

Annual Report and Financial Statements

for the year ended 31 March 2022

Avante Care and Support Limited



Registered Office:

De Gelsey House
1 Jubilee Way
Faversham
Kent
ME13 8GD

Company No. 2565021 / Charity No. 1002727

Contents

for the year ended 31 March 2022

> Chairman's introduction	1
> Report of the Board of Trustees: Reference and administration details	2
> Report of the Board of Trustees: Governance, structure and management	3
> Report of the Board of Trustees: Statement of Public Benefit, Objectives and Activities	5
> Report of the Board of Trustees: Strategic report	7
> Independent auditor's report	18
> Simplified operating statement	21
> Consolidated statement of financial activities (SOFA)	22
> Balance sheets	23
> Consolidated cash flow statement	24
> Notes to the accounts	25

Chairman's Introduction

It is my pleasure to introduce this year's report.

Last year I reported on the effect of Covid, not really believing we would still be feeling its impact, albeit to a lesser extent. We are now better informed and able to manage the virus and I must, as before, give thanks to our staff for their commitment, kindness and compassion. We are nothing without our staff and this year we have focussed on what more we can do to support and help them give their best to our residents and service users.

As we have emerged from tight restrictions, we have reintroduced a number of activities that were postponed, in particular face -to-face training for staff and activities and initiatives to promote well-being for our resident's service users. We will need to continue this work to reaffirm Avante as a high-quality care provider with trained and supported staff.

The care sector did suffer under Covid but did not get the public recognition it so rightly deserved. The new Social Care reforms due to be introduced by the government aim to address this to a degree, but there is much to be done to ensure fair and equitable treatment of those working in and receiving care in this sector.


Although it has been a difficult year, Avante delivered its budget which is in no small part to the excellent leadership team. We have this year recruited very high calibre directors and added new strengths in marketing, all of which give strength and depth to the leadership team. This team is the strongest we have seen, and I am proud of their work in setting a forward thinking and innovative agenda to further advance Avante to our goal of being the go-to provider in all areas where we serve. We have projects underway for the development of two new care homes which we anticipate will begin construction this year and offer best practice accommodation to future residents. These plans were developed with staff and resident input to optimise use and provide a welcoming, safe and enjoyable environment.

Our own audits, those externally we commissioned and the CQC are the ways in which we measure ourselves. We have reintroduced on site auditing and have complied with CQC requests throughout the year to recognise good performance and identify where we can improve. I am pleased to say we have retained our ratings, but are also aware that there may be challenges as on site CQC inspections resume.

We are determined to recruit and retain staff who adopt the Avante values and do our utmost to continue to improve terms and conditions. We have funded an additional pay award in year and taken other steps to improve pay and conditions, but recognise we have more to do in terms of pay and also developing career pathways to build an excellent team in each of our homes and services.

This year we have addressed recommendations from our governance review and adopted the Charity Governance Code to make sure we apply best practice and hold ourselves to account.

With the opening up post Covid we will again promote the Eden Alternative, to provide stimulation and enjoyment to our residents and service users. As I have said before, we at Avante believe everyone has the right to experience joy, feel safe and enjoy their time with us. This principle remains unchanged and drives all our plans and daily working.



Jackie Churchward-Cardiff
27th September 2022

Avante Care and Support Limited

Report of the Board of Trustees for the year ended 31 March 2022

The Board presents the consolidated report and financial statements of Avante Care and Support for the year ended 31 March 2022. The accounts (financial statements) have been prepared in accordance with the Charities SORP (FRS102) applicable to charities preparing their accounts in accordance with FRS102 the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Charities Act 2011 and UK Generally Accepted Practice. The report and statements also comply with the Companies Act 2006 as Avante Care and Support is a Company limited by guarantee. The Trustees' Report is also a Directors' Report for the purposes of Company Law. The Strategic Report is included at item 5 within this report.

1. Reference & Administration Details

Avante Care and Support was formed in 1990 and is a registered charity and company limited by guarantee.

Board of Trustees¹

Jackie Churchward-Cardiff (Jan 2018)

Andrew Ireland (Aug 2018)

Gillian Gibb (Jun 2017)

Mark Hosea (Jan 2018)

Finbarr Murray (Feb 2018)

Nikki Patel Arjuna (Jun 2019 – May 2021)

Peter Gingell (Sep 2020)

Stephen King (Sep 2020)

Michael Wilshaw (Sep 2020)

Joanna Audley (Mar 2021)

Sureshraj Anandraj (Nov 2021)

Chairman (Jan 2018)

Chairman of Finance & Resources Committee (Sep 2018) & Deputy Chairman (April 2021)

Chairman of Care & Quality Committee (Aug 2018)

Principal and Registered Office

Avante Care and Support Ltd.

De Gelsey House

1 Jubilee Way

Faversham

Kent ME13 8GD

Auditor

Price Bailey LLP, 3rd Floor, 24 Old Bond St, Mayfair, London W1S 4AP

Bankers

Barclays Bank Plc, Churchill Place, London

Solicitors

Thomson Snell & Passmore, Heathervale House, 2-4 Vale Avenue, Tunbridge Wells, Kent TN11 1DJ

Boys & Maughan, India House, Hawley Street, Margate, Kent

Company Number

2565021

Charity Number

1002727

Appointment of Auditor

A resolution will be proposed at the Board of Trustees Meeting on 27 September 2022 that Price Bailey LLP be re-appointed Auditor of Avante Care & Support for the year ending 31 March 2023.

¹ Dates of Appointment are shown in brackets

2. Governance, Structure & Management

2.1 Governance

Avante Care and Support has no share capital and is a registered charity. The guarantee of each member is limited to £1. The governing document is the Articles of Association of the company, which was updated in June 2015 and members of the Board of Trustees are the members and non-executive Directors of the Company.

Avante Care and Support's Articles of Association provide for a minimum of 6 and a maximum of 18 Trustees. Trustees are appointed for a fixed term of three years, with each new appointment to be reviewed after the first year. Trustees shall cease to be Trustees at the end of the fixed term, but may be reappointed up to a maximum of 3 terms or 9 years.

The Board continually keeps under review its membership and the breadth of skills and expertise to ensure proper governance. When required, advertisements for new Trustees are placed with appropriate recruitment agencies. Prior to appointment, potential Trustees will be interviewed and meet with the Chairman and members of the Executive Management Team and Trustees. CVs are circulated to the Board of Trustees and any new appointment is agreed by the Board as a whole. The Board was strengthened by one new Trustee during the year.

When new Trustees are appointed, each Trustee is provided with a Trustee Handbook which contains information, including the organisation's Standing Orders, a number of principal policies and procedures and Charity Commission Guidance. New Trustees meet with the Chairman and individually with the Executive Management Team and are invited to visit the offices and services. Trustees' training needs are assessed and met through attendance at workshops and conferences, coaching with existing Trustees as well as through the provision of regular briefings and policy documents.

During the year the Board of Trustees met on 6 occasions, 2 of which were virtual meetings, and took part in one Away Day with senior managers which provided more time for members to have detailed discussions on strategy review and development and policy.

During the year the Board of Trustees and Executive Management Team took part in an externally managed governance review and, having reviewed the recommendations, agreed an action plan at the September 2021 Board meeting with a target for completion of all actions by September 2022. Updates on the action plan have been reported at each Board of Trustees meeting with the final report likely to be at the September 2022 meeting. The Board has adopted the Charity Governance code and its seven principles are published with each Board Meeting agenda papers.

The Board is supported in its work by the:

- Finance & Resources Committee which met on 4 occasions
- Care & Quality Committee which met on 4 occasions
- Chairman's Group which did not need to meet during the year
- Remuneration Committee which met on 2 occasions during the year

The meetings are generally held on a quarterly basis, with Chairman's Group only meeting when required. Due to the pandemic some meetings were attended remotely during the year.

The Remuneration Committee has the fully delegated power of the Board of Trustees to review and amend organisational remuneration policies and is responsible for setting, authorising and reviewing the remuneration of Executive Management Team members. All business of the Committee is minuted, and the minutes are presented to the next Board meeting for discussion and confirmation.

From time to time Executive Management Team salaries are reviewed by benchmarking by an external agency such as Hays. This was carried out in December 2020 and all salary levels were found to be appropriate with no adjustments required.

It is through the Board of Trustees, the Finance & Resources Committee, the Care & Quality Committee, the Remuneration Committee and the Chairman's Group that the activities of Avante Care and Support are controlled. Each Committee has its own Terms of Reference and their reports and minutes of meetings are a standing agenda item for the full Board meetings.

2.1.1 Disclosure of Information to the Auditor

Insofar as each of the Trustees of the company at the date of approval of this report is aware, there is no relevant audit information (information needed by the company's auditor in connection with preparing the audit report) of which the company's auditor is unaware. Each Trustee has taken all of the steps that he/she should have taken as a Trustee in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

2.2 Structure

With effect from January 2016 Avante Care and Support novated most of its Local Authority contracts to its wholly owned subsidiary company, Avante Care Services Limited. The contracts were then subcontracted to the charity to deliver the services in the usual way. This was put in place to ensure that Avante is set up in the most effective way for tax efficiency.

Avante Care Services is a company limited by shares, with Avante Care and Support being the only shareholder. The Managing Director and the Finance Director are the Directors of the subsidiary company.

Responsibility for the day-to-day management of Avante Care & Support Limited's business is delegated to the Managing Director and, through him, the Executive Management Team as detailed in Standing Orders. The Managing Director is the principal adviser to the Board of Trustees and together with the Executive Management Team reports to them on the organisation's performance against the Strategic and Operational plans approved by the Board each year.

2.3 Management & Staffing

2.3.1 Executive Management Team

The Executive Management Team is collectively responsible for delivering the organisation's Mission and performance in every area of activity.

The members of the Executive Management Team are as follows:-

- The Managing Director, Stuart Cross who is responsible to the Board, supported by the members of the Executive Team, for the strategy and leadership of the organisation. He is supported by the Operations Management Team for the delivery and quality of the services provided. Following the departure of Gina Small in November 2021, he is now also responsible for Avante's Marketing activities
- The Finance Director, Deputy Managing Director and Company Secretary, Debbie Norman, is responsible for Financial Accounting, Planning and Control, Information and Communication Technology and providing support to and deputising for the Managing Director.
- Following the retirement of the previous Human Resources Director, Derek Lindars, in August 2021, a new Director of People and Organisational Development, Veronica Anthony-David was appointed and joined Avante in November 2021. She is responsible for all staff-related matters including central recruitment services and organisational and workforce development.
- The Director of Quality, Jacqui Morris, is responsible for the provision of a range of internal consultancy and support services to our operational business units as well as leading on quality standards, compliance and management information. Following the retirement of the Human Resources Director, the responsibility for Learning and Development moved to the Director of Quality.
- The Director of Care Operations, Gina Small, left Avante in November 2021. A recruitment exercise was undertaken and Sarah-Jane Clapson joined Avante, as Director of Care Operations, in January 2022. She is responsible for the delivery and quality of all care services provided.
- The Director of Property and Development, Chris Francis, is responsible for the maintenance and improvement of Avante's properties as well as leading on the development and acquisition of new property based services. Following the retirement of the Human Resources Director, the responsibility for Health and Safety moved to the Director of Property and Development.

Each member of the Executive Management Team is responsible for ensuring that they employ staff with the necessary skills and qualifications to carry out the required roles within the organisation and uphold the aims and values of Avante Care and Support.

2.3.2 Disabled Persons

Avante Care and Support is committed to equality of employment and values diversity. Its policies ensure that it does not discriminate on the basis of factors such as disability in the selection and development of employees.

2.3.3 Volunteers

Avante and its residents and service users are usually fortunate to benefit from volunteers who support our services, however, due to the pandemic, and restrictions that applied during the year the number of volunteers was reduced. It was, however, an improvement on the previous year when only essential visitors were allowed into the homes and so volunteers were unable to give their usual valuable support.

In total it is estimated that the economic value of the time given by volunteers in 2021/22 was in excess of £6k (2019/20 £34k). This was through approximately 6 regular volunteers giving approximately 600 hours of their time. We hope that this activity will increase now that it is safe to do so.

2.3.4 Statement of Public Benefit

Under the Charities Act 2011, charities are required to demonstrate that their aims are for the public benefit. The two key principles which must be met in this context are, first, that there must be an identifiable benefit or benefits; and, secondly, that the benefit must be to the public, or a section of the public. Charity Trustees must ensure that they carry out their charity's aims for the public benefit, must have regard to the Charity Commission's guidance and must report on public benefit in their Annual Report.

Avante's Board of Trustees regularly monitors and reviews the success of the organisation in meeting its mission, values and objectives which are supported by the business plan.

We look for innovative ways to enhance our services and to engage with the community. Having the Eden Alternative as the philosophy of care encourages this engagement and we welcome and encourage initiatives such as:-

- sharing our spaces with organisations like the MS Society.
- inviting the neighbourhood to special events giving them an opportunity to view the services that we provide.
- We engage with the local schools; school children visit the home for events such as Harvest Festival and during the Christmas period and interact with the residents. We also receive invites from schools to events like community teas
- Homes hold regular Church services which gives our residents a chance to worship and join in with singing hymns and they can have a blessing by the vicar if they wish too.
- We have had local community singers visit us
- We also engage with local Supermarkets who deliver fruits and gifts to our staff and residents.

We offer Dementia Friends training to all of our staff which not only improves their knowledge, but equips them to help people in the wider community when a need arises.

Avante's Vision is:-

Communities where everyone has a vibrant and fulfilling life

Avante's Mission is:-

To enable the journey through care by providing personalised home support and residential services

Avante's Mission is supported by our Values.

Avante's Values are:-

Supporting	- providing supportive communities & services
Personal	- providing individual care and support
Attentive	- nurturing individual needs
Relationship Centred	- forming and maintaining important relationships
Kind	- selfless, supportive care
Listening	- everybody matters
Enabling	- everybody to reach their full potential

The Trustees confirm, in the light of the guidance, that Avante's mission and values fully meet the public benefit test and that all the activities of the charity, detailed under section 4 of this report, are undertaken in pursuit of its mission.

3. Objectives

The objects for which the Company is established are the relief of persons permanently or temporarily resident, or for the time being resident in England, "who are of necessitous circumstances, or suffer or are recovering or convalescing from some physical or mental illness or disability, or are elderly people, or are younger people, adolescents or children".

4. Activities

Avante undertook its charitable activities through two main services; the residential care homes and care in people's own homes in the community. During the year, like most providers of care, although improvements were made during the year, our occupancy in care homes and hours delivered in the community continued to be impacted by the Covid 19 Pandemic. The services also had to manage in the ongoing difficult circumstances dealing with stricter regimes of infection control, difficulty with supplies of protective clothing and equipment and most difficult of all, the impact on the health of residents and service users as well as our staff. Occupancy and services delivered should, therefore be taken in the context of the unprecedented difficulties during the year.

4.1 Care Homes - Caring for and supporting older people, many of whom have dementia, through our registered care homes, providing residential care, nursing care, respite care and day care services.

We provided care and support during the year for an average of 563 older people (566 in 2020/21) in our 10 Care Homes for both Residential and Day Care, although Day Care Services remained closed for much of the year. Over 80% of our residents have high dependency needs resulting from dementia and Alzheimer's and nursing care requirements. The demand for our services fluctuated throughout the year due to the pandemic and infection rates. In March 2021 Occupancy was 77.9% but by the year-end had improved to 85.2%. The average for the year ended 31 March 2022 was 82.5%. (77.3% during 2020/21).

The majority of our residents are funded by Social Services Departments which continue to face unprecedented financial pressures. This means that the average fee increase received during the year was generally less than the real increase in the costs of providing these services, which included the significant impact of the further increase in National Living Wage. This imbalance between fees and increased costs has continued to place pressure on Avante Care and Support's finances alongside the effects of the pandemic. At the year-end 33.7% (31.2% during 2020/21) of our service users were self-funded and actual numbers were 196 (169 2020/21) compared to a budget of 205 (253 2020/21) which again, affected Avante's income. Self-funder placements reduced significantly due to the pandemic and were slower to recover towards normal levels than local authority placements.

Avante Care and Support remains a preferred provider for the care of older people with Kent County Council, Medway Council, the London Borough of Bexley and the Royal Borough of Greenwich. In addition, we are commissioned by a variety of other Local Authorities and NHS organisations to provide services to individual residents.

4.2 Home Care & Support - Supporting older people through a range of domiciliary and home care services as well as people with learning disabilities and other support needs in the community.

Our Home Care service supported 435 people (508 in 2020/21) in their own homes who are frail and vulnerable or may have dementia, a physical disability or may require care after a period in hospital. These services include personal care, support with medication, assistance with meals, getting up and going to bed, domestic support and shopping. The reduction in service users has been mainly due to the difficulties in recruiting staff as demand for services has remained high.

Avante Care & Support is an accredited supplier of care services in the London Borough of Bexley and for Kent County Council. Our Home Care service also provides intermediate and continuing care to NHS patients. During the year, 20.7% (17.5% 2020/21) of the service was delivered to self-funded customers.

4.3 Facts and Figures about our Services

As at 31/3/2022	Income £	No. of clients/service users/customers	Staff Employed
Care Homes	25,264,104	563	878
Home Care & Support	3,572,216	435	170

Note:
Income figures exclude rental, miscellaneous, bar & café and COVID Grant income.
Staff Employed figures above are different from those contained in Note 15 of the accounts as the figures in the note are average monthly persons employed.
The figures shown above are as at 31 March 2022 and exclude corporate support functions.

Comparatives as at 31/3/2021

As at 31/3/2021	Income £	No. of clients/service users/customers	Staff Employed
Care Homes	24,646,155	566	1,022
Home Care & Support	3,988,838	508	222

5. Strategic Report

5.1 Achievements and Performance against Objectives set

In March 2021, the Board agreed the new 3 year strategy for 2021/24 with a supporting 3 year Business Plan which was approved in June 2021.

The goals for the Strategic Plan 2021-24 are:

1. Care quality improvement
2. Improving our financial performance
3. Service development
4. Workforce Development

Each Strategic Goal is underpinned by three key objectives aimed at enabling each goal to be achieved.

Performance commentary

The year has been dominated by the direct impact of Covid-19 on our homes and services, and the indirect impact of focussing our attention and efforts into dealing with the effects of the pandemic.

While we were on target prior to the Omicron variant regarding occupancy, self-funders and agency costs, the second half of the year proved far more challenging. Consequently, we have not met a number of the aspirations and targets that we set at the beginning of the year.

Nevertheless, we have seen good progress in most areas, not least, with the exception of Riverdale Court, in maintaining our ratings with CQC and generating an above budget financial surplus. We have also made good progress in developing our services with the agreement to enter a lease at West Malling if planning permission is obtained, and a number of new initiatives to improve staff engagement and morale.

Four out of ten KPIs were achieved, with occupancy, the number of self-funders, staff turnover and agency usage adversely affected by Omicron. It was positive that Care Plan reviews were ahead of the KPI, but there is still a good deal of work required to improve the level of supervisions. This year we will be implementing a new Performance Development Review programme to drive greater understanding of the need for effective line management of frontline staff.

5.2 Financial Review

For 2021/22 there was a budgeted loss of £1,360,061, the budget having been set during the pandemic with, the ongoing financial implications of lower occupancy causing the anticipated loss. The actual surplus achieved was £1,753,399 (2020/21 £1,415,277) i.e. £3,113,460 better than budget. This partly due to the SWAPS revaluation which resulted in a gain of £607,858. However, without the Government funding of £1,926,180 (2021/22 £2,908,815) and the underspend in the Planned Maintenance Programme of £192,500 there would have been a net loss. This is due, in the main, to the reduction in occupancy and, therefore, income in the care homes. There were also high staffing costs at some points particularly over Christmas and the New Year due to infection outbreaks where staff were either ill or needing to self-isolate and the resulting requirement to bring in agency staff and pay premiums to encourage staff to take on additional shifts. In addition, the impacts of the current recruitment crisis were starting to be felt in the first quarter of 2022.

Some of the additional costs were offset by the receipt of government funding in the form of Furlough, Infection Control, LFD Testing and Workforce Capacity grants.

Some costs were reduced due to the pandemic; for example, where, following Government advice, HQ staff moved to working from home, costs such as stationery, copying, printing and postage were reduced as processes had been adapted to become paper free and communication by email rather than post continued to be the default. Similarly, utility costs such as electricity, water and telephones calls were also reduced as the office was unoccupied for periods during the year. There was also a saving in travel costs as people were encouraged not to travel and the organisation continued with new ways of working and communicating, carrying out many meetings via platforms such as Zoom and Microsoft Teams. Another reduction in costs was due to the fact that contractors were unable to enter the homes during periods of lockdown to carry out planned maintenance and improvements – although money was saved during the year this created a further backlog of work that was required and will still need to be carried out in the coming year, effectively putting our 10 year plan behind by circa 18 months.

The "Simplified Operating Statement" shows the underlying performance of the two services.

Of the total resources expended, 79% (2020/21 79%) of expenditure was on staff costs including training and recruitment, but excluding redundancy and notice costs. The increase in the percentage of total costs spent on staff costs is due to the significant increase in the National Living Wage, as well as premiums paid to staff to encourage them to take on additional shifts whilst their colleagues were unable to work to sickness or self-isolation.

Trustees aim to keep overhead costs as low as reasonably possible to ensure that maximum resources can be expended on service provision without compromising on central resources required to manage and develop the organisation.

Under FRS102 there is a requirement to recognise defined benefit pension scheme surpluses or deficits in the balance sheet. Avante has four defined benefit schemes and, according to the actuarial valuations as at 31 March 2022, had defined benefit pension scheme net liabilities of £1.647 million (2021 £2.801 million). This figure included a surplus on the London Borough of Bexley Scheme of £1.391m. Compared to the valuation for March 2021, there has been a total deficit reduction of £1.154m during the year made up of an actuarial gain of £1.190m and revenue account adjustments of £36k. (See note 16 for further information and a breakdown between the 4 schemes).

Avante Care and Support is committed to continually enhancing and developing its services and although it was impossible to carry out the planned work during the year, when contractors were able to go into the homes, work restarted and outstanding works have been carried forward into the 2022/23 programme and the 10 year plan has been updated.

It should be noted that a certain level of surpluses are required in order to meet the organisation's bank loan covenants and to make the capital repayments on the loans. Despite the challenging circumstances, Avante Care and Support fully met its loan covenant requirements at 31 March 2022.

5.2.1 Investment Policy

Current operating requirements mean that Avante does not have funds available to invest on a long term basis and does not therefore, at present, have an Investment Policy. Funds held as working capital, however, are in normal circumstances, invested overnight with Barclay's interest earning accounts to ensure that maximum benefit is achieved by earning interest on balances held. In the current economic situation, however, interest rates are too low for any benefit to be gained from overnight investment.

5.2.2 Fundraising

The majority of Avante's income is through contracts for services provided and the charity does not, therefore, carry out any significant fundraising activities. Avante Care and Support is fully aware of the requirements of the current fundraising regulations and confirm that there has been no fundraising function in the year and that no requests for donations are made either directly or through third-party fundraising agents or organisations. No complaints have been received in the years ended March 2021 and 2022. Costs relating to advertising, marketing and events are included within support costs.

5.2.3 Reserves Policy

The cash reserves policy is considered each year, bearing in mind that as a charitable organisation, our primary stakeholders are our beneficiaries and our financial objectives are to maximise the value to those beneficiaries. Due to the uncertain financial climate and the related changes in access to funding and income stability, a full review of the policy is carried out each year whilst updating the strategic business plan and financial forecasts. The financial forecasts include a detailed cash flow forecast which enables Management to check that sufficient cash reserves will be in place to meet known costs, working capital requirements, to allow for contingencies and to meet the bank loan covenant requirements. The review includes assessing the current policy and performance, analysing funds held, sources of income and a review of risk areas, committed expenditure and effects on beneficiaries.

Avante needs to ensure that it has adequate reserves in order that it can continue to care for and support service users in unforeseen circumstances should funding from any source temporarily cease. Free reserves are also necessary to meet working capital requirements as well as to allow for the development of new initiatives (where we would incur expenditure in advance of anticipated income).

Following a review in March 2018, having considered income variability and risks relating to income as well as financial obligations and their flexibility, it was agreed that the policy should be to work towards holding reserves of £1.8 million (circa one month's expenditure) over the next five years. This figure was felt to be a reasonable buffer and it was agreed that setting a higher level of minimum reserves (e.g. 2-3 months) would reduce the opportunity to use the monies available to develop the organisation. Following the annual review, it was agreed that having achieved and exceeded the one month target at March 2019, Avante should continue to aim to hold reserves of £1.8 million. The level of reserves held has served the organisation well during the pandemic and it was agreed that this should be sufficient going forwards.

It is acknowledged that reserves will fluctuate based on performance, extraordinary events such as asset disposals, new service developments and if reserves are called upon. There may be occasions, due to exceptional circumstances, when Trustees may agree to override the required level for a temporary period.

Avante has a five year financial forecast which had been regularly updated and has been amended to allow for the financial impact of the COVID-19 pandemic. The forecast shows that, despite lower occupancy, the target level of reserves is still exceeded and are forecast to continue to increase. The forecast is considered to be prudent and Management are confident that, Avante maintains sufficient cash and reserves to continue operating and still be able to deal with any unforeseen issues.

The Charity SORP definition of reserves excludes amounts which could only be realised on disposal of assets used by the Charity to carry out its activities.

Using this definition, at the end of the year the charity holds reserves of £4.418 million of unrestricted funds (2020/21 £3.63m), which is £2.618 million more than the agreed policy level as detailed above. Detailed, current, cash flow forecasts are in place and these show that Avante can fully meet its cash requirements in the medium term future.

5.2.4 Land and Buildings

The land and buildings are held at valuations; the latest valuation was carried out as at 31 March 2019 and resulted in a valuation gain of £7.56 million.

The Charity SORP recognises that charities, as is the case for Avante, often hold tangible fixed assets primarily to provide services to their beneficiaries rather than for generating cash flows and that it would, therefore, be inappropriate to measure value in use by reference to the charity's cash flow. In such circumstances, it is often more appropriate to regard value in use as the present value of the asset's service potential.

SORP para 12.16 then specifically recognises that *"The demand or need for the services provided by a charity using an asset may fluctuate over time and a temporary reduction in demand is not necessarily an indication of its impairment. Similarly, an asset's service potential may not always be fully utilised and surplus capacity at certain periods will not always indicate impairment."*

Many charities and service providers will still be going through a period of disruption with changes to their operating methods and practices and as part of this charities may be holding assets which become less used, in Avante's case this means lower occupancy of its care homes.

Trustees are required to consider at least annually when preparing the charity's financial statements whether there is an indication that the carrying value of any of the charity's assets have been impaired. They will therefore need to consider whether any reduction in use of the charity's assets is temporary or longer-term and, if longer-term, whether an impairment provision should be made to reduce the carrying value of the relevant assets in the financial statements.

Having reviewed Avante's nine freehold Care Homes, management do not believe that any of the homes are or have any areas that are degraded, obsolete or no longer have the same earning potential. Capital additions were reviewed to ensure that any significant additions could be considered to add value to the properties. There were no significant additions to existing properties during the year.

One older care home, Pilgrims View in Snodland, had previously been earmarked for a programme of improvements and, in the course of analysing the best plan for the future of the home, a pipework survey was carried out which identified that if we were to go ahead with a refurbishment that included provision of en-suites then replacement pipework would be required at a cost of circa £381k. The home, however, is currently operating without issues and we would only carry out the works if a larger improvement programme were undertaken. Advice was sought from Savills in 2021 about the impact of this upon the valuation of the asset and they advised that the likely impairment of the value would be between 30% and 50% of the works required. At worst case scenario this would amount to £190k. The view of management, is not to put through an impairment on this basis as there is also a revaluation reserve against the home which provides a buffer if the home were to be disposed of.

The review also concluded that there is no long term impairment in the value of the assets due to the pandemic (as valued by Savills at March 2019) and that the market will recover to previous levels over the next 18 months. This is backed up by views of experts in the market who rightly say that an admission to a care home is a matter of necessity rather than choice and the predictions of numbers of older people and therefore potential care home admissions continues to rise and has not been affected by the pandemic. This has been evidenced by the significant improvement in occupancy during the year as well as post year end.

Having commissioned a report from Savills on the maintenance requirements of the care homes over the next 10 years management are of the view that the maintenance required is not unusual considering the varying ages of our care homes. Avante has a skilled Property Team who manage the maintenance requirements and the 10 year Planned Maintenance Programme, which is reviewed each year, informs the annual maintenance programme that is included within Avante's budget and forecasts.

A recent fire safety review has indicated that there are potentially significant improvements required to fire doors and compartmentalisation across our homes which will be factored into the financial forecasts over the next 5 to 10 years. Work is currently being undertaken to categorise the works between essential and desirable and they will then be prioritised, costed and planned. Expenditure has been budgeted starting in 2022/23. Although the works required overall may amount to a significant sum, these works will be an improvement to current measures and management do not consider the requirements to be detrimental to then values of the buildings which are still fully operational.

Management are also of the view that its Head office building has not suffered an impairment and although there are temporary reductions in the number of staff working at Head Office due to the pandemic, this will eventually return to normal.

In conclusion, Avante's management have carried out an impairment review and have concluded that no adjustments to the values of the fixed assets are necessary.

5.2.5 Stakeholder Engagement

The Board of Trustees must act in accordance with a set of general duties. These duties are detailed in section 172(1) of the U.K. Companies Act 2006, which is summarised as follows:

'A Director of a Company must act in the way he/she considers, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

1. *The likely consequences of any decision in the long term*
2. *The interests of the Company's employees*
3. *The need to foster the Company's business relationships with suppliers, customers and others*
4. *The impact of the Company's operations on the community and the environment*
5. *The desirability of the Company maintaining a reputation for high standards of business conduct, and*
6. *The need to act fairly as between members of the Company.'*

We believe that to have the greatest impact for our residents and service users, now and in the future, we must take account of what is important to our stakeholders. This is best achieved through proactive engagement. In accordance with the charities SORP (FRS 102) we have outlined examples how we engage with employees and taken care of their interests, as well as how we have engaged with the beneficiaries. By understanding our stakeholders, we can factor into Trustee and Management discussions the potential impact of our decisions on each stakeholder group and consider their needs and concerns, in accordance with s172 of the Companies Act 2006.

Avante Care and Support Ltd. consider that they have fulfilled their duties and have acted in a way in which is most likely to promote the success of the charity for the benefit of its stakeholders as a whole in the following ways:

Employees & Volunteers:

Avante's Directors have fostered and sustained staff engagement through a variety of activities and measures and these are set out below.

Information is regularly and systematically cascaded through management meetings with the purpose of updating colleagues in relation to progress towards the achievement of strategic business objectives. Newsletters, staff notices and email communications with staff also cascade relevant information to all and at each workplace. Registered Managers meet with their teams each day to discuss the day to day work and achievement against key performance indicators.

To support good engagement and performance, Avante has comprehensive mechanisms that mirror ACAS guidance for fairly and transparently resolving employee disputes and performance concerns that Avante may have with employees.

During the year, the Managing Director has continued to send regular emails to all staff updating them on the current situation with the pandemic, reminding them of requirements, for example infection control, and thanking them for their hard work and dedication.

Avante recognises good performance and long service through performance related pay and the award of vouchers that employees may choose to spend as they wish. Letters of thanks are also sent to explain why the award is made. At Christmas 2021 every member of staff received a Christmas card expressing Avante's thanks for their contribution during a particularly difficult year and vouchers providing a modest financial award.

It has become custom to hold an awards ceremony each year and staff are invited to nominate colleagues for awards, encompassing all staff roles, and nominations were considered and judged. A representative group of staff are invited to the ceremony to applaud colleagues and pay tribute to those who were judged to have demonstrated outstanding excellence within their field of work. The awards ceremony also recognises the valued contribution of our volunteers who generously give their time and service for the benefit of Avante's beneficiaries. Due to the pandemic it was not possible to hold a ceremony in 2021, but an event has been planned for 2022.

Residents and Service Users:

Residents and service users are consulted on changes within the service and regular surveys are carried out. As with staff surveys, the results are analysed and action plans are created to address any issues or suggestions for improvement.

Suppliers and funders:

We engage with our suppliers and funders, make them aware of our values and keep them up to date with Avante's plans for the future. We share our newsletters on line with all stakeholders.

Community and Environment:

We encourage our services to engage with communities in which they operate which leads to some very beneficial links and joint activities which benefit both our service users and the community e.g. our care homes often link up with schools or cub and scout groups and enjoy activities such as carol services or camping out. Although activities were put on hold during the pandemic, they are now starting to resume.

In terms of the environment, Avante have an environmental policy and continuously review how we can have a positive effect on the environment and mitigate any negative effect through waste and emissions, building design etc.

5.2.6 Streamlined Energy & Carbon Reporting (SECR)

From financial years beginning on or after 1 April 2019, large UK companies are required to report publicly on their UK energy use and carbon emissions within their Directors' Report. This requirement has been implemented by the Department for Business, Energy and Industrial Strategy (BEIS).

Streamlined Energy & Carbon Reporting will impact any companies, LLPs and groups that exceed at least two of the following three thresholds in the preceding financial year:

- £36m annual turnover
- £18m balance sheet total
- 250 employees

SECR aims to bring the benefits of carbon and energy reporting to more businesses. The reporting framework is intended to encourage the implementation of energy efficiency measures, with both economic and environmental benefits, supporting companies in cutting costs and improving productivity at the same time as reducing carbon emissions.

Avante is committed to reducing energy use and carbon emissions and as such has so far introduced modest measures such as replacing lighting with low energy bulbs, updating boilers to more efficient models, use of grey water at its Head Office and conscientious use of gas and electricity throughout its care homes and offices.

For the future, Avante aims to include energy efficient measures in its new developments and will make use of the most energy efficient methods of heating and lighting including solar panels and ground heat sources where possible.

Year-Ended March 2022	2022	2021
UK energy use kWh	8,907,503	8,882,430
Associated greenhouse gas emissions Tonnes CO2 equivalent	1,786,873	1,789,649
Intensity ratio Emissions per £1 of turnover	17.3	17.3

Note: Associated greenhouse gases have been calculated using data from supplier invoices and conversion factors published on gov.uk.

UK energy use covers the operation of 10 care homes and home care services. Energy use and emissions have increased slightly during the year, but emissions per £1 of turnover have remained static year on year.

5.2.7 Going Concern

Accounting standards require the Trustees to consider the appropriateness of the going concern basis when preparing the financial statements. An entity is a going concern unless the Trustees intend that the charity will cease its activities, or has no realistic alternative but to do so.

In assessing whether the going concern assumption is appropriate, the Trustees are required to take into account all available information about the future, which is at least, but is not limited to, twelve months from the date when the financial statements are authorised for issue.

The environment in which Avante ordinarily operates is a challenging one, but that has been exacerbated by the COVID-19 pandemic which has seriously affected the social care sector. The pandemic has affected both income, due to reductions in care home occupancy, and costs such as additional PPE requirements, additional equipment and the costs of adapting the way we work. We have been fortunate to receive support from Government funding and free PPE supplies which has helped with additional costs, but has not addressed the issue of lower occupancy in our care homes and reduced hours delivered in our Home Care services.

Avante's Executive Team and Trustees believe, however, that having laid good foundations by implementing the strategy and business plan validated by Deloitte and approved by Barclays in 2015 we became a stronger, better placed organisation. Having followed this with the achievements against our business plan, we have focussed on improving quality, continuing to strengthen our financial position and made steps to secure appropriate opportunities for growth and diversification. We have a track record of implementing improvements and our new 3 year business plan will build on the achievements to date ensuring that we are sufficiently robust to survive into the future in a post COVID environment.

Avante has a ten year financial forecast which is updated using industry views on the recovery of occupancy levels, following the pandemic. The forecast, which is updated regularly, is based on up to date actual and market data and assumes a steady improvement in occupancy with a gradual return to Avante's normal occupancy rate of 92% by December 2024. Avante is already ahead of its budgeted occupancy improvement trajectory; having reached 90% occupancy in August 2022 versus the budget of 86% with self-funding residents at 213 compared to the budget of 184. In addition Management have taken measures such as recruiting a post to carry out assessments to help to continue to improve on this by speeding up the process from enquiry to admission. On this basis, Avante maintains sufficient cash and reserves levels to continue to operate in the period to December 2024 and reserves continue to grow from then onwards.

Avante have the support of the lending bank, Barclays, in terms of covenant compliance and have maintained dialogue with them throughout the year, keeping them informed of forecasts and any potential issues. The budget forecast for 2021/22 showed that multiple covenants would be breached during this year of recovery and an agreement was reached to waive the covenants that would be breached up until 31 March 2022 and replace them with measures of minimum cash and EBITDA levels which are forecast to be met. Due to improved performance, however, all original covenant tests were met during the year. The bank have also committed to reviewing the covenant position for 2022/23 as the current year's performance becomes clearer and will put in place further amendments should they be necessary.

Having refinanced its loan portfolio in May 2015, Avante consolidated its loans into one 18 year repayment loan. The loan is secured against the charity's fixed assets which have a greater value than the loan financing; the loan to value ratio at 31 March 2022 was 13.1% (2021 14.2%) This facility ensures that Avante's existing loan funding is secure in the medium term.

As part of its Going Concern review Management and Trustees have considered any uncertainties such as levels of occupancy and security of contracts and have concluded that, due to Avante's good track record of improving performance, its good relations with commissioners of services and the forecast levels of EBITDA and cash, these are not material.

Should the results not turn out as forecast there are measures which can be taken to deal with any issues that arise including engaging the support of Barclays Bank, sell loss making services and, if necessary, consider posts that could be made redundant without impacting service delivery.

Management confirms that the organisation has adequate resources to continue its operations for the foreseeable future and believe that the strategies detailed below in its 3 year strategy will continue to improve performance and help to ensure that we remain a financially strong organisation. Management and Trustees conclude, therefore, that it is appropriate to prepare the accounts on a going concern basis.

5.3 Plans for future periods

In March 2021, the Board agreed a new strategy, supported by a 3 year Business Plan, with a focus on forward momentum with the following key strategic goals:

1. Care quality improvement
2. Improving financial performance
3. Service development
4. Workforce development

In order to achieve these strategic goals, three key objectives have been agreed for each goal, providing focus and direction to our work:

Goal 1 - Care quality improvement

Key objectives:

- i) We will create and deliver the concept of a positive journey with Avante through age, including a range of services extending from advice at the point of contact to end of life care
- ii) We will develop a clear USP and brand, and enhance our marketing to differentiate Avante as a provider of high-quality care
- iii) We will deliver the Digital Strategy, maximising the use of technology and innovating to improve care and support we deliver

Goal 2 - Improving financial performance

Key objectives:

- i) We will institute a financial recovery plan following the COVID-19 pandemic to ensure our financial performance returns to pre-pandemic levels by March 2023
- ii) Each home and service will be set and will achieve a minimum expected EBITDA so that all homes and services will generate an improving net surplus

- iii) We will generate a development fund to pay for future growth opportunities and a programme of improvement to our existing properties in order to improve them to an agreed minimum standard

Goal 3 - Service development

Key objectives:

- i) We will devise and implement an agreed minimum design standard for new opportunities and all existing homes
- ii) We will implement a programme of development in our existing homes to maximise their economic life
- iii) We will pursue a programme of developments, acquisitions and divestments in order to grow our homes and home care services at the rate of one every 18 months

Goal 4 – Workforce development

Key objectives:

- i) We will develop a positive, forward thinking and innovative culture so that Avante is known for being an organisation that empowers its staff to deliver the very highest quality care
- ii) We will recruit and retain the best staff through accentuating our brand, demonstrably valuing staff and providing competitive remuneration, high quality training and career development.
- iii) We will develop our staff so they are comfortable to make recommendations and take decisions that meet our vision, values and mission, and so they become more accountable for local performance and take ownership of their homes and services in order to meet resident and service user needs.

5.4 Principal Risks & Uncertainties

Avante has a comprehensive Risk Management Policy which was introduced following work carried out by a Trustee-led working party, and which is regularly reviewed. As part of the last review the register was separated into Strategic and Operational level risks in order to allow the Board of Trustees to focus on the strategic risks. An Organisational Risk Committee, made up from Avante's Executive Management Team, meets at least three times a year to review the Corporate Risk Register and reports to the Board of Trustees at every meeting.

In order to mitigate risks, Avante Care and Support has measures and controls in place and these are reviewed at the Organisational Risk Committees and the actions on the Operational risks are also reviewed at the sub-committees of the Board. At each meeting, the Committee also considers whether any additional risks need to be added to the register.

The top Operational and Strategic risks identified, as well as the actions taken or to be taken are, in no particular order, as follows:-

Identified Risk	Management/Actions
<p>Legal Action against the organisation;</p> <ul style="list-style-type: none"> • Losing Employment Tribunal • Breach of Health & Safety Regulations • Legal Action or other claims taken by Families • GDPR • Claims due to Covid 	<p>a) Ongoing Management Health & Safety Training</p> <p>b) Fire and H&S action plans implemented</p> <p>c) CQIs to monitor compliance</p> <p>d) In house programme of audits and inspections</p> <p>e) Trustees and Officers Liability cover incl abuse in place</p> <p>f) Central coordination of responses to legal action</p> <p>g) QCS quality system in place</p> <p>h) Quality Improvement programme in place</p> <p>i) Duty of Candour training for RMs delivered and standard response templates in place</p> <p>j) Following Infection Control Procedures</p> <p>k) Marketing to monitor posts to social media including Linked In to prevent occurrences of Covid related complaints and report on any Covid related issues.</p> <p>l) Ensure staff compliance and adherence to correct PPE and infection control usage and procedures through refresher training.</p> <p>m) Procedures audit under infection control audits.</p> <p>n) Ensure medication systems and practice are compliant.</p>

<p>Failure to meet bank loan covenants as a consequence of another primary risk:</p> <ul style="list-style-type: none"> • Bank would have right to recall/renege terms of loans. • Risk of need to dispose of assets to repay • Increased future borrowing costs • Technical insolvency due to bank not waiving rights under breach 	<ul style="list-style-type: none"> a) Monthly reporting, scrutiny and review of management accounts. b) Quarterly/monthly updated y/e & 10yr forecasts c) Continuous Improvement Plans for each service, home and department. d) Forecasting & Managing cash flow e) Controlling debtors/creditors f) EMT oversight of income, costs and cash flow g) Strategic KPIs – compiled monthly and sent to Board and Bank h) Operational KPIs and KMI's available on intranet i) Setting of budget to enable covenant compliance j) Finance Strategy in Place k) new tests set for 2021/22 during recovery period <p>Action: Maintain dialogue with the bank</p>
<p>Effects of Noncompliance (Organisational)</p> <p>Breaches of:</p> <ul style="list-style-type: none"> • GDPR • Environmental Health • HSE • Employment Law • Fire Regulations • Poor Governance • Cyber Security • CQC Compliance • Fraud 	<ul style="list-style-type: none"> a) Internal Audit processes b) Annual Financial Audit c) QCS quality system in place d) Legal Advice e) Fire safety inspections f) Centralised database of relevant certification – M&C Schedule g) Planned programme of property maintenance h) ICT policy and security measures in place i) Fit and Proper Persons policy and procedures for Trustees and Trustee recruitment j) The Board of Trustees have reviewed and adopted the Governance Code k) Board have delegated to F&R the review of GDPR l) Cyber Security – Regular review of measures in place m) Audit programme both are service level and through QIP by Quality Team n) Staff trained in medication procedures <p>Actions: Review medication systems Explore availability / compatibility of EMAR systems Prioritise Fire Safety compliance actions</p>
<p>Debt crystallisation - regarding last man standing or unaffordability of pensions schemes:</p> <ul style="list-style-type: none"> • Increase in contribution rates and take up. • Brexit - Impact on costs • Increase in NLW over business plan projections • LGPS - McCloud and GMP issues - potential additional contributions 	<ul style="list-style-type: none"> a) Prudent assumptions in business plan & budget. b) SHPS DC scheme providing protection for DB schemes c) Awareness of risk timelines for members d) First Actuarial - advisor to assist with strategy development and providing ongoing support and keeping us abreast of developments e) Pension Strategy agreed and in place. f) FS scheme closed 30/06/2019 and staff moved to CARE scheme. g) Remain vigilant to any deterioration in our pension deficits h) Maintain membership numbers <p>Actions: Carry out next phase of LGPS negotiations with FA – awaiting LA revised policies Ensure valuations consider McCloud and GMP issues</p>
<p>Disaster in a service location where people live & work:</p> <ul style="list-style-type: none"> • Fire • Flood • Explosion • Gas Leak • Legionella • Loss of utilities for 8 hours or more • Asbestos 	<ul style="list-style-type: none"> a) Insurance maintained for building & business interruption b) Fire plans in place and regularly reviewed and audited c) Business Continuity Plan in place d) Contractor contingency plans e) Central Register of certificates and compliance in place f) Training, inspections and audits regarding Health & Safety compliance g) Planned installation of sprinklers in all homes to be completed when major refurbishments are undertaken.

	<p>Action:</p> <p>User friendly action plans for Fire RA recommendations</p> <p>Induction manuals and kitchen floor plans</p> <p>Sprinkler systems to be installed in kitchens</p> <p>BCP to be updated and scenario planning to take place</p>
<p>Supply Side Risks</p> <ul style="list-style-type: none"> Staffing Day to Day Supplies 	<p>Good recruitment procedures</p> <p>New Director of People & Organisational Development recruited</p> <p>Actions:</p> <p>More recruitment fairs</p> <p>Improve recruitment process from advert to mobilisation</p> <p>Review suppliers</p>
<p>Serious infection outbreak:</p> <ul style="list-style-type: none"> Viral/ Bacterial Loss of income Loss of Reputation Reduction in staff / residents 	<p>a) Maintaining infection control systems & audit thereof</p> <p>b) Legionella Policy with planned inspections</p> <p>c) ASB staff cover to maintain continuity of practice delivery</p> <p>d) Regular updates on Best Practice</p> <p>e) Bi Annual Kitchen deep clean</p> <p>f) Chlorine dosing system roll out in progress – 4 homes complete</p> <p>g) Proactive action plan and core competencies for improved infection control</p> <p>h) Annual Infection control statement completed for C&CQ (report on reviews and audits)</p> <p>i) Added to service visit to ensure that any audit findings are monitored.</p> <p>k) Corona Virus - following government and NHS recommendations and keeping up to date on these.</p> <p>m) Ensuring staff have adequate PPE</p> <p>n) Operational measures to minimise the spread of infection (isolation suites, safe deployment of staff, closing offices)</p> <p>o) Regular testing of staff and residents and service users</p> <p>Actions:</p> <p>Roll out Chlorine Dosing Systems to remaining homes</p>
<p>Damage to reputation:</p> <ul style="list-style-type: none"> Social media 'attack' Adverse reporting on the organisation Untoward death or abuse Service closure / transfer Increased CQC scrutiny Increased Public Health scrutiny Increased Police scrutiny Increased Safeguarding scrutiny 	<p>a) Quality Audit and inspection programme and procedures</p> <p>b) Agreed HR policies and training</p> <p>c) Good Communications, social media and Marketing Policy</p> <p>d) Infection control measures</p> <p>e) incident reporting and EMT and Board oversight</p> <p>f) Head of Sales & Marketing providing more senior oversight for communications</p>
<p>Loss of income:</p> <ul style="list-style-type: none"> LA retendering of commissioned services at uneconomic rates Unable to provide LA reconfigured services LA / CQC sanctions re Safeguarding / Compliance causing embargos Closure of homes or reduction of beds/ loss of services Reduction in private income More competition in the market Failure to adapt to changing market requirements Public spending cuts resulting in lower fee levels Reduction in placements due to COVID 	<p>a) Marketing of services</p> <p>b) Seeking growth opportunities and diversification</p> <p>c) EMT monitoring of performance via KPIs</p> <p>d) Quality control inspections including external / Mock Inspections</p> <p>e) Proactive management – Needs Assessment tool in place to ensure that changes in needs are being recorded correctly to achieve appropriate fees.</p> <p>f) Networking and relationships with Commissioners</p> <p>g) Review of potential new business opportunities.</p> <p>h) Ongoing research into private market and health and social care integration</p> <p>i) Service development plan for each home</p> <p>j) Care and home care strategy and workforce development strategy in place.</p> <p>k) Continue to improve our financial performance through increasing occupancy and the number of self-funding residents – budget management – new targets set each year</p>

	<p>m) Continued investment in our homes to ensure that they remain attractive to self-funding residents. Increasing annual PMP budget to complete improvement plan</p> <p>n) Quality strategy</p> <p>o) minimise costs where appropriate</p> <p>p) new enquiry framework and assessment officer in place</p> <p>q) Property strategy</p> <p>r) Virtual tours in place</p> <p>Actions:</p> <p>Implement revised Needs Assessment Tool and room banding policy to achieve appropriate fees</p>
<p>Changing World:</p> <ul style="list-style-type: none"> • Keeping up with competitors in terms of technology. • Recruitment of Staff 	<p>a) Forecast in place to enable scenario planning and stress testing to be completed.</p> <p>b) Strategy and 3 year business plan in place from Apr 21. Monitored monthly by EMT</p> <p>c) Engaging with extra care suppliers</p> <p>Actions:</p> <p>Innovations Group investigating new technologies in care - pilots ongoing</p> <p>Look at enhanced rates for ASB staff to cover Home Care.</p> <p>Look at acquiring a Home Care business.</p>

As an organisation which provides care and support to vulnerable people, Avante Care and Support has policies in place to ensure the protection of vulnerable adults against abuse. The policies are included in Avante Care and Support's written Health and Safety policy and Quality Manuals which comply with the guidelines in the Home Office Code of Practice "Safe from Harm".

Being a provider of care home services and care in the community, Avante is subject to regulation and inspection by the Care Quality Commission, and has detailed policies, procedures and internal audit functions including mock inspections to ensure the required standards are met.

Avante Care and Support uses an Enhanced Disclosure & Barring Service check for staff, with the inclusion of a Barred List check for those working in a Regulated Activity as one part of a range of safeguarding tools for assessing the suitability of preferred candidates and volunteers and the continued employment of those in specific roles which require re-checking. Other tools include thoroughly confirming identity, qualifications, taking up and verifying references and examining dates of employment histories on application forms.

Statement of Trustees' responsibilities

The Trustees (who are also directors of Avante Care & Support Limited for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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 also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of 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 United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This Annual Report and Strategic Report were approved by the Board of Trustees on 27 September 2022 and signed on its behalf by:



Jackie Churchward-Cardiff
Chairman of the Board of Trustees

Independent Auditor's Report to the Trustees and Members of Avante Care and Support Limited

Opinion

We have audited the financial statements of Avante Care and Support Limited (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2022 which comprise the Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheet, the Group Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2022, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Other information continued

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent 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 the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

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

We gained an understanding of the legal and regulatory framework applicable to the Charitable Group and the sector in which it operates and considered the risk of the Charitable Group not complying with the applicable laws and regulations including fraud in particular those that could have a material impact on the financial statements. This included those regulations directly related to the financial statements, including financial reporting, tax legislation and distributable profits. In relation to the operations of the Charitable Group this included compliance with the Charities Act and SORP 2019, GDPR, employment law, safeguarding and health & safety including compliance with Care Quality Commission.

The risks were discussed with the audit team and we remained alert to any indications of non-compliance throughout the audit. We carried out specific procedures to address the risks identified. These included the following:

Reviewing minutes of Board meetings, reviewing any correspondence with the Charity Commission, agreeing the financial statement disclosures to underlying supporting documentation, enquiries of management and officers of the Charitable Group and a review of the risk management processes and procedures in place. We have also reviewed the procedures in place for the reporting of any incidents to the Trustee Board including serious incident reporting of these matters as necessary with the Charity Commission.

Management override: To address the risk of management override of controls, we carried out testing of journal entries and other adjustments for appropriateness. We reviewed systems and procedures to identify potential areas of management override risk.

We also assessed management bias in relation to the accounting policies adopted and in determining significant accounting estimates, including valuation of property, the defined benefit pension scheme, and the interest rate swap.

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

Use of our report

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 and its trustees 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 the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Helena Wilkinson BSc FCA DChA (Senior Statutory Auditor)

For and on behalf of
Price Bailey LLP
Chartered Accountants
Statutory Auditors

3rd Floor,
24 Old Bond St,
Mayfair,
London
W1S 4AP

Date: 28 October 2022

Avante Care and Support Limited
Company No. 2565021 / Charity No. 1002727

Simplified Operating Statement

for the year ended 31 March 2022

		2022	2021
	Note	£	£
Charitable activities			
Income from Care Homes services	2	25,264,104	24,646,155
Expenditure on Care Home services	3	(25,209,367)	(26,123,576)
Surplus/(Deficit) on Care Home services		54,737	(1,477,421)
 Income from Homes Care & Support services	2	3,572,216	3,988,838
Expenditure on Home Care & Support services	3	(3,838,141)	(4,058,895)
Deficit on Home Care & Support services		(265,925)	(70,057)
 Deficit from charitable activities		(211,188)	(1,547,478)
 Voluntary and other activities			
Income from donations, legacies and grants		1,891,134	2,335,254
Other trading income		8,554	7,312
Miscellaneous income		64,899	612,889
Profit on sale of fixed assets		-	7,300
Income from voluntary and other activities		1,964,587	2,962,755
 Surplus from voluntary and other activities		1,964,587	2,962,755
 Net income before other recognised gains/losses		1,753,399	1,415,277

This Simplified Operating Statement should be read in conjunction with Note 6.

Consolidated Statement of Financial Activities (SOFA)

for the year ended 31 March 2022

	Unrestricted funds	Restricted funds	Total 2022	Unrestricted funds	Restricted funds	Total 2021
	£	£	£	£	£	£
Income from:						
Donations, legacies and grants	-	1,891,134	1,891,134	-	2,335,254	2,335,254
Charitable activities	2 28,836,320	-	28,836,320	28,634,993	-	28,634,993
Other trading income	8,554	-	8,554	7,312	-	7,312
Other income	8,760	-	8,760	17,535	-	17,535
Other income - furlough	56,139	-	56,139	595,354	-	595,354
Proceeds on sale of fixed assets	-	-	-	7,300	-	7,300
Total income	28,909,773	1,891,134	30,800,907	29,262,494	2,335,254	31,597,748
Expenditure on:						
Charitable activities						
- Care Home services	23,591,025	1,618,342	25,209,367	24,027,085	2,096,491	26,123,576
- Home Care & Support services	3,568,859	269,282	3,838,141	3,815,876	243,019	4,058,895
Total expenditure	3 27,159,884	1,887,624	29,047,508	27,842,961	2,339,510	30,182,471
Net income/(expenditure)	1,749,889	3,510	1,753,399	1,419,533	(4,256)	1,415,277
Other recognised gains/losses						
Act'l gain/(loss) on pension liability	16 1,189,969	-	1,189,969	632,704	-	632,704
Net movement in funds	2,939,858	3,510	2,943,368	2,052,237	(4,256)	2,047,981
Balance b/fwd at 01 April 2021	54,284,025	67,828	54,351,853	52,231,788	72,084	52,303,872
Balance c/fwd at 31 March 2022	57,223,883	71,338	57,295,221	54,284,025	67,828	54,351,853

All amounts relate to continuing activities.

All recognised and unrecognised gains and losses are included in the Statement of Financial Activities.

This statement is an Income & Expenditure Statement for the purposes of the Companies Act.

The notes on pages 29 to 57 form part of these financial statements

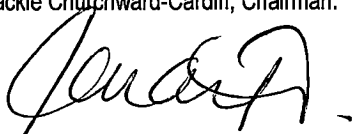
Balance Sheets

for the year ended 31 March 2022

	Note	2022		2021	
		Consolidated	Charity Only	Consolidated	Charity Only
		£	£	£	£
Fixed assets					
Tangible fixed assets	6	62,671,165	62,671,165	62,776,963	62,776,963
Investment		-	1	-	1
		62,671,165	62,671,166	62,776,963	62,776,964
Current assets					
Debtors	7	2,568,910	1,428,863	2,222,583	1,564,557
Amounts owed by group undertakings	17	-	2,201,725	-	1,595,311
Short term deposits	1.11	2,853,555	2,853,555	2,694,684	2,694,684
Cash at bank and in hand	1.11	4,120,132	3,058,453	3,684,734	2,747,448
		9,542,597	9,542,596	8,602,001	8,602,000
Creditors: amounts falling due within one year					
Creditors falling due within one year	8	4,949,725	4,949,725	4,794,121	4,794,121
Capital repayments due within one year					
on long term loans	10	699,189	699,189	699,189	699,189
Creditors: amounts falling due within one year		5,648,914	5,648,914	5,493,310	5,493,310
Net current assets		3,893,683	3,893,682	3,108,691	3,108,690
Total assets less current liabilities		66,564,848	66,564,848	65,885,654	65,885,654
Creditors: amounts falling due after one year					
Interest rate swap liability		(281,430)	(281,430)	(692,586)	(692,586)
Bank loan accounts	10	(7,341,487)	(7,341,487)	(8,040,676)	(8,040,676)
Net assets excluding pension liability		58,941,931	58,941,931	57,152,392	57,152,392
Pension Asset	16	1,391,000	1,391,000	731,000	731,000
Pension liability	16	(3,037,711)	(3,037,711)	(3,531,539)	(3,531,539)
Net assets		57,295,220	57,295,220	54,351,853	54,351,853
Represented by:					
Unrestricted funds excluding pension liability		43,731,920	43,731,920	41,945,891	41,945,891
Pension liability		(1,646,711)	(1,646,711)	(2,800,539)	(2,800,539)
Revaluation reserve		15,138,673	15,138,673	15,138,673	15,138,673
Total unrestricted funds		57,223,882	57,223,882	54,284,025	54,284,025
Restricted funds		71,338	71,338	67,828	67,828
Balance carried forward at 31.03.2022		57,295,220	57,295,220	54,351,853	54,351,853

Approved and authorised by the Board of Trustees on 27 September 2022 and signed on its behalf by:

Jackie Churchward-Cardiff, Chairman:



Consolidated Cash Flow Statement

for the year ended 31 March 2022

	Notes	2022 £	2021 £
Cash flows from operating activities			
Net income/(expenditure)		1,753,399	1,415,277
Pension contribution less current service and finance cost	16	36,141	(196,681)
Interest paid	4	473,325	516,364
Depreciation charge	6	1,078,967	1,003,011
(Profit) on sale of fixed assets		-	1,588
Decrease/(increase) in debtors		(346,327)	112,659
(Decrease)/increase in creditors		(255,552)	(221,080)
Net cash generated from operating activities		2,739,953	2,631,138
Cash flows from investing activities			
Payments to acquire tangible fixed assets	6	(973,169)	(3,473,039)
Receipts on disposal of tangible fixed assets		-	7,300
Net cash generated from investing activities		(973,169)	(3,465,739)
Cash flows from financing activities			
Loans repaid		(699,189)	(699,189)
Interest paid on long-term loans	4	(473,325)	(516,364)
Net cash used by financing activities		(1,172,514)	(1,215,553)
Net Increase/(decrease) in cash		1,293,458	(1,350,965)
Cash and cash equivalents at beginning of year		(2,360,448)	(1,009,483)
Cash and cash equivalents at the end of the year		(1,066,990)	(2,360,448)

Analysis of net debt	At 31.03.2021	Cash flow	At 31.03.2022
Short-term deposits	2,694,684	158,871	2,853,555
Cash at bank and in hand	3,684,734	435,398	4,120,132
Net cash	6,379,418	594,269	6,973,687
Changes in debt; bank loan	(8,739,866)	699,189	(8,040,677)
Changes in net debt	(2,360,448)	1,293,458	(1,066,990)

Notes to the Accounts

for the year ended 31 March 2022

1 Accounting policies

The Charity was incorporated on 4 December 1990 and is domiciled and registered in the UK as a private company limited by guarantee (registered no. 2565021). The address of the registered office is:

De Gelsey House
1 Jubilee Way
Faversham
Kent
ME13 8GD

1.1 Basis of preparation of accounts

The financial statements have been prepared on a going concern basis under the historical cost convention, as modified by the revaluation of fixed assets, and in accordance with applicable accounting standards, the Charities SORP (FRS 102) applicable to charities preparing their accounts in accordance with FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Charities Act 2011 and UK Generally Accepted Practice, as it applies from 1 January 2019. The functional currency being £ sterling.

Avante Care & Support 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).

The financial statements of Avante Care & Support and its subsidiary company Avante Care Services are consolidated, on a line-by-line basis, to produce the Group financial statements. The consolidated entity is referred to as 'the Group'. No separate Statement of Financial Activities has been presented for Avante Care & Support as permitted by Section 408 of the Companies Act 2006. The charity has taken advantage of the exemptions in FRS 102 from the requirements to present a charity-only Cash Flow Statement and certain disclosures about the charity's financial instruments. The result for the year for the parent undertaking alone was net income of £30,800,907 (2021: £31,597,748) before recognised gains on Pension liability of £1,189,969 to give net movement in funds of £2,943,368 (2021: £2,047,981).

1.2 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Restricted funds are funds which must be used in accordance with the specific instructions imposed by the donor or funding body of which have been raised by the Charity for particular purposes.

Designated Funds: The Trustees, at their discretion, may set aside funds to cover specific future costs. Such funds are shown as designated funds within unrestricted funds. Where the Trustees decide such funds are no longer required for the purposes intended, they may be released by transfer to the general unrestricted funds.

1.3 Income

All income are included in the SOFA when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. No amounts are included in the financial statements for services donated by volunteers.

Notes to the Accounts

for the year ended 31 March 2022

All income is accounted for on an accruals basis and therefore includes income paid in arrears, but excludes income received in advance, which is shown as deferred income within creditors due within one year.

For legacies, entitlement is taken on a case by case basis as the earlier of the date on which the charity is aware that probate has been granted and either: the estate has been finalised, final estate accounts have been received and notification has been made by the executor(s) to the charity that a distribution will be made; or when a notification has been made by the executor(s) to the charity of an intention to make a distribution prior to the end of the financial year and subsequently that distribution is received from the estate after the year end. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

1.4 Expenditure

Expenditure is included in the SOFA on an accruals basis, inclusive of any VAT which cannot be recovered. All direct expenditure is directly incurred in respect of the relevant activity. Costs attributable to staff working on more than one project or activity are allocated on the basis of time spent. Where costs cannot be directly attributable to particular activities, they have been allocated on the basis consistent with the use of resources.

Governance costs, separately identified, relate to the general running of the charity as opposed to costs of fundraising or charitable activity. Included within this category are costs associated with the strategic, as opposed to day to day, management of the charity's activities. Service Directors' costs are allocated to their respective services. All other Governance costs are allocated across both services based on turnover.

Redundancy and settlement payments are recognised at the leaving date of the member of staff and measured at the best estimate of expenditure required to settle the obligation at the reporting date.

1.5 Operating leases

Rentals and any associated incentives, under operating leases are charged to the SOFA on a straight line basis over the lease term.

1.6 Fixed assets

Items of equipment costing less than £300 are not treated as fixed assets, but are fully written off in the year of purchase.

Depreciation is provided from the date of purchase on a straight line basis on cost as follows:-

- Leasehold improvements	Remaining period of lease
- Computer equipment	25% per annum
- Fixtures and fittings	20% per annum
- Motor vehicles	20% per annum

The freehold properties have been revalued on an existing use basis. Depreciation has been provided for at the rate of 2% per annum on the buildings element contained within the revalued amount. The portfolio of freehold properties is revalued every 5 years and have been revalued as at 31 March 2019 by Savills plc.

Impairment reviews of Property, plant and equipment are undertaken if there are indications that the carrying values may not be recoverable or that the recoverable amounts may be less than the asset's carrying value.

Obsolescence reviews of computer equipment and fixtures and fittings are undertaken for assets fully depreciated for more than a financial year beyond full write down, and are treated as disposals in all but exceptional circumstances.

Notes to the Accounts

for the year ended 31 March 2022

1.7 Current liabilities

Liabilities are recognised when the charity has an obligation to make payment to a third party. Capital repayments due on long-term loans, relating to instalments due in the next twelve months, are treated as current liabilities.

1.8 Tax status

Avante Care & Support is a registered charity and is exempt from taxation on its income and gains to the extent that they are applied in pursuance of the charitable purposes.

1.9 Going concern

The Charity has adequate resources to continue in operational existence for the foreseeable future. There are considerable cash reserves and, whilst the Charity has significant loan financing, this is secured against the fixed assets of the charity which have a greater value than the loan financing. During the year to March 2022, as in the previous year, occupancy was impacted by Covid, but was bolstered with government grants to help with infection control and workforce capacity issues. Forecasts carried out as part of the year ended 31st March 2021 Going Concern Assessment showed that, due to the lower occupancy starting point, and therefore lower EBITDA, several loan covenant tests would be breached.

Agreement was, therefore, reached with Barclays Bank to waive these covenants and replace them with tests that were forecast to be met in 2021-2022. All covenant tests including the original tests were, however, met in the year. Forecasts carried out as part of the year ended 31st March 2022 showed that the cashflow covenant may be breached in two quarters. The bank have confirmed their ongoing support should the breaches materialise. This combined with the cash flow forecast showing adequate reserves have lead Management and Trustees to conclude that it is appropriate to prepare the accounts on a going concern basis.

1.10 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Charity's accounting policies, Trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revision to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects the current and future periods.

The defined benefit pension schemes are revalued every three years and are also subject to annual valuations under FRS102. Management and Trustees review the valuations and assumptions each year in order to ensure they are felt to be reasonable. The figures involved are significant and can change year on year due to investment performance and changes in actuarial assumptions.

In the view of the Trustees, with exception of the pensions estimates referred to above, no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the Balance Sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

1.11 Financial instruments

The Charity has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at the present value of future cash flows (amortised cost). Financial assets held at amortised cost comprise cash at bank and in hand, short term cash deposits (funds held in instant access deposit accounts) and the group's debtors excluding prepayments. Financial liabilities held at amortised cost comprise the group's short and long term creditors excluding deferred income. No discounting has been applied to these financial instruments on the basis that the periods over which amounts will be settled are such that any discounting would be immaterial.

Derivative financial instruments relate to interest rate swaps and are recognised at fair value and revalued annually at the reporting date using a valuation technique provided by the bank, with any gains or losses being reported in profit or loss.

Notes to the Accounts

for the year ended 31 March 2022

	2022	2021
	£	£
Financial assets held at amortised cost		
Debtors	2,568,910	2,222,583
Short-term deposits	2,853,555	2,694,684
Cash at bank and in hand	4,120,132	3,684,734
Less prepayments	(453,149)	(352,287)
	9,089,448	8,249,714

	2022	2021
	£	£
Financial liabilities held at amortised cost		
Current creditors and accruals	4,060,520	3,690,339
Less deferred income	(167,169)	(361,277)
Bank loans	8,040,676	8,739,865
	11,934,027	12,068,927

	2022	2021
	£	£
Financial liabilities held at valuation		
Interest rate swap liability	402,165	1,010,023
	402,165	1,010,023

1.12 Government Grants

Government grants are included in accordance with the performance model applicable under the charity SORP 2019.

1.13 Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing bid price. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

1.14 Current Assets

Debtors are recognised at the settlement amounts due to the charitable company after any discount offered.

Prepayments are valued at the amount prepaid net of any discounts due.

Accrued income and tax recoverable is held at the best estimate of the amounts receivable as the balance sheet date.

1.15 Pension Scheme Accounting

The charitable company contributes towards defined contribution pension plans alongside defined benefit schemes and multi-employer schemes.

The costs of the defined contribution schemes are included within staff costs and charged to appropriate funds of the charity. The charitable company has no liability beyond making contributions and paying across deductions from employees.

The multi-employer scheme and defined benefit schemes are described in more detail in note 16 to the accounts.

Notes to the Accounts

for the year ended 31 March 2022

2 Income

	2022	2021
	£	£
Charitable activities		
Care Homes	25,264,104	24,646,155
Home Care & Support	3,572,216	3,988,838
	28,836,320	28,634,993
	2022	2021
	£	£
Government grants		
Covid-19 grant income - Infection Control, LFD Testing and Workforce Capacity	1,870,041	2,313,461
Furlough grants	56,139	595,354
	1,926,180	2,908,815

A number of grants were received throughout the year from the local authorities in the areas in which Avante operates. The grants were made to cover a variety of measures such as ensuring staff were paid when self-isolating, absent through contracting Covid-19, encouraging staff to work extra time during workforce shortages, limiting movement of staff within and between our care homes, time spent on PCR and LFD testing measures, additional recruitment costs, staff retention bonuses and improvements to staff facilities.

The grants were made with these specific stipulations attached and Avante has completed returns to the local authorities to evidence the funds have been spent appropriately. Where the funds granted could not be spent in full, these have been returned to the local authority or deferred at the year end pending further guidance from the local authority concerned.

Funding throughout the year was periodically phased. As one scheme came to an end another scheme started.

Avante took advantage of the government furlough scheme during the financial year to ensure all staff remained employed.

Notes to the Accounts

for the year ended 31 March 2022

3 Expenditure

3.1 Analysis of total expenditure

	Staff costs £	Other direct costs £	Support costs £	Governance £	Total 2022 £
Charitable activities					
Care Homes	17,303,984	5,130,557	2,320,512	454,314	25,209,367
Home Care & Support	2,960,153	415,954	397,796	64,238	3,838,141
	20,264,137	5,546,511	2,718,308	518,552	29,047,508

	Staff costs £	Other direct costs £	Support costs £	Governance £	Total 2021 £
Charitable activities					
Care Homes	18,225,041	5,355,971	2,113,434	429,130	26,123,576
Home Care & Support	3,155,929	471,450	362,064	69,452	4,058,895
	21,380,970	5,827,421	2,475,498	498,582	30,182,471

3.2 Analysis of support costs

	Care Homes £	Home Care & Support £	Total 2022 £	Care Homes £	Home Care & Support £	Total 2021 £
Staff costs	1,722,664	295,309	2,017,973	1,528,087	261,785	1,789,872
Premises	91,356	15,661	107,017	54,966	9,416	64,382
Operating costs	494,541	84,777	579,318	518,429	88,815	607,244
Depreciation	11,951	2,049	14,000	11,952	2,048	14,000
	2,320,512	397,796	2,718,308	2,113,434	362,064	2,475,498

3.3 Analysis of governance costs

	Care Homes £	Home Care & Support £	Total 2022 £	Care Homes £	Home Care & Support £	Total 2021 £
Support costs	219,425	31,026	250,451	193,887	31,380	225,267
Audit	29,096	4,114	33,210	33,963	5,497	39,460
Valuations	9,584	1,355	10,939	9,536	1,543	11,079
Trustee expenses	9,206	1,302	10,508	6,259	1,013	7,272
Other	(19,836)	(2,805)	(22,641)	(18,957)	(3,068)	(22,025)
Strategy	206,839	29,246	236,085	204,442	33,088	237,530
	454,314	64,238	518,552	429,130	69,453	498,583

Notes to the Accounts

for the year ended 31 March 2022

3.4 Auditor remuneration

		2022	2021
		£	£
Total remuneration payable to the charity's auditor in the period:			
Statutory audit:	Charity	25,850	24,150
	Subsidiary	3,150	2,950
		29,000	27,100
Non-audit services:		1,416	19,372

3.5 Net Income

		2022	2021
		£	£
Net income is stated after charging:			
Operating lease payments		654,988	110,392
Profit on sale of fixed assets		-	1,588
Depreciation		1,078,967	1,003,011
Auditors remuneration	Audit	29,000	27,100
Corpt Tax	Additional work	-	2,775
VAT Advice	Additional work	1,416	1,059
Land and Property Tax advice	Additional work	-	15,538
		1,764,371	1,161,463

4 Interest payable

	2022	2021
	£	£
On bank loans and overdrafts	473,325	516,364
	473,325	516,364

5 Operating leases

These are the commitments for operating leases during the coming year in respect of leases terminating:

		2022	2021
		£	£
Under 1 year:	Land and buildings	611,419	588,887
	Others (motor vehicles, photocopiers, franking machines)	75,808	75,808
Within 2 to 5 years:	Land and buildings	2,486,244	2,417,092
	Others (motor vehicles, photocopiers, franking machines)	93,874	169,682
Over 5 years:	Land and buildings	18,925,400	19,183,392
	Others (motor vehicles, photocopiers, franking machines)	-	-
		22,192,745	22,434,861

During the year costs of £654,988 were incurred against the operating leases listed above (2021: £110,392).

Notes to the Accounts

for the year ended 31 March 2022

6 Fixed assets

Consolidated and Charity

6.1 Analysis of movement of fixed assets

Cost/valuation	Freehold Property £	Leasehold Improv'ts £	Computer Equipment £	Fixtures & Fittings £	Motor Vehicles £	Work in Progress £	Total £
At 01.04.2021	62,995,243	25,969	749,992	1,754,396	192,870	45,656	65,764,126
Additions	227,833	132,745	62,225	461,915	-	88,451	973,169
Disposals	-	-	(23,806)	(373,084)	-	-	(396,890)
Revaluations/Impairments	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
At 31.03.2022	63,223,076	158,714	788,411	1,843,227	192,870	134,107	66,340,405
Depreciation							
At 01.04.2021	1,331,275	14,679	508,920	959,216	173,073	-	2,987,163
Charge for year	677,620	5,349	98,470	292,399	5,129	-	1,078,967
Disposals	-	-	(23,806)	(373,084)	-	-	(396,890)
Revaluations/Impairments	-	-	-	-	-	-	-
At 31.03.2022	2,008,895	20,028	583,584	878,531	178,202	-	3,669,240
Net book value							
As at 31.03.2022	61,214,181	138,686	204,827	964,696	14,668	134,107	62,671,165
As at 01.04.2021	61,663,968	11,290	241,072	795,180	19,797	45,656	62,776,963

The portfolio of properties was subject to a 5-yearly revaluation as at 31.03.2019. This was carried out by independent valuers, Savills. Savills valued the properties at their market value on the assumption they are fully operational and equipped to achieve their trading potential and are free from encumbrance.

The Work in Progress Additions figure of £88,451 relates to ongoing project works at Westgate-on-Sea.

6.2 Disposal of fixed assets

Disposals of computer equipment and fixtures & fittings partly represent the removal from the register of old, obsolete and fully depreciated assets (see note 1.6).

Notes to the Accounts

for the year ended 31 March 2022

6.3 Comparable historic cost

If the freehold and long leasehold Property had not been included at valuation they would have been included under the historical cost convention as follows:

	2022 £	2021 £
Cost	50,654,580	50,301,625
Accumulated depreciation	(10,822,209)	(9,959,457)
Net book value	39,832,371	40,342,168

6.4 Capital commitments

Capital expenditure contracted for, unpaid at the year end not provided for in the financial statements - £ (2021: £58,344).

7 Current debtors

	2022		2021	
	Consolidated £	Charity Only £	Consolidated £	Charity Only £
Trade debtors	1,668,825	914,764	1,272,972	1,043,441
Other debtors	6,876	6,876	6,876	6,876
Prepayments	453,149	453,149	352,287	352,287
Accrued income	440,060	54,074	590,448	161,953
	2,568,910	1,428,863	2,222,583	1,564,557

8 Current creditors and accruals

	2022		2021	
	Consolidated £	Charity Only £	Consolidated £	Charity Only £
Interest rate swap liability	120,735	120,735	317,437	317,437
Trade creditors	1,043,849	1,043,849	762,232	762,232
Other taxes and social security	768,473	768,473	786,345	786,345
Other creditors	1,267,531	1,267,531	1,331,754	1,331,754
Accruals	1,581,971	1,581,971	1,235,076	1,235,076
Deferred income (note 9)	167,169	167,169	361,277	361,277
	4,949,728	4,949,728	4,794,121	4,794,121

Notes to the Accounts

for the year ended 31 March 2022

9 Deferred income accruals

Consolidated and Charity

	Care fees £	Cash in advance £	Others £	Total 2022 £
Brought forward at 01.04.2021	210,984	84,846	65,447	361,277
Released in current year	(210,984)	(84,846)	(65,372)	(361,202)
Arising at 31.03.2022	136,898	30,196	-	167,094
	136,898	30,196	75	167,169
As at 31.03.2022	74,487	18,118	75	92,680

	Care fees £	Cash in advance £	Others £	Total 2021 £
Brought forward at 01.04.2020	186,716	25,948	2,483	215,147
Released in current year	(49,716)	(25,948)	(282)	(75,946)
Arising at 31.03.2021	73,984	84,846	63,246	222,076
	210,984	84,846	65,447	361,277
As at 31.03.2021	159,668	32,319	2,201	194,188

All deferred income at 31.03.2022 is in respect of fees or grants invoiced on or prior to 31.03.2022 but relating to periods after 31.03.2022, or payments in advance pending invoicing or contract reconciliation.

10 Creditors: Amounts falling due after more than one year

	2022 £	2021 £
Interest rate swap liability	281,430	692,586
Bank loans	7,341,487	8,040,676
	7,622,917	8,733,262

The total bank loans are repayable as follows:

	Contractual obligation at 31.03.2022 £	at 31.03.2021 £
Within one year	699,189	699,189
Between one and two years	699,189	699,189
Between two and five years	2,097,568	2,097,568
After five years	4,544,730	5,243,919
	8,040,676	8,739,865

All loans and overdrafts are secured by a fixed and floating charge over the freehold Property of the charity, the net book value of the properties charged being £61,214,181 (2021: £61,663,968).

With effect from 15.05.2015, all previous bank loans were consolidated into a single term loan facility for £12,935,000 repayable over 18 years at a variable interest rate. The Charity has retained the existing swap agreements in order to mitigate the risk posed from movements in interest rates. The bank has valued the interest rate swap liability at £402,165 (2021: £1,403,779).

Notes to the Accounts

for the year ended 31 March 2022

11 Residents' bank accounts

The Charity administers holding bank accounts on behalf of residents for the receipt and payment of the residents' personal allowances. These accounts have not been reflected in these financial statements as an asset or liability. The value held at 31.03.2022 was £12,535 (2021: £21,583).

12 Contingent liabilities

There are no known contingent liabilities arising from contract disputes (2021: £nil).

13 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	2022 Total £
Tangible fixed assets	62,671,165	-	62,671,165
Net current assets (excluding bank loans and swaps liability due)	4,642,269	71,338	4,713,607
Interest rate swap liability	(402,165)	-	(402,165)
Bank loans	(8,040,676)	-	(8,040,676)
Pension liabilities	(1,646,711)	-	(1,646,711)
	57,223,882	71,338	57,295,220

	Unrestricted funds £	Restricted funds £	2021 Total £
Tangible fixed assets	62,776,963	-	62,776,963
Net current assets (excluding bank loans and swaps liability)	4,057,489	67,828	4,125,317
Interest rate swap liability	(1,010,023)	-	(1,010,023)
Bank loans	(8,739,865)	-	(8,739,865)
Pension liabilities	(2,800,539)	-	(2,800,539)
	54,284,025	67,828	54,351,853

Notes to the Accounts

for the year ended 31 March 2022

14 Funds analysis

	Unrestricted funds *	Revaluation/ Capital reserve	Restricted funds	2022 Total
	£	£	£	£
Brought forward at 01.04.2021	39,145,352	15,138,673	67,828	54,351,853
Net income/(Expenditure)	1,749,889	-	3,510	1,753,399
Actuarial gain on pension liability	1,189,969	-	-	1,189,969
Carried forward at 31.03.2022	42,085,210	15,138,673	71,338	57,295,221

	Unrestricted funds *	Revaluation/ Capital reserve	Restricted funds	2021 Total
	£	£	£	£
Brought forward at 01.04.2020	37,093,115	15,138,673	72,084	52,303,872
Net income/(Expenditure)	1,419,533	-	(4,256)	1,415,277
Actuarial gain on pension liability	632,704	-	-	632,704
Carried forward at 31.03.2021	39,145,352	15,138,673	67,828	54,351,853

The revaluation reserve is the revaluation surplus on the freehold Property. The freehold properties were revalued by Savills, surveyors and valuers, on an existing use basis in March 2019. Previous valuations were carried out in June 2014, March 2010, March 2005, March 2000 and June 1997.

Avante's policy is to revalue freehold Property every 5 years and the next valuation will therefore be carried out as at 31 March 2024.

The movement on restricted funds represents the net transactions for the year through amenity fund cash and bank accounts for 10 homes and grants received from Local Authorities in the year in respect of COVID-19. The amenity funds, which are generated from fundraising activities for and by the individual homes, are treated as restricted funds for use by the individual homes concerned. Similarly, grants received in respect of COVID-19 were used by the individual services for the specific designated purposes under the terms of the grant.

* Unrestricted funds are shown above after deduction of the FRS 102 pension deficits.

15 Trustee and employee information

15.1 Trustee information

No remuneration was paid to the Trustees during the year (2021: £nil). Travel and training expenses of £3,553 in total were paid to 7 trustees during the year (2021: £672, 7 trustees).

A payment of £10,731 was made in the year in respect of management liability insurance covering trustees and management (2021: £7,349).

Notes to the Accounts

for the year ended 31 March 2022

15.2 Employee information

Employee costs during the year were:

	2022 £	2021 £
Salaries and wages	19,032,339	20,344,527
Agency costs	1,437,502	1,303,309
Staff recruitment and training	315,568	180,787
Employer's social security costs	1,305,996	1,362,348
Employer's pension costs	794,765	589,590
	22,886,170	23,780,561

Analysed as:

Charitable activities	20,381,661	21,527,892
Support costs	2,017,973	1,789,872
Governance costs	486,536	462,797
	22,886,170	23,780,561

Included in employee costs above are redundancy payments of:

23,912	-
--------	---

Senior management

The number of employees whose emoluments for the year fell within each of £10,000 from £60,000 upwards was as follows:

	Number of employees	
<u>Emoluments:</u>	2022	2021
£60,000 to £70,000	6	2
£70,000 to £80,000	2	3
£80,000 to £90,000	-	1
£90,000 to £100,000	-	1
£100,000 to £110,000	-	-
£110,000 to £120,000	1	1
£120,000 to £130,000	1	1

Retirement benefits are accruing for 4 of the above staff under defined benefit schemes.

Number of employees

The average number of persons employed during the year was:

	2022	2021
Care & Support	938	1,095
Home Care & Support	197	228
Corporate	40	54
	1,175	1,377

Notes to the Accounts

for the year ended 31 March 2022

The average number of full time equivalent persons employed during the year was:

	2022	2021
Care & Support	683	715
Home Care & Support	136	135
Corporate	31	47
	850	897

Remuneration of key management personnel

The key management personnel of the Charity comprise the Managing Director, Finance Director, Director of People & Organisational Development (part Yr) Director of Quality, Director of Care Operations and Property & Development Director. The total employee benefits of the key management personnel of the Charity (including National Insurance) were £665,891 (2021: £714,967) of which £52,832 related to employer's pension costs (2021: £62,958).

16 Pension commitments and FRS 102 disclosures

Avante Care & Support participates in the pension schemes which are named below in the contributions table. The costs are charged to the Statement of Financial Activities as and when they are paid on a monthly basis. The pension cost charge for the period is detailed below. FRS 102 is fully effective and the following disclosures are required:

Pension liability

The liabilities of the four defined benefit pension schemes are shown on the balance sheet under long-term liabilities. The liabilities for Avante's share of the scheme deficit with the three local authorities pension schemes and the net present value of future deficit contributions on the SHPS scheme are as follows:

	2021 £	Other Movements £	Actuarial (gain)/loss £	2022 £
Kent County Council (KCC LGPS)	1,738,000	41,000	(398,000)	1,381,000
London Borough of Bexley (LBB LGPS)	(731,000)	21,000	(681,000)	(1,391,000)
Royal Borough of Greenwich (RBG LGPS)	601,539	55,141	(122,969)	533,711
Social Housing Pension Scheme (SHPS)	1,192,000	(81,000)	12,000	1,123,000
	2,800,539	36,141	(1,189,969)	1,646,711

Notes to the Accounts

for the year ended 31 March 2022

	<u>Rate of Contribution</u>		<u>E'ees in scheme</u>	
	<u>Employer's</u>	<u>Employee's</u>	<u>2022 cost</u> £	<u>at 31.03.22</u>
SHPS CARE/60th (commenced 01.07.2020)	13.0%	9.1%	139,864	6
SHPS CARE/80th	9.8%	6.9%	224,790	14
SHPS FRP auto-enrolment	3.0%	5.0%	238,827	818
SHPS defined contribution scheme	up to 5%	Variable	10,302	6
KCC pensions (LGPS)	46.5%	5.8%, 6.5, 6.8 %	56,837	4
RBG pensions (LGPS)	18.5%	3.4%, 6.5% 6.8%	27,017	3
LBB pensions (LGPS)	19.8%	5.5% 5.8% & 6.5%	-	8
			697,637	859
<u>Analysis of scheme costs by scheme type</u>				
- Defined Contribution			249,129	
- Defined Benefit			448,508	
			697,637	

16.1 Defined contribution schemes

Avante Care & Support participates in 2 defined contribution schemes provided by The Pensions Trust, one of which is an FRP scheme which is used for auto enrolment.

16.2 Defined benefit schemes

Avante Care & Support participates in four defined benefit pension schemes, all of which are detailed below:

Local Government Pension Schemes

The following 3 defined benefit schemes are Local Government Pension Schemes which are multi-employer schemes.

KENT COUNTY COUNCIL

The KCC LGPS is a funded defined benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 March 2022 was £65,000 (2021: £74,000), of which employer's contributions totalled £57,000 (2021: £65,000) and employees' contributions totalled £8,000 (2021: £9,000). The agreed contribution rates for future years are 46.5% for employers and 5.8%, 6.5, 6.8 % for employees.

The last formal valuation of the scheme was performed at 31 March 2019 by a professionally qualified actuary. The valuation revealed a surplus of £450k giving a funding level of 105.4% (compared to 93.2% as at 31 March 2016).

To assess the value of the Employer's liabilities at 31 March 2022, the value of the Employer's liabilities calculated for the funding valuation at 31 March 2019 has been rolled forward, using financial assumptions that comply with FRS102.

Avante's estimated net liability is £1,738,000 as per the FRS102 valuation as at 31st March 2022 (2021: £2,387,000).

The major assumptions used were:

Notes to the Accounts

for the year ended 31 March 2022

	31.03.2022	31.03.2021	31.03.2020
	% pa	% pa	% pa
Financial assumptions			
Pension increases (CPI)	3.35	2.85	2.00
Salary increases	4.35	3.85	3.00
Discount rate	2.60	1.90	2.35

Mortality

Life expectancy is based on the S3PA tables with a multiplier of 110% for males and 115% for females. These base tables are then projected using the CMI 2020 Model, allowing for a long-term rate of improvement of 1.25% pa, smoothing parameter of 7.5, an initial addition parameter of 0.5% pa and a 2020 weighting of 25%. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	31.03.2022	31.03.2022	31.03.2021
	AFTER CMI 2020 update	BEFORE CMI 2020 update	
Retiring today			
Males	21.6	21.6	21.6
Females	23.7	23.7	23.6
Retiring in 20 years			
Males	23.0	23.0	22.9
Females	25.1	25.1	25.1

Balance sheet disclosures

	31.03.2022	31.03.2021
	£'000s	£'000s
<u>Fair value of employer assets</u>		
Equities	6,107	6,205
Gilts	58	57
Bonds	1,303	1,203
Property	1,111	997
Cash	201	478
Target return portfolio	698	695
	<u>9,478</u>	<u>9,635</u>
<u>Balance sheet</u>		
Fair value of employer assets	9,478	9,635
Present value of funded liabilities	(10,859)	(11,373)
	<u>(1,381)</u>	<u>(1,738)</u>

Notes to the Accounts

for the year ended 31 March 2022

Revenue account costs

Revenue account recognition

Current service cost
Net interest on the defined liability (asset)
Administration expenses

Year to:	31.03.2022	31.03.2021
	£'000s	£'000s
	59	52
	33	55
	6	6
	<u>98</u>	<u>113</u>

Reconciliation of defined benefit obligation

Opening defined benefit obligation
Current service cost
Interest cost
Contributions by members
Experience loss/(gain) on defined benefit obligation
Past service costs, including curtailments
Changes in financial assumptions
Change in demographic assumption
Estimated benefits paid
Closing defined benefit obligation

Year to:	31.03.2022	31.03.2021
	£'000s	£'000s
	11,373	10,132
	59	52
	212	233
	8	9
	26	(166)
	-	-
	(361)	1,680
	-	(118)
	(458)	(449)
	<u>10,859</u>	<u>11,373</u>

Reconciliation of opening & closing balances of the fair value of Fund assets

Opening fair value of Fund assets
Interest on assets
Return on assets less interest
Other actuarial gains/(losses)
Contributions by Scheme participants and other employers
Contributions by employer including unfunded
Estimated benefits paid plus unfunded net of transfers in
Administration expenses
Closing fair value of Fund assets

Year to:	31.03.2022	31.03.2021
	£'000s	£'000s
	9,635	7,745
	179	178
	63	2,093
	-	-
	8	9
	57	65
	(458)	(449)
	(6)	(6)
	<u>9,478</u>	<u>9,635</u>

Amounts for current & previous periods

	31.03.2022	31.03.2021	31.03.2020	31.03.2019	31.03.2018
	£'000s	£'000s	£'000s	£'000s	£'000s
Defined benefit obligation	(10,859)	(11,373)	(10,132)	(11,158)	(11,497)
Scheme assets	9,478	9,635	7,745	8,901	8,639
Surplus/(deficit)	<u>(1,381)</u>	<u>(1,738)</u>	<u>(2,387)</u>	<u>(2,257)</u>	<u>(2,858)</u>

Notes to the Accounts

for the year ended 31 March 2022

	Year to:	31.03.2023
<u>Projected expense</u>		£'000s
Service cost		55
Net interest on the defined liability (asset)		36
Administration expenses		5
		<hr/>
		96
Employer contributions		57

Sensitivity analysis

The following tables set out the impact of a small change in the rates on the defined benefit obligation and projected service cost:

	Year to:	31.03.2022	
		£'000s	
<u>Adjustment to discount rate</u>	+0.1%	0.0%	(0.1%)
Present value total obligation	10,714	10,859	11,006
Projected service cost	54	55	56
<u>Adjustment to long term salary increase</u>	+0.1%	0.0%	(0.1%)
Present value total obligation	10,863	10,859	10,855
Projected service cost	55	55	55
<u>Adjustment to pension increases and deferred revaluation</u>	+0.1%	0.0%	(0.1%)
Present value total obligation	11,002	10,859	10,718
Projected service cost	56	55	54
<u>Adjustment to life expectancy assumptions</u>	+1 Year	None	-1 Year
Present value total obligation	11,437	10,859	10,311
Projected service cost	57	55	52
		31.03.2022	31.03.2021
		£'000s	£'000s
Remeasurement of the net assets / (defined liability)			
Return on Fund assets in excess of interest		63	2,093
Other actuarial gains/(losses) on assets		-	-
Change in financial assumptions		361	(1,680)
Experience gain/(loss) on defined benefit obligation		(26)	166
Change in demographic assumptions		-	118
		<hr/>	<hr/>
Remeasurement of the net assets / (defined liability)		398	697

Notes to the Accounts

for the year ended 31 March 2022

LONDON BOROUGH OF BEXLEY

The LBB LGPS is a funded defined benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 March 2022 was £7,000 (2021: £8,000), of which employer's contributions totalled £0,000 (2021: £0,000) and employees' contributions totalled £7,000 (2021: £8,000). The agreed contribution rates for future years are 19.8% for employers and 5.5% 5.8% & 6.5% for employees. Please note that as the Avante scheme is in credit there are no E'er contributions due.

The last formal valuation of the scheme was performed at 31 March 2019 by a professionally qualified actuary. The valuation revealed a surplus of £11 million, giving a funding level of 101% (compared to 94% as at 31 March 2016).

An actuarial valuation of Avante Care & Support's share in the scheme was carried out by a qualified independent actuary as at 31 March 2022 using the "projected unit credit" method to calculate the service cost. To assess the value of the employer's liabilities the actuaries have rolled forward the value of the liabilities reported as at the latest formal valuation allowing for the different financial assumptions required under FRS 102. The major assumptions used by the actuary were:

	31.03.2022	31.03.2021	31.03.2020
	% pa	% pa	% pa
Financial assumptions			
CPI inflation rate	3.5	2.7	2.1
Pension increase rate	3.6	2.8	2.2
Salary increases	5.0	4.2	3.6
Discount rate	2.8	2.1	2.4

Mortality

Life expectancy is based on the S3PA CMI 2018 (1.75%) tables (107% males, 91% females) for non-retired members. For retired members life expectancy is based on the same tables (102% males, 90% females). Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	Males	Females
Current pensioners	22.3	25.1
Future pensioners	23.9	27.1

Balance sheet disclosures

	31.03.2022	31.03.2021
<u>Fair value of employer assets</u>	£'000s	£'000s
Equities	4,443	5,693
Government bonds	1,939	2,000
Other bonds	3,329	2,126
Property	1,607	1,511
Cash/liquidity	970	1,301
Other	2,185	1,357
	<u>14,473</u>	<u>13,988</u>

Notes to the Accounts

for the year ended 31 March 2022

Balance sheet

Fair value of employer assets
Present value of funded liabilities

£'000s	£'000s
14,473	13,988
(13,082)	(13,257)
1,391	731

Revenue account costs

Revenue account recognition

Current service cost
Net interest cost
Administration expenses
Past service cost (gain)

Year to:	31.03.2022	31.03.2021
	£'000s	£'000s
	35	43
	(15)	(3)
	1	1
	-	-
	21	41

Statement of other comprehensive income

Remeasurements (liabilities and assets)
Total remeasurements included in SOCI

Year to:	31.03.2022	31.03.2021
	£'000s	£'000s
	(681)	(578)
	(681)	(578)

Reconciliation of defined benefit obligation

Opening defined benefit obligation
Current service cost
Interest cost
Contributions by members
Past service cost/(gain)
Experience (gain)/loss
Actuarial losses/(gains)
Estimated benefits paid
Closing defined benefit obligation

Year to:	31.03.2022	31.03.2021
	£'000s	£'000s
	13,257	12,316
	35	43
	273	291
	7	8
	-	-
	35	(278)
	61	1,402
	(586)	(525)
	13,082	13,257

Reconciliation of fair value of employer assets

Opening fair value of employer assets
Expected return on assets
Contributions by members
Contributions by employer
Actuarial gain/(loss)
Benefits paid
Administration expenses
Closing fair value of employer assets

Year to:	31.03.2022	31.03.2021
	£'000s	£'000s
	13,988	12,510
	288	294
	7	8
	-	-
	777	1,702
	(586)	(525)
	(1)	(1)
	14,473	13,988

Notes to the Accounts

for the year ended 31 March 2022

	31.03.2022	31.03.2021	31.03.2020	31.03.2019	31.03.2018
<u>Amounts for current & previous periods</u>	<u>£'000s</u>	<u>£'000s</u>	<u>£'000s</u>	<u>£'000s</u>	<u>£'000s</u>
Defined benefit obligation	(13,082)	(13,257)	(12,316)	(13,241)	(12,688)
Scheme assets	14,473	13,988	12,510	13,327	12,572
Surplus/(deficit)	1,391	731	194	86	(116)
Experience adj on scheme assets	777	1,702	(592)	909	(27)
Experience adj on scheme liabilities	61	1,402	(835)	686	377

	Year to:	31.03.2023
<u>Projected expense</u>		<u>£'000s</u>
Service cost		34
Interest cost		(39)
Administration expenses		1
		(4)

Sensitivity analysis

The following table sets out the impact of a small change in the rates on the defined benefit obligation and projected service cost:

	Year to:	31.03.2022			
		£'000s			
	Central	Discount rates	Inflation	Pay Growth	Increase in life expectancy
Adjustment to rate		+0.1%	+0.1%	+0.1%	1 Year
Present value total obligation	13,082	12,924	13,242	13,091	13,490
Projected service cost	34	34	35	34	36

ROYAL BOROUGH OF GREENWICH

The RBG LGPS is a funded defined benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 March 2022 was £36,000 (2021: £23,000), of which employer's contributions totalled £27,000 (2021: £17,000) and employees' contributions totalled £9,000 (2021: £6,000). The agreed contribution rates for future years are 18.5% for employers and 3.4%, 6.5% 6.8% for employees.

The last formal valuation of the Scheme was performed at 31 March 2019 by a qualified actuary. The valuation revealed a deficit of £45 million, giving a funding level of 97% (compared to 91% as at 31 March 2016).

An actuarial valuation of Avante Care & Support's share in the scheme involved projecting future cash flows to be paid from the Fund and placing a value on them. To assess the value of the employer's liabilities the actuaries have rolled forward the value of the liabilities reported as at the latest formal valuation allowing for the different financial assumptions required under FRS 102. The major assumptions used by the actuary were:

Notes to the Accounts

for the year ended 31 March 2022

	31.03.2022	31.03.2021	31.03.2020
<u>Financial assumptions</u>	% pa	% pa	% pa
Pension increases (CPI)	3.40	2.85	1.95
Salary increases	4.40	3.85	2.95
Discount rate	2.60	1.90	2.30

Mortality

Life expectancy is based on the S3PA tables with a multiplier of 90% for males and 95% for females. These base tables are then projected using the CMI 2020 Model, allowing for a long-term rate of improvement of 1.25% pa, smoothing parameter of 7.5, an initial addition parameter of 0.0% pa and a 2020 weighting of 25%. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	31.03.2022	31.03.2022	31.03.2021
	AFTER CMI 2020 update	BEFORE CMI 2020 update	
Retiring today			
Males	20.5	20.5	20.5
Females	23.4	23.4	23.3
Retiring in 20 years			
Males	22.0	22.0	21.9
Females	25.0	25.0	24.9

Balance sheet disclosures

	31.03.2022	31.03.2021
<u>Estimated asset allocation for Avante Care & Support</u>	£'000s	£'000s
UK Equities	950.1	137.4
Other bonds	287.9	248.3
Property	181.4	131.5
Cash	41.7	18.5
Unitised insurance policies	-	579.7
UK & overseas unit trusts	204.6	369.1
	<u>1,665.7</u>	<u>1,484.5</u>

Balance sheet

	£'000s	£'000s
Fair value of employer assets	1,665.7	1,484.4
Present value of funded liabilities	(2,199.4)	(2,086.0)
	<u>(533.7)</u>	<u>(601.6)</u>

Notes to the Accounts

for the year ended 31 March 2022

Revenue account costs

Revenue account recognition

Service cost
Net interest on the defined liability (asset)
Administration expenses

Year to:	31.03.2022	31.03.2021
	£'000s	£'000s
	69.9	37.4
	11.2	15.0
	1.1	1.2
	<u>82.2</u>	<u>53.6</u>

Reconciliation of opening and closing balances of present value of the defined benefit obligation

Opening defined benefit obligation
Current service cost
Interest cost
Change in financial assumptions
Change in demographic assumptions
Experience loss/(gain) on defined benefit obligation
Estimated benefits paid net of transfers in
Past service costs, including curtailments
Contributions by scheme participants and other employers
Closing defined benefit obligation

Year to:	31.03.2022	31.03.2021
	£'000s	£'000s
	2,086.0	1,914.4
	69.9	37.4
	40.1	43.1
	(49.0)	233.1
	-	(30.8)
	5.3	(30.8)
	38.0	(86.0)
	-	-
	9.3	5.6
	<u>2,199.4</u>	<u>2,086.0</u>

Reconciliation of opening and closing balances of present value of the fair value of Fund assets

Opening fair value of Fund assets
Interest on assets
Return on assets less interest
Other actuarial gains/(losses)
Administration expenses
Contributions by employer including unfunded
Contributions by Scheme participants and other employers
Estimated benefits paid plus unfunded net of transfers in
Closing fair value of Fund assets

Year to:	31.03.2022	31.03.2021
	£'000s	£'000s
	1,484.4	1,253.5
	28.9	28.1
	79.2	267.2
	-	-
	(1.1)	(1.2)
	27.0	17.3
	9.3	5.6
	38.0	(86.0)
	<u>1,665.7</u>	<u>1,484.5</u>

Amounts for current & previous periods

	31.03.2022	31.03.2021	31.03.2020	31.03.2019	31.03.2018
	£'000s	£'000s	£'000s	£'000s	£'000s
Defined benefit obligation	(2,199)	(2,086)	(1,914)	(2,291)	(2,176)
Scheme assets	1,666	1,484	1,253	1,817	1,734
Surplus/(deficit)	(534)	(602)	(661)	(474)	(442)

Notes to the Accounts

for the year ended 31 March 2022

	Year to:	31.03.2023
Projected expense		£'000s
Service cost		66.4
Net interest on the defined liability (asset)		13.5
Administration expenses		1.2
		81.2
Employer contributions		27.0

Sensitivity analysis

The following tables set out the impact of a small change in the rates on the defined benefit obligation and projected service cost:

	Year to:	31.03.2022	
		£'000s	
Adjustment to discount rate	+0.1%	0.0%	(0.1%)
Present value total obligation	2,172	2,199	2,227
Projected service cost	65	66	67
Adjustment to long term salary increase	+0.1%	0.0%	(0.1%)
Present value total obligation	2,200	2,199	2,199
Projected service cost	66	66	66
Adjustment to pension increases and deferred revaluation	+0.1%	0.0%	(0.1%)
Present value total obligation	2,226	2,199	2,173
Projected service cost	67	66	65
Adjustment to life expectancy assumptions	+1 Year	None	-1 Year
Present value total obligation	2,348	2,199	2,061
Projected service cost	69	66	64

	31.03.2022	31.03.2021
Remeasurement of the net assets / (defined liability)	£'000s	£'000s
Return on Fund assets in excess of interest	79.2	267.2
Other actuarial gains/(losses) on assets	-	-
Change in financial assumptions	49.0	(233.1)
Change in demographic assumptions	-	30.8
Experience gain/(loss) on defined benefit obligation	(5.3)	30.8
Remeasurement of the net assets / (defined liability)	123.0	95.7

THE PENSIONS TRUST - SOCIAL HOUSING PENSION SCHEME

The company participates in the scheme, a multi-employer scheme which provides benefits to some 500 non-associated employers. The scheme is a defined benefit scheme in the UK.

The scheme is subject to the funding legislation outlined in the Pension Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupation pension schemes in the UK.

Notes to the Accounts

for the year ended 31 March 2022

The last triennial valuation of the scheme for funding purposes was carried out as at 30 September 2020. This valuation revealed a deficit of £1,560m. A Recovery Plan has been put in place with the aim of removing this deficit by 30 September 2026.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

As at 31 March 2022 total scheme liabilities were £7,473,000, scheme assets were £6,350,000 giving a deficit of £(1,123,000) (2021: £582,000)

The total contribution made for the year ended 31 March 2022 was £369,000 (2021: £352,000), of which employer's contributions totalled £366,000 (2021: £321,000) and employees contributions totalled £3,000 (2021: £31,000). The agreed contribution rates for future years are 9.8% - 13.0% for employers and 6.9% - 9.1% for employees.

	Year to:	31.03.2022	31.03.2021
		£'000s	£'000s
<u>Fair value of plan assets, present values of DB obligation, and DB asset (liability)</u>			
Fair value of plan assets		6,350	6,421
Present value of defined benefit obligation		7,473	7,613
Surplus (deficit) in plan		(1,123)	(1,192)
Defined benefit asset (liability) to be recognised		(1,123)	(1,192)

	Year to:	31.03.2022
		£'000s
<u>Reconciliation of opening and closing balances of the defined benefit obligation</u>		
Defined benefit obligation at start of period		7,613
Current service cost		255
Expenses		6
Interest expense		162
Contributions by plan participants		3
Actuarial losses (gains) due to scheme experience		231
Actuarial losses (gains) due to changes in demographic assumptions		(119)
Actuarial losses (gains) due to changes in financial assumptions		(519)
Benefits paid and expenses		(159)
Defined benefit obligation at end of period		7,473

Notes to the Accounts

for the year ended 31 March 2022

	Year to: 31.03.2022
<u>Reconciliation of opening and closing balances of the fair value of plan assets</u>	£'000s
Fair value of plan assets at start of period	6,421
Interest income	138
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	(419)
Contributions by the employer	366
Contributions by plan participants	3
Benefits paid and expenses	(159)
Fair value of plan assets at end of period	6,350
The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2022 was £630,000.	
<u>Defined benefit costs recognised in Statement of Comprehensive Income (SOCl)</u>	Year to: 31.03.2022
	£'000s
Current service cost	255
Expenses	6
Net interest expense	24
Defined benefit costs recognised in Statement of Comprehensive Income (SoCl)	285
<u>Defined benefit costs recognised in Other Comprehensive Income (OCI)</u>	Year to: 31.03.2022
	£'000s
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	(419)
Experience gains and losses arising on the plan liabilities - gain (loss)	(231)
Effects of changes in the demographic assumptions underlying the present value of the DB obligation - gain (loss)	119
Effects of changes in the financial assumptions underlying the present value of the DB obligation - gain (loss)	519
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	(12)
Total amount recognised in Other Comprehensive Income - gain (loss)	(12)

Notes to the Accounts

for the year ended 31 March 2022

	Year to:	31.03.2022	31.03.2021
		£'000s	£'000s
Assets			
Global Equity		1,218	1,024
Absolute Return		255	355
Distressed Opportunities		227	185
Credit Relative Value		211	202
Alternative Risk Premia		209	242
Fund of Hedge Funds		-	1
Emerging Markets Debt		185	259
Risk Sharing		209	234
Insurance-Linked Securities		148	154
Property		171	133
Infrastructure		452	428
Private Debt		163	153
Opportunistic Illiquid Credit		213	163
High Yield		55	192
Opportunistic Credit		23	176
Cash		22	-
Corporate Bond Fund		424	379
Liquid Credit		-	77
Long Lease Property		163	126
Secured Income		237	267
Liability Driven Investment		1,772	1,632
Currency Hedging		(25)	-
Net Current Assets		18	39
Total assets		6,350	6,421

None of the fair values of the assets shown above include any direct investments in the employer's own financial instruments or any Property occupied by, or other assets used by, the employer.

Notes to the Accounts

for the year ended 31 March 2022

Key Assumptions

	Year to: 31.03.2022	31.03.2021
	% pa	% pa
Discount Rate	2.79	2.12
Inflation (RPI)	3.66	3.31
Inflation (CPI)	3.23	2.84
Salary Growth	4.23	3.84
Allowance for commutation of pension for cash at retirement	75% of max allowance	75% of max allowance

	Year to: 31.03.2022	Expectancy
Mortality assumptions adopted at 31.03.22 imply the following life expectancies at age 65		
Male retiring in 2022		21.1
Female retiring in 2022		23.7
Male retiring in 2042		22.4
Female retiring in 2042		25.2

17 Related parties

There have been no related party transactions that require disclosure other than transactions with the wholly owned subsidiary company, Avante Care Services Ltd (a limited company that carries out trading activities on behalf of the charity registered in England & Wales no. 09402720).

Transactions as below:

	Avante Care Services Ltd	
	2022	2021
	£	£
Balance at 01.04.2021	1,595,311	1,636,122
Recharges to Subsidiary	16,861,336	16,756,084
Management charge to Subsidiary	168,613	167,561
Repayments from Subsidiary	(16,858,624)	(17,315,125)
Gift Aid due to parent	435,088	350,669
Balance at 31.03.2022	2,201,724	1,595,311

Summary of Balance Sheet

	Avante Care Services Ltd	
	2022	2021
	£	£
Current assets	2,201,725	1,595,312
Current liabilities	(2,201,724)	(1,595,311)
Net current assets/(liabilities)	1	1
Capital and reserves	1	1

Notes to the Accounts

for the year ended 31 March 2022

Summary of Income and Retained Earnings

	Avante Care Services Ltd	
	2022	2021
	£	£
Turnover	17,465,037	17,274,314
Cost of sales	(16,861,336)	(16,756,084)
Management fee	(168,613)	(167,561)
Gift Aid donation	(435,088)	(350,669)
Retained earnings at end of period	-	-

18 Acting as an agent

Avante Care & Support act as an agent for the London Borough of Bexley by collecting fee income from clients and then passing these over to the London Borough of Bexley.

	Year to: 31.03.2022	31.03.2021
Balance held as an agent at 31.03.2021	556,945	540,402
Amount invoiced as an agent during the year	(20,483)	609,045
Amount passed over to the London Borough of Bexley during the year	(510,923)	(592,502)
Balance held as an agent at 31.03.2022	25,539	556,945

Split of balance held:

Debtors outstanding at year-end	25,479	321,835
Funds awaiting transfer to London Borough of Bexley	60	235,110
Balance at 31.03.2022	25,539	556,945