

# Annual Report and Financial Statements

for the year ended 31 March 2023

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 2023

> Chair'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	4
> Report of the Board of Trustees: Strategic report	7
> Independent auditor's report	17
> Simplified operating statement	21
> Consolidated statement of financial activities (SOFA)	22
> Balance sheets	23
> Consolidated cash flow statement	24
> Notes to the accounts	25

## Chair's Introduction

This is my first Chair's Introduction since taking over as Chair of Avante. It is a great honour to take on this role and to pay tribute to my predecessor, Jackie Churchward-Cardiff, who led the organisation through a period of rapid change and through the rigours of the pandemic.

In her 2022 report, the Chair described the experience of the Covid pandemic for Avante, its residents and staff. In this last year, whilst Covid has been less of an operational reality, the organisation has been engaged in recovering from the impact of Covid, both operationally and financially, and returning to normal business. Although Avante came through the pandemic in better shape than many other organisations, this has still been a difficult process, but the recovery is largely on track. Avante is still, however, vulnerable to all of the issues that afflict the care sector so the path is not going to be entirely smooth.

Most topically, at time of writing, the question of local authority finances is reaching more critical levels with a number of councils nationally effectively declaring themselves bankrupt. Fortunately, none of the four councils with whom Avante primarily deals have had to take this step, but they will not be immune from the growing crisis. This is profoundly unhelpful for the care sector's and Avante's need to achieve a fair price for care.

The other major crisis issue for the social care over the last year has been that of recruitment and retention. Again, Avante has been seriously affected by this and, at times use of agency staff at some of the homes has been extremely high. I am very pleased to report that for Avante at least, the situation has seen significant improvement and in conversation with a number of our home managers, they confirm this.

As well as being affected by national and regional issues, like all other organisations, "events" happen and can have profound effects. For Avante this year this was a fire at Park View Care Home. This caused the closure of the home for a few months, but, most importantly, no-one was seriously hurt. To see the impact of the fire on the building was very sobering. The staff at Park View acted with great care and professionalism and no little heroism. There was also a great team effort on the day with the Police, London Fire Brigade and Bexley Council all pulling together along with Avante staff on site and at Head Office. We were able to celebrate the formal re-opening of the Home only a few weeks ago which was a joyous event. All credit must go to the Park View team and the Property team who made this possible in such a short space of time.

This has been a relatively quiet year in terms of full CQC inspections as they get back up to speed, but there have been successes along the way. This has not meant any lessening of the drive towards improved quality across the board with our own audits and specific support activity from the Quality Team.

Alongside all of this has been the implementation of a new electronic care planning system across all homes. This has been a major undertaking which went extremely well. More importantly it appears to have been almost universally welcomed by the staff who use it freeing up more time to spend with residents. Further IT developments are planned for the near future.

We continue to promote the Eden Alternative as our Philosophy of Care, providing highly personalised care and a life affirming experience for our service users. When I visit our services, I often see this so clearly being put into practice.

Avante continues to look forward with advanced plans regarding the construction of new homes and other new opportunities.

Change is always a factor; a few weeks ago, the organisation wished our Director of Quality a happy and well-earned retirement. We have been fortunate to appoint a replacement and we look forward to his joining the organisation. We have also recently appointed four new trustees of widely differing, but enormous experience who are contributing to the organisation's strategic direction.

This past year has been eventful in many ways and at times has put the organisation under great strain. It has, however, come through strongly and we look forward to an exciting year ahead.



Andrew Ireland  
26 September 2023

# Avante Care and Support Limited

## Report of the Board of Trustees for the year ended 31 March 2023

The Board presents the consolidated report and financial statements of Avante Care and Support for the year ended 31 March 2023. 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 Trustees<sup>1</sup>

Jackie Churchward-Cardiff (Jan 2018 to Oct 2022)  
Andrew Ireland (Appointed Aug 2018)

Gillian Gibb (Appointed Jun 2017)  
Peter Gingell (Appointed Sep 2020)  
Mark Hosea (Jan 2018 to Jan 2023)  
Finbarr Murray (Feb 2018 to Nov 2022)  
Stephen King (Appointed Sep 2020)  
Michael Wilshaw (Appointed Sep 2020)  
Joanna Audley (Mar 2021 to Jun 2023)  
Sureshraj Anandraj (Appointed Nov 2021)  
Caroline Kaiser (Appointed Mar 2023)  
Rasheed Ahmad (Appointed Mar 2023)  
Peter Bannister (Appointed Mar 2023)  
William Purvis (Appointed Mar 2023)

Chair (Jan 2018 to Oct 2022)

Chair of Finance & Resources Committee (Sep 2018 to Oct 2022),

Deputy Chair (April 2021 to Oct 2022) and Chair (Appointed Nov 2022)

Chair of Care & Quality Committee (Aug 2018) and Deputy Chair (Appointed Nov 2022)

Chair of Finance & Resources Committee (Appointed Nov 2022)

#### 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 TN1 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 26 September 2023 that Price Bailey LLP be re-appointed Auditor of Avante Care & Support for the year ending 31 March 2024.



## 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 four new Trustees during the year and three Trustees resigned in 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 4 occasions 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 ended 31 March 2022 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 were reported at each Board of Trustees meeting with the final report 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 5 occasions
- Care & Quality Committee which met on 3 occasions
- Chairman's Group which did not need to meet during the year
- Remuneration Committee which met on 1 occasion during the year

The meetings are generally held on a quarterly basis, with Chairman's Group only meeting when required.

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. During the year the Inter Company Agreement was reviewed and updated.

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. He is 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 Technology and providing support to and deputising for the Managing Director.
- The Director of People and Organisational Development, Veronica Anthony-David, is responsible for all staff-related matters including central recruitment services and organisational and workforce development.
- The Director of Quality, Jacqui Morris, was 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. She also managed the Learning and Development Team. Jacqui retired in August 2023, but will be retained on a consultancy basis for two days per week until the new Director of Quality commences in November 2023.
- The Director of Care Operations, Sarah-Jane Clapson, 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. He is also responsible for Health and Safety.

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 and the number of volunteers has now started to increase following the lower participation during the pandemic.

In total it is estimated that the economic value of the time given by volunteers in 2022/23 was in excess of £15k (2021/22 £6k). This was through approximately 6 regular volunteers giving approximately 1,450 hours of their time. We hope that this activity will continue to 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:-**

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

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, following the Covid 19 Pandemic, our occupancy in care homes steadily recovered. Unfortunately, hours delivered in the community did not recover in the same way, mainly due to the inability to attract and retain staff.

**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 628 older people (563 in 2021/22) in our 10 Care Homes for both Residential and Day Care, although Day Care Services were only delivered at Court Regis. Over 80% of our residents have high dependency needs resulting from dementia and Alzheimer's and nursing care requirements. Occupancy recovered throughout the year following the Covid 19 pandemic. In March 2022 Occupancy was 85.2% but by the year-end had improved to 90.0%. The average for the year ended 31 March 2022 was 88.4%. (82.5% during 2021/22).

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 remaining effects of the pandemic. At the year-end 34.0%% (33.7% during 2021/22) of our service users were self-funded and actual numbers were 209 (196 2021/22) compared to a budget of 195 (205 2021/22). Self-funder placements reduced significantly due to the pandemic and have been 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 291 people (435 in 2021/22) 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 which has continued since the previous year, 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, 31.7% (20.7% 2021/22) of the service was delivered to self-funded customers. The increase was due to a drive to prioritise Self-funded clients because of the uneconomic rates paid by Local Authorities.

#### 4.3 Facts and Figures about our Services

As at 31/3/2023	Income £	No. of clients/service users/customers	Staff Employed
Care Homes	29,974,114	628	927
Home Care & Support	2,577,493	291	127

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 staff figures shown above are as at 31 March 2023 and exclude corporate support functions.

Comparatives as at 31/3/2022

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

## 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

Highlights for the year include the achievement of a Good rating from CQC at Chaucer House, the successful roll out of our electronic care planning system and the improvement in recruitment, particularly in the last quarter.

From a financial perspective, our performance was very strong in the first six months' of the year enabling us to make an in year pay award to help staff in the cost of living crisis. Unfortunately, we were not able to maintain progress against increasing budgets in the second half of the year and this, combined with the poor financial performance of Home Care meant that we were behind budget for most of the second half of the year. Nevertheless, Avante as a whole achieved a better than budget performance for the full 12-month period.

The Property Team worked hard to deliver the planned maintenance programme and the remedial fire safety works programme.

In the care homes, six out of ten KPIs were achieved. The difficulties we have experienced in Home Care are reflected in that only two out of nine KPIs were achieved.

### 5.2 Financial Review

For 2022/23 there was a budgeted surplus of £293,377, taking into account the ongoing financial implications of lower, but improving occupancy. The actual surplus achieved was £1,751,711 (2021/22 £1,749,899) i.e. £1,458,334 better than budget. This partly due to the SWAPS revaluation which resulted in a gain of £475,910, which was £181,123 higher than budgeted and pensions valuation movements of £327,114. In addition there was a VAT reclaim of £569,728 which covered the period from 2019 to 2023 due to change in the method of calculating the VAT reclaimable under Partial Exemption criteria. There were also high staffing costs at some points particularly over Christmas and the New Year, however this improved significantly in the last quarter with improvement in recruitment as well as sourcing staff from overseas.

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

Of the total resources expended, 78% (2021/22 79%) of expenditure was on staff costs including training and recruitment, but excluding redundancy and notice costs. The percentage of total costs spent on staff costs has reduced slightly due to the lower agency use and removal of some shift premiums following the pandemic offset by the significant increase in the National Living Wage.

On 30 March 2022, a fire broke out in the hairdressing salon at Parkview care home. Fortunately no one was seriously injured and the fire was limited to a small area, however, there was extensive smoke damage to one section of the building. All residents and staff were evacuated and cared for elsewhere. On 12 June 2023 part of the home was available to reoccupy and at the time of writing this report repair and redecoration works are in the final stages. There was limited financial impact in the year with less than two days remaining. Insurers have confirmed cover for the cleaning and repair works and the loss of income claim is still being discussed with Loss Adjustors.

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. An analysis during the year showed that Avante's overheads were in line with those of colleague NCF organisations delivering similar services.

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 2023, had defined benefit pension scheme net liabilities of £1.123m million (2022 net liability £3.038 million). The 2023 figure includes a surplus on the London Borough of Bexley Scheme of £3.603m restricted to £93k due to the Pension Asset Ceiling valuation and a surplus on the Kent County Council Scheme of £991k restricted to nil whilst we await the Pension Asset Ceiling Valuation. There were revenue account adjustments of £327k. (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 in the previous two years 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. Good progress was made during the year with the Planned Maintenance Programme with £341k spent on revenue funded Major Repairs and Decorating, £984k on capitalised Furniture and Equipment and £725k on Property Improvements – a total investment of over £2m.

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. Avante Care and Support fully met its loan covenant requirements at 31 March 2023.

#### 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 invested overnight with Barclay's interest earning accounts to ensure that maximum benefit is achieved by earning interest on balances held.

#### 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, 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 ten year financial forecast which is regularly updated. The forecast shows that, despite lower occupancy experience in the last two years, 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 £4.281 million of unrestricted funds (2021/22 £4.418m), which is £2.481 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 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 may 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, although this improved significantly during the year.

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 continue to recover to previous levels over the next year. 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.

The fire safety review noted last year, indicated that there are potentially significant improvements required to fire doors and compartmentalisation across our homes which have been factored into the financial forecasts over the next 5 to 10 years. The works have been prioritised, costed and planned and work at three homes has already been undertaken. 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 the 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 were temporary reductions in the number of staff working at Head Office due to the pandemic, this has now changed with staff coming into the office and some working on a hybrid basis.

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.

The Trustees of 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.

During the year the Director of People and Organisational Development began holding quarterly Avante Leadership Networks days where Managers come together and focus on specific subject to develop their communication, awareness and leadership skills.

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.

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 2022 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. The Sparkle Awards went ahead in 2022 and plans for the 2023 ceremony are underway.

#### **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 in the garden.

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 2023

	2023	2022	2021
UK energy use kWh	8,426,548	8,907,503	8,882,430
Associated greenhouse gas emissions Tonnes CO2 equivalent	1,697,945	1,786,873	1,789,649
Intensity ratio Emissions per £1 of turnover	19.0	17.38	17.32

UK energy use covers the operation of 10 care homes and home care services.

Associated Greenhouse gases have been calculated using data from supplier invoices and conversion factors published on Gov.uk. Energy use and emissions have reduced in the year but Emissions per £1 of turnover have increased.

### 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 the pandemic has made it more so. The organisation has continued to recover during the last year and aside from the fire at Parkview is doing really well with occupancy.

Avante's Executive Team and Trustees believe 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 3 year business plan builds on the achievements to date ensuring that we are sufficiently robust to survive into the future.

Avante has a ten year financial forecast which is updated quarterly. The forecast 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. In addition, Management have taken measures such as recruiting a post to carry out assessments to help speed up the process from enquiry to admission. On this basis, Avante maintains sufficient cash and reserves levels to continue to operate for the foreseeable future and reserves continue to grow.

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 2022/23 showed that the cash flow cover covenant would be breached during the year of recovery and an agreement was reached to waive this covenant up until 31 December 2022 and replace it with a Debt Service Cover. Due to improved performance, however, all original covenant tests were met during the year.

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 2023 was 12.1% (2022 13.1%) 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.

Progress during 2022/23, year 2 of the plan, is detailed against each objective below:

## 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  
  
The chat bot is answering common queries with 49 blog articles available. Further work on the user experience was completed by the year end.
- ii) We will develop a clear USP and brand, and enhance our marketing to differentiate Avante as a provider of high-quality care  
  
The USP has been defined as our charitable status, our people and the Eden Alternative. The Marketing Team worked on producing an Avante Video to demonstrate this.
- iii) We will deliver the Digital Strategy, maximising the use of technology and innovating to improve care and support we deliver  
  
Electronic Care Planning was implemented in several homes with the remainder to be implemented by June 2023. Work has been carried out to choose an EMAR system and we have engaged residents in VR Projects

## 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  
  
The Care Homes recovered well exceeding their occupancy and EBITDA Targets, whilst Home Care continued to struggle to recruit staff and therefore recover the number of hours delivered
- 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  
  
Targets were set and most homes exceeded the expected levels, as did the homes overall. Home Care was not included in this exercise and a separate recovery plan was put in place.
- 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  
  
A development fund has been generated to support new developments and at year end this stood at circa £2.5m. At the year-end discussions were still ongoing with Barclays regarding funding for new developments.

## Goal 3 - Service development

### Key objectives:

- i) We will devise and implement an agreed minimum design standard for new opportunities and all existing homes  
  
This was completed
- ii) We will implement a programme of development in our existing homes to maximise their economic life  
  
10 Year Planned Maintenance Programme in place with expenditure against this being updated
- 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  
  
Planning Permission obtained for Westgate on Sea in January 2023. Other opportunities being considered.

## 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
- Localised recognition – badges and recognition wall for employee of week.  
Sparkle Awards took place October 2022. Increased value of Christmas voucher to £50 for all staff. Additional bank holiday pay enhancements agreed for Christmas and the New Year.
- 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.
- Numbers of new recruits increased during the year and an International Recruitment campaign commenced in January 2023
- 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.
- The Avante Leadership Network was launched during the year and 3 days of learning and development went ahead on a quarterly basis.  
Developed Career pathways for frontline staff and training for Deputy Managers who wish to become Managers.

## 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>Strategic - Damage to reputation:</p> <ul style="list-style-type: none"><li>• Social media 'attack'</li><li>• Adverse reporting on the organisation</li><li>• Untoward death or abuse</li><li>• Service closure / transfer</li><li>• Increased CQC scrutiny</li><li>• Increased Public Health scrutiny</li><li>• Increased Police scrutiny</li><li>• Increased Safeguarding scrutiny</li><li>• Increased Fire Safety scrutiny</li><li>• Staff Behaviour</li><li>• Inappropriate use of Social Media</li></ul>	<p>a) Quality Audit and inspection programme and procedures b) Agreed HR policies and training c) Good Communications, social media and Marketing Policy d) Infection control measures e) incident reporting and EMT and Board oversight f) Marketing Team responsible for communications g) Fire risk assessments, additional training and plans for fire safety improvements</p> <p>Actions: Media Training, Fire Safety Training</p>
<p>Strategic - Loss of income:</p> <ul style="list-style-type: none"><li>• LA retendering of commissioned services at uneconomic rates or reduction in contracted services</li><li>• Unable to provide LA reconfigured services</li></ul>	<p>a) Marketing of services b) Seeking growth opportunities and diversification c) EMT monitoring of performance via KPIs d) Quality control inspections including external / Mock Inspections</p>

<ul style="list-style-type: none"> <li>• LA / CQC sanctions re Safeguarding /Compliance causing embargos</li> <li>• Closure of homes or reduction of beds/ loss of services</li> <li>• Reduction in private income</li> <li>• More competition in the market</li> <li>• Failure to adapt to changing market requirements</li> <li>• Fair Cost of Care Exercise &amp; Funding Reforms</li> </ul>	<ul style="list-style-type: none"> <li>e) Proactive management – Needs Assessment tool in place to ensure that changes in needs are being recorded correctly to achieve appropriate fees.</li> <li>f) Networking and relationships with Commissioners</li> <li>i) Service development plan for each home</li> <li>j) Care and home care strategy and workforce development strategy in place.</li> <li>k) Continue to improve our financial performance through increasing occupancy and the number of self-funding residents – budget management – new targets set each year</li> <li>n) Quality strategy</li> <li>o) minimise costs where appropriate</li> <li>p) new enquiry framework and assessment officer in place Flexible Recruitment Service to deliver resources</li> <li>q) Property strategy</li> <li>r) Virtual tours in place</li> </ul> <p>Actions: Implement revised Needs Assessment Tool and room banding policy to achieve appropriate fees</p>
<p>Strategic - Changing World:</p> <ul style="list-style-type: none"> <li>• Keeping up with competitors in terms of technology.</li> <li>• Recruitment of Staff</li> <li>• Ukraine</li> <li>• Government impact on economy</li> </ul>	<ul style="list-style-type: none"> <li>a) Forecast in place to enable scenario planning and stress testing to be completed.</li> <li>b) Strategy and 3 year business plan in place from Apr 21. Monitored monthly by EMT</li> <li>c) Engaging with extra care suppliers</li> <li>d) Keeping in touch with networks to spot opportunities</li> </ul> <p>Actions: Innovations Group investigating new technologies in care – implementations and pilots ongoing</p>
<p>Operational - Effects of Noncompliance (Organisational)</p> <p>Breaches of:</p> <ul style="list-style-type: none"> <li>• GDPR</li> <li>• Environmental Health</li> <li>• HSE</li> <li>• Employment Law</li> <li>• Fire Regulations</li> <li>• Poor Governance</li> <li>• Cyber Security</li> <li>• CQC Compliance</li> <li>• Fraud</li> </ul>	<ul style="list-style-type: none"> <li>a) Internal Audit processes</li> <li>b) Annual Financial Audit</li> <li>c) QCS quality system in place</li> <li>d) Legal Advice</li> <li>e) Fire safety inspections</li> <li>f) Centralised database of relevant certification – M&amp;C Schedule</li> <li>g) Planned programme of property maintenance</li> <li>h) ICT policy and security measures in place</li> <li>i) Fit and Proper Persons policy and procedures for Trustees and Trustee recruitment</li> <li>j) The Board of Trustees have reviewed and adopted the Governance Code</li> <li>k) Board have delegated to F&amp;R the review of GDPR</li> <li>l) Cyber Security – Regular review of measures in place</li> <li>m) Audit programme both are service level and through QIP by Quality Team</li> <li>n) Staff trained in medication procedures</li> <li>o) Fire Safety Works programme commenced</li> </ul> <p>Actions: Implement EMAR system</p>
<p>Operational - Serious infection outbreak:</p> <ul style="list-style-type: none"> <li>• Viral/ Bacterial</li> <li>• Loss of income</li> <li>• Loss of Reputation</li> <li>• Reduction in staff / residents</li> </ul>	<ul style="list-style-type: none"> <li>a) Maintaining infection control systems &amp; audit thereof</li> <li>b) Legionella Policy with planned inspections</li> <li>c) ASB staff cover to maintain continuity of practice delivery</li> <li>d) Regular updates on Best Practice</li> <li>e) Bi Annual Kitchen deep clean</li> <li>f) Chlorine dosing system roll out</li> <li>g) Proactive action plan and core competencies for infection control</li> <li>h) Annual Infection control statement completed for C&amp;CQ</li> <li>k) Corona Virus - following government and NHS recommendations and keeping up to date on these.</li> <li>m) Ensuring staff have adequate PPE</li> </ul>

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 26 September 2023 and signed on its behalf by:



Andrew Ireland  
Chair of the Board of Trustees



# Independent Auditor's Report to the 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 2023 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 2023, 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](http://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 schemes, 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.

*H. Wilkinson*

***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

*10 October 2023*

# Simplified Operating Statement

for the year ended 31 March 2023

		2023	2022
	Note	£	£
<b>Charitable activities</b>			
Income from Care Homes services	2	29,975,164	25,264,104
Expenditure on Care Home services	3	(27,900,911)	(25,209,367)
<b>Surplus/(Deficit) on Care Home services</b>		<b>2,074,253</b>	<b>54,737</b>
 Income from Homes Care & Support services	2	2,577,493	3,572,216
Expenditure on Home Care & Support services	3	(2,983,416)	(3,838,141)
<b>Deficit on Home Care &amp; Support services</b>		<b>(405,923)</b>	<b>(265,925)</b>
 <b>Surplus/(Deficit) from charitable activities</b>		<b>1,668,330</b>	<b>(211,188)</b>
 <b>Voluntary and other activities</b>			
Income from donations, legacies and grants		25,127	1,891,134
Other trading income		52,888	8,554
Miscellaneous income		5,366	64,899
Profit on sale of fixed assets		-	-
<b>Income from voluntary and other activities</b>		<b>83,381</b>	<b>1,964,587</b>
 <b>Surplus from voluntary and other activities</b>		<b>83,381</b>	<b>1,964,587</b>
 <b>Net income before other recognised gains/losses</b>		<b>1,751,711</b>	<b>1,753,399</b>

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

# Consolidated Statement of Financial Activities (SOFA)

for the year ended 31 March 2023

		Unrestricted funds	Restricted funds	Total 2023	Unrestricted funds	Restricted funds	Total as Restated 2022
		£	£	£	£	£	£
<b>Income from:</b>							
Donations, legacies and grants		-	25,127	25,127	-	1,891,134	1,891,134
Charitable activities	2	32,552,657	-	32,552,657	28,836,320	-	28,836,320
Other trading income		52,888	-	52,888	8,554	-	8,554
Other income		5,366	-	5,366	8,760	-	8,760
Other income - furlough		-	-	-	56,139	-	56,139
<b>Total income</b>		<b>32,610,911</b>	<b>25,127</b>	<b>32,636,038</b>	<b>28,909,773</b>	<b>1,891,134</b>	<b>30,800,907</b>
<b>Expenditure on:</b>							
Charitable activities							
- Care Home services		27,870,312	30,599	27,900,911	23,591,025	1,618,342	25,209,367
- Home Care & Support services		2,982,921	495	2,983,416	3,568,859	269,282	3,838,141
<b>Total expenditure</b>	3	<b>30,853,233</b>	<b>31,094</b>	<b>30,884,327</b>	<b>27,159,884</b>	<b>1,887,624</b>	<b>29,047,508</b>
<b>Net income/(expenditure)</b>		<b>1,757,678</b>	<b>(5,967)</b>	<b>1,751,711</b>	<b>1,749,889</b>	<b>3,510</b>	<b>1,753,399</b>
<b>Other recognised gains/losses</b>							
Act'l gain/(loss) on pension liability	16	1,587,825	-	1,587,825	1,189,968	-	1,189,968
<b>Net movement in funds</b>		<b>3,345,503</b>	<b>(5,967)</b>	<b>3,339,536</b>	<b>2,939,857</b>	<b>3,510</b>	<b>2,943,367</b>
<b>Balance b/fwd at 01 April</b>							
As Previously Reported		55,832,882	71,338	55,904,220	54,284,025	67,828	54,351,853
Prior Year Adjustment					(1,391,000)	-	(1,391,000)
<b>As Restated</b>		<b>55,832,882</b>	<b>71,338</b>	<b>55,904,220</b>	<b>52,893,025</b>	<b>67,828</b>	<b>52,960,853</b>
<b>Balance c/fwd at 31 March</b>		<b>59,178,385</b>	<b>65,371</b>	<b>59,243,756</b>	<b>55,832,882</b>	<b>71,338</b>	<b>55,904,220</b>

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 25 to 53 form part of these financial statements

# Balance Sheets

for the year ended 31 March 2023

	Note	2023		Total as Restated 2022	
		Consolidated £	Charity Only £	Consolidated £	Charity Only £
<b>Fixed assets</b>					
Tangible fixed assets	6	63,267,348	63,267,348	62,671,165	62,671,165
Investment		-	1	-	1
		<b>63,267,348</b>	<b>63,267,349</b>	<b>62,671,165</b>	<b>62,671,166</b>
<b>Current assets</b>					
Debtors	7	3,327,624	2,026,397	2,568,910	1,428,863
Amounts owed by group undertakings	17	-	2,362,100	-	2,201,725
Short term deposits	1.11	3,031,066	3,031,066	2,853,555	2,853,555
Cash at bank and in hand	1.11	2,988,258	1,927,384	4,120,132	3,058,453
		<b>9,346,948</b>	<b>9,346,947</b>	<b>9,542,597</b>	<b>9,542,596</b>
<b>Creditors: amounts falling due within one year</b>					
Creditors falling due within one year	8	4,891,433	4,891,433	4,949,725	4,949,725
<b>Capital repayments due within one year</b>					
on long term loans	10	699,189	699,189	699,189	699,189
<b>Creditors: amounts falling due within one year</b>		<b>5,590,622</b>	<b>5,590,622</b>	<b>5,648,914</b>	<b>5,648,914</b>
<b>Net current assets</b>		<b>3,756,326</b>	<b>3,756,325</b>	<b>3,893,683</b>	<b>3,893,682</b>
<b>Total assets less current liabilities</b>		<b>67,023,674</b>	<b>67,023,674</b>	<b>66,564,848</b>	<b>66,564,848</b>
<b>Creditors: amounts falling due after one year</b>					
Interest rate swap liability		(14,849)	(14,849)	(281,430)	(281,430)
Bank loan accounts	10	(6,642,297)	(6,642,297)	(7,341,487)	(7,341,487)
<b>Net assets excluding pension liability</b>		<b>60,366,528</b>	<b>60,366,528</b>	<b>58,941,931</b>	<b>58,941,931</b>
Pension Asset	16	93,000	93,000	-	-
Pension liability	16	(1,215,772)	(1,215,772)	(3,037,711)	(3,037,711)
<b>Net assets</b>		<b>59,243,756</b>	<b>59,243,756</b>	<b>55,904,220</b>	<b>55,904,220</b>
<b>Represented by:</b>					
Unrestricted funds excluding pension liability		45,162,484	45,162,484	43,731,920	43,731,920
Pension liability		(1,122,772)	(1,122,772)	(3,037,711)	(3,037,711)
Revaluation reserve		15,138,673	15,138,673	15,138,673	15,138,673
<b>Total unrestricted funds</b>		<b>59,178,385</b>	<b>59,178,385</b>	<b>55,832,882</b>	<b>55,832,882</b>
Restricted funds		65,371	65,371	71,338	71,338
<b>Balance carried forward at 31.03.2023</b>		<b>59,243,756</b>	<b>59,243,756</b>	<b>55,904,220</b>	<b>55,904,220</b>

Approved and authorised by the Board of Trustees on 26 September 2023 and signed on its behalf by:

Andrew Ireland, Chair:



# Consolidated Cash Flow Statement

for the year ended 31 March 2023

		2023	Total as Restated 2022
	Notes	£	£
<b>Cash flows from operating activities</b>			
Net income/(expenditure)		1,751,711	1,753,399
Pension contribution less current service and finance cost	16	(327,114)	36,141
Interest paid	4	349,788	473,325
Depreciation charge	6	1,179,756	1,078,967
Decrease/(increase) in debtors		(758,714)	(346,327)
(Decrease)/increase in creditors		(324,873)	(255,552)
<b>Net cash generated from operating activities</b>		<b>1,870,554</b>	<b>2,739,953</b>
<b>Cash flows from investing activities</b>			
Payments to acquire tangible fixed assets	6	(1,775,937)	(973,169)
<b>Net cash generated from investing activities</b>		<b>(1,775,937)</b>	<b>(973,169)</b>
<b>Cash flows from financing activities</b>			
Loans repaid		(699,189)	(699,189)
Interest paid on long-term loans	4	(349,788)	(473,325)
<b>Net cash used by financing activities</b>		<b>(1,048,977)</b>	<b>(1,172,514)</b>
Net Increase/(decrease) in cash		(255,174)	1,293,459
Cash and cash equivalents at beginning of year		(1,066,990)	(2,360,448)
Cash and cash equivalents at the end of the year		(1,322,164)	(1,066,989)

	At 31.03.2022	Cash flow	At 31.03.2023
<b>Analysis of net debt</b>			
Short-term deposits	2,853,555	177,511	3,031,066
Cash at bank and in hand	4,120,132	(1,131,874)	2,988,258
Net cash	6,973,687	(954,363)	6,019,324
Changes in debt; bank loan	(8,040,677)	699,189	(7,341,488)
<b>Changes in net debt</b>	<b>(1,066,990)</b>	<b>(255,174)</b>	<b>(1,322,164)</b>

# Notes to the Accounts

for the year ended 31 March 2023

## 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 £1,751,711 (2022: £1,753,399) before recognised gains on Pension liability of £1,587,825 to give net movement in funds of £3,339,536 (2022: £2,943,367).

### 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 2023

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 2023

## 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 loan financing, this is secured against the fixed assets of the charity which have a greater value than the loan.

During the year to March 2023, occupancy improved following the impact of Covid in the previous year.

Agreement was reached with Barclays Bank in the year to 31st March 2023 to replace the Cashflow Covenant with a Debt Service Covenant.

All covenant tests including the original tests were, however, met in the year. Forecasts carried out as part of the year ended 31st March 2023 showed that all covenant tests will be met going forwards.

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 2023

	2023	2022 total as restated
	£	£
<b>Financial assets held at amortised cost</b>		
Debtors	3,327,624	2,568,910
Short-term deposits	3,031,066	2,853,555
Cash at bank and in hand	2,988,259	4,120,132
Less prepayments	(489,147)	(453,149)
	<b>8,857,802</b>	<b>9,089,448</b>
	2023	2022 total as restated
	£	£
<b>Financial liabilities held at amortised cost</b>		
Current creditors and accruals	4,241,753	4,060,520
Less deferred income	(352,230)	(167,169)
Bank loans	7,341,486	8,040,676
	<b>11,231,009</b>	<b>11,934,027</b>
	2023	2022 total as restated
	£	£
<b>Financial liabilities held at valuation</b>		
Interest rate swap liability	(73,745)	402,165
	<b>(73,745)</b>	<b>402,165</b>

## 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.

# Notes to the Accounts

for the year ended 31 March 2023

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

## 2 Income

### Charitable activities

Care Homes

Home Care & Support

2023	2022 total as restated
£	£
29,975,164	25,264,104
2,577,493	3,572,216
<b>32,552,657</b>	<b>28,836,320</b>

### Government grants

Covid-19 grant income - Infection Control, LFD Testing and Workforce Capacity

Furlough grants

2023	2022 total as restated
£	£
(131)	1,870,041
-	56,139
<b>(131)</b>	<b>1,926,180</b>

# Notes to the Accounts

for the year ended 31 March 2023

## 3 Expenditure

### 3.1 Analysis of total expenditure

	Staff costs £	Other direct costs £	Support costs £	Governance £	Total 2023 £
<b>Charitable activities</b>					
Care Homes	18,820,455	5,519,631	3,006,619	554,206	27,900,911
Home Care & Support	2,184,878	407,805	343,078	47,655	2,983,416
	<b>21,005,333</b>	<b>5,927,436</b>	<b>3,349,697</b>	<b>601,861</b>	<b>30,884,327</b>

	Staff costs £	Other direct costs £	Support costs £	Governance £	Total as Restated 2022 £
<b>Charitable activities</b>					
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
	<b>20,264,137</b>	<b>5,546,511</b>	<b>2,718,308</b>	<b>518,552</b>	<b>29,047,508</b>

### 3.2 Analysis of support costs

	Care Homes £	Home Care & Support £	Total 2023 £	Care Homes £	Home Care & Support £	Total as Restated 2022 £
Staff costs	2,098,837	239,493	2,338,330	1,722,664	295,309	2,017,973
Premises	102,973	11,750	114,723	91,356	15,661	107,017
Operating costs	792,243	90,401	882,644	494,541	84,777	579,318
Depreciation	12,566	1,434	14,000	11,951	2,049	14,000
	<b>3,006,619</b>	<b>343,078</b>	<b>3,349,697</b>	<b>2,320,512</b>	<b>397,796</b>	<b>2,718,308</b>

### 3.3 Analysis of governance costs

	Care Homes £	Home Care & Support £	Total 2023 £	Care Homes £	Home Care & Support £	Total as Restated 2022 £
Support costs	267,965	23,042	291,007	219,425	31,026	250,451
Audit	36,234	3,116	39,350	29,096	4,114	33,210
Valuations	10,122	870	10,992	9,584	1,355	10,939
Trustee expenses	17,352	1,492	18,844	9,206	1,302	10,508
Other	(35,970)	(3,093)	(39,063)	(19,836)	(2,805)	(22,641)
Strategy	258,502	22,228	280,730	206,839	29,246	236,085
	<b>554,205</b>	<b>47,655</b>	<b>601,860</b>	<b>454,314</b>	<b>64,238</b>	<b>518,552</b>

# Notes to the Accounts

for the year ended 31 March 2023

## 3.4 Auditor remuneration

	2023	2022 as Restated
	£	£
<b>Total remuneration payable to the charity's auditor in the period:</b>		
Statutory audit:		
Charity	30,250	25,850
Subsidiary	4,250	3,150
	<b>34,500</b>	<b>29,000</b>
Non-audit services:	6,864	1,416

## 3.5 Net Income

	2023	2022 as Restated
	£	£
<b>Net income is stated after charging:</b>		
Operating lease payments	684,372	654,988
Profit on sale of fixed assets	-	-
Depreciation	1,179,756	1,078,967
Auditors remuneration	34,500	29,000
VAT Advice	6,864	1,416
	<b>1,905,492</b>	<b>1,764,371</b>

## 4 Interest payable

	2023	2022 as Restated
	£	£
On bank loans and overdrafts	349,788	473,325
	<b>349,788</b>	<b>473,325</b>

## 5 Operating leases

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

		2023	2022 as Restated
		£	£
<b>Under 1 year:</b>	Land and buildings	632,609	611,419
	Others (motor vehicles, photocopiers, franking machines)	70,804	75,808
<b>Within 2 to 5 years:</b>	Land and buildings	2,561,428	2,486,244
	Others (motor vehicles, photocopiers, franking machines)	23,070	93,874
<b>Over 5 years:</b>	Land and buildings	18,636,986	18,925,400
	Others (motor vehicles, photocopiers, franking machines)	-	-
		<b>21,924,897</b>	<b>22,192,745</b>

During the year costs of £684,372 were incurred against the operating leases listed above (2022: £650,532).

# Notes to the Accounts

for the year ended 31 March 2023

## 6 Fixed assets

### Consolidated and Charity

#### 6.1 Analysis of movement of fixed assets

	Freehold Property £	Leasehold Improv'ts £	Computer Equipment £	Fixtures & Fittings £	Motor Vehicles £	Work in Progress £	Total £
<b>Cost/valuation</b>							
At 01.04.2022	63,223,078	158,714	788,410	1,843,227	192,870	134,107	66,340,406
Additions	146,415	268,853	52,328	998,615	-	309,726	1,775,937
Disposals	-	-	-	-	-	-	-
Revaluations/Impairments	-	-	-	-	-	-	-
Reclassification	(225,250)	225,250	-	-	-	-	-
At 31.03.2023	63,144,243	652,817	840,738	2,841,842	192,870	443,833	68,116,343
<b>Depreciation</b>							
At 01.04.2022	2,008,892	20,029	583,585	878,531	178,202	-	3,669,239
Charge for year	674,735	22,014	100,360	377,518	5,129	-	1,179,756
Disposals	-	-	-	-	-	-	-
Revaluations/Impairments	-	-	-	-	-	-	-
At 31.03.2023	2,683,627	42,043	683,945	1,256,049	183,331	-	4,848,995
<b>Net book value</b>							
As at 31.03.2023	60,460,616	610,774	156,793	1,585,793	9,539	443,833	63,267,348
As at 01.04.2022	61,214,186	138,685	204,825	964,696	14,668	134,107	62,671,167

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 £309,726 relates to ongoing project works at Westgate-on-Sea.

#### 6.2 Disposal of fixed assets

There were no Disposals during the year.

# Notes to the Accounts

for the year ended 31 March 2023

## 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:

	2023 £	2022 as Restated £
Cost	51,147,393	50,654,580
Accumulated depreciation	(11,688,703)	(10,822,209)
Net book value	<b>39,458,690</b>	<b>39,832,371</b>

## 6.4 Capital commitments

Capital expenditure contracted for, unpaid at the year end and not provided for in the financial statements as at 31st March 2023 was £0 (2022: £58,344).

## 7 Current debtors

	2023		2022 total as restated	
	Consolidated £	Charity Only £	Consolidated £	Charity Only £
Trade debtors	1,781,781	856,349	1,668,825	914,764
Other debtors	9,576	9,576	6,876	6,876
Prepayments	489,147	489,147	453,149	453,149
Accrued income	1,047,120	671,325	440,060	54,074
	<b>3,327,624</b>	<b>2,026,397</b>	<b>2,568,910</b>	<b>1,428,863</b>

## 8 Current creditors and accruals

	2023		2022 total as restated	
	Consolidated £	Charity Only £	Consolidated £	Charity Only £
Interest rate swap asset/(liability)	(88,594)	(88,594)	120,735	120,735
Trade creditors	668,436	668,436	1,043,849	1,043,849
Other taxes and social security	738,274	738,274	768,473	768,473
Other creditors	1,433,085	1,433,085	1,267,531	1,267,531
Accruals	1,788,002	1,788,002	1,581,971	1,581,971
Deferred income (note 9)	352,230	352,230	167,169	167,169
	<b>4,891,433</b>	<b>4,891,433</b>	<b>4,949,728</b>	<b>4,949,728</b>

# Notes to the Accounts

for the year ended 31 March 2023

## 9 Deferred income accruals

<b>Consolidated and Charity</b>	<b>Care fees £</b>	<b>Cash in advance £</b>	<b>Others £</b>	<b>Total 2023 £</b>
Brought forward at 01.04.2022	136,898	30,196	75	167,169
Released in current year	(136,898)	(30,196)	(75)	(167,169)
Arising at 31.03.2023	244,144	108,087	-	352,230
<b>Consolidated as at 31.03.2023</b>	<b>244,144</b>	<b>108,087</b>	<b>-</b>	<b>352,230</b>
Charity only as at 31.03.2023	210,909	27,465	-	238,374

  

	<b>Care fees £</b>	<b>Cash in advance £</b>	<b>Others £</b>	<b>Total 2022 as Restated £</b>
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
<b>Consolidated as at 31.03.2023</b>	<b>136,898</b>	<b>30,196</b>	<b>75</b>	<b>167,169</b>
Charity only as at 31.03.2022	159,668	32,319	2,201	194,188

All deferred income at 31.03.2023 is in respect of fees or grants invoiced on or prior to 31.03.2023 but relating to periods after 31.03.2023, or payments in advance pending invoicing or contract reconciliation.

## 10 Creditors: Amounts falling due after more than one year

	<b>2023 £</b>	<b>2022 as Restated £</b>
Interest rate swap liability	14,849	281,430
Bank loans	6,642,297	7,341,487
	<b>6,657,146</b>	<b>7,622,917</b>

	<b>Contractual obligation at 31.03.2023 £</b>	<b>at 31.03.2022 as Restated £</b>
<b>The total bank loans are repayable as follows:</b>		
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	3,845,540	4,544,730
	<b>7,341,486</b>	<b>8,040,676</b>

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 £60,460,616 (2022: £61,214,186).

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 as an asset at £73,745 (2022: liability £1,403,779).



# Notes to the Accounts

for the year ended 31 March 2023

## 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 31.03.2023 was £16,388 (2022: £12,535).

## 12 Contingent liabilities

There are no known contingent liabilities arising from contract disputes (2022: £nil).

## 13 Analysis of net assets between funds

	<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>2023 Total £</b>
Tangible fixed assets	63,267,348	-	63,267,348
Net current assets (excluding bank loans and swaps liability due)	4,301,550	65,371	4,366,921
Interest rate swap asset	73,745	-	73,745
Bank loans	(7,341,486)	-	(7,341,486)
Pension assets	(1,122,772)	-	(1,122,772)
	<b>59,178,385</b>	<b>65,371</b>	<b>59,243,756</b>

  

	<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>2022 Total as Restated £</b>
Tangible fixed assets	62,671,165	-	62,671,165
Net current assets (excluding bank loans and swaps liability)	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	(3,037,711)	-	(3,037,711)
	<b>55,832,882</b>	<b>71,338</b>	<b>55,904,220</b>

# Notes to the Accounts

for the year ended 31 March 2023

## 14 Funds analysis

	Unrestricted funds *	Revaluation/ Capital reserve	Restricted funds	2023 Total
	£	£	£	£
Brought forward at 01.04.2022	40,694,209	15,138,673	71,338	55,904,220
Net income/(Expenditure)	1,757,678	-	(5,967)	1,751,711
Revaluation gain/(loss) on Property	-	-	-	-
Actuarial gain on pension liability	1,587,825	-	-	1,587,825
Carried forward at 31.03.2023	<b>44,039,712</b>	<b>15,138,673</b>	<b>65,371</b>	<b>59,243,756</b>

	Unrestricted funds *	Revaluation/ Capital reserve	Restricted funds	2022 Total as Restated
	£	£	£	£
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
Revaluation gain/(loss) on Property	-	-	-	-
Actuarial gain on pension liability	(201,032)	-	-	(201,032)
Movement between reserves	-	-	-	-
Carried forward at 31.03.2022	<b>40,694,209</b>	<b>15,138,673</b>	<b>71,338</b>	<b>55,904,220</b>

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 the ten homes. 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.

\* 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 to 31st March 2023, (2022: £nil). Travel and training expenses of £1,678 in total were paid to 10 trustees during the year (2022: £3,553, to 7 trustees).

Payments totalling £17,117 were made in the year in respect of trustee recruitment. (2022: £6,955)

A payment of £15,320 was made in the year in respect of management liability insurance covering trustees and management (2022: £10,731).

# Notes to the Accounts

for the year ended 31 March 2023

## 15.2 Employee information

	2023 £	2022 as Restated £
<u>Employee costs during the year were:</u>		
Salaries and wages	18,875,693	19,032,339
Agency costs	2,779,010	1,437,502
Staff recruitment and training	349,526	315,568
Employer's social security costs	1,431,976	1,305,996
Employer's pension costs	606,570	794,765
	<b>24,042,775</b>	<b>22,886,170</b>

### Analysed as:

Charitable activities	21,132,709	20,381,661
Support costs	2,338,330	2,017,973
Governance costs	571,736	486,536
	<b>24,042,775</b>	<b>22,886,170</b>

Included in employee costs above are redundancy payments of: 40,471 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>	2023	2022
£60,000 to £70,000	2	6
£70,000 to £80,000	1	2
£80,000 to £90,000	3	-
£90,000 to £100,000	1	-
£100,000 to £110,000	1	-
£110,000 to £120,000	-	1
£120,000 to £130,000	1	1
£130,000 to £140,000	1	-

Retirement benefits are accruing for 8 of the above staff under defined benefit schemes.

The changes in numbers of employees in salary brackets is due to new Senior Management recruitment which was included for part year in 2022.

### Number of employees

The average number of persons employed during the year was:

	2023	2022
Care & Support	889	938
Home Care & Support	146	197
Corporate	59	40
	<b>1,094</b>	<b>1,175</b>

# Notes to the Accounts

for the year ended 31 March 2023

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

	2023	2022
Care & Support	669	683
Home Care & Support	99	136
Corporate	51	48
	819	867

## Remuneration of key management personnel

The key management personnel of the Charity comprise the Managing Director, Finance Director, Director of People & Organisational Development, 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 £881,309 (2022: £665,891) of which £149,623 related to employer's pension costs (2022: £52,832). The increase in the year is due to new Senior Management recruitment which was included for part year in 2022.

## 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:

	As Restated 2022	Other Movements	Actuarial (gain)/loss	2023
	£	£	£	£
Kent County Council (KCC LGPS)	1,381,000	40,000	(1,421,000)	-
London Borough of Bexley (LBB LGPS)		(171,000)	78,000	(93,000)
Royal Borough of Greenwich (RBG LGPS)	533,711	37,886	(439,825)	131,772
Social Housing Pension Scheme (SHPS)	1,123,000	(234,000)	195,000	1,084,000
	<b>3,037,711</b>	<b>(327,114)</b>	<b>(1,587,825)</b>	<b>1,122,772</b>

# Notes to the Accounts

for the year ended 31 March 2023

	<u>Rate of Contribution</u>		<u>2023 cost</u>	<u>E'ees in scheme</u>
	<u>Employer's</u>	<u>Employee's</u>	<u>£</u>	<u>at 31.03.23</u>
SHPS CARE/60th (commenced 01.07.2020)	13.0%	9.1%	175,822	6
SHPS CARE/80th	9.8%	6.9%	308,921	12
SHPS FRP auto-enrolment	3.0%	5.0%	275,137	737
SHPS defined contribution scheme	up to 5.55%	Variable	29,571	13
KCC pensions (LGPS)	46.5%	5.8%, 6.5, 6.8 %	63,010	2
RBG pensions (LGPS)	16.5%	6.8%	17,261	2
LBB pensions (LGPS)	19.9%	5.5% 5.8% & 6.5%	28,931	3
			<b>898,653</b>	<b>775</b>
<u>Analysis of scheme costs by scheme type</u>				
- Defined Contribution			304,708	
- Defined Benefit			593,945	
			<b>898,653</b>	

## 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 2023 was £48,000 (2022: £65,000), of which employer's contributions totalled £42,000 (2022: £57,000) and employees' contributions totalled £6,000 (2022: £8,000). 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 2022 by a professionally qualified actuary. The valuation revealed a surplus of £1.33m giving a funding level of 116.7% (compared to £450k at 105.4% as at 31 March 2019).

To assess the value of the Employer's liabilities at 31 March 2023, the value of the Employer's liabilities calculated for the funding valuation at 31 March 2022 has been rolled forward, using financial assumptions that comply with FRS102.

Avante's estimated net asset is £991,000 as per the FRS102 valuation as at 31 March 2023 (2022: liability £-1381,000).

The major assumptions used were:

# Notes to the Accounts

for the year ended 31 March 2023

	31.03.2023	31.03.2022	31.03.2021
Financial assumptions	% pa	% pa	% pa
Pension increases (CPI)	2.90	3.35	2.85
Salary increases	3.90	4.35	3.85
Discount rate	4.80	2.60	1.90

## 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:

	31.03.2023	31.03.2022	31.03.2021
	AFTER CMI 2020 update	BEFORE CMI 2020 update	
<b>Retiring today</b>			
Males	21.1	21.6	21.6
Females	23.5	23.7	23.7
<b>Retiring in 20 years</b>			
Males	22.3	23.0	23.0
Females	25.0	25.1	25.1

## Balance sheet disclosures

	31.03.2023	31.03.2022
<u>Fair value of employer assets as Restated</u>	£'000s	£'000s
Equities	5,815	6,107
Gilts	50	58
Bonds	1,197	1,303
Property	910	1,111
Cash	163	201
Target return portfolio	668	698
Infrastructure	310	-
	<u>9,113</u>	<u>9,478</u>

## Balance sheet as Restated

	£'000s	£'000s
Fair value of employer assets	9,113	9,478
Present value of funded liabilities	(8,122)	(10,859)
Restriction of Asset to Pension Asset Ceiling	(991)	-
	<u>-</u>	<u>(1,381)</u>

# Notes to the Accounts

for the year ended 31 March 2023

## Revenue account costs

### Revenue account recognition

	Year to: 31.03.2023	31.03.2022
	£'000s	£'000s
Current service cost	41	59
Net interest on the defined liability (asset)	35	33
Administration expenses	6	6
	<u>82</u>	<u>98</u>

### Reconciliation of defined benefit obligation

	Year to: 31.03.2023	31.03.2022
	£'000s	£'000s
Opening defined benefit obligation	10,859	11,373
Current service cost	41	59
Interest cost	275	212
Contributions by members	6	8
Experience loss/(gain) on defined benefit obligation	775	26
Past service costs, including curtailments	-	-
Changes in financial assumptions	(3,081)	(361)
Change in demographic assumption	(198)	-
Estimated benefits paid	<u>(555)</u>	<u>(458)</u>
Closing defined benefit obligation	8,122	10,859

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

	Year to: 31.03.2023	31.03.2022
	£'000s	£'000s
Opening fair value of Fund assets	9,478	9,635
Interest on assets	240	179
Return on assets less interest	(120)	63
Other actuarial gains/(losses)	28	-
Contributions by Scheme participants and other employers	6	8
Contributions by employer including unfunded	42	57
Estimated benefits paid plus unfunded net of transfers in	<u>(555)</u>	<u>(458)</u>
Administration expenses	<u>(6)</u>	<u>(6)</u>
Closing fair value of Fund assets	9,113	9,478

### Amounts for current & previous periods as Restated

	31.03.2023	31.03.2022	31.03.2021	31.03.2020	31.03.2019
	£'000s	£'000s	£'000s	£'000s	£'000s
Defined benefit obligation	(8,122)	(10,859)	(11,373)	(10,132)	(11,158)
Scheme assets	9,113	9,478	9,635	7,745	8,901
Surplus/(deficit)	<u>991</u>	<u>(1,381)</u>	<u>(1,738)</u>	<u>(2,387)</u>	<u>(2,257)</u>



# Notes to the Accounts

for the year ended 31 March 2023

	Year to:	31.03.2024
<b>Projected expense</b>		<b>£'000s</b>
Service cost		20
Net interest on the defined liability (asset)		(48)
Administration expenses		5
		<hr/>
		(23)
Employer contributions		42

## 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:	31.03.2023	
		<b>£'000s</b>	
<u>Adjustment to discount rate</u>	+0.1%	0.0%	(0.1%)
Present value total obligation	7,331	8,122	9,071
Projected service cost	16	20	26
 <u>Adjustment to long term salary increase</u>	+0.1%	0.0%	(0.1%)
Present value total obligation	8,140	8,122	8,104
Projected service cost	21	20	20
 <u>Adjustment to pension increases and deferred revaluation</u>	+0.1%	0.0%	(0.1%)
Present value total obligation	9,062	8,122	7,329
Projected service cost	26	20	15
 <u>Adjustment to life expectancy assumptions</u>	+1 Year	None	-1 Year
Present value total obligation	8,525	8,122	7,740
Projected service cost	21	20	20

	31.03.2023	31.03.2022
	<b>£'000s</b>	<b>£'000s</b>
Remeasurement of the net assets / (defined liability)		
Return on Fund assets in excess of interest	(120)	63
Other actuarial gains/(losses) on assets	28	-
Change in financial assumptions	3,081	361
Experience gain/(loss) on defined benefit obligation	(775)	(26)
Change in demographic assumptions	198	-
<b>Remeasurement of the net assets / (defined liability)</b>	<hr/> <b>2,412</b>	<hr/> <b>398</b>

# Notes to the Accounts

for the year ended 31 March 2023

## 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 2023 was £164,000 (2022: £7,000), of which employer's contributions totalled £160,000 (2022: £0) and employees' contributions totalled £4,000 (2022: £7,000). The agreed contribution rates for future years are 19.9% for employers and 5.5% 5.8% & 6.5% for employees. Please note that as the Avante scheme was in credit there were no E'er contributions due in 2022.

The last formal valuation of the scheme was performed at 31 March 2022 by a professionally qualified actuary. The valuation revealed a surplus of £125 million, giving a funding level of 113% (compared to £11m at 101% as at 31 March 2019).

An actuarial valuation of Avante Care & Support's share in the scheme was carried out by a qualified independent actuary as at 31 March 2023 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:

	31.03.2023	31.03.2022	31.03.2021
	% pa	% pa	% pa
Financial assumptions			
CPI inflation rate	2.7	3.5	2.7
Pension increase rate	2.8	3.6	2.8
Salary increases	4.2	5.0	4.2
Discount rate	4.9	2.8	2.1

## 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	22.9	25.7
Future pensioners	21.8	24.0

## Balance sheet disclosures

	31.03.2023	31.03.2022
<u>Fair value of employer assets</u>	£'000s	£'000s
Equities	4,080	4,443
Government bonds	3,698	1,939
Other bonds	-	3,329
Property	1,785	1,607
Cash/liquidity	1,020	970
Other	2,168	2,185
	<u>12,751</u>	<u>14,473</u>

# Notes to the Accounts

for the year ended 31 March 2023

## **Balance sheet as Restated**

	£'000s	£'000s
Fair value of employer assets	12,751	14,473
Present value of funded liabilities	(9,148)	(13,082)
Restriction of Asset to Pension Asset Ceiling	(3,510)	(1,391)
	93	-

## **Revenue account costs**

### **Revenue account recognition**

	Year to: 31.03.2023 £'000s	31.03.2022 £'000s
Current service cost	27	35
Net interest cost	(39)	(15)
Administration expenses	1	1
Past service cost (gain)	-	-
	(11)	21

### **Statement of other comprehensive income**

	Year to: 31.03.2023 £'000s	31.03.2022 £'000s
Remeasurements (liabilities and assets)	(2,041)	(681)
Total remeasurements included in SOCI	(2,041)	(681)

### **Reconciliation of defined benefit obligation**

	Year to: 31.03.2023 £'000s	31.03.2022 £'000s
Opening defined benefit obligation	13,082	13,257
Current service cost	27	35
Interest cost	360	273
Contributions by members	4	7
Past service cost/(gain)	(604)	-
Experience (gain)/loss	419	35
Actuarial losses/(gains)	(3,787)	61
Estimated benefits paid	(353)	(586)
Closing defined benefit obligation	9,148	13,082

### **Reconciliation of fair value of employer assets**

	Year to: 31.03.2023 £'000s	31.03.2022 £'000s
Opening fair value of employer assets	14,473	13,988
Expected return on assets	399	288
Contributions by members	4	7
Contributions by employer	160	-
Actuarial gain/(loss)	(1,680)	777
Benefits paid	(604)	(586)
Administration expenses	(1)	(1)
Closing fair value of employer assets	12,751	14,473

# Notes to the Accounts

for the year ended 31 March 2023

	31.03.2023	31.03.2022	31.03.2021	31.03.2020	31.03.2019
<u>Amounts for current &amp; previous periods</u>	<u>£'000s</u>	<u>£'000s</u>	<u>£'000s</u>	<u>£'000s</u>	<u>£'000s</u>
Defined benefit obligation	(9,148)	(13,082)	(13,257)	(12,316)	(13,241)
Scheme assets	12,751	14,473	13,988	12,510	13,327
Surplus/(deficit)	3,603	1,391	731	194	86
Experience adj on scheme assets	(1,680)	777	1,702	(592)	909
Experience adj on scheme liabilities	(3,787)	61	1,402	(835)	686

## Projected expense

	Year to:	31.03.2024
		<u>£'000s</u>
Service cost		14
Interest cost		(177)
Administration expenses		1
		<u>(162)</u>

## 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:	31.03.2023			
		£'000s			
	Central	Discount rates	Inflation	Pay Growth	Increase in life expectancy
Adjustment to rate		+0.5%	+0.25%	+0.25%	1 Year
Present value total obligation	9,148	8,657	9,406	9,157	9,348
Projected service cost	14	12	14	14	14

## **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 2023 was £31,000 (2022: £36,000), of which employer's contributions totalled £23,000 (2022: £27,000) and employees' contributions totalled £8,000 (2022: £9,000). The agreed contribution rates for future years are 16.5% for employers and 6.8% for employees.

The last formal valuation of the Scheme was performed at 31 March 2022 by a qualified actuary. The valuation revealed a surplus of £52.1k, giving a funding level of 103.3% (compared to -£48.8k at 97% as at 31 March 2019).

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 2023

	31.03.2023	31.03.2022	31.03.2021
<u>Financial assumptions</u>	% pa	% pa	% pa
Pension increases (CPI)	2.90	3.40	2.85
Salary increases	3.90	4.40	3.85
Discount rate	4.80	2.60	1.90

### 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:

	31.03.2023	31.03.2022
<b>Retiring today</b>		
Males	19.6	20.5
Females	23.0	23.4
<b>Retiring in 20 years</b>		
Males	21.0	22.0
Females	24.5	25.0

### Balance sheet disclosures

	31.03.2023	31.03.2022
<u>Estimated asset allocation for Avante Care &amp; Support</u>	£'000s	£'000s
UK Equities	818.8	950.1
Other bonds	351.2	287.9
Property	154.2	181.4
Cash	26.5	41.7
Unitised insurance policies	-	-
UK & overseas unit trusts	192.8	204.6
	<u>1,543.5</u>	<u>1,665.7</u>

### Balance sheet

	£'000s	£'000s
Fair value of employer assets	1,543.5	1,665.7
Present value of funded liabilities	(1,675.3)	(2,199.4)
	<u>(131.8)</u>	<u>(533.7)</u>

# Notes to the Accounts

for the year ended 31 March 2023

## Revenue account costs

### Revenue account recognition

	Year to: 31.03.2023	31.03.2022
	£'000s	£'000s
Service cost	46.7	69.9
Net interest on the defined liability (asset)	13.6	11.2
Administration expenses	1.1	1.1
	<u>61.3</u>	<u>82.2</u>

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

	Year to: 31.03.2023	31.03.2022
	£'000s	£'000s
Opening defined benefit obligation	2,199.4	2,086.0
Current service cost	46.7	69.9
Interest cost	56.2	40.1
Change in financial assumptions	(787.0)	(49.0)
Change in demographic assumptions	(112.6)	-
Experience loss/(gain) on defined benefit obligation	352.4	5.3
Estimated benefits paid net of transfers in	(87.7)	38.0
Past service costs, including curtailments	-	-
Contributions by scheme participants and other employers	7.9	9.3
<b>Closing defined benefit obligation</b>	<b><u>1,675.3</u></b>	<b><u>2,199.4</u></b>

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

	Year to: 31.03.2023	31.03.2022
	£'000s	£'000s
Opening fair value of Fund assets	1,665.7	1,484.4
Interest on assets	42.6	28.9
Return on assets less interest	(85.8)	79.2
Other actuarial gains/(losses)	(21.6)	-
Administration expenses	(1.1)	(1.1)
Contributions by employer including unfunded	23.4	27.0
Contributions by Scheme participants and other employers	7.9	9.3
Estimated benefits paid plus unfunded net of transfers in	(87.7)	38.0
<b>Closing fair value of Fund assets</b>	<b><u>1,543.5</u></b>	<b><u>1,665.7</u></b>

### Amounts for current & previous periods

	31.03.2023	31.03.2022	31.03.2021	31.03.2020	31.03.2019
	£'000s	£'000s	£'000s	£'000s	£'000s
Defined benefit obligation	(1,675)	(2,199)	(2,086)	(1,914)	(2,291)
Scheme assets	1,543	1,666	1,484	1,253	1,817
Surplus/(deficit)	(132)	(534)	(602)	(661)	(474)

# Notes to the Accounts

for the year ended 31 March 2023

	Year to:	31.03.2024
<b>Projected expense</b>		<b>£'000s</b>
Service cost		21.0
Net interest on the defined liability (asset)		5.8
Administration expenses		1.0
		<b>27.8</b>
Employer contributions		23.4

## 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:	31.03.2023	
		<b>£'000s</b>	
<b>Adjustment to discount rate</b>	+0.1%	0.0%	(0.1%)
Present value total obligation	1,656	1,675	1,695
Projected service cost	20	21	22
<b>Adjustment to long term salary increase</b>	+0.1%	0.0%	(0.1%)
Present value total obligation	1,677	1,675	1,673
Projected service cost	21	21	21
<b>Adjustment to pension increases and deferred revaluation</b>	+0.1%	0.0%	(0.1%)
Present value total obligation	1,694	1,675	1,657
Projected service cost	22	21	20
<b>Adjustment to life expectancy assumptions</b>	+1 Year	None	-1 Year
Present value total obligation	1,771	1,675	1,585
Projected service cost	22	21	20

	31.03.2023	31.03.2022
<b>Remeasurement of the net assets / (defined liability)</b>	<b>£'000s</b>	<b>£'000s</b>
Return on Fund assets in excess of interest	(85.8)	79.2
Other actuarial gains/(losses) on assets	(21.6)	-
Change in financial assumptions	787.0	49.0
Change in demographic assumptions	112.6	-
Experience gain/(loss) on defined benefit obligation	(352.4)	(5.3)
<b>Remeasurement of the net assets / (defined liability)</b>	<b>439.8</b>	<b>123.0</b>

## 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 2023

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 31 March 2028.

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 2023 total scheme liabilities were £5,560,000, scheme assets were £4,476,000 giving a deficit of £(1,084,000) (2021: £582,000)

The total contribution made for the year ended 31 March 2023 was £477,000 (2021: £352,000), of which employer's contributions totalled £475,000 (2021: £321,000) and employees contributions totalled £2,000 (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: 31.03.2023	31.03.2022
	£'000s	£'000s
<b><u>Fair value of plan assets, present values of DB obligation, and DB asset (liability)</u></b>		
Fair value of plan assets	4,476	6,350
Present value of defined benefit obligation	5,560	7,473
Surplus (deficit) in plan	(1,084)	(1,123)
Defined benefit asset (liability) to be recognised	(1,084)	(1,123)

	Year to: 31.03.2023
	£'000s
<b><u>Reconciliation of opening and closing balances of the defined benefit obligation</u></b>	
Defined benefit obligation at start of period	7,473
Current service cost	206
Expenses	7
Interest expense	209
Contributions by plan participants	2
Actuarial losses (gains) due to scheme experience	(259)
Actuarial losses (gains) due to changes in demographic assumptions	(13)
Actuarial losses (gains) due to changes in financial assumptions	(1,873)
Benefits paid and expenses	(192)
<b>Defined benefit obligation at end of period</b>	<b>5,560</b>

# Notes to the Accounts

for the year ended 31 March 2023

	Year to: 31.03.2023
	£'000s
<b><u>Reconciliation of opening and closing balances of the fair value of plan assets</u></b>	
Fair value of plan assets at start of period	6,350
Interest income	181
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	(2,340)
Contributions by the employer	475
Contributions by plan participants	2
Benefits paid and expenses	(192)
<b>Fair value of plan assets at end of period</b>	<b>4,476</b>

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2023 was £630,000.

	Year to: 31.03.2023
	£'000s
<b><u>Defined benefit costs recognised in Statement of Comprehensive Income (SoCI)</u></b>	
Current service cost	206
Expenses	7
Net interest expense	28
<b>Defined benefit costs recognised in Statement of Comprehensive Income (SoCI)</b>	<b>241</b>

	Year to: 31.03.2023
	£'000s
<b><u>Defined benefit costs recognised in Other Comprehensive Income (OCI)</u></b>	
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	(2,340)
Experience gains and losses arising on the plan liabilities - gain (loss)	259
Effects of changes in the demographic assumptions underlying the present value of the DB obligation - gain (loss)	13
Effects of changes in the financial assumptions underlying the present value of the DB obligation - gain (loss)	1,873
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	(195)
<b>Total amount recognised in Other Comprehensive Income - gain (loss)</b>	<b>(195)</b>

# Notes to the Accounts

for the year ended 31 March 2023

	Year to:	31.03.2023	31.03.2022
		£'000s	£'000s
<b>Assets</b>			
Global Equity		84	1,218
Absolute Return		48	255
Distressed Opportunities		135	227
Credit Relative Value		169	211
Alternative Risk Premia		8	209
Fund of Hedge Funds		-	-
Emerging Markets Debt		24	185
Risk Sharing		330	209
Insurance-Linked Securities		113	148
Property		193	171
Infrastructure		511	452
Private Debt		199	163
Opportunistic Illiquid Credit		192	213
High Yield		16	55
Opportunistic Credit		-	23
Cash		32	22
Corporate Bond Fund		-	424
Liquid Credit		-	-
Long Lease Property		135	163
Secured Income		205	237
Liability Driven Investment		2,062	1,772
Currency Hedging		9	(25)
Net Current Assets		11	18
<b>Total assets</b>		<b>4,476</b>	<b>6,350</b>

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 2023

## Key Assumptions

Discount Rate  
Inflation (RPI)  
Inflation (CPI)  
Salary Growth

Allowance for commutation of pension for cash at retirement

Year to:	31.03.2023	31.03.2022
	% pa	% pa
	4.89	2.79
	3.20	3.66
	2.72	3.23
	3.72	4.23
	75% of max allowance	75% of max allowance

## Mortality assumptions adopted at 31.03.23 imply the following life expectancies at age 65

Male retiring in 2023  
Female retiring in 2023  
Male retiring in 2043  
Female retiring in 2043

Year to:	31.03.2023
	Expectancy
	21.0
	23.4
	22.2
	24.9

## 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	
	2023 £	As Restated 2022 £
Balance at 01.04.2022	2,201,725	1,595,311
Recharges to Subsidiary	15,199,849	16,861,336
Management charge to Subsidiary	151,999	168,613
Repayments from Subsidiary	(15,509,573)	(16,858,624)
Gift Aid due to parent	318,100	435,088
Balance at 31.03.2023	2,362,100	2,201,724

## Summary of Balance Sheet

Current assets  
Current liabilities  
Net current assets/(liabilities)  
Capital and reserves

	Avante Care Services Ltd	
	2023 £	As Restated 2022 £
Current assets	2,362,100	2,201,725
Current liabilities	(2,362,100)	(2,201,724)
Net current assets/(liabilities)	-	1
Capital and reserves	-	1

# Notes to the Accounts

for the year ended 31 March 2023

## Summary of Income and Retained Earnings

	Avante Care Services Ltd	
	2023 £	As Restated 2022 £
Turnover	15,669,948	17,465,037
Cost of sales	(15,199,849)	(16,861,336)
Management fee	(151,999)	(168,613)
Gift Aid donation	(318,100)	(435,088)
<b>Retained earnings at end of period</b>	<b>-</b>	<b>-</b>

## 18 Acting as an agent

Avante Care & Support acted 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. This arrangement ended during the year.

	2023 £	As Restated 2022 £
Balance held as an agent at 31.03.2022	25,539	556,945
Amount invoiced as an agent during the year	(25,089)	(20,483)
Amount passed over to the London Borough of Bexley during the year	(450)	(510,923)
<b>Balance held as an agent at 31.03.2023</b>	<b>(0)</b>	<b>25,539</b>

## Split of balance held:

Debtors outstanding at year-end	(0)	25,479
Funds awaiting transfer to London Borough of Bexley	-	60
<b>Balance at 31.03.2023</b>	<b>(0)</b>	<b>25,539</b>

## PRIOR PERIOD ADJUSTMENT

An adjustment has been made to the Financial Statements to restrict the Pension Asset Value as at 31st March 2022 to the Pension Asset Ceiling. This was previously stated at £1,391m and has been restricted to £nil.

