, it is important to be clear that, in the Board's assessment, Better Lives for More People continues to be the right strategy for Discovery

At every stage throughout the pandemic our dedicated colleagues have demonstrated great spirit and commitment to the people we support. Covid19 has challenged us to explore new and innovative ways of working to keep people safe and to enable people to stay connected with their friends, families and communities. The people we support have led on a project, "staying in touch", and have led and hosted online activities which were developed in response to the Covid19 lockdown.

We have held three online listening events attended by people we support, families, and colleagues so the voice of our stakeholders can help shape our future plans and priorities as we emerge from the pandemic to help us ensure that the work we do will meet the needs of all the people we support and enable them to have a better life.

The focused attention of one of our regulators, the CQC (Care Quality Commission) has raised matters of quality and adequacy of leadership, most particularly in two of our Domiciliary Care Agencies. As a result of this, we have made some structural changes to increase capacity within our frontline operational management and increased the level of management oversight to provide greater assurance and to mitigate risk.

Working in partnership with the NDTi (National Development Team for Inclusion), we are on course to transform our day service provision and have embarked on a plan for change with a group of people we support identified as 'pioneers', with members of our employment support team allocated to support their steps to greater independence. In conjunction with this exciting new community outreach programme, we have also appraised the investment requirements of our five traditional day service buildings and as a result have a plan to divest, re-provide or invest to ensure the buildings in which we continue to operate are fit for the future.

## **Dimensions Somerset SEV Limited trading as Discovery Chair's and Managing Director's Statement Year ended 31 March 2021**

Within our leadership programme managers have had access to a new management development programme tailored to their needs and the needs of Discovery which included a comprehensive package of learning and development for managers, to support their applications to become CQC Registered Managers. The move of Registration requirement from Operations Director to Locality Manager is to ensure that the responsibility for decision making in respect of regulated activities sits closer to the people we support.

Although we have placed a necessary emphasis upon risk through the pandemic, we have also continued to focus on continuous improvement in compliance and quality, with the aim of improving all service ratings with CQC whilst establishing a workforce culture which is better aligned to our organisations values and promoting greater ambition and partnership working for the people we support and their families.

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 £500 to £50,000. During the pandemic the fund has supported, Somerset Archaeological and Natural History Society (SANHS), Adventure Therapy, Somerset Wildlife Trust and the Albemarle Centre.

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 and eight grants were awarded over the year.

We recognise those who stand to benefit from the Discovery Fund are among those disproportionately affected by coronavirus and we recognise that we need to fully understand how this money can be used over the coming years as society recovers. To help us do this a consultation is being carried out in a way that is accessible and adapted to the needs of adults with learning disabilities and/or autism as well as their families, friends and carers across Somerset.

The aim is to engage these groups in a way that allows them to get their voices heard and then draw together these voices to help us understand:

- how people feel about their lives today.
- what is working well;
- what changes are needed;
- why they are needed; and
- what might be the unintended consequences of making a change.

This in turn should help us shape the Discovery Community Fund for the future

Financially, this has been a challenging year responding to the environment in which we operate. We have worked in partnership with our commissioners to ensure the delivery of the contract has kept people safe and performance for the year was consistent with our expectations. From the surplus realised £740,000 has been designated to fund social projects in Somerset.

It has been a privilege working with our colleagues at all levels and we have never been as proud of everyone at Discovery. Our colleagues are central to everything we have been able to achieve and we are enormously grateful to them for their commitment and dedication to the people we support in keeping them safe and well during the pandemic. 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 will continue to build on in the year to come.



**Delyth Lloyd-Evans**  
**Chair**



**Helen Orford**  
**Managing Director**

## **Dimensions Somerset SEV Limited trading as Discovery Trustees' Report Year ended 31 March 2021**

The trustees (who are also directors of the charitable company) present their report and the audited financial statements for the year ended 31 March 2021. 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 fourth year running. Of our net surplus, 50% is invested in projects within Somerset that have a social purpose, improving the health and independence of people with learning disabilities and/or autism across Somerset.

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 six times during the year (and had two short meetings to consider specific items) 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 been building links with the Discovery Council over the last two years.

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



## **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 in line with a Group Non-Executive Recruitment & Succession Policy. An agency is used to source suitable candidates, and the process includes the provision of supporting statements, and confirmation of their eligibility to act as Charity Trustee.

The recruitment process includes informal meetings with members of the Discovery Executive Team, visits to services, which this year have been virtual, and panel interviews, including with Experts by Experience. 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 20/21, the SPB awarded five grants from the Discovery Community Fund to projects across Somerset helping people with learning disabilities and autism to live fulfilling lives in their own communities. The Community Fund also provided eight 'Small Sparks' grants of up to £500 to people with a learning disability who wished to set up community projects.

## **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.

# **Dimensions Somerset SEV Limited trading as Discovery Trustees' Report Year ended 31 March 2021**

## **Relationships with Other Organisations**

Discovery seeks to work in partnership with other organisations whenever such partnerships enable additional services to be provided. In partnership, Discovery and Somerset Community Foundation have continued 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 to improve the lives of people with learning disabilities and/or autism in Somerset, and/or 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.

## **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.

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 has sought to maintain performance across a year which has been extremely challenging in light of the pandemic along with key changes in personnel. Our new Managing Director has continued to foster strong working relationships with our Somerset County Council colleagues.

The turnover of colleagues continues to be a challenge for Discovery and the sector itself. We continue to look at ways to attract and retain colleagues.

This year has seen the development and implementation of our management development programme for all of our locality managers. This has been warmly received and provides a great opportunity to upskill our managers and illustrate our commitment to the development of our colleagues. We developed a comprehensive package of learning and development support for managers going through CQC registration, which will also be reviewed and potentially expanded upon in 2021/22.

We continue to make good use of the Group's award winning Aspire programme and this year has seen some reengineering to assist with growing internal front-line leader capacity. As a result, we have made four Locality Manager appointments as a direct result of the interventions provided by our career coaches.

#### **2020/21 first year of implementation for the Dimensions Group Strategy – Better Lives for More People.**

The strategy sets out clear aims, aligned to the following Pillars:

Quality - better lives; impact for our sector

Reputation - valued by stakeholders; a Group people want to work for and with

Scale – supporting more people; ability to invest and deliver economies

Capacity - capacity and capability to deliver where and when it matters

Sustainability - sustainable for stakeholders; resilient in our environment

Despite the extraordinary circumstances of the year, Discovery has continued to build relationships with organisations county-wide.

## **Dimensions Somerset SEV Limited trading as Discovery Trustees' Report Year ended 31 March 2021**

We have:

- Funded individuals through the Discovery Community Fund to improve community accessibility
- Introduced 'Staying in Touch' clubs and provided large amounts of free hardware to the people we support to help people build and maintain relationships through lockdown
- Embedded the Discovery Council, a representative body of people we support, supporting them to raise their voices on issues including voting and policing
- Continued to work with multiple employers across the county, supporting people to gain, and sustain, paid employment
- Developed new partnerships with community venues, for example the YMCA, to support the transformation of day services

### **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.

We will continue to work in partnership with Somerset County Council on the day centre transformation journey. Part of this journey will be our work with NDTi (National Development Team for Inclusion) "making change happen" to support our vision for people with learning disabilities and their families to have more control over their support to have more day to day options and have the same life chances and opportunities as everybody else.

Following the launch of several campaigns, it is our intention to continue a strong focus on these important and valuable areas of our work:

- #MyGPandMe – a campaign to help make doctors surgeries more accessible for people with learning disabilities. We will provide training to GP surgery staff, sharing information and resources with patients and support teams and calling on policy makers to reduce health inequality.
- Hate Crime – Discovery Council will share their concerns on hate crimes that people with learning disabilities have experienced and outline the top things they would like to see the police in Somerset help with.

### **Financial Review**

The net movement in funds for the year ended 31 March 2021 was a surplus of £740,000 (2020: £633,000) after £740,000 (2020: £633,000) was designated to fund social projects in Somerset. £740,000 (2020: £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 remains 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* – 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 services require change to ensure better outcomes and regulatory compliance.

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 2021, Discovery continued to build up these reserves with unrestricted general income funds of £3,127,000 (2020: £2,387,000) and designated funds of £1,158,000 (2020: £1,158,000). Designated funds have been earmarked to fund social projects in Somerset. The Charity's cash balance at 31 March 2021 was £10,243,000 (2020: £8,124,000).

The trustees believe that after four 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 charitable company budget for 2021/22, which is incorporated into the Group's budget and cashflows, and the group's medium term financial position as detailed in the 2025 strategy, including changes arising from the Covid-19 pandemic, are of the opinion that, taking account of severe but plausible downsides, the company will have sufficient funds to meet its liabilities as they fall due for a period of 12 months from the date of approval of the financial statements. The Board therefore continue to adopt the going concern basis in preparing the annual financial statements.

## **Dimensions Somerset SEV Limited trading as Discovery Trustees' Report Year ended 31 March 2021**

### **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 income and 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 and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use 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.

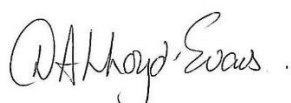
The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for 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, and 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.

### **Auditor**

A resolution for the re-appointment of KPMG LLP was approved at the Board meeting on the 29 July 2021

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 2021 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 2021 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").

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.

Our conclusions based on this work:

- we consider that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the trustees' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for the going concern period.

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 above conclusions are not a guarantee that the charitable company will continue in operation.

### **Fraud and breaches of laws and regulations – ability to detect**

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of the Board, the audit committee, internal audit and inspection of policy documentation as to the Charitable company's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Charitable company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board, audit committee, financial and resources committee minutes.

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

- Using analytical procedures to identify any unusual or unexpected relationships.
- Obtaining a copy of the Charitable company's fraud register.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet loan covenants and regulatory performance targets, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that income is recorded in the wrong period and the risk that Charitable company's management may be in a position to make inappropriate accounting entries.

We did not identify any additional fraud risks.

In determining the audit procedures we took into account the results of our evaluation and testing of the operating effectiveness of the Charitable company-wide fraud risk management controls

We also performed procedures including:

- Identifying journal entries and other adjustments to test for all full scope components based on risk criteria and comparing the identified entries to supporting documentation. These included journals with unusual posting to revenue, journals with unusual posting to cash, and unbalanced journal entries.

### *Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations*

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors and other management (as required by auditing standards), and from inspection of the Charitable company's regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

As the Charitable Company is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Charitable company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation, taxation legislation, pensions legislation and specific disclosures required by Charitable companies legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Charitable company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the need to include significant provisions. We identified the following areas as those most likely to have such an effect: anti-bribery, health and safety and employment law recognising the regulated nature of the Charitable company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.



## **Independent Auditor's Report to the Members of Dimensions Somerset SEV Limited (continued)**

### **Other information**

The trustees are responsible for the other information, which comprises the Trustees' Annual Report, and Chair's and Managing Director's statement. 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 directors' report for the financial year, is consistent with the financial statements; and
- in our opinion that report has 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; or the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

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).

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

**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*

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

66 Queen Square  
Bristol BS1 4BE

Date: 2 September 2021

**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 2021**

	<b>Total funds for the year ended 31 March 2021 £'000</b>	Total funds for the year ended 31 March 2020 £'000
	<i>Note</i>	
<b>Incoming resources</b>		
Incoming resources from charitable activities:		
Provision of person centred support:		
Fees for support services	2 <b>33,595</b>	36,442
	<hr/>	<hr/>
<b>Total incoming resources</b>	<b>33,595</b>	36,442
	<hr/>	<hr/>
<b>Resources expended</b>		
Charitable activities:		
Provision of person centred support	3 <b>32,855</b>	35,809
	<hr/>	<hr/>
<b>Total resources expended</b>	<b>32,855</b>	35,809
	<hr/>	<hr/>
<b>Net income/ (loss) for the year</b>	<b>740</b>	633
	<hr/>	<hr/>
<b>Reconciliation of funds</b>		
Unrestricted funds balance at 1 April	<b>3,545</b>	2,912
	<hr/>	<hr/>
<b>Unrestricted funds balance at 31 March</b>	<b>4,285</b>	3,545
	<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 2021**  
**Company Number: 10257343**

	<i>Note</i>	<b>2021</b> <b>£'000</b>	2020 £'000
<b>Fixed assets</b>			
Tangible assets	9	<b>67</b>	98
<b>Current assets</b>			
Debtors	10	<b>2,773</b>	3,177
Cash at bank and in hand		<b>10,243</b>	8,124
		<b>13,016</b>	11,301
<b>Liabilities</b>			
Creditors: amounts falling due within one year	11	<b>(8,744)</b>	(7,800)
<b>Net current assets</b>		<b>4,272</b>	3,501
<b>Total assets less current liabilities</b>		<b>4,339</b>	3,599
Provisions for liabilities	13	<b>(54)</b>	(54)
<b>Total net assets</b>		<b>4,285</b>	3,545
<b>The funds of the charity</b>			
Unrestricted income funds	15	<b>4,285</b>	3,545
<b>Total charity funds</b>	15	<b>4,285</b>	3,545

The accompanying notes form part of these financial statements.

The financial statements were approved by the trustees and authorised for issue on 29 July 2021 and signed on their behalf by:



.....  
Delyth Lloyd-Evans  
Chair



.....  
Jo Greenbank  
Company Secretary

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

## **Notes to the Financial Statements**

### **As at 31 March 2021**

#### 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.

The Board, after reviewing the charitable company budget for 2021/22, which is incorporated into the Group's budget and cashflows, and the group's medium term financial position as detailed in the 2025 strategy, including changes arising from the Covid-19 pandemic, are of the opinion that, taking account of severe but plausible downsides, the company will have sufficient funds to meet its liabilities as they fall due for a period of 12 months from the date of approval of the financial statements. The Board therefore continue to adopt the going concern basis in preparing the annual financial statements.

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.

## 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 2021**

#### 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 2021 £'000	For the year ended 31 March 2020 £'000
<i>Fees for support services</i>		
Income from support services	33,595	36,442
	<u>33,595</u>	<u>36,442</u>

3 Provision of Person Centred Support

	For the year ended 31 March 2021 £'000	For the year ended 31 March 2020 £'000
<i>Analysis of Expenditure</i>		
<i>Direct costs</i>		
Support costs (note 4)	21,859	20,977
Occupancy costs	3,435	3,261
Other costs	7,271	10,695
Depreciation	31	30
Governance costs (note 5)	259	846
	<u>32,855</u>	<u>35,809</u>



**Dimensions Somerset SEV Limited trading as Discovery**  
**Notes to the Financial Statements**  
**31 March 2021**

4 Provision of person centred support – analysis of support costs

	For the year ended 31 March 2021 £'000	For the year ended 31 March 2020 £'000
Wages and salaries	18,749	17,257
Colleague training	482	496
Social security costs	1,417	1,257
Employer's pension contributions	1,211	1,967
	<u>21,859</u>	<u>20,977</u>

Included in wages and salaries costs are redundancy payments totalling £103k (2020: £174k).

5 Governance Costs

	For the year ended 31 March 2021 £'000	For the year ended 31 March 2020 £'000
Meetings	1	51
Legal and professional fees	243	780
Audit of financial statements	15	15
	<u>259</u>	<u>846</u>

None of the trustees (or any persons connected with them) received any remuneration during the year. Trustees were reimbursed £nil for travel expenses (2020: £nil). No charity trustee received payment for professional or other services supplied to the charity (2020: £nil).

The Managing Director is the highest paid employee as at 31 March 2021. The emoluments paid or payable to the Managing Director (excluding pension contributions but including benefits in kind) were:

	For the year ended 31 March 2021 £'000	For the year ended 31 March 2020 £'000
Emoluments	<u>87</u>	<u>102</u>

The pension contributions paid by the Charity for the Managing Director were £7k (2020: £7k).

## 6 Net expenditure for the year

	For the year ended 31 March 2021 £'000	For the year ended 31 March 2020 £'000
This is stated after charging:		
Depreciation	31	30
Auditor's remuneration:-		
Audit of these financial statements	15	15
Operating leases – land and buildings	617	709
Operating leases - vehicles	247	274
Operating leases - photocopiers	10	10
	<u>          </u>	<u>          </u>

## 7 Colleagues

	For the year ended 31 March 2021 Number Headcount	For the year ended 31 March 2020 Number Headcount	For the year ended 31 March 2021 Number *FTE	For the year ended 31 March 2020 Number *FTE
<u>Average Number of Colleagues</u>				
Colleagues directly providing person-centred support	930	888	704	652
Administrative colleagues	79	78	71	71
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	1,009	966	775	723
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

\*FTE: Full Time Equivalent.

Remuneration of colleagues (including taxable benefit in kind, excluding employer's pension contribution) exceeding £50,000 in the year is in the following bands:

	For the year ended 31 March 2021 Number	For the year ended 31 March 2020 Number
£100,000 to £109,999	-	1
£80,000 to £89,999	2	-
£70,000 to £79,999	2	2
£60,000 to £69,999	1	2
£50,000 to £59,999	2	2

## 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 2021**

9 Tangible fixed assets

	Fixtures, fittings and office equipment £'000	Motor vehicles £'000	Total £'000
Cost or Valuation			
At 1 April 2020	170	-	170
Additions	-	-	-
Disposals	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 March 2021	170	-	170
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 April 2020	71	-	71
Charge for the year	32	-	32
Disposals	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 March 2021	103	-	103
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 March 2021	67	-	67
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 March 2020	99	-	99
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

10 Debtors

	2021 £'000	2020 £'000
Trade debtors	2,604	2,856
Other debtors	8	3
Prepayments and accrued income	161	318
	<hr/>	<hr/>
	2,773	3,177
	<hr/> <hr/>	<hr/> <hr/>

11 Creditors: amounts falling due within one year

	2021 £'000	2020 £'000
Trade creditors	323	559
Other creditors	52	37
Accruals	1,957	1,288
Deferred income (note 12)	5,469	4,859
Taxation and social security	513	479
Amounts owed to group and associated undertakings	430	577
	<hr/>	<hr/>
	8,744	7,799
	<hr/> <hr/>	<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 2020	4,859
Amount released to income earned from charitable activities	(4,859)
Amount deferred in year	<u>5,469</u>
Balance as at 31 March 2021	<u><u>5,469</u></u>

## 13 Provisions for liabilities

	£'000
At 1 April 2020	54
Released	-
At 31 March 2021	<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 2020 £'000	Incoming resources £'000	Outgoing resources £'000	Transfers £'000	At 31 March 2021 £'000
Unrestricted funds:					
General fund	2,387	33,595	(32,115)	(740)	3,127
Designated fund	1,158	-	(740)	740	1,158
Total unrestricted funds	<u><u>3,545</u></u>	<u><u>33,595</u></u>	<u><u>(32,855)</u></u>	<u><u>-</u></u>	<u><u>4,285</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 £3,127K (2020: £2,387K).

**Dimensions Somerset SEV Limited trading as Discovery**  
**Notes to the Financial Statements**  
**31 March 2021**

16 Unrestricted Funds

	£'000	
At 1 April 2020	3,545	
Surplus for the year	740	
		<hr/>
At 31 March 2021	<u>4,285</u>	

17 Capital Commitments

As at 31 March 2021, the Charity had no capital commitments (2020: £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:

	2021		2020	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Due:				
Not later than one year	713	168	713	138
Later than one year and not later than five years	2,774	199	2,800	154
Over five years	794	-	1,366	-
	<hr/>	<hr/>	<hr/>	<hr/>
	<u>4,281</u>	<u>367</u>	<u>4,879</u>	<u>292</u>

19 Related Parties

Dimensions UK, the parent of the Charity, has apportioned and charged £1,906k (2020: £2,148k) 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 2021 the Charity owed Dimensions UK £430k (2020: £577k) 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 are contracted by Tower Hamlets. Dimensions UK paid Discovery £23k (2020: £25k) 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 (2020: £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

Dimensions Somerset SEV Limited, along with the other entities in the Dimensions Group, became party to a £10m Revolving Credit Facility with HSBC plc on the 7 April 2017 (ending on 7 Apr 2024), 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.

Dimensions Somerset SEV Limited 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 contributes to the defined benefit pension scheme of some colleagues. Somerset County Council, however, retains 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.