

# Annual Report and Financial Statements

for the year ended 31 March 2024

Avante Care and Support Limited



**Registered Office:**

De Gelsey House  
1 Jubilee Way  
Faversham  
Kent  
ME13 8GD

Company No. 2565021 / Charity No. 1002727

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# Chair's Introduction

This is my second Chair's Introduction since taking over as Chair of Avante. It remains a great honour to carry out this role. 2023 - 2024 has been another challenging year for Avante as it has continued the recovery from the pandemic and the major incident of the previous year.

This has been undertaken in the context of an increasingly difficult financial environment. This has affected the whole of social care and is by no means unique to Avante. I referred in my introduction to last year's report to the question of local authority finances reaching more critical levels. Little has happened in the intervening year to alleviate this situation, if anything it has grown more acute. From Avante's perspective, it, primarily, has relationships with four local authorities and there are differences in how each attempts to work with us so it is difficult to generalise too much. As I also said in my introduction to last year's report this remains unhelpful for the care sector's and Avante's need to achieve a fair price for care. Unfortunately, there seems little cause for optimism that the situation will improve quickly.

I also referred in last year's introduction to the issues of recruitment and retention. This continues to be an area of concern for the social care sector. The situation has been complicated by new legislation which has made the recruitment of staff from overseas more complicated. Whilst Avante is not immune from these problems, this has been a relatively successful year which has seen continued development in achieving a more stable staff team and further reductions in the use of agency staff. Each location of Avante's services has its own unique challenges in this field, be it the differences in employment in urban compared to rural areas and in the specifics of the local competition. The Executive Management Team and local managers have been highly creative and imaginative in finding ways to address this problem which places Avante in a relatively healthy position, but it requires constant work and attention to keep ahead of the trends.

All of this has been in the context of Avante's plans for growth and taking opportunities. It was a great pleasure and honour to welcome Barnes Lodge in Tonbridge into the Avante family, having concluded the transfer from its previous operators who were also a charity. Barnes Lodge is a splendid home offering great commitment to its residents. I, and other trustees, have visited on a number of occasions and have been very impressed and pleased with what we have seen and experienced. As part of the same arrangement Avante has taken over the Extra Care service providing Home Care services to residents of extra care sheltered housing.

This has been in keeping with a major initiative within the organisation on Home Care, to re-state it at the centre of Avante's services. This has been very successful and the team have demonstrated enormous commitment and determination to take the service forward.

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. We have welcomed Nick Barker as the new Director of Quality. Nick has already made a great impact on the work of Avante.

Alongside all of this has been the continued 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. In addition, the roll out of the new medicines management system is under way.

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.

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*

Andrew Ireland (Wed, 29th Jan 2025  
21:16:03 GMT)

Andrew Ireland

# Avante Care and Support Limited

## Report of the Board of Trustees for the year ended 31 March 2024

The Board presents the consolidated report and financial statements of Avante Care and Support for the year ended 31 March 2024. The accounts (financial statements) have been prepared in accordance with the Charities SORP 2019 (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 Accounting 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 Limited was formed in 1990 and is a registered charity and company limited by guarantee.

#### Board of Trustees<sup>1</sup>

Andrew Ireland	(Appointed Aug 2018)	Chair (Appointed Nov 2022)
Gillian Gibb	(Appointed Jun 2017)	Chair of Care & Quality Committee (Aug 2018) and Deputy Chair (Nov 2022)
Peter Gingell	(Appointed Sep 2020)	Chair of Finance & Resources Committee (Nov 2022)
Stephen King	(Appointed Sep 2020)	
Michael Wilshaw	(Sep 2020 to Sep 2023)	
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)	

#### 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  
HSBC Bank Ltd, 105 Mount Pleasant, Tunbridge Wells, Kent, TN1 1QP

**Solicitors** Thomson Snell & Passmore, Heathervale House, 2-4 Vale Avenue, Tunbridge Wells, Kent TN1 1DJ

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

Pinsent Masons, 30 Crown Place, London EC2A 4ES

**Company Number** 2565021

**Charity Number** 1002727

#### Appointment of Auditor

The Trustees agreed that they would reconsider auditor appointment of Avante Care & Support for the year ending 31 March 2025.

<sup>1</sup> Dates of Appointment are shown in brackets

## 2. Governance, Structure & Management

### 2.1 Governance

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

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

The Board continually keeps under review its membership and the breadth of skills and expertise to ensure proper governance. When required, advertisements for new Trustees are placed with appropriate recruitment agencies. Prior to appointment, potential Trustees will be interviewed and meet with the Chairman and members of the Executive Management Team and Trustees. CVs are circulated to the Board of Trustees and any new appointment is agreed by the Board as a whole. The Board was strengthened by 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 8 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.

The Board has adopted the Charity Governance code and its seven principles are published with each Board Meeting agenda papers. Following an externally managed governance in 2021, all recommended actions were completed by September 2022. A further review will be carried out in 2025 following the release of the updated code.

The Board is supported in its work by the:

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

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

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. When new team members are appointed, research is undertaken to establish market rates.

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. She also leads on Governance and is the data Protection Officer for the organisation.
- 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, Nick Barker, was appointed in November 2023 following the retirement of Jacqui Morris in August 2023. He is responsible for the provision of a range of support services to our operational business units as well as leading on quality standards, compliance and management information. He also manages the Learning and Development Team and leads on innovation.
- The Director of Care Operations, Sarah-Jane Clapson, is responsible for the delivery and quality of all care services provided and is the Caldicott Guardian for the organisation.
- 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 and leads on ESG.

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 a small number of volunteers who support our services.

In total it is estimated that the economic value of the time given by volunteers in 2023/24 was in excess of £18k (2022/23 £15k). This was through approximately 4 (2022/23 6) regular volunteers giving approximately 1,584 (2022/23 1,450) hours of their time.

### 2.3.4 Statement of Public Benefit

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

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

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

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

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

**Avante's Vision is:-**  
**Communities where everyone has a vibrant and fulfilling life**

**Avante's Mission is:-**  
**To enable the journey through care by providing personalised home support and residential services**

Avante's Mission is supported by our Values.

- Avante's Values are:-**
- |                      |   |
|----------------------|---|
| Supporting           | – providing supportive communities & services     |
| Personal             | – providing individual care and support           |
| Attentive            | – nurturing individual needs                      |
| Relationship Centred | – forming and maintaining important relationships |
| Kind                 | – selfless, supportive care                       |
| Listening            | – everybody matters                               |
| Enabling             | – everybody to reach their full potential         |

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

**3. Objectives**

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

**4. Activities**

Avante undertook its charitable activities through two main services; the residential care homes and care in people's own homes in the community.

**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 671 older people (628 in 2022/23) in our 11 Care Homes (10 in 2022/23) for both Residential and Day Care, although Day Care Services were only delivered at Court Regis.

In December 2023 we took over the long term lease of a 101 bed care home from a charity that was in the process of winding up. This increased our capacity and occupancy although the home had only 37 residents on transfer. By 31 March 2024 occupancy had increased to 43. These figures are included in the information above.

Over 90% of our residents have high dependency needs resulting from dementia and Alzheimer's and nursing care requirements. The average for the year ended 31 March 2024 was 89.7%. (88.4% during 2022/23). At March 2024 Occupancy was 90.2% (March 2023 90.0%)

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. At the year-end 34.7%% (34.0% during 2022/23) of our service users were self-funded and actual numbers were 226 (209 2022/23) compared to a budget of 255 (196 2022/23).

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 220 people (291 in 2022/23) 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, 41.7% (31.7% 2022/23) of the service was delivered to self-funded customers. The increase was due to a continued drive to prioritise Self-funded clients because of the uneconomic rates paid by Local Authorities.

In December 2023 we took over Extra Care Service delivering support to four Extra Care Schemes from the same charity mentioned in section 4.1 above. This increased our service users and hours delivered and are included in the figures above.

Extra Care were delivering 328 hrs per week on average in December 2023 which decreased to 315 on average per week by March 2024 and there were 74 service users as at March 2024. They made up 6.09% of all hours.

### 4.3 Facts and Figures about our Services

As at 31/3/2024	Income £	No. of clients/service users/customers	Staff Employed
Care Homes	34,816,348	671	1017
Home Care & Support	2,459,255	220	135

Note:

Income figures exclude rental, miscellaneous and bar & café 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 2024 and exclude corporate support functions.

Comparatives as at 31/3/2023

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



## 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 included the acquisition of Barnes Lodge and Caring Companions, dealing with the fire in March 2023 at Parkview and its consequences, achieving Good CQC rating at Northbourne Court and rolling out our electronic care planning software. Recruitment was also strong with a particular focus on overseas recruitment.

From a financial perspective, our performance was strong despite the impact of the fire at Parkview. Home Care remains a challenge though we saw improvements towards the end of the year as we increased the number of self-funding service users. In addition, we negotiated the refinancing of our lending with HSBC alongside obtaining the development loan for Westgate on Sea, although the refinancing did not complete until early in April 2024.

It was disappointing that the project at Lucks Hill did not come to fruition during the year due to circumstances outside our control, however after the financial year-end this project has moved into the contracted stage awaiting physical building of a new care home which we will operate under a long term lease. The Property Team worked hard to deliver the planned maintenance programme and the remedial fire safety works programme.

In the care homes, five out of nine KPIs were achieved. This would have been six but for the impact of the fire at Parkview on occupancy. It is disappointing that we have not been able to achieve the numbers of self-funding residents as we had budgeted and this will be a priority in 2024-25. In Home Care, four of eight KPIs were achieved which is a marked improvement on 2022-23 (two out of nine).

### 5.2 Financial Review

For 2023/24 there was a budgeted surplus of £1,896,555. The actual surplus achieved was £7,502,452 (2022/23 £1,751,711) i.e. £5,605,987 better than budget. This large variance is mainly due to the charitable donation of £6,800,000.

Without this extraordinary income the operating surplus would have been below budget at £985,920 due to several factors including reduced levels of occupancy and self funders in care homes and legal and consultancy costs incurred on the transfer of services from Rapport, the proposed development at Lucks Hill and the costs of refinancing. There were also high staffing costs at some homes although this improved significantly over the year with improvement in recruitment as well as sourcing staff from overseas. There were also some uninsured losses from the Fire at Parkview and a loss in the first four months of operating at Barnes Lodge which was anticipated due to the low occupancy.

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

Of the total resources expended, 71% (2022/23 78%) 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 significantly due to the lower agency use but also due to additional costs during the year including the fire safety works programme and legal and consultancy costs.

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 previous 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 had four defined benefit schemes but two of these ended on 31 March 2024 and, according to the actuarial valuations as at 31 March 2024, Avante had defined benefit pension scheme liabilities of £1.072 million (2023 net liability £1.123 million). The 2024 figure includes surplus on the Kent County Council Scheme of £1.041m restricted to nil due to the Pension Asset Ceiling Valuation. There were revenue account adjustments of £2.564 million. (See note 16 for further information and a breakdown between the schemes).

A refund of the pension fund cessation surplus from Bexley LGPS of £3,077,050 was received post year and this is offset by a cessation deficit payment of £229,000 to Greenwich LGPS on the closure of both schemes.

Avante Care and Support is committed to continually enhancing and developing its services and good progress was made during the year with the Annual Maintenance Programme with £1.059m in total (£784k excluding Barnes Lodge spend of £275k) spent on revenue funded Major Repairs and Decorating, £800k on capitalised Furniture and Equipment and £791k on Property Improvements – a total investment of over £2.65m. Included in the above figures £736k was spent on Fire Safety works: £643k on revenue works, mostly compartmentalisation, and £93k on capital works such as new Fire Doors.

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 2024.

### 5.2.1 Investment Policy

Until part way through the year, operating requirements meant that Avante did not have funds available to invest on a long term basis. Since receiving the charitable donation from Rapport in December funds have been invested with Barclays in a high interest account and on the money market. Funds held as working capital were 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 2023 and 2024. 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 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 three 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 £13.2 million of unrestricted funds (2022/23 £4.281 million), which is £11.4million 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 March 2024 and resulted in a valuation gain of £6.545 million including a loss on the Head Office building of £225k.

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 revalued Avante's nine freehold Care Homes at February 2024, management do not believe that it is necessary to carry out an Impairment Review.

## 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 continued to hold 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 2023 every member of staff received a Christmas card expressing Avante's thanks for their contribution during the 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 2023 and plans for the 2024 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 2024**

	<u>2024</u>	<u>2023</u>	<u>2022</u>
<u>UK energy use</u>			
kWh	11,658,205	8,426,548	8,907,503
<u>Associated greenhouse gas emissions</u>			
Tonnes CO2 equivalent	2,269	1,601	1,787

#### Intensity ratio

Emissions per £1000 of turnover	64.26	49.53	57.82
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UK energy use covers the operation of 11 care homes and home care services.

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

### 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 unexpected donation and pension scheme asset refund have significantly boosted reserves and enabled debt finance to be reduced in the short term.

Avante's Executive Team and Trustees believe that having laid good foundations by implementing the strategy and 3 year business plan to 2024. The achievements against our business plan have focussed on improving quality, continuing to strengthen our financial position and made steps to secure appropriate opportunities for growth and diversification.

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% as well as an improvement in staff recruitment and retention. On this basis, Avante maintains sufficient cash and reserves levels to continue to operate for the foreseeable future and reserves continue to grow.

In April 2024 Avante repaid its loan of circa £7m to Barclays Bank and have an £8m term loan facility in place with HSBC of which £1m has been drawn at August 2024. We also have a development loan in place to support the build of the new home at Westgate on Sea. We have good dialogue with HSBC, keeping them informed of forecasts and any potential issues. All of the Barclays covenant tests were met at March 2024 and the HSBC covenants are forecast to be met going forwards.

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 2024 was 11.0% (2023 12.1%) and at July 2024 was 1.6%. 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 HSBC 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 new 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 July 2024, the Board agreed a new strategy, supported by a 3 year Business Plan, which builds on our current performance and growth over recent years.

The Strategic Goals adopted and followed since 2017 have provided Avante with a strong base and we are known as a forward thinking, dynamic care provider. However, adopting the same approach will enable us only to grow and develop in a linear, incremental way.

Consequently, we want to build on the past and achieve a more dynamic and transformational future. With that in mind, we have set three exciting goals for 2024-27. These are:

- Developing a Conscious Culture
- Focussing on the Future
- Achieving Dynamic Delivery

## Goal 1. Developing a Conscious Culture

Avante will embrace a Conscious Culture in which everyone will work together knowing the culture and environment we want to foster. We will all work in a way that is in accordance with our Vision, our Sparkle values and our Strategic Goals.

This means:

Objective 1 – we will promote autonomy and localised decision-making

Objective 2 – we will champion equality, diversity, inclusion and wellbeing

Objective 3 – we will enhance the professional capabilities and skills of our workforce

## Goal 2. Focussing on the Future

So we can build effectively on our stable foundations, we will be more deliberately orientated towards the future.

This means:

Objective 1 – we will grow our homes, services and Extra Care

Objective 2 – we will adopt and implement a comprehensive approach to ESG

Objective 3 – we will embrace innovation and new technology and be confident in the use of technology at all levels

## Goal 3. Achieving Dynamic Delivery

The market for social care will become driven by choice and by need and we will adapt our care provision so we can meet these twin drivers.

This means:

Objective 1 – we will achieve Good and Outstanding CQC ratings

Objective 2 – we will invest to create high quality care environments

Objective 3 – we will introduce new ways of caring and new categories of care

## 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 Strategic and Operational 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>• 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 and marketing Policy d) Infection Control Measures e) Social Media Policy &amp; training with continual monitoring of external media communication. f) All incidents are reported via the incident reporting system and incident severity rating and escalated to EMT, Board and regulatory bodies as required. g) Early engagement with insurers - management liability includes cover h) Monitoring of service reviews in place</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> <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>• Local Government financial position</li> </ul>	<ul style="list-style-type: none"> <li>a) Targeted Marketing of services - to self funders</li> <li>b) Seeking growth opportunities and diversification</li> <li>c) EMT monitoring of performance via KPIs</li> <li>d) Quality control inspections including external / Mock Inspections</li> <li>e) Proactive management – NA tool in place ensure that changes in needs are being recorded correctly within assessments to achieve higher fees.</li> <li>f) Networking and relationships with Commissioners</li> <li>g) Service development plan for each home</li> <li>h) Care and home care strategy and workforce development strategy in place.</li> <li>i) continue to improve financial performance through increasing occupancy and the number of self-funding residents – budget management – new targets set each year</li> <li>k) Quality Strategy in place</li> <li>l) Minimise costs where appropriate</li> <li>m) Family Liaison Manager x 2 managing enquiries to improve occupancy and increase packages</li> <li>n) Flexible recruitment service is able to deliver additional resources to services in need.</li> <li>o) Property strategy in place - Plan for all 11 homes</li> </ul> <p>Actions: Addressing services to replace contract for MAC Top Floor Looking at different service offerings at BNB 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 &amp; Retention of Staff</li> <li>• Global Instability</li> <li>• Government impact on economy</li> <li>• AI – Impact on Avante</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) New Strategy and 3 year business plan in place from Apr 24. 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: Acoustic monitoring proposal</p> <p>New people strategy re new government and EVP approach inc government budget proposals</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> <li>• ESG</li> <li>• Nursing Care – poor delivery</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 at service level and through QIP by Quality Team</li> <li>n) Staff trained in medication procedures</li> <li>o) Internal and external mock inspections targeted in response to CQC monitoring emails</li> <li>p) Severity rating tool - gives oversight and allows response to significant incidents.</li> </ul>

	<p>q) Governance Review completed and actions implemented. Next review is 2025.</p> <p>r) RSMs continue to monitor CQC websites monthly.</p> <p>s) Ongoing fire safety training in place</p> <p>t) Applicant management system implemented</p> <p>u) ESG Statement now in place.</p> <p>v) Medication practices reviewed at service visits</p> <p>Actions:</p> <p>ESG - roll out Governance App</p> <p>Governance code - FD to review and section for each BOT</p> <p>Developing a nursing strategy to include recruitment, retention, training and monitoring.</p>
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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 24 September 2024 and signed on its behalf by:

Andrew Ireland

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Andrew Ireland  
Chair of the Board of Trustees



## **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 2024 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 2024, 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.

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 and the defined benefit pension schemes.

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.

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

### **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.



***Suzanne Goldsmith FCA (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

Dated: 30 January 2025

# Simplified Operating Statement

for the year ended 31 March 2024

		2024	2023
	Note	£	£
<b>Charitable activities</b>			
Income from Care Home services	2	34,939,481	29,975,164
Expenditure on Care Home services	3	(34,431,635)	(27,900,911)
<b>Surplus on Care Home services</b>		<b>507,846</b>	<b>2,074,253</b>
 Income from Home Care & Support services	2	2,459,755	2,577,493
Expenditure on Home Care & Support services	3	(2,606,930)	(2,983,416)
<b>Deficit on Home Care &amp; Support services</b>		<b>(147,175)</b>	<b>(405,923)</b>
 <b>Surplus/(Deficit) from charitable activities</b>		<b>360,671</b>	<b>1,668,330</b>
 <b>Voluntary and other activities</b>			
Income from donations, legacies and grants		6,830,398	25,127
Other trading income		27,566	52,888
Investment Income		229,180	-
Miscellaneous income		49,146	5,366
Profit on sale of fixed assets		5,491	-
<b>Income from voluntary and other activities</b>		<b>7,141,781</b>	<b>83,381</b>
 <b>Surplus from voluntary and other activities</b>		<b>7,141,781</b>	<b>83,381</b>
 <b>Net income before other recognised gains/losses</b>		<b>7,502,452</b>	<b>1,751,711</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 2024

		Unrestricted funds	Restricted funds	Total 2024	Unrestricted funds	Restricted funds	Total 2023
		£	£	£	£	£	£
<b>Income from:</b>							
Donations, legacies and grants	2	6,800,000	30,398	6,830,398	-	25,127	25,127
Charitable activities	2	37,399,236	-	37,399,236	32,552,657	-	32,552,657
Other trading income		27,566	-	27,566	52,888	-	52,888
Investment Income		229,180	-	229,180	-	-	-
Other income		49,146	-	49,146	5,366	-	5,366
Proceeds on sale of fixed assets		5,491	-	5,491	-	-	-
<b>Total income</b>		<b>44,510,619</b>	<b>30,398</b>	<b>44,541,017</b>	<b>32,610,911</b>	<b>25,127</b>	<b>32,636,038</b>
<b>Expenditure on:</b>							
Charitable activities							
- Care Home services		34,402,124	29,511	34,431,635	27,870,312	30,599	27,900,911
- Home Care & Support services		2,606,436	494	2,606,930	2,982,921	495	2,983,416
<b>Total expenditure</b>	3	<b>37,008,560</b>	<b>30,005</b>	<b>37,038,565</b>	<b>30,853,233</b>	<b>31,094</b>	<b>30,884,327</b>
<b>Net income/(expenditure)</b>		<b>7,502,059</b>	<b>393</b>	<b>7,502,452</b>	<b>1,757,678</b>	<b>(5,967)</b>	<b>1,751,711</b>
<b>Other recognised gains/losses</b>							
Property revaluation		6,545,392	-	6,545,392	-	-	-
Act'l (loss)/gain on pension asset/liability	16	2,614,359	-	2,614,359	1,587,825	-	1,587,825
<b>Net movement in funds</b>		<b>16,661,810</b>	<b>393</b>	<b>16,662,203</b>	<b>3,345,503</b>	<b>(5,967)</b>	<b>3,339,536</b>
<b>Balance b/fwd at 01 April 2023</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>
<b>Balance c/fwd at 31 March 2024</b>		<b>75,840,195</b>	<b>65,764</b>	<b>75,905,959</b>	<b>59,178,385</b>	<b>65,371</b>	<b>59,243,756</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 23 to 47 form part of these financial statements

# Balance Sheets

for the year ended 31 March 2024

	Note	2024		2023	
		Consolidated £	Charity Only £	Consolidated £	Charity Only £
<b>Fixed assets</b>					
Tangible fixed assets	6	70,224,778	70,224,778	63,267,348	63,267,348
Investment		-	1	-	1
		<b>70,224,778</b>	<b>70,224,779</b>	<b>63,267,348</b>	<b>63,267,349</b>
<b>Current assets</b>					
Debtors	7	7,085,642	5,111,853	3,327,624	2,026,397
Amounts owed by group undertakings	17	-	2,307,200	-	2,362,100
Short term deposits	1.11	5,310,949	5,310,949	3,031,066	3,031,066
Cash at bank and in hand	1.11	7,410,517	7,077,105	2,988,258	1,927,384
		<b>19,807,108</b>	<b>19,807,107</b>	<b>9,346,948</b>	<b>9,346,947</b>
<b>Creditors: amounts falling due within one year</b>					
Creditors falling due within one year	8	6,411,630	6,411,630	4,891,433	4,891,433
<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>7,110,819</b>	<b>7,110,819</b>	<b>5,590,622</b>	<b>5,590,622</b>
<b>Net current assets</b>		<b>12,696,289</b>	<b>12,696,288</b>	<b>3,756,326</b>	<b>3,756,325</b>
<b>Total assets less current liabilities</b>		<b>82,921,067</b>	<b>82,921,067</b>	<b>67,023,674</b>	<b>67,023,674</b>
<b>Creditors: amounts falling due after one year</b>					
Interest rate swap liability		-	-	(14,849)	(14,849)
Bank loan accounts	10	(5,943,108)	(5,943,108)	(6,642,297)	(6,642,297)
<b>Net assets excluding pension liability</b>		<b>76,977,959</b>	<b>76,977,959</b>	<b>60,366,528</b>	<b>60,366,528</b>
Pension Asset	16	-	-	93,000	93,000
Pension liability	16	(1,072,000)	(1,072,000)	(1,215,772)	(1,215,772)
<b>Net assets</b>		<b>75,905,959</b>	<b>75,905,959</b>	<b>59,243,756</b>	<b>59,243,756</b>
<b>Represented by:</b>					
Unrestricted funds excluding pension liability		55,228,130	55,228,130	45,162,484	45,162,484
Pension asset/(liability)		(1,072,000)	(1,072,000)	(1,122,772)	(1,122,772)
Revaluation reserve		21,684,065	21,684,065	15,138,673	15,138,673
<b>Total unrestricted funds</b>		<b>75,840,195</b>	<b>75,840,195</b>	<b>59,178,385</b>	<b>59,178,385</b>
Restricted funds		65,764	65,764	65,371	65,371
<b>Balance carried forward at 31.03.2024</b>		<b>75,905,959</b>	<b>75,905,959</b>	<b>59,243,756</b>	<b>59,243,756</b>

Approved and authorised by the Board of Trustees on 24 September 2024 and signed on its behalf by:

  
 Andrew Ireland, Chair:  
 Andrew Ireland (Wed, 29th Jan 2025  
 21:16:03 GMT)

# Consolidated Cash Flow Statement

for the year ended 31 March 2024

		2024	Total 2023
	Notes	£	£
<b>Cash flows from operating activities</b>			
Net income/(expenditure)		7,502,452	1,751,711
Pension contribution less current service and finance cost	16	2,554,637	(327,114)
Interest paid	4	416,103	349,788
Revaluation of Property		6,545,392	-
Depreciation charge	6	1,328,051	1,179,756
(Profit) on sale of fixed assets		(5,491)	-
Increase in debtors		(3,758,018)	(758,714)
Increase/(Decrease) in creditors		1,505,348	(324,873)
<b>Net cash generated from operating activities</b>		<b>16,088,474</b>	<b>1,870,554</b>
<b>Cash flows from investing activities</b>			
Payments to acquire tangible fixed assets	6	(1,731,139)	(1,775,937)
Receipts on disposal of tangible fixed assets		5,491	-
Revaluation (gain)/loss on Property		(6,545,392)	-
<b>Net cash generated from investing activities</b>		<b>(8,271,040)</b>	<b>(1,775,937)</b>
<b>Cash flows from financing activities</b>			
Loans repaid		(699,189)	(699,189)
Interest paid on long-term loans	4	(416,103)	(349,788)
<b>Net cash used by financing activities</b>		<b>(1,115,292)</b>	<b>(1,048,977)</b>
Net Increase/(decrease) in cash		7,401,331	(255,174)
Cash and cash equivalents at beginning of year		(1,322,164)	(1,066,990)
Cash and cash equivalents at the end of the year		6,079,167	(1,322,164)

Analysis of net debt	At 31.03.2023	Cash flow	At 31.03.2024
Short-term deposits	3,031,066	2,279,883	5,310,949
Cash at bank and in hand	2,988,258	4,422,259	7,410,517
Net cash	6,019,324	6,702,142	12,721,466
Changes in debt; bank loan	(7,341,488)	699,189	(6,642,299)
<b>Changes in net debt</b>	<b>(1,322,164)</b>	<b>7,401,331</b>	<b>6,079,167</b>



# Notes to the Accounts

## for the year ended 31 March 2024

### 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 £7,502,452 (2023: £1,751,711) before recognised loss on Pension liability of £2,614,359 to give net movement in funds of £16,662,203 (2023: £3,339,536).

#### 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.

Restricted funds are funds which must be used in accordance with the specific instructions imposed by the donor or funding body or 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 is 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.

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.

# Notes to the Accounts

## for the year ended 31 March 2024

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 21 February 2024 by Colliers International by Nicolaus White MRICS & Adam Lenton MRICS.

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.

### 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.

# Notes to the Accounts

## for the year ended 31 March 2024

### 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.

The company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to 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.

New funding arrangements were agreed with HSBC Bank Plc and the Barclays loan was repaid in April 2024.

All covenant tests were met in the year. Forecasts carried out as part of the year ended 31st March 2024

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.

Two schemes, Royal Borough of Greenwich and London Borough of Bexley were exited during the year and therefore the cessation valuation is shown.

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 historically have been 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. The interest rate SWAPs were terminated in March 2024 and are therefore shown at a nil value.

# Notes to the Accounts

for the year ended 31 March 2024

	2024	2023
	£	£
<b>Financial assets held at amortised cost</b>		
Debtors	7,085,641	3,327,624
Short-term deposits	5,310,949	3,031,066
Cash at bank and in hand	7,410,517	2,988,259
Less prepayments	(775,192)	(489,147)
	<b>19,031,915</b>	<b>8,857,802</b>
	2024	2023
	£	£
<b>Financial liabilities held at amortised cost</b>		
Current creditors and accruals	5,556,067	4,241,753
Less deferred income	(352,824)	(352,230)
Bank loans	6,642,297	7,341,486
	<b>11,845,540</b>	<b>11,231,009</b>
	2024	2023
	£	£
<b>Financial liabilities held at valuation</b>		
Interest rate swap liability	-	(73,745)
	<b>-</b>	<b>(73,745)</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.

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

# Notes to the Accounts

for the year ended 31 March 2024

## 2 Income

	2024	2023
	£	£
<b>Charitable activities</b>		
Care Homes	34,939,481	29,975,164
Home Care & Support	2,459,755	2,577,493
	<b>37,399,236</b>	<b>32,552,657</b>
	2024	2023
	£	£
<b>Donations, legacies and grants</b>		
Covid-19 grant income - Infection Control, LFD Testing and Workforce Capacity	-	(131)
Legacies	-	-
Charitable Donation	6,830,398	25,127
	<b>6,830,398</b>	<b>24,996</b>

Of the Charitable Donations above £6,800,000 is unrestricted and £30,398 is restricted (2023: Unrestricted £nil and restricted £25,127).

## 3 Expenditure

### 3.1 Analysis of total expenditure

	Staff costs	Other direct costs	Support costs	Governance	Total 2024
	£	£	£	£	£
<b>Charitable activities</b>					
Care Homes	23,994,686	8,570,810	1,559,417	306,723	34,431,636
Home Care & Support	2,081,595	352,277	151,465	21,593	2,606,930
	<b>26,076,281</b>	<b>8,923,087</b>	<b>1,710,882</b>	<b>328,316</b>	<b>37,038,566</b>
	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>

Included within total expenditure is £30,005 (2023 £31,094) of restricted expenditure and £37,008,560 (2023: £30,853,233) of unrestricted expenditure.

### 3.2 Analysis of support costs

	Care Homes	Home Care & Support	Total 2024	Care Homes	Home Care & Support	Total 2023
	£	£	£	£	£	£
Staff costs	(148,491)	(14,423)	(162,914)	2,098,837	239,493	2,338,330
Premises	161,148	15,652	176,800	102,973	11,750	114,723
Operating costs	1,533,999	148,997	1,682,996	792,243	90,401	882,644
Depreciation	12,761	1,239	14,000	12,566	1,434	14,000
	<b>1,559,417</b>	<b>151,465</b>	<b>1,710,882</b>	<b>3,006,619</b>	<b>343,078</b>	<b>3,349,697</b>

# Notes to the Accounts

for the year ended 31 March 2024

## 3.3 Analysis of governance costs

	Care Homes	Home Care & Support	Total 2024	Care Homes	Home Care & Support	Total 2023
	£	£	£	£	£	£
Support costs	13,263	934	14,197	267,965	23,042	291,008
Audit	35,519	2,501	38,020	36,234	3,116	39,350
Valuations	19,457	1,370	20,827	10,122	870	10,992
Trustee expenses	3,300	232	3,532	17,352	1,492	18,844
Other	(36,383)	(2,561)	(38,944)	(35,970)	(3,093)	(39,063)
Strategy	271,567	19,118	290,685	258,502	22,228	280,730
	<b>306,723</b>	<b>21,594</b>	<b>328,317</b>	<b>554,205</b>	<b>47,655</b>	<b>601,861</b>

## 3.4 Auditor remuneration

		2024	2023
		£	£
<b>Total remuneration payable to the charity's auditor in the period:</b>			
Statutory audit:	Charity	32,670	30,250
	Subsidiary	5,350	4,250
		<b>38,020</b>	<b>34,500</b>
Non-audit services:		59,180	6,864

## 3.5 Net Income

		2024	2023
		£	£
<b>Net income is stated after charging:</b>			
Operating lease payments		1,027,640	684,372
Profit on sale of fixed assets		(5,491)	-
Depreciation		1,328,051	1,179,756
Auditors remuneration	Audit	38,020	34,500
VAT Advice	Additional work	59,180	6,864
		<b>2,447,400</b>	<b>1,905,492</b>

## 4 Interest payable

	2024	2023
	£	£
On bank loans and overdrafts	416,103	349,788
	<b>416,103</b>	<b>349,788</b>

# Notes to the Accounts

for the year ended 31 March 2024

## 5 Operating leases

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

		2024 £	2023 £
<b>Under 1 year:</b>	Land and buildings	1,699,475	632,609
	Others (motor vehicles, photocopiers, franking machines)	46,170	70,804
<b>Within 2 to 5 years:</b>	Land and buildings	6,927,654	2,561,428
	Others (motor vehicles, photocopiers, franking machines)	87,970	23,070
<b>Over 5 years:</b>	Land and buildings	44,137,810	18,636,986
	Others (motor vehicles, photocopiers, franking machines)	-	-
		<b>52,899,079</b>	<b>21,924,897</b>

During the year costs of £1,027,640 were incurred against the operating leases listed above (2023: £684,372).

## 6 Fixed assets

### Consolidated and Charity

#### 6.1 Analysis of movement of fixed assets

Cost/valuation	Freehold Property £	Leasehold Improv'ts £	Computer Equipment £	Fixtures & Fittings £	Motor Vehicles £	Work in Progress £	Total £
At 01.04.2023	63,144,245	652,817	776,705	2,626,161	192,870	443,832	67,836,630
Additions	607,746	(775)	104,205	800,204	35,265	184,494	1,731,139
Disposals	-	-	(495)	3,209	(43,950)	-	(41,236)
Revaluations/Impairments	6,545,392	-	-	-	-	-	6,545,392
Reclassification	-	-	-	-	-	-	-
At 31.03.2024	70,297,383	652,042	880,415	3,429,574	184,185	628,326	76,071,925
<b>Depreciation</b>							
At 01.04.2023	2,690,929	42,044	616,132	1,034,521	183,331	-	4,566,957
Charge for year	679,064	(4,773)	107,466	535,431	10,863	-	1,328,051
Disposals	-	-	(495)	(3,416)	(43,950)	-	(47,861)
Revaluations/Impairments	-	-	-	-	-	-	-
At 31.03.2024	3,369,993	37,271	723,103	1,566,536	150,244	-	5,847,147
<b>Net book value</b>							
As at 31.03.2024	66,927,390	614,771	157,312	1,863,038	33,941	628,326	70,224,778
As at 01.04.2023	60,453,316	610,773	160,573	1,591,640	9,539	443,832	63,269,673

The portfolio of properties was subject to a 5-yearly revaluation as at 21.02.2024. This was carried out by independent valuers, Colliers International by Nicolaus White MRICS & Adam Lenton MRICS. Colliers 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 £184,494 relates to ongoing project works at Westgate-on-Sea.

# Notes to the Accounts

for the year ended 31 March 2024

## 6.2 Disposal of fixed assets

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

Disposals of Motor Vehicles represent the sale of a van as replaced by a new one and the sale of a minibus due to be scrapped.

## 6.3 Comparable historic cost

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

	2024	2023
	£	£
Cost	51,976,304	51,147,393
Accumulated depreciation	(12,562,700)	(11,688,703)
Net book value	<b>39,413,604</b>	<b>39,458,690</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 2024 was £0 (2023: £58,344).

## 7 Current debtors

	2024		2023	
	Consolidated £	Charity Only £	Consolidated £	Charity Only £
Trade debtors	2,355,841	1,107,631	1,781,781	856,349
Other debtors	11,175	11,175	9,576	9,576
Pension scheme settlement	3,077,050	3,077,050		
Prepayments	775,192	775,192	489,147	489,147
Accrued income	866,383	140,804	1,047,120	671,325
	<b>7,085,641</b>	<b>5,111,852</b>	<b>3,327,624</b>	<b>2,026,397</b>

## 8 Current creditors and accruals

	2024		2023	
	Consolidated £	Charity Only £	Consolidated £	Charity Only £
Interest rate swap asset	-	-	(88,594)	(88,594)
Trade creditors	847,699	847,699	668,436	668,436
Other taxes and social security	855,563	855,563	738,274	738,274
Other creditors	1,593,811	1,593,811	1,433,085	1,433,085
Pension Liability	229,000	229,000	-	-
Accruals	2,532,733	2,532,733	1,788,002	1,788,002
Deferred income (note 9)	352,824	352,824	352,230	352,230
	<b>6,411,630</b>	<b>6,411,630</b>	<b>4,891,433</b>	<b>4,891,433</b>



# Notes to the Accounts

for the year ended 31 March 2024

## 9 Deferred income accruals

<b>Consolidated and Charity</b>	<b>Care fees</b>	<b>Cash in advance</b>	<b>Others</b>	<b>Total 2024</b>
	£	£	£	£
Brought forward at 01.04.2023	244,144	108,087	-	352,231
Released in current year	(244,144)	(108,087)	-	(352,231)
Arising at 31.03.2024	180,279	172,544	-	352,823
<b>Consolidated as at 31.03.2024</b>	<b>180,279</b>	<b>172,544</b>	<b>-</b>	<b>352,823</b>
Charity only as at 31.03.2024	106,632	22,533	-	129,165

	<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	-	352,231
<b>Consolidated as at 31.03.2023</b>	<b>244,144</b>	<b>108,087</b>	<b>-</b>	<b>352,231</b>
Charity only as at 31.03.2023	210,909	27,465	-	238,374

All deferred income at 31.03.2024 is in respect of fees or grants invoiced on or prior to 31.03.2024 but relating to periods after 31.03.2024, or payments in advance pending invoicing or contract reconciliation.

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

	<b>2024</b>	<b>2023</b>
	£	£
Interest rate swap liability	-	14,849
Bank loans	5,943,108	6,642,297
	<b>5,943,108</b>	<b>6,657,146</b>

	<b>Contractual obligation</b>	
	<b>at 31.03.2024</b>	<b>at 31.03.2023</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	3,146,351	3,845,540
	<b>6,642,297</b>	<b>7,341,486</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 £66,927,390 (2023: £60,453,316).

# Notes to the Accounts

for the year ended 31 March 2024

## 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 31.03.2024 was £16,388 (2023: £12,535).

## 12 Contingent liabilities

There are no known contingent liabilities arising from contract disputes (2023: £nil).

Avante Care and Support (Avante) is aware of the 'Virgin Media Ltd v NTL Pension Trustees II Ltd (and others)' case and considers that there is potential for the outcome of this case to have an impact on Avante. The case affects defined benefit schemes that provided contracted-out benefits before 6 April 2016 based on meeting the reference scheme test. Where scheme rules were amended, potentially impacting benefits accrued from 6 April 1997 to 5 April 2016, schemes needed the actuary to confirm that the reference scheme test was still being met by providing written confirmation under Section 37 of the Pension Schemes Act 1993. In the Virgin Media case the judge ruled that alterations to the scheme rules were void and ineffective because of the absence of written actuarial confirmation required under Section 37 of the Pension Schemes Act 1993. The case was taken to The Court of Appeal in July 2024 and the original ruling was upheld.

As a result, there may be a further liability to Avante's share of the Kent Pension Fund for benefits that were reduced by previous amendments, if those amendments prove invalid (i.e. were made without obtaining s37 confirmation). The Government Actuary's Department is currently undertaking a review to confirm whether such changes occurred in Local Government Pension Schemes. At this point it is not possible to estimate the potential impact, if any, on Avante and thus the obligation and liability shown in Avante's accounts.

## 13 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total 2024 £
Tangible fixed assets	70,224,778	-	70,224,778
Net current assets (excluding bank loans and swaps liability)	13,329,714	65,764	13,395,478
Bank loans	(6,642,297)	-	(6,642,297)
Pension liabilities	(1,072,000)	-	(1,072,000)
	<b>75,840,195</b>	<b>65,764</b>	<b>75,905,959</b>

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

# Notes to the Accounts

for the year ended 31 March 2024

## 14 Funds analysis

	Unrestricted funds *	Revaluation/ Capital reserve	Restricted funds	2024 Total
	£	£	£	£
Brought forward at 01.04.2023	44,039,712	15,138,673	65,371	59,243,756
Net income/(Expenditure)	7,502,059	-	393	7,502,452
Revaluation gain/(loss) on Property	-	6,545,392	-	6,545,392
Actuarial gain on pension liability	2,614,359	-	-	2,614,359
Carried forward at 31.03.2024	<b>54,156,130</b>	<b>21,684,065</b>	<b>65,764</b>	<b>75,905,959</b>

	Unrestricted funds *	Revaluation/ Capital reserve	Restricted funds	2023
	£	£	£	£
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>

The revaluation reserve is the revaluation surplus on the freehold property. The freehold properties were revalued by Colliers, surveyors and valuers, on an existing use basis in February 2024. Previous valuations were carried out in March 2019, 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 2029.

The movement on restricted funds represents the net transactions for the year through amenity fund cash and bank accounts for the eleven 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 2024, (2023: £nil). Travel and training expenses of £3,532 in total were paid to 10 trustees during the year (2023: £1,678, to 10 trustees).

Payments totalling £0 were made in the year in respect of trustee recruitment. (2023: £17,117)

A payment of £16,633 was made in the year in respect of management liability insurance covering trustees and management (2023: £15,320).

# Notes to the Accounts

for the year ended 31 March 2024

## 15.2 Employee information

### Employee costs during the year were:

	2024 £	2023 £
Salaries and wages	21,722,241	18,875,693
Agency costs	1,873,615	2,779,010
Staff recruitment and training	405,486	349,526
Employer's social security costs	1,697,075	1,431,976
Employer's pension costs	635,254	606,570
	<b>26,333,671</b>	<b>24,042,775</b>

### Analysed as:

Charitable activities	26,191,703	21,132,709
Support costs	(162,914)	2,338,330
Governance costs	304,882	571,736
	<b>26,333,671</b>	<b>24,042,775</b>

Included in employee costs above are redundancy payments of: 17,334 40,471

### 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>	2024	2023
£60,000 to £70,000	6	2
£70,000 to £80,000	2	1
£80,000 to £90,000	1	3
£90,000 to £100,000	1	1
£100,000 to £110,000	-	1
£110,000 to £120,000	2	-
£120,000 to £130,000	-	1
£130,000 to £140,000	-	1
£140,000 to £150,000	2	
£150,000 to £160,000	-	

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

### Number of employees

The average number of persons employed during the year was:

	2024	2023
Care & Support	962	889
Home Care & Support	136	146
Corporate	58	59
	<b>1,156</b>	<b>1,094</b>

# Notes to the Accounts

## for the year ended 31 March 2024

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

	2024	2023
Care & Support	751	669
Home Care & Support	71	99
Corporate	56	51
	878	819

### 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 £794,321 (2023: £881,309) of which £98,759 related to employer's pension costs (2023: £149,623).

### 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 SHPS defined benefit pension scheme is 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:

	2023	Other Movements	Actuarial (gain)/loss	2024
	£	£	£	£
Kent County Council (KCC LGPS)	-	(50,000)	50,000	-
London Borough of Bexley (LBB LGPS)	(93,000)	2,899,000	(2,806,000)	-
Royal Borough of Greenwich (RBG LGPS)	131,772	4,586	(136,358)	-
Social Housing Pension Scheme (SHPS)	1,084,000	(290,000)	278,000	1,072,000
	1,122,772	2,563,586	(2,614,358)	1,072,000

	Rate of Contribution		E'ees in scheme	
	Employer's	Employee's	2024 cost	at 31.03.24
			£	
SHPS CARE/60th (commenced 01.07.2020)	22.8%	10.2%	137,501	3
SHPS CARE/80th	17.2%	7.7%	325,450	9
SHPS FRP auto-enrolment	3.0%	4.0%	309,002	868
SHPS defined contribution scheme	up to 8.00%	Variable	39,230	12
KCC pensions (LGPS)	46.5%	5.8%, 6.5, 6.8 %	37,408	2
RBG pensions (LGPS)	16.5%	6.8%	23,389	2
LBB pensions (LGPS)	19.9%	5.5% 5.8% & 6.5%	11,169	2
			883,149	898

#### Analysis of scheme costs by scheme type

- Defined Contribution	348,232
- Defined Benefit	534,917
	883,149

# Notes to the Accounts

for the year ended 31 March 2024

## 16.1 Defined contribution schemes

Avante Care & Support participates in two 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 2024 was £42,000 (2023: £48,000), of which employer's contributions totalled £37,000 (2023: £42,000) and employees' contributions totalled £5,000 (2023: £6,000). 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 2024, the value of the Employer's liabilities calculated for the funding valuation at 31 March 2023 has been rolled forward, using financial assumptions that comply with FRS102.

Avante's estimated net asset is £1041,000 as per the FRS102 valuation as at 31 March 2024 (2023: asset £991,000).

The major assumptions used were:

	31.03.2024	31.03.2023	31.03.2022
Financial assumptions	% pa	% pa	% pa
Pension increases (CPI)	2.95	2.90	3.35
Salary increases	3.95	3.90	4.35
Discount rate	4.85	4.80	2.60

#### **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:

	31.03.2024	31.03.2023
<b>Retiring today</b>		
Males	20.8	21.1
Females	23.3	23.5
<b>Retiring in 20 years</b>		
Males	22.0	22.3
Females	24.7	25.0

# Notes to the Accounts

for the year ended 31 March 2024

## Balance sheet disclosures

	31.03.2024	31.03.2023
	£'000s	£'000s
<b><u>Fair value of employer assets</u></b>		
Equities	5,207	5,815
Gilts	656	50
Bonds	1,289	1,197
Property	803	910
Cash	143	163
Target return portfolio	452	668
Infrastructure	401	310
	<u>8,951</u>	<u>9,113</u>
<b><u>Balance sheet</u></b>	<b>£'000s</b>	<b>£'000s</b>
Fair value of employer assets	8,951	9,113
Present value of funded liabilities	(7,910)	(8,122)
Restriction of Asset to Pension Asset Ceiling	(1,041)	(991)
	<u>-</u>	<u>-</u>

## Revenue account costs

	Year to: 31.03.2024	31.03.2023
	£'000s	£'000s
<b><u>Revenue account recognition</u></b>		
Current service cost	36	41
Net interest on the defined liability (asset)	(49)	35
Administration expenses	8	6
	<u>(5)</u>	<u>82</u>

## **Reconciliation of defined benefit obligation**

	Year to: 31.03.2024	31.03.2023
	£'000s	£'000s
Opening defined benefit obligation	8,122	10,859
Current service cost	36	41
Interest cost	377	275
Contributions by members	5	6
Experience loss/(gain) on defined benefit obligation	26	775
Past service costs, including curtailments	-	-
Changes in financial assumptions	(4)	(3,081)
Change in demographic assumption	(122)	(198)
Estimated benefits paid	(530)	(555)
Closing defined benefit obligation	<u>7,910</u>	<u>8,122</u>

# Notes to the Accounts

for the year ended 31 March 2024

	Year to:	31.03.2024	31.03.2023
		£'000s	£'000s
<b><u>Reconciliation of opening &amp; closing balances of the fair value of Fund assets</u></b>			
Opening fair value of Fund assets		9,113	9,478
Interest on assets		426	240
Return on assets less interest		(92)	(120)
Other actuarial gains/(losses)		-	28
Contributions by Scheme participants and other employers		5	6
Contributions by employer including unfunded		37	42
Estimated benefits paid plus unfunded net of transfers in		(530)	(555)
Administration expenses		(8)	(6)
Closing fair value of Fund assets		8,951	9,113

	31.03.2024	31.03.2023	31.03.2022	31.03.2021	31.03.2020
	£'000s	£'000s	£'000s	£'000s	£'000s
<b><u>Amounts for current &amp; previous periods</u></b>					
Defined benefit obligation	(7,910)	(8,122)	(10,859)	(11,373)	(10,132)
Scheme assets	8,951	9,113	9,478	9,635	7,745
Surplus/(deficit)	1,041	991	(1,381)	(1,738)	(2,387)

	Year to:	31.03.2025
		£'000s
<b><u>Projected expense</u></b>		
Service cost		35
Net interest on the defined liability (asset)		(2)
Administration expenses		8
		41
Employer contributions		75

## **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:	31.03.2024	
		£'000s	
<b><u>Adjustment to discount rate</u></b>			
	+0.1%	0.0%	(0.1%)
Present value total obligation	7,827	7,910	7,995
Projected service cost	34	35	36
<b><u>Adjustment to long term salary increase</u></b>			
	+0.1%	0.0%	(0.1%)
Present value total obligation	7,912	7,910	7,908
Projected service cost	35	35	35
<b><u>Adjustment to pension increases and deferred revaluation</u></b>			
	+0.1%	0.0%	(0.1%)
Present value total obligation	7,995	7,910	7,827
Projected service cost	36	35	34
<b><u>Adjustment to life expectancy assumptions</u></b>			
	+1 Year	None	-1 Year
Present value total obligation	8,332	7,910	7,511
Projected service cost	36	35	34



# Notes to the Accounts

for the year ended 31 March 2024

	31.03.2024	31.03.2023
	£'000s	£'000s
Remeasurement of the net assets / (defined liability)		
Return on Fund assets in excess of interest	(92)	(120)
Other actuarial gains/(losses) on assets	-	28
Change in financial assumptions	4	3,081
Experience gain/(loss) on defined benefit obligation	(26)	(775)
Change in demographic assumptions	122	198
Changes in effect of asset ceiling	(1,041)	991
<b>Remeasurement of the (defined liability)/net assets</b>	<b>(1,033)</b>	<b>3,403</b>

## 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 2024 was £3,064,000 (2023: £164,000), of which employer's contributions totalled £3,066,000 (2023: £160,000) and employees' contributions totalled £2,000 (2023: £4,000). The agreed contribution rates for future years are 19.9% for employers and 5.5% 5.8% & 6.5% for employees. The scheme was closed at 31 March 2024 and therefore no future contributions will be made to the scheme.

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 2024 using the "projected unit credit" method to calculate the service cost. Avante Care and Support exited the pension scheme on 31 March 2024 and a termination assessment was undertaken by the actuary as at that date which showed a scheme surplus and exit credit of £3,077,050 which has been included on the balance sheet as a debtor. The main assumptions used by the actuary were:

	31.03.2024	31.03.2023	31.03.2022
	% pa	% pa	% pa
Financial assumptions			
CPI inflation rate	2.7	2.7	3.5
Pension increase rate	2.8	2.8	3.6
Salary increases	4.2	4.2	5.0
Discount rate	4.9	4.9	2.8

## Mortality

Life expectancy is based on the SAPS 3 CMI 2021 (1.5%) tables (117% males, 104% females) for non-retired members. For retired members life expectancy is based on the same tables (108% males, 103% 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

# Notes to the Accounts

for the year ended 31 March 2024

## Balance sheet disclosures

	31.03.2024	31.03.2023
	£'000s	£'000s
<b><u>Fair value of employer assets</u></b>		
Equities	-	4,080
Government bonds	-	3,698
Other bonds	-	-
Property	-	1,785
Cash/liquidity	-	1,020
Other	-	2,168
	<hr/>	<hr/>
	-	12,751

	£'000s	£'000s
<b><u>Balance sheet</u></b>		
Fair value of employer assets	-	12,751
Present value of funded liabilities	-	(9,148)
Restriction of Asset to Pension Asset Ceiling	-	(3,510)
	<hr/>	<hr/>
	-	93

## Revenue account costs

	Year to: 31.03.2024	31.03.2023
	£'000s	£'000s
<b><u>Revenue account recognition</u></b>		
Current service cost	9	27
Net interest cost	(177)	(39)
Administration expenses	1	1
Past service cost (gain)	-	-
Effect of Settlements	882	-
	<hr/>	<hr/>
	715	(11)

## **Statement of other comprehensive income**

	Year to: 31.03.2024	31.03.2023
	£'000s	£'000s
Remeasurements (liabilities and assets)	-	(2,041)
Total remeasurements included in SOCI	<hr/>	<hr/>
	-	(2,041)

## **Reconciliation of defined benefit obligation**

	Year to: 31.03.2024	31.03.2023
	£'000s	£'000s
Opening defined benefit obligation	9,148	13,082
Current service cost	9	27
Interest cost	435	360
Contributions by members	2	4
Past service cost/(gain)	-	(604)
Experience (gain)/loss	89	419
Actuarial losses/(gains)	(126)	(3,787)
Settlements	(9,001)	-
Estimated benefits paid	(556)	(353)
<b>Closing defined benefit obligation</b>	<hr/>	<hr/>
	-	9,148

# Notes to the Accounts

for the year ended 31 March 2024

	Year to:	31.03.2024	31.03.2023
		£'000s	£'000s
<b>Reconciliation of fair value of employer assets</b>			
Opening fair value of employer assets		12,751	14,473
Expected return on assets		-	399
Contributions by members		2	4
Contributions by employer		(3,066)	160
Actuarial gain/(loss)		-	(1,680)
Benefits paid		(556)	(604)
Administration expenses		(1)	(1)
Interest on asset plan		612	-
Remeasurements (assets)		141	-
Settlements		(9,883)	-
<b>Closing fair value of employer assets</b>		<b>-</b>	<b>12,751</b>

	31.03.2024	31.03.2023	31.03.2022	31.03.2021	31.03.2020
	£'000s	£'000s	£'000s	£'000s	£'000s
<b>Amounts for current &amp; previous periods</b>					
Defined benefit obligation	-	(9,148)	(13,082)	(13,257)	(12,316)
Scheme assets	-	12,751	14,473	13,988	12,510
Surplus/(deficit)	-	3,603	1,391	731	194
Experience adj on scheme assets	-	(1,680)	777	1,702	(592)
Experience adj on scheme liabilities	(126)	(3,787)	61	1,402	(835)

## 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 2024 was £31,000 (2023: £31,000), of which employer's contributions totalled £23,000 (2023: £23,000) and employees' contributions totalled £8,000 (2023: £8,000). the scheme was closed at 31 March 2024 and therefore no future contributions will be made to the scheme.

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).

Avante Care and Support exited the pension scheme on 31 March 2024 and a termination assessment was undertaken by the actuary as at that date which showed a scheme surplus and exit deficit of £229,000 which has been included on the balance sheet as a creditor. The major assumptions used by the actuary were:

	31.03.2024	31.03.2023	31.03.2022
	% pa	% pa	% pa
<b>Financial assumptions</b>			
Pension increases (CPI)	2.90	2.90	3.40
Salary increases	3.90	3.90	4.40
Discount rate	4.85	4.80	2.60

# Notes to the Accounts

for the year ended 31 March 2024

## Mortality

Life expectancy is based on the S3PA\_H tables with a multiplier of 100% for males and 100% for females. These base tables are then projected using the CMI 2021 Model, allowing for a long-term rate of improvement of 1.25% pa, smoothing parameter of 7.0, an initial addition parameter of 0.0% pa and a 2020 weighting of 5% and 2021 weighting of 5%. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	31.03.2024	31.03.2023
<b>Retiring today</b>		
Males	19.3	19.6
Females	22.7	23.0
<b>Retiring in 20 years</b>		
Males	20.6	21.0
Females	24.2	24.5

## Balance sheet disclosures

	31.03.2024	31.03.2023
<u>Estimated asset allocation for Avante Care &amp; Support</u>	£'000s	£'000s
UK Equities	-	818.8
Other bonds	-	351.2
Property	-	154.2
Cash	-	26.5
Unitised insurance policies	-	-
UK & overseas unit trusts	-	192.8
	-	1,543.5

<u>Balance sheet</u>	£'000s	£'000s
Fair value of employer assets	-	1,543.5
Present value of funded liabilities	-	(1,675.3)
	-	(131.8)

## Revenue account costs

	Year to: 31.03.2024	31.03.2023
<u>Revenue account recognition</u>	£'000s	£'000s
Service cost	21.0	46.7
Net interest on the defined liability (asset)	5.8	13.6
Administration expenses	1.2	1.1
	28.0	61.4

## Notes to the Accounts

for the year ended 31 March 2024

	Year to: 31.03.2024	31.03.2023
	£'000s	£'000s
<b>Reconciliation of opening and closing balances of present value of the defined benefit obligation</b>		
Opening defined benefit obligation	1,675.3	2,199.4
Current service cost	21.0	46.7
Interest cost	78.4	56.2
Change in financial assumptions	(10.3)	(787.0)
Change in demographic assumptions	(28.3)	(112.6)
Experience loss/(gain) on defined benefit obligation	(1,420.8)	352.4
Estimated benefits paid net of transfers in	(94.3)	(87.7)
Past service costs, including curtailments		-
Contributions by scheme participants and other employers	8.0	7.9
Settlement	(229.0)	
<b>Closing defined benefit obligation</b>	<b>0.0</b>	<b>1,675.3</b>

	Year to: 31.03.2024	31.03.2023
	£'000s	£'000s
<b>Reconciliation of opening and closing balances of present value of the fair value of Fund assets</b>		
Opening fair value of Fund assets	1,543.4	1,665.7
Interest on assets	72.6	42.6
Return on assets less interest	43.9	(85.8)
Other actuarial gains/(losses)	(1,595.8)	(21.6)
Administration expenses	(1.2)	(1.1)
Contributions by employer including unfunded	23.4	23.4
Contributions by Scheme participants and other employers	8.0	7.9
Estimated benefits paid plus unfunded net of transfers in	(94.3)	(87.7)
<b>Closing fair value of Fund assets</b>	<b>0.0</b>	<b>1,543.4</b>

	31.03.2024	31.03.2023	31.03.2022	31.03.2021	31.03.2020
	£'000s	£'000s	£'000s	£'000s	£'000s
<b>Amounts for current &amp; previous periods</b>					
Defined benefit obligation	(0)	(1,675)	(2,199)	(2,086)	(1,914)
Scheme assets	0	1,543	1,666	1,484	1,253
Surplus/(deficit)	(0)	(132)	(533)	(602)	(661)

# Notes to the Accounts

for the year ended 31 March 2024

## 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.

The last triennial valuation of the scheme for funding purposes was carried out as at 30 September 2022. 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 2024 total scheme liabilities were £5,567,000, scheme assets were £4,495,000 giving a deficit of £(1,072,000) (2023: £(1,084,000))

The total contribution made for the year ended 31 March 2024 was £474,000 (2023: £477,000), of which employer's contributions totalled £474,000 (2023: £475,000) and employees contributions totalled £0,000 (2023: £2,000). The agreed contribution rates for future years are 17.2% - 22.8% for employers and 7.7% - 10.2% for employees.

	Year to:	31.03.2024	31.03.2023
		£'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		4,495	4,476
Present value of defined benefit obligation		5,567	5,560
Deficit in plan		(1,072)	(1,084)
Defined benefit liability to be recognised		(1,072)	(1,084)
	Year to:	31.03.2024	
<b><u>Reconciliation of opening and closing balances of the defined benefit obligation</u></b>		£'000s	
Defined benefit obligation at start of period		5,560	
Current service cost		132	
Expenses		7	
Interest expense		265	
Contributions by plan participants		-	
Actuarial losses (gains) due to scheme experience		92	
Actuarial losses (gains) due to changes in demographic assumptions		(63)	
Actuarial losses (gains) due to changes in financial assumptions		28	
Benefits paid and expenses		(454)	
<b>Defined benefit obligation at end of period</b>		<b>5,567</b>	

## Notes to the Accounts

for the year ended 31 March 2024

	Year to: 31.03.2024
<b><u>Reconciliation of opening and closing balances of the fair value of plan assets</u></b>	<b>£'000s</b>
Fair value of plan assets at start of period	4,476
Interest income	220
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	(221)
Contributions by the employer	474
Contributions by plan participants	-
Benefits paid and expenses	(454)
<b>Fair value of plan assets at end of period</b>	<b>4,495</b>

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2024 was £630,000.

	Year to: 31.03.2024
<b><u>Defined benefit costs recognised in Statement of Comprehensive Income (SoCI)</u></b>	<b>£'000s</b>
Current service cost	132
Expenses	7
Net interest expense	45
<b>Defined benefit costs recognised in Statement of Comprehensive Income (SoCI)</b>	<b>184</b>

	Year to: 31.03.2024
<b><u>Defined benefit costs recognised in Other Comprehensive Income (OCI)</u></b>	<b>£'000s</b>
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	(221)
Experience gains and losses arising on the plan liabilities - gain (loss)	(92)
Effects of changes in the demographic assumptions underlying the present value of the DB obligation - gain (loss)	63
Effects of changes in the financial assumptions underlying the present value of the DB obligation - gain (loss)	(28)
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	(278)
<b>Total amount recognised in Other Comprehensive Income - gain (loss)</b>	<b>(278)</b>

## Notes to the Accounts

for the year ended 31 March 2024

	Year to:	31.03.2024	31.03.2023
		£'000s	£'000s
<b>Assets</b>			
Global Equity		448	84
Absolute Return		176	48
Distressed Opportunities		158	135
Credit Relative Value		147	169
Alternative Risk Premia		143	8
Fund of Hedge Funds		-	-
Emerging Markets Debt		58	24
Risk Sharing		263	330
Insurance-Linked Securities		23	113
Property		180	193
Infrastructure		454	511
Private Equity		4	-
Private Debt		177	199
Opportunistic Illiquid Credit		176	192
High Yield		1	16
Opportunistic Credit		-	-
Cash		89	32
Corporate Bond Fund		-	-
Liquid Credit		-	-
Long Lease Property		29	135
Secured Income		134	205
Liability Driven Investment		1,829	2,062
Currency Hedging		(2)	9
Net Current Assets		8	11
<b>Total assets</b>		<b>4,495</b>	<b>4,476</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 2024

## Key Assumptions

	Year to: 31.03.2024	31.03.2023
	% pa	% pa
Discount Rate	4.87	4.89
Inflation (RPI)	3.19	3.20
Inflation (CPI)	2.76	2.72
Salary Growth	3.76	3.72
Allowance for commutation of pension for cash at retirement	75% of max allowance	75% of max allowance

## Mortality assumptions adopted at 31.03.24 imply the following life expectancies at age 65

	Year to: 31.03.2024	Expectancy
Male retiring in 2024		20.5
Female retiring in 2024		23.0
Male retiring in 2044		21.8
Female retiring in 2044		24.4

## 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	
	2024	2023
	£	£
Balance at 01.04.2023	2,362,099	2,201,725
Recharges to Subsidiary	16,845,211	15,199,849
Management charge to Subsidiary	168,452	151,999
Repayments from Subsidiary	(17,421,095)	(15,509,573)
Gift Aid due to parent	352,533	318,100
Balance at 31.03.2024	2,307,200	2,362,100

## Summary of Balance Sheet

	Avante Care Services Ltd	
	2024	2023
	£	£
Current assets	2,307,200	2,362,100
Current liabilities	(2,307,200)	(2,362,100)
Net current assets/(liabilities)	-	-
Capital and reserves	-	-

## Summary of Income and Retained Earnings

	Avante Care Services Ltd	
	2024	2023
	£	£
Turnover	17,366,196	15,669,948
Cost of sales	(16,845,211)	(15,199,849)
Management fee	(168,452)	(151,999)
Gift Aid donation	(352,533)	(318,100)
Retained earnings at end of period	-	-