AVOCET TRUST

England & Wales · Charity number 1004537

Details

Status	Registered
Legal form	Charitable company
Company number	02647631
Registered	1991-10-09
Register	View on the Charity Commission register

Contact

Address	Avocet Trust Clarence House 60-62 Clarence Street Hull HU9 1DN
Phone	01482329226
Email	info@avocettrust.co.uk
Website	avocettrust.co.uk

Activities

Objects: 1. THE RELIEF OF PERSONS WHO ARE HANDICAPPED DISABLED OR OTHERWISE DISADVANTAGED BY THE PROVISION OF FACILITIES INCLUDING HOUSING CALCULATED TO RELIEVE THEIR NEEDS. 2. THE RELIEF OF PERSONS PARTICULARLY YOUNG PERSONS WHO ARE HOMELESS OR THREATENED WITH HOMELESSNESS BY PROVIDING OR ASSISTING IN PROVIDING ACCOMMODATION AND SUPPORT FOR SUCH PERSONS.

Activities: We purchase and commission domestic housing appropiate to our client needs.A range of normal life activities are offered to clients.Holiday facilities are also offered to our clients with financial support from the trust.We provide a range of community support services.

Classification

- **How:** Provides Services
- **What:** Disability
- **Who:** People With Disabilities

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Geography

- **Area of benefit:** EAST RIDING OF YORKSHIRE NORTH AND NORTH EAST LINCOLNSHIRE COUNTY AND CITY OF KIGSTON UPON HULL
- City Of York
- East Riding Of Yorkshire
- Kingston Upon Hull City

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£8,030,039	£7,959,254	£3,966,304	284
2024-03-31	£7,068,396	£7,171,094	£4,109,802	277
2023-03-31	£5,899,877	£6,327,648	£4,153,540	279
2022-03-31	£6,438,054	£6,258,849	£4,174,150	205
2021-03-31	£6,419,080	£6,241,196	£4,006,780	202

Trustees

Name	Role	Appointed
ANDREW TEARLE		2016-06-27
CHRISTOPHER BROWN		
Christopher Bond Lefevre		2022-03-10
Ivan Spibey		2022-09-08
Jane Dawson		2024-09-18
Jane Frances Hounsome		2024-09-18
Julie Gaynor Hyam		2021-03-02
Richard Dibb		2019-09-06

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AVOCET TRUST

England & Wales - Charity number 1004537

Accounts

Registered Company Number: 2647631 (England and Wales)
Registered Charity Number: 1004537

Avocet Trust
Report of the Trustees and Consolidated Financial Statements
For the Year Ended 31 March 2025

MONDAY

AEHH1HIB
A15 15/12/2025 #209
COMPANIES HOUSE

Fawley Judge & Easton
Chartered Certified Accountants
1 Parliament Street
Hull
HU1 2AS

Avocet Trust

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for the Year Ended 31 March 2025

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Avocet Trust

Report of the Trustees for the Year Ended 31 March 2025

The trustees present their report and financial statements for the year ended 31 March 2025.

The financial statements have been prepared in accordance with the accounting policies set out in note 1.1 to the financial statements and comply with Avocet Trust's governance documents, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016)

Objectives and activities
Avocet Trust's objectives are set out in the company's Memorandum and Articles of Association and are as follows: -

- The relief of vulnerable adults who are disabled or otherwise disadvantaged by the provision of facilities including housing assigned to meet their needs.
- The relief of persons particularly young persons who are homeless or threatened with homelessness by providing or assisting in providing accommodation and support for such persons.

During the past financial year, the Charity has continued to carry out its objectives of providing care and support for those people who are disadvantaged. There has been no change in these during the year.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the Avocet Trust should undertake.

The main client group which Avocet Trust supports the profound learning disabilities which are often associated with physical disability and other health problems. We also look after clients on the autistic spectrum.

The main objective is to continue with our fundamental aim to assist clients, many with limited communication skills, to be able to express their needs and wants and to have enjoyable company and support from staff they like and trust.

The strategies employed to achieve the Charity's objectives are to:

- Offer opportunities for clients to live in a quality environment through the purchasing of domestic properties appropriate to the client's needs.
- Provide highly qualified staff specifically employed to support clients to realise their interests and choices in their personal life and to maximise client's personal developments.
- Provide full and valued life opportunities through community involvement and integration and by creating opportunities and choice for Avocet's clients.

The major areas of activity are:

The majority of Avocet Trust's income is generated by residential clients housed in well-appointed domestic housing of high standard, appropriate to our client's needs. We ensure that clients are comfortable and secure in a pleasant and welcoming environment. Clients are able to stay in the house of their choice or to move to a more appropriate accommodation as their needs change.

Achievements and performance

Residential Care Services

Residential care services continue to be run to a high standard led by the Head of Services together with Deputy Head of Services/Responsible Individual who oversee a team of dedicated Registered Managers.

Care Quality Commission (CQC) ratings remain good for many the trust's residential services with continual work being undertaken to ensure compliance levels are achieved.

As mentioned within the summary of this narrative relationships with the local authorities (Hull City Council and the East Riding of Yorkshire Council) remain good as well as partnership working with the National Health Service (NHS).

Matthews Enterprise Trust (MET)

The Matthew's Enterprise Trust (MET) is the Avocet Trust's Day service for vulnerable adults providing vital life skills as well as a hub for the trust's residential clients.

Following some notable work the MET function now makes a surplus and is not reliant on the Avocet Trust for financial sustainability. The MET Manager has led some substantial changes over the past two years with further objectives to be achieved as part of the overall Avocet Trust development plan.

The trust's finances are now in a good place following some considerable work over the past two years led by the trust's Financial Controller.

Clear financial reporting continues to be in place including clear cash flows and easy to understand financial management information. This is in turn enable the trust's SMT to make informed and controlled decisions which are not to the detriment of the organisation as a whole.

Spending is now focused and aligned with requirements of the Avocet Trust's objectives. This in turn supports clear capital expenditure schemes which form part of the organisation's aligned objectives.

Relationships with the trust's banking partners remain strong with the organisation being firmly financially sustainable.

Human Resources

The trust's human resource's function remains resilient to challenge which is clearly apparent from a recruitment perspective.

Recruitment challenges have been met with a very successful overseas worker sponsorship scheme which for the financial year being reported has placed the trust in its best position for years. This is in turn has resulted in a more settled staff team and improved employee retention rates.

Training

The Avocet Trust provides the majority of its training internally by the skilled professionals which are employed or engaged by the organisation.

Due to the nature of the organisation considerable mandatory training is an absolute requirement and is completed effectively. Some refresher training is now also undertaken online which in turn is cost effective and efficient as it can be completed 'in house' at any of the trust's care facilities.

The Avocet Trust remains focused on its core objectives which are providing excellent residential services for vulnerable adults supported by the provision of the MET day service.

Following such a structured approach the Avocet Trust remains in a good position to develop following good progress for the financial year of 2024-25, but also in a good place in order to face any challenges in the future that it may encounter.

Financial review

The financial year to 31 March 2025 results shows surplus of £29,476 2024 (£43,738). This improvement together with an improved cash position reflected the Trustee's policy as detailed in their 2024 report.

The continued financial discipline of the budgetary and cash management is now established and will aid the continuing service delivery of the Trust moving forward.

Net assets at the year end were £4,139,278 with lending decreasing to £1,610,474 again reflecting the disposal of surplus assets being used to improve the financial robustness of the Trust.

Risk

The trustees have assessed the major risks to which Avocet Trust is exposed and are satisfied that systems are in place to mitigate exposure to the major risks.

The Trustees have a duty to identify and review the risks to which the Charity is exposed and to ensure appropriate controls are in place to give assurance against error and fraud. The Trustees have a risk management strategy that encompasses the revised Statement of Recommended Practice (SORP) issued by the Charity Commission in March 2005 and includes a requirement that the Report of Trustees should include: -

- An annual review of the risks the Charity may face, including financial, governance, operational or reputational.
- The establishment of systems and procedures to identify, assess and mitigate those risks identified in the plan in accordance with Avocet Trust's charitable objectives.
- The implementation of procedures designed to minimise any impact on the Charity should those risks materialise.

The Trust has well developed management procedures, governance protocols and has a systematic programme of review in place. In addition, the Trust has achieved a number of nationally recognised accreditations, including the Contractors Health & Safety Assessment Scheme (CHAS), Positive about Disabled People, The Fund-Raising Standards Board. It is also registered with the British Quality Foundation. Avocet is also registered with the New Deal Employment Agency.

It is Avocet's policy to give full consideration to applications for employment from disabled persons when a disabled person can adequately fulfil the requirements of the job.

Should an existing employee become disabled, it is the Charity's policy to provide continued employment under normal terms and conditions and to provide training and career development and promotion wherever possible.

Structure, governance, and management
Avocet Trust is a company limited by guarantee which is governed by its Memorandum and Articles of Association dated 20th September 1991 and amend to allow for current governance arrangements on 22nd November 1995 and 16th October 2006. It is a charity registered with the Charities Commission.

The trustees, who are also the directors for the purpose of company law, and who served during the year were:

Mr C M Brown
Mr A D Tearle
Mrs J Comerford
Mr C Leferve
Mr R Dibb
Mrs J G Hyam
Mr I Spibey
Ms J Dawson
Ms J F Hounsome

As set out in Articles of Association the trustees will remain in office until an Annual General Meeting. At the annual General Meeting of the company one third of the trustees shall be eligible for re-election as a trustee. The retiring trustee shall, if offering to be re-elected be deemed to have been re-elected. The aforesaid statements can be viewed in full and complete within the Article of Association. When considering the appointment of trustees, the board has regard to the requirement for any specialist knowledge and skills required by the trust.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

The Board of Trustees, which must have a minimum of five members, administers the charity: they are responsible for the polices, activities and assets of the charity.

The board meets quarterly, to enable it to fulfil its responsibilities, review developments and make policy and strategic decisions. Such strategic decisions include, for example, agreeing the trusts business plan, new contracts of employment and staff training strategies

There are a number of Trust Board sub-committees each chaired by a trust board trustee to address specific areas of the trust's business. The standing Trust Board sub-committees include business development, health & safety, quality assurance, human resources, risk management, finance, and ICT. There is also a parents and relatives sub-committee as well as a Staff Consultative Committee.

The day-to-day management of the Charity and the implementation of its policies are delegated to the Director of Operations and members of the senior management team. To facilitate effective operations, the Director of Operations has delegated authority, within terms of delegation approved by the trustees, for operational matters including the management of client services, finance, employment, and other related activities.

Related parties
Avocet Trust has a subsidiary company, Kingfisher Housing (Hull) Limited. The principal activity of Kingfisher Housing (Hull) Limited is that of holding investment property for rent to Avocet Trust, and its client's.

Report of the Trustees
for the Year Ended 31 March 2025

Public Benefit Statement

The public benefit commitment of the Trust includes the provision of financial support for a Short Stay Respite service. The initial provision of this service was to provide respite service for hard pressed families. It has been successful in this regard. When necessary the Trust will provide funds to access this service at a discounted rate.

Statement of Trustees Responsibilities

The trustees, who are also the directors of Avocet Trust for the purpose 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 trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Avocet Trust and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently.
- observe the methods and principles in the Charities SORP.
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Avocet Trust will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Avocet Trust 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 Avocet Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Trustees' report was approved by the Board of Trustees on 13th November 2025

.....

Mr A Tearle - Trustee

Report of the Auditors
for the Year Ended 31 March 2025

Opinion

We have audited the group and company financial statements of Avocet Trust (the 'parent company') and its subsidiaries (the group) for the year ended 31 March 2025 which comprise the statement of financial activities, the balance sheet, the statement of cashflows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102.

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as of 31 March 2025 and of its incoming resources and application of resources, 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 of opinion

We have conducted our audit in accordance with International Standards of Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for audit of the financial statements section in our report. We are independent of the Avocet Trust 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 Avocet Trust'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 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 we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on our work we have performed, we conclude that there is a material misstatement of this information, we are required to report that face.

We have nothing to report.

Report of the Auditors for the Year Ended 31 March 2025

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of Trustees' responsibilities, the trustees, who are also the directors of the Avocet Trust for the purpose 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 Avocet Trust'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 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 section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

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 considered the nature of the company's industry and its control environment and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

Report of the Auditors
for the Year Ended 31 March 2025

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.
In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.
In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations

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

Jonathan Leathley (Senior Statutory Auditor)
for and on behalf of Fawley Judge & Easton
Chartered Certified Accountants
Statutory Auditor
1 Parliament Street
Hull
HU1 2AS

13th November 2025

Fawley Judge & Easton is eligible for appointment as auditor of the Avocet Trust by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

Avocet Trust

Consolidated Statement of Financial Activities and Income Expenses for the Year Ended 31 March 2025

	Notes	Unrestricted funds £	2025 Total funds £	2024 Total funds £
INCOMING RESOURCES				
Incoming resources from generated funds				
Investment income	2	-	-	-
Incoming resources from charitable activities	3			
General		8,030,039	8,030,039	7,018,422
Grants		-	-	49,974
Total incoming resources		8,030,039	8,030,039	7,068,396
RESOURCES EXPENDED				
Costs of generating funds				
Fundraising trading: cost of goods sold and other costs	4	-	-	-
Charitable activities	5			
General		7,819,973	7,819,973	7,032,101
Governance costs	6	139,281	139,281	138,993
Total resources expended		7,959,254	7,959,254	7,171,094
Revaluation		36,008	36,008	252,650
Gain/(Loss) on disposal of fixed asset		(77,317)	(77,317)	(193,690)
NET INCOMING RESOURCES		29,476	29,476	(43,738)
RECONCILIATION OF FUNDS				
Fund balances 1 April 2024		4,109,802	4,109,802	4,153,540
TOTAL FUNDS CARRIED FORWARD		4,139,278	4,139,278	4,109,802

CONTINUING OPERATIONS
All incoming resources and resources expended arise from continuing activities.

The notes form part of these financial statements

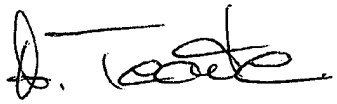
Avocet Trust

Charity Balance Sheet
at 31 March 2025

	Notes	2025 Total funds £	2024 Total funds £
FIXED ASETS			
Tangible assets	10	4,351,818	4,746,195
Investments	12	10	11
		4,351,828	4,746,206
CURRENT ASSETS			
Debtors	15	926,470	1,451,685
Cash at bank and in hand		537,375	85,660
		1,463,845	1,537,345
CREDITORS			
Amounts falling due within one year	16	(1,034,777)	(986,509)
NET CURRENT ASSETS		429,068	550,836
TOTAL ASSETS LESS CURRENT LIABILITIES		4,780,896	5,297,042
CREDITORS			
Amounts falling due after more than one year	17	(814,592)	(1,354,502)
NET ASSETS		3,966,304	3,942,540
FUNDS			
Unrestricted funds		3,966,304	3,942,540
TOTAL FUNDS		3,966,304	3,942,540

The financial statements were approved by the Board of Trustees on 13th November 2025 and were signed on its behalf By

Mr A Tearle – Trustee



The notes form part of these financial statements

Avocet Trust

Consolidated Balance Sheet
at 31 March 2025

	Notes	2025 Total funds £	2024 Total funds £
FIXED ASETS			
Tangible assets	10	4,351,819	4,746,196
Investment property	13	1,085,000	1,645,000
		5,436,819	6,391,196
CURRENT ASSETS			
Debtors	15	581,589	597,007
Cash at bank and in hand		550,977	86,528
		1,132,567	683,535
CREDITORS			
Amounts falling due within one year	16	(1,109,055)	(1,024,385)
NET CURRENT LIABILITES/ASSETS		23,512	(340,850)
TOTAL ASSETS LESS CURRENT LIABILITIES		5,460,331	6,050,346
CREDITORS			
Amounts falling due after more than one year	17	(1,321,053)	(1,940,544)
NET ASSETS		4,139,278	4,109,802
FUNDS	20		
Unrestricted funds		4,139,278	4,109,802
TOTAL FUNDS		4,139,278	4,109,802

The financial statements were approved by the Board of Trustees on 13th November 2025 and were signed on its behalf By

Mr A Tearle - Trustee

The notes form part of these financial statements

Avocet Trust

Consolidated Cash Flow Statement for the Year Ended 31 March 2025

	Notes	2025 Group £	2024 Group £
Cash used in operating activity	1	229,638	365,279
Interest paid		(150,620)	(202,972)
		79,018	162,307
Cash flows from investing activity			
Proceeds on disposal of fixed assets		222,052	315,519
Proceeds on disposal of investment property		579,890	102,501
Purchase of tangible fixed assets		67,926	26,247
Cash provided by (used in) investing activities		869,868	444,267
Cash flows from financing activity			
Repayments of bank loans		(410,344)	(409,238)
Repayment of borrowings		(74,093)	-
Increase in bank overdraft			(120,677)
Cash used in financing activities		(484,437)	(529,915)
Increase/(Decrease) in cash and cash equivalents in the year		464,449	76,659
Cash and cash equivalents at the beginning of the year		86,528	9,869
Total cash and cash equivalents at the end of the year		550,977	86,528

Notes to the Cash Flow Statement for the Year Ended 31 March 2025

1. RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2025 £	2024 £
Net incoming resources	29,476	(43,738)
Revaluation	(36,008)	(252,650)
Depreciation charges	87,303	45,732
Loss on disposal of fixed assets	77,317	153,054
Decrease/(increase) in debtors	15,407	50,226
(Decrease)/increase in creditors	(88,933)	207,512
(Decrease)/increase in deferred income	(5,544)	2,171
Interest paid	150,620	202,972
Net cash outflow from operating activities	229,638	365,379

Notes to the Financial Statements for the Year Ended 31 March 2025

1. ACCOUNTING POLICIES

Charity Information
Avocet Trust is a private company limited by guarantee incorporated in England and Wales. The registered office is Clarence House, 60-62 Clarence Street, Hull, East Yorkshire, HU9 1DN.

Accounting convention
The financial statements have been prepared in accordance with the Avocet Trust's [governing document], the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The Avocet Trust is a Public Benefit Entity as defined by FRS 102

The financial statements are prepared in sterling, which is the functional currency of the Avocet Trust. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares.
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures.
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognized in profit or loss and in other comprehensive income.
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements.
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

Going Concern
The financial statements have been prepared on a going concern basis.

The Trustees continue to be confident that both the Charity, operating in its own right and its trading subsidiaries will achieve their forecasts for the next twelve months. The Trustees are also aware of their continued dependence on the grants and contracts issued from the Public Sector and continue to seek other forms of income by maximising their resources and infrastructure.

A meeting has taken place between Avocet Trust and Hull City Council to review the funding currently received from Hull City Council. Hull City Council are attempting to reduce the amounts paid to Avocet Trust for the care of clients. Whilst this would have a negative impact on Avocet Trust the Trustees believe that the Charity can continue to operate.

Notes to the Financial Statements - continued for the Year Ended 31 March 2025

Basis of Consolidation

In the parent company Avocet Trust, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued, and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognized as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognized for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Kingfisher Housing (Hull) Limited has been included in the group financial statements using the purchase method of accounting. Accordingly, the group statemen of financial activities and statement of cash flows includes the results and cash flows of Kingfisher Housing (Hull) Limited for the 12-month period from its acquisition. The purchase consideration has been allocated to the assets and liabilities on the basis of fair value at the date of acquisition.

Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates. In the group financial statements, associates are accounted for using the equity method.

Entities in which the group holds an interest, and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. In the group Avocet Trust, joint ventures are accounted for using the equity method.

Incoming resources

Income is recognised when Avocet Trust is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the Avocet Trust has been notified of the donation unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if Avocet Trust has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT, and other sales related taxes.

Resources

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of resources. Grants offered subject to conditions which have not been met at the yearend date are noted as a commitment but not accrued as expenditure.

Governance costs
Governance costs are those costs which have been identified as constitutional and statutory requirements, as opposed to generating funds, service delivery, and programmes of project work. Governance costs include legal advice and audit of the statutory accounts.

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	-25% on reducing balance, 20% on cost
Motor vehicles	-25% on cost

Impairment of fixed assets
At each reporting end date, Avocet Trust reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Cash and cash equivalents
Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Financial instruments
The Avocet Trust has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments

Financial instruments are recognised in Avocet Trust's balance sheet when Avocet Trust becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets
Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities
Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities
Financial liabilities are derecognised when Avocet Trust's contractual obligations expire or are discharged or cancelled.

Employee benefits
The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when Avocet Trust is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Investment property
Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in market value is transferred to a revaluation reserve.

Taxation
The charity is exempt from corporation tax on its charitable activities.

Fund accounting
Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the Trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Hire purchase and leasing commitments
Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to net income/(expenditure) for the year so as to produce a constant periodic rate of interest on the remaining balance of the liability

Deferred grant
Included in creditors is a provision for deferred income in respect of a grant received from SEIF. The deferral is being amortised at a rate which matches the depreciation of the assets purchased with the grant.

2. INVESTMENT INCOME

	2025	2024
	£	£
Interest receivable - trading	-	-

3. INCOMING RESOURCES FROM CHARITABLE ACTIVITES

	Activity	2025 £	2024 £
DSS Income	General	7,398,420	6,561,468
Residents Income	General	169,348	159,098
Respite & Sessional Income	General	375,853	310,705
Sundry Income	General	86,418	37,125
		8,030,039	7,068,396

4. FUNDRAISING TRADING: COST OF GOODS SOLD AND OTHER COSTS

	2025 £	2024 £
Fundraising costs	-	-

5. CHARITABLE ACIVITIES COSTS

	Direct costs £	Grant funding of activities £	Totals £
Core residential services	7,819,973	-	7,819,973

6. GOVERNANCE COSTS

	2025 £	2024 £
Accountancy	13,584	20,526
Legal fees	121,173	111,567
Auditors' remuneration	4,524	6,900
	139,281	138,933

7. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting):

	2025	2024
	£	£
Auditors' remuneration	4,524	8,400
Depreciation – owned assets	87,303	45,732
Hire of plant and machinery	12,220	10,732
(Profit)/Deficit on disposal of fixed asset	149,418	102,828

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no Trustees' remuneration or other benefits for the year ended 31 March 2024 nor for the year ended 31 March 2025.

Trustees' expenses
There were no Trustees' expenses paid for the year ended 31 March 2024 nor for the year ended 31 March 2025.

9. STAFF COSTS

	2025	2024
	£	£
Wages and salaries	6,422,401	5,752,036
	6,422,401	5,752,036

The average monthly number of employees during the year was as follows:

	2025	2024
Residential care	273	266
Administration	11	11
	284	277

No member of staff was paid in excess £60,000, in the following bands:

	2025	2024
£70,000-£80,000	-	-

10. TANGIBLE FIXED ASSETS – Charity

	Freehold Property £	Fixtures and fittings £	Motor vehicles £	Computers £	Totals £
COST					
At 1 April 2024	4,607,600	254,634	112,668	40,527	5,015,429
Additions	-	27,510	40,076	340	67,926
Disposals	(375,000)	-	-	-	(375,000)
At 31 March 2025	4,232,600	282,144	152,744	40,867	4,708,355
DEPRECIATION					
At 1 April 2024	-	138,059	105,280	25,895	269,234
Charge for year	-	62,557	17,407	7,339	87,303
Eliminated on disposal	-	-	-	-	-
Revaluation	-	-	-	-	-
At 31 March 2025	-	200,616	122,687	33,234	356,537
NET BOOK VALUE					
At 31 March 2025	4,232,600	81,528	30,057	7,633	4,351,818
At 31 March 2024	4,607,600	116,575	7,388	14,632	4,746,195

11. TANGIBLE FIXED ASSETS – Group

	Freehold Property £	Fixtures and fittings £	Motor vehicles £	Computers £	Totals £
COST					
At 1 April 2024	4,607,600	254,634	117,414	40,528	5,020,176
Additions	-	27,510	40,076	340	67,926
Disposals	(375,000)	-	-	-	(375,000)
Revaluation		-	-	-	-
At 31 March 2025	4,232,600	282,144	157,490	40,868	4,713,102
DEPRECIATION					
At 1 April 2024	-	138,059	110,026	25,895	273,980
Charge for year	-	62,557	17,407	7,339	87,303
Eliminated on disposal	-	-	-	-	-
Revaluation	-	-	-	-	-
At 31 March 2025	-	200,616	127,433	33,234	361,283
NET BOOK VALUE					
At 31 March 2025	4,232,600	81,528	30,057	7,634	4,351,819
At 31 March 2024	4,607,600	116,575	7,388	14,633	4,746,196

Included in cost of land and buildings is freehold land of £194,000.

Land and buildings with a carrying value of £4,607,600 were revalued on 24 February 2023 by Lamber Smith Hampton Chartered Surveyors and on 23 May by Eddisons Chartered Surveyors both independent valuers nor connected with the charity on the basis of market value. The valuation conforms to international valuation standards and was based on recent market transactions of similar properties.

12. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
MARKET VALUE	
At 1 April 2024 and 31 March 2025	10
NET BOOK VALUE	
At 31 March 2025	10
At 31 March 2024	10

There were no investment assets outside the UK.

The company's investments at the balance sheet date in the share capital of companies include the following:

Kingfisher Housing (Hull) Ltd – 10 shares of £1

Nature of business: Property management

Class of share:	% holding
Ordinary	100

	2025 £	2024 £
Aggregate capital and reserves	172,983	167,262
Profit/(loss) for the year	5,711	(44,750)

Investments, which represent shares held in the subsidiary company, are stated at cost.

13. INVESTMENT PROPERTY

	Total £
COST OR VALUATION	
At 1 April 2024	1,645,000
Disposals	(560,000)
Revaluations	-
At 31 March 2025	1,085,000
NET BOOK VALUE	
At 31 March 2025	1,085,000
At 31 March 2024	1,779,000

14. INVESTMENT PROPERTY – continued

Included in cost or valuation of investment property is freehold land of £462,988 (2024: £462,988) which is not depreciated.

Cost or valuation at 31 March 2025 is represented by:

Fair value	1,645,000
Additions	-
Disposals	(560,000)
Revaluation	-
	1,085,000

	2025	2024
	£	£
Cost	1,293,396	1,454,154
Aggregate depreciation	-	-

The fair value of the investment property has been arrived at on the basis of a valuation carried out on 30 May 2023 by Eddisons Chartered Surveyors, who are not connected with the charity on behalf of the charity bankers. The valuation was made on an open market basis by reference to market evidence of the transaction prices of similar properties.

15. DEBTORS

	Group		Company	
	2025	2024	2025	2024
	£	£	£	£
Amount falling due within one year:				
Trade debtors	515,709	532,643	515,729	532,643
Amounts owed by group undertakings	-	-	344,031	852,359
Other debtors	3,963	(1,215)	4,792	1,104
Prepayments	61,917	65,579	61,918	65,579
	581,589	597,007	926,470	1,451,685

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2025	2024	2025	2024
	£	£	£	£
Bank loans and overdrafts	289,421	110,274	215,143	72,398
Trade creditors	90,698	137,648	90,698	137,648
Social security and other taxes	186,946	293,609	186,946	293,609
Deferred income	44,672	50,216	44,672	50,216
Accruals	82,375	28,635	82,375	47,723
Other creditors	414,943	404,003	414,943	384,913
	1,109,055	1,024,385	1,034,777	986,509

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2025	2024	2025	2024
	£	£	£	£
Bank loans	1,321,053	1,940,544	814,592	1,354,502
	1,321,053	1,940,544	814,592	1,354,502

18. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2025	2024	2025	2024
	£	£	£	£
Amounts falling due within one year:				
Bank loans	289,421	110,274	215,143	72,398
Amounts falling due:				
Bank loans – 1-2 years	289,421	110,274	215,143	72,398
Bank loans – 2-5 years	578,842	220,554	430,286	144,796
Bank loans after 5 years	452,790	1,609,716	169,163	1,137,308
	1,321,053	1,940,544	814,952	1,354,502

19. SECURED DEBTS

The following secured debts are included within creditors:

	Group		Company	
	2025	2024	2025	2024
	£	£	£	£
Bank loans	1,610,474	2,020,818	1,030,095	1,426,900

The Co-operative Bank and Unity Trust Bank hold a legal charge over the property of Avocet Trust and Kingfisher Housing Limited

The bank also holds a specific charge over the book of debts of the company.

Notes to the Financial Statements - continued for the Year Ended 31 March 2025

20. MOVEMENT IN FUNDS

	At 1/4/24	Net movement in funds	At 31/3/25
	£	£	£
Unrestricted funds			
General fund	4,109,802	29,476	4,138,278
TOTAL FUNDS	4,109,802	29,476	4,138,278

Net movement in funds, included in the above are as follows:

	Incoming resources	Resources expended	Net gains/loss	Movement in funds
	£	£	£	£
Unrestricted funds				
General fund	8,030,039	(7,959,254)	(41,309)	29,476

21. CONTINGENT LIABILITIES

In addition to the security over the assets of the company described above, the Co-operative Bank plc also holds a first legal charge over the assets of Avocet's subsidiary company Kingfisher Housing (Hull) Limited.

22. RELATED PARTY DISCLOSURES

Kingfisher Housing (Hull) Limited ("Kingfisher") is a wholly owned subsidiary of Avocet Trust. Kingfisher purchased several houses from Avocet Trust in a previous year and Avocet Trust made a loan to Kingfisher for that purpose. The loan is subject to an agreement setting out repayment terms. In addition, Avocet Trust has made an informal loan by way of inter-company balance in respect of Kingfisher's start-up costs. Avocet Trust pay rent for the use of properties owned by Kingfisher.

Transactions between Kingfisher and Avocet Trust are as follows:

	2025	2024
	£	£
Rents paid	-	52,000
Grants paid	-	-
Loan Interest received	20,185	20,185
Management charge	32,000	-

The above transactions were at market value.

At 31 March 2025 Kingfisher owed Avocet Trust £344,031 (2024: £852,359)

During the year the charity made payments for professional services to the following trustees:

Mr I Spibey – Atom HR Consultancy	£46,513 (2024 £42,487)	HR Services
Mr A Tearle	£4,570 (2024 £2,750)	Training services

AVOCET TRUST

England & Wales - Charity number 1004537

Accounts

Registered Company Number: 2647631 (England and Wales)
Registered Charity Number: 1004537

Avocet Trust
Report of the Trustees and Consolidated Financial Statements
For the Year Ended 31 March 2024

Fawley Judge & Easton
Chartered Certified Accountants
1 Parliament Street
Hull
HU1 2AS

Avocet Trust

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for the Year Ended 31 March 2024

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Avocet Trust

Report of the Trustees for the Year Ended 31 March 2024

The trustees present their report and financial statements for the year ended 31 March 2024.

The financial statements have been prepared in accordance with the accounting policies set out in note 1.1 to the financial statements and comply with Avocet Trust's governance documents, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016)

Objectives and activities
Avocet Trust's objectives are set out in the company's Memorandum and Articles of Association and are as follows: -

- The relief of vulnerable adults who are disabled or otherwise disadvantaged by the provision of facilities including housing assigned to meet their needs.
- The relief of persons particularly young persons who are homeless or threatened with homelessness by providing or assisting in providing accommodation and support for such persons.

During the past financial year, the Charity has continued to carry out its objectives of providing care and support for those people who are disadvantaged. There has been no change in these during the year.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the Avocet Trust should undertake.

The main client group which Avocet Trust supports the profound learning disabilities which are often associated with physical disability and other health problems. We also look after clients on the autistic spectrum.

The main objective is to continue with our fundamental aim to assist clients, many with limited communication skills, to be able to express their needs and wants and to have enjoyable company and support from staff they like and trust.

The strategies employed to achieve the Charity's objectives are to:

- Offer opportunities for clients to live in a quality environment through the purchasing of domestic properties appropriate to the client's needs.
- Provide highly qualified staff specifically employed to support clients to realise their interests and choices in their personal life and to maximise client's personal developments.
- Provide full and valued life opportunities through community involvement and integration and by creating opportunities and choice for Avocet's clients.

The major areas of activity are:

The majority of Avocet Trust's income is generated by residential clients housed in well-appointed domestic housing of high standard, appropriate to our client's needs. We ensure that clients are comfortable and secure in a pleasant and welcoming environment. Clients are able to stay in the house of their choice or to move to a more appropriate accommodation as their needs change.

Report of the Trustees
for the Year Ended 31 March 2024

Achievements and performance

CEO = old term for the overall manager. O.D = Operations Director which we adopted, and Ivan fulfils this role. Succession planning is clear as in Ivan's absence Sonia is acting up albeit Ivan is consulted for advice. Iain and Monique form the SMT alongside Tommy. Monique is the named responsible person.

MET =Mathews Enterprise Trust our day-care service at Preston or sometimes called Neatmarsh.

CQC = Care Quality Commission. LA= Local Authority.

The Trust has managed a major series of changes over the last year. These are identified under the following headings. Management, Finance including Assets, Core business and Future.

Criticism of previous practise is part of this report. In March 2023 we conducted a full review of the Trust and this is part of this report. The Trust imploded quickly and without significant changes would have financially been crippled and senior staff would have resigned had the CEO remained in position.

The board were informed in December 2022 that we were solvent, could afford the farm purchase and were 2% above break even financially. The finance officer resigned in January 2023 and by February and unknown to trustees the financial position was poor. Friday March 3rd was when the bank letter was received, the extraordinary meeting prior to meeting the bank was on Tuesday 7th March. 2023.

Management

The CEO, LH, resigned at an extraordinary meeting, this was verbal and the follow up response from LH in written form was accepted as his full resignation. This was accepted unanimously. An acting CEO was appointed, now titled Director of Operations, IS.

LH resigned during the meeting which was scheduled prior to meeting representatives from the Cooperative and Unity banks due to the poor financial position we were in. Indeed, so poor we could not pay bills or services. This situation was not made clear to the trustees until 3 days beforehand. I will refer to this under finance.

After review we discovered that MET our day service was losing money, the managers contract was terminated under the 2-year employment rules, an interim manager was appointed as trustees determined its future.

We also ended the employment of the PA or project manager to the previous CEO. Again, after review of performance and some poor decisions made without consultation, notably around the sale of property to a local building contractor for £180,000 below the agreed price with Moorview some months later.

The final loss occurred more recently. RN resigned following extensive reviews of his medical capability to continue as Maintenance and property manager. His letter was accepted.

The previous finance manager had resigned in January 2023 and had not been replaced when the crisis arrived for the Trust.

We lost a house manager to a rival company and at the point of leaving had left the two services short of appropriate leadership and direction. Had she not resigned then she would have been dismissed under capability which had already been put in place.

There were therefore some financial savings as the previous CEO was on a huge salary and the replacement at MET was far cheaper and the project manager's role was not replaced. This allowed trustees, working with the DO, to restructure the remaining staffing at HQ to afford a leaner team but with better pay, it also included a new finance manager. House managers were also paid an increase for their extensive responsibilities.

The restructure also afforded the two services, identified as requiring improvements, to be BETTER SUPPORTED, two staff left these services before disciplinary issues could be followed up. Two managers were put in as supporting staff and a new manager appointed, who then also left the service. This situation has improved significantly under tight management and a thorough series of interventions. CQC have visited and we await their rating.

The new O.D has from day 1 managed the crisis through to stability, he should be applauded for this as an independent inspection (a proviso of banking support) suggested the Trust should be wound up. We are now into a third phase of development and have a draft five-year plan. This followed an initial Recovery Plan which was followed by a Phase 2 plan which involved a restructure.

The new financial controller has ensured trustees are kept fully informed alongside other stakeholders with clear cashflow reporting, yearly budget plan and profit and loss for all services we manage. He has also taken on property management and sales.

Financial review

In late February 2023. The trust was informed of a failure to stay within our agreed overdraft facility. This situation was disguised from trustees by the previous CEO as warnings had been given. On receipt of this information the bank letter was shared with all trustees and a reply written to the bank inviting them to attend and discuss our position which occurred in early March and was preceded by the extraordinary meeting at which LH resigned. Trustees and some SMT met the Cooperative bank, and the process of recovery was initiated without the then CEO.

The situation was dire with questions over sufficient funds to pay staff, pay services for food and any outstanding works bills.

Two days later at a pre-planned board meeting the CEO resignation letter was accepted, an acting CEO appointed, a recovery plan written jointly by SMT and trustees and organised by the chair of the trustees.

We had conditions set to receive an overdraft loan facility from the Cooperative Bank. The overdraft was agreed at £200,000 but we had to fund an independent review by a Manchester based company. The company finally presented their report and recommendations at a charge of £20,000 for what in effect we already knew. We accepted this to secure the loan at 4% above base rate.

In summary the Trust was financially in a very poor place with a recommendation to fold from the independent report.

Progress and achievement. From this poor position the following actions were implemented.

1. No payments were made without approval from the acting CEO. Spending controls.
2. Negotiations ensured all outstanding bills were paid in tranches and not in full to stay within the agreed loan limit.
3. As indicated some savings were made on staffing.
4. The new financial controller provided accurate reports to SMT and trustees.
5. We chased uplifts and outstanding debts, notably the NHS had not been billed correctly and a returning member of staff secured these payments were made to us.
6. All retail cards were stopped in the interim.
7. From the recovery plan 4 Assets were identified for sale. The farm purchased recently, the property identified to pay for the farm, a property in Beverley which on inspection was not fit for registration with CQC despite the property manager spending, unchecked by LH, large amounts of money for poor work and a lack of consideration of care managers advice or to meet CQC requirements or basic fire safety. A fourth Beverley property was identified and the process of working with social care in the East Riding initiated. The two Beverley properties had clients and a family living in them.
8. The acting CEO, financial controller and I met with officers of both Hull Council and East Riding council to be transparent on our position in respect of asset sales, the need for appropriate uplifts per client and students in our day service. This was very effective.

9. Trustees became focussed on property sales and ensuring these were valued correctly and not at a price a local property developer felt was appropriate. The valuation of one property increased by £180,000.
10. MET was placed on a wind down to closure process. However, in losing a member of staff and then reducing expenditure an initial improvement was made.

Core Business

At the March 2023 recovery meeting we agreed we return to our core business, that being residential care. In effect mothballing MET, stopping all other dubious plans for development, and reviewing staff. The core business was the only guaranteed income to the Trust at more appropriate levels of renumeration. This did include the re - opening of St Georges Road service following a closure during Covid. This would reduce voids (empty beds) and increase income accordingly.

Progress. This has been based on many actions resulting in larger benefits to the Trust.

Some small steps become cumulative gains. I referred to the staffing restructure and payment improvements.

I refer to a different mentality from SMT which is attention to detail and far less of the grandiose schemes previously suggested. The detail has improved income, controlled spending and streamlined roles and responsibilities.

The focus on core business means client fees are chased should a client need more support and including any NHS money.

The ability to work with people rather than ignore or not engage has paid dividends with our banks, funders and inspectorate. Simple examples include funding students in day care has improved so much that MET makes a profit not the £10,000 per month losses.

Working proactively with social workers can ensure additional hours per client.

Working with banks ensures payment plans are within our ability to pay.

Working collectively has re- opened some of St Georges Road.

Assessing assets for sale is fine, ensuring current clients or families using property are rehoused avoids unpleasant media.

Negotiating with banks ensures they are less likely to determine the Trust is failing.

The culture has changed from head in the sand, we don't show respect to councils through to open, transparent actions, friendly dialogue replacing old style aggressive and unpleasant situations. Finally, more open dialogue means all facts are considered prior to decision making occurring.

Facts. We are solvent, have better incomes for clients and students, plan longer term, provide excellent training for staff right from induction to in service. Have ensured MET is viable , retained most staff, increased clients, sold assets to pay off some debts/loans, secured some good inspection reports under the new framework from CQC, relinquished some staff who had hampered progress and have a happy set of clients.

Future. The care business will always have issues as clients can become unwell, some sadly will die or regress due to medical conditions. That is the nature of care. It remains a poorly paid area of work for many workers but has high standards to maintain.

Employing 280 staff will also result in staffing issues at times, the Trust works through these.

Outside of client care, our core business. We should increase our asset base soon as Middlesex Road complex will finally become a full Trust asset as sanctuary finally hand over the deeds. We are close to selling our third property which will clear our Cooperative Loan and give us the capital to commence some well needed property improvements in a planned manner. We can completely re open St Georges Road to reduce voids and increase income. We now have a leaner but effective day service, run correctly at better rates of funding.

In respect of trustees, we need to increase by two at a minimum and have worked to secure this. Training needs to be refreshed generally, and two further areas of safeguarding vulnerable adults and diversity need to be delivered within the Trusts current training regime.

In terms of increased income, we need a dedicated fundraiser seeking grants, funds and donations. Maybe a post for a part time person.

We need to set out the five-year plan and the over five years review annually, amend as required and set targets from this document for key staff within the Trust current appraisal system.

Trustees will review the risks of the charity over the next 12 months and record in a risk register.

Risk

The trustees have assessed the major risks to which Avocet Trust is exposed and are satisfied that systems are in place to mitigate exposure to the major risks.

The Trustees have a duty to identify and review the risks to which the Charity is exposed and to ensure appropriate controls are in place to give assurance against error and fraud. The Trustees have a risk management strategy that encompasses the revised Statement of Recommended Practice (SORP) issued by the Charity Commission in March 2005 and includes a requirement that the Report of Trustees should include: -

- An annual review of the risks the Charity may face, including financial, governance, operational or reputational.
- The establishment of systems and procedures to identify, assess and mitigate those risks identified in the plan in accordance with Avocet Trust's charitable objectives.
- The implementation of procedures designed to minimise any impact on the Charity should those risks materialise.

The Trust has well developed management procedures, governance protocols and has a systematic programme of review in place. In addition, the Trust has achieved a number of nationally recognised accreditations, including the Contractors Health & Safety Assessment Scheme (CHAS), Positive about Disabled People, The Fund-Raising Standards Board. It is also registered with the British Quality Foundation. Avocet is also registered with the New Deal Employment Agency. The Trust has also achieved the National Autism Society Accreditation for several of its services for Clients on the Autistic Spectrum.

It is Avocet's policy to give full consideration to applications for employment from disabled persons when a disabled person can adequately fulfil the requirements of the job.

Should an existing employee become disabled, it is the Charity's policy to provide continued employment under normal terms and conditions and to provide training and career development and promotion wherever possible.

Thanks. We need to thank the current SMT most of which were retained and the two senior care managers for ensuring our services are of the best quality possible. IS as the new Financial Controller and Ivan as OD for steering the ship through stormy waters. Thanks to Mike Wicks of Unity bank for his continued support and flexibility over the year. I have written on behalf of trustees to Mike.

Structure, governance, and management
Avocet Trust is a company limited by guarantee which is governed by its Memorandum and Articles of Association dated 20th September 1991 and amend to allow for current governance arrangements on 22nd November 1995 and 16th October 2006. It is a charity registered with the Charities Commission.

Report of the Trustees
for the Year Ended 31 March 2024

The trustees, who are also the directors for the purpose of company law, and who served during the year were:

Mr C M Brown
Mr A D Tearle
Mrs J Comerford
Mr C Leferve
Mr R Dibb
Mrs J G Hyam
Mr I Spibey

As set out in Articles of Association the trustees will remain in office until an Annual General Meeting. At the annual General Meeting of the company one third of the trustees shall be eligible for re-election as a trustee. The retiring trustee shall, if offering to be re-elected be deemed to have been re-elected. The aforesaid statements can be viewed in full and complete within the Article of Association. When considering the appointment of trustees, the board has regard to the requirement for any specialist knowledge and skills required by the trust.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

The Board of Trustees, which must have a minimum of five members, administers the charity: they are responsible for the polices, activities and assets of the charity.

The board meets quarterly, to enable it to fulfil its responsibilities, review developments and make policy and strategic decisions. Such strategic decisions include, for example, agreeing the trusts business plan, new contracts of employment and staff training strategies

There are a number of Trust Board sub-committees each chaired by a trust board trustee to address specific areas of the trust's business. The standing Trust Board sub-committees include business development, health & safety, quality assurance, human resources, risk management, finance, and ICT. There is also a parents and relatives sub-committee as well as a Staff Consultative Committee.

The day-to-day management of the Charity and the implementation of its policies are delegated to the Director of Operations and members of the senior management team. To facilitate effective operations, the Director of Operations has delegated authority, within terms of delegation approved by the trustees, for operational matters including the management of client services, finance, employment, and other related activities.

Related parties
Avocet Trust has a subsidiary company, Kingfisher Housing (Hull) Limited. The principal activity of Kingfisher Housing (Hull) Limited is that of the development and rental of property. The properties are occupied by the clients of Avocet Trust. Brian Crosher Training Ltd is a further subsidiary company of Avocet Trust. This company is dormant.

Report of the Trustees
for the Year Ended 31 March 2024

Public Benefit Statement
The public benefit commitment of the Trust includes the provision of financial support for a Short Stay Respite service. The initial provision of this service was to provide respite service for hard pressed families. It has been successful in this regard. When necessary, the Trust will provide funds to access this service at a discounted rate.

The Trust has funded a holiday home on the east coast where our clients and their families can stay. This facility is free and is well used.

The Trust has a second holiday home facility on the Neat Marsh site in the East Yorkshire village of Preston. This facility is available free of charge to any vulnerable person.

To continually improve our support to vulnerable people and their families we offer them training courses free of charge.

Employee involvement
Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the Avocet Trust continues and that the appropriate training is arranged. It is the policy of the Avocet Trust that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Statement of Trustees Responsibilities
The trustees, who are also the directors of Avocet Trust for the purpose 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 trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Avocet Trust and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently.
- observe the methods and principles in the Charities SORP.
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Avocet Trust will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Avocet Trust 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 Avocet Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:
- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Trustees' report was approved by the Board of Trustees on 5th December 2024

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Mr A Tearle - Trustee

Report of the Auditors
for the Year Ended 31 March 2024

Opinion

We have audited the group and company financial statements of Avocet Trust (the 'parent company') and its subsidiaries (the group) for the year ended 31 March 2024 which comprise the statement of financial activities, the balance sheet, the statement of cashflows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102.

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as of 31 March 2024 and of its incoming resources and application of resources, 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 of opinion

We have conducted our audit in accordance with International Standards of Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for audit of the financial statements section in our report. We are independent of the Avocet Trust 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 Avocet Trust'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 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 we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on our work we have performed, we conclude that there is a material misstatement of this information, we are required to report that face.

We have nothing to report.

Report of the Auditors
for the Year Ended 31 March 2024

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of Trustees' responsibilities, the trustees, who are also the directors of the Avocet Trust for the purpose 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 Avocet Trust'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 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 section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

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 considered the nature of the company's industry and its control environment and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

Report of the Auditors
for the Year Ended 31 March 2024

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.
In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.
In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations

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

Jonathan Leathley (Senior Statutory Auditor)
for and on behalf of Fawley Judge & Easton
Chartered Certified Accountants
Statutory Auditor
1 Parliament Street
Hull
HU1 2AS

5th December 2024

Fawley Judge & Easton is eligible for appointment as auditor of the Avocet Trust by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

Consolidated Statement of Financial Activities and Income Expenses for the Year Ended 31 March 2024

	Notes	Unrestricted funds £	2024 Total funds £	2023 Total funds £
INCOMING RESOURCES				
Incoming resources from generated funds				
Investment income	2	-	-	-
Incoming resources from charitable activities	3			
General		7,018,422	7,018,422	5,849,839
Grants		49,974	49,974	50,038
Surplus on disposal of fixed asset		-	-	-
Total incoming resources		7,068,396	7,068,396	5,899,877
RESOURCES EXPENDED				
Costs of generating funds				
Fundraising trading: cost of goods sold and other costs	4	-	-	-
Charitable activities	5			
General		7,032,101	7,032,101	6,283,806
Governance costs	6	138,993	138,993	43,842
Total resources expended		7,171,094	7,171,094	6,327,648
Revaluation		252,650	252,650	428,230
Gain/(Loss) on disposal of fixed asset		(193,690)	(193,690)	(21,069)
NET INCOMING RESOURCES		(43,738)	(43,738)	(20,610)
RECONCILIATION OF FUNDS				
Fund balances at 1 April 2023		4,153,540	4,153,540	4,174,150
TOTAL FUNDS CARRIED FORWARD		4,109,802	4,109,802	4,153,540

CONTINUING OPERATIONS

All incoming resources and resources expended arise from continuing activities.

The notes form part of these financial statements

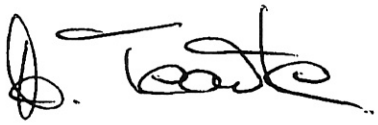
Avocet Trust

Charity Balance Sheet
at 31 March 2024

	Notes	2024 Total funds £	2023 Total funds £
FIXED ASETS			
Tangible assets	10	4,746,195	4,971,790
Investments	12	11	11
		4,746,206	4,971,801
CURRENT ASSETS			
Debtors	15	1,451,685	1,571,340
Cash at bank and in hand		85,660	9,869
		1,537,345	1,581,209
CREDITORS			
Amounts falling due within one year	16	(986,509)	(916,416)
NET CURRENT ASSETS		550,836	664,793
TOTAL ASSETS LESS CURRENT LIABILITIES		5,297,042	5,636,594
CREDITORS			
Amounts falling due after more than one year	17	(1,354,502)	(1,695,066)
NET ASSETS		3,942,540	3,941,528
FUNDS			
Unrestricted funds		3,942,540	3,941,528
TOTAL FUNDS		3,942,540	3,941,528

The financial statements were approved by the Board of Trustees on 5th December 2024 and were signed on its behalf By

Mr A Tearle – Trustee



The notes form part of these financial statements

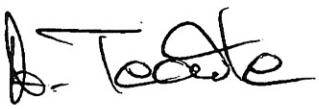
Avocet Trust

Consolidated Balance Sheet
at 31 March 2024

	Notes	2024 Total funds £	2023 Total funds £
FIXED ASETS			
Tangible assets	10	4,746,196	4,971,791
Investment property	13	1,645,000	1,779,000
		6,391,196	6,750,791
CURRENT ASSETS			
Debtors	15	597,007	647,233
Cash at bank and in hand		86,528	9,869
		683,535	657,102
CREDITORS			
Amounts falling due within one year	16	(1,024,385)	(954,291)
NET CURRENT LIABILITES/ASSETS		(340,850)	(297,189)
TOTAL ASSETS LESS CURRENT LIABILITIES		6,050,348	6,453,602
CREDITORS			
Amounts falling due after more than one year	17	(1,940,544)	(2,300,062)
NET ASSETS		4,109,802	4,153,540
FUNDS	20		
Unrestricted funds		4,109,802	4,153,540
TOTAL FUNDS		4,109,802	4,153,540

The financial statements were approved by the Board of Trustees on 5th December 2024 and were signed on its behalf By

Mr A Tearle - Trustee



The notes form part of these financial statements

Avocet Trust

Consolidated Cash Flow Statement for the Year Ended 31 March 2024

	Notes	2024 Group £	2023 Group £
Cash used in operating activity	1	365,279	(390,815)
Interest paid		(202,972)	(48,826)
		162,307	(439,641)
Cash flows from investing activity			
Investment income		-	20,185
Proceeds on disposal of fixed assets		315,519	-
Proceeds on disposal of investment property		102,501	88,931
Purchase of tangible fixed assets		26,247	(593,497)
Cash provided by (used in) investing activities		444,267	(504,566)
Cash flows from financing activity			
Repayments of bank loans		(409,238)	(134,966)
Repayment of borrowings		-	(4,390)
Financing		-	435,000
Increase in bank overdraft		(120,677)	120,677
Cash used in financing activities		(529,915)	416,321
Increase/(Decrease) in cash and cash equivalents in the year		76,659	(527,886)
Cash and cash equivalents at the beginning of the year		9,869	537,755
Total cash and cash equivalents at the end of the year		86,528	9,869

Notes to the Cash Flow Statement for the Year Ended 31 March 2024

1. RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2024 £	2023 £
Net incoming resources	(43,738)	(20,610)
Revaluation	(252,650)	(428,230)
Depreciation charges	45,732	44,185
Loss on disposal of fixed assets	102,828	21,649
Decrease/(increase) in debtors	50,226	(151,696)
(Decrease)/increase in creditors	207,512	107,936
(Decrease)/increase in deferred income	2,171	(12,875)
Interest paid	202,972	48,826
Net cash outflow from operating activities	365,279	(390,815)

Notes to the Financial Statements for the Year Ended 31 March 2024

1. ACCOUNTING POLICIES

Charity information

Avocet Trust is a private company limited by guarantee incorporated in England and Wales. The registered office is Clarence House, 60-62 Clarence Street, Hull, East Yorkshire, HU9 1DN.

Accounting convention

The financial statements have been prepared in accordance with the Avocet Trust's [governing document], the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The Avocet Trust is a Public Benefit Entity as defined by FRS 102

The financial statements are prepared in sterling, which is the functional currency of the Avocet Trust. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares.
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures.
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognized in profit or loss and in other comprehensive income.
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements.
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

Going Concern

The financial statements have been prepared on a going concern basis.

The Trustees continue to be confident that both the Charity, operating in its own right and its trading subsidiaries will achieve their forecasts for the next twelve months. The Trustees are also aware of their continued dependence on the grants and contracts issued from the Public Sector and continue to seek other forms of income by maximising their resources and infrastructure.

A meeting has taken place between Avocet Trust and Hull City Council to review the funding currently received from Hull City Council. Hull City Council are attempting to reduce the amounts paid to Avocet Trust for the care of clients. Whilst this would have a negative impact on Avocet Trust the Trustees believe that the Charity can continue to operate.

Notes to the Financial Statements - continued for the Year Ended 31 March 2024

Basis of Consolidation

In the parent company Avocet Trust, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued, and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognized as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognized for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Kingfisher Housing (Hull) Limited has been included in the group financial statements using the purchase method of accounting. Accordingly, the group statemen of financial activities and statement of cash flows include the results and cash flows of Kingfisher Housing (Hull) Limited for the 12-month period from its acquisition. The purchase consideration has been allocated to the assets and liabilities on the basis of fair value at the date of acquisition.

Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates. In the group financial statements, associates are accounted for using the equity method.

Entities in which the group holds an interest, and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. In the group Avocet Trust, joint ventures are accounted for using the equity method.

Incoming resources

Income is recognised when Avocet Trust is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the Avocet Trust has been notified of the donation unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if Avocet Trust has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT, and other sales related taxes.

Resources

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of resources. Grants offered subject to conditions which have not been met at the yearend date are noted as a commitment but not accrued as expenditure.

Governance costs
Governance costs are those costs which have been identified as constitutional and statutory requirements, as opposed to generating funds, service delivery, and programmes of project work. Governance costs include legal advice and audit of the statutory accounts.

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	-25% on reducing balance, 20% on cost
Motor vehicles	-25% on cost

Impairment of fixed assets
At each reporting end date, Avocet Trust reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Cash and cash equivalents
Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Financial instruments
The Avocet Trust has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments

Financial instruments are recognised in Avocet Trust's balance sheet when Avocet Trust becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets
Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities
Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities
Financial liabilities are derecognised when Avocet Trust's contractual obligations expire or are discharged or cancelled.

Employee benefits
The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when Avocet Trust is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Investment property
Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in market value is transferred to a revaluation reserve.

Taxation
The charity is exempt from corporation tax on its charitable activities.

Fund accounting
Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the Trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Hire purchase and leasing commitments
Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to net income/(expenditure) for the year so as to produce a constant periodic rate of interest on the remaining balance of the liability

Deferred grant
Included in creditors is a provision for deferred income in respect of a grant received from SEIF. The deferral is being amortised at a rate which matches the depreciation of the assets purchased with the grant.

2. INVESTMENT INCOME

	2024	2023
	£	£
Interest receivable - trading	-	-

3. INCOMING RESOURCES FROM CHARITABLE ACTIVITES

	Activity	2024 £	2023 £
DSS Income	General	6,599,745	5,382,206
Residents Income	General	159,098	161,892
Respite & Sessional Income	General	310,705	238,718
Sundry Income	General	50,848	67,023
		7,120,396	5,849,839

4. FUNDRAISING TRADING: COST OF GOODS SOLD AND OTHER COSTS

	2024 £	2023 £
Purchases	-	-

5. CHARITABLE ACIVITIES COSTS

	Direct costs £	Grant funding of activities £	Totals £
General	7,032,101	-	7,032,101

6. GOVERNANCE COSTS

	2024 £	2023 £
Accountancy	11,690	9,598
Legal fees	111,567	27,043
Auditors' remuneration	8,400	7,200
	128,367	42,841

7. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting):

	2024	2023
	£	£
Auditors' remuneration	8,400	7,200
Depreciation – owned assets	45,732	44,185
Hire of plant and machinery	10,732	19,202
(Profit)/Deficit on disposal of fixed asset	102,828	21,069

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no Trustees' remuneration or other benefits for the year ended 31 March 2024 nor for the year ended 31 March 2024.

Trustees' expenses
There were no Trustees' expenses paid for the year ended 31 March 2024 nor for the year ended 31 March 2024.

9. STAFF COSTS

	2024	2023
	£	£
Wages and salaries	5,752,036	5,067,984
	5,752,036	5,067,984

The average monthly number of employees during the year was as follows:

	2024	2023
Residential care	266	267
Administration	11	12
	277	279

One member of staff was paid in excess £60,000, in the following bands:

	2024	2023
£70,000-£80,000	-	1

10. TANGIBLE FIXED ASSETS – Charity

	Freehold Property £	Fixtures and fittings £	Motor vehicles £	Computers £	Totals £
COST					
At 1 April 2023	4,813,710	249,807	112,668	19,108	5,195,293
Additions	-	4,827	-	21,420	26,247
Disposals	(458,710)	-	-	-	(458,710)
Revaluation	252,600	-	-	-	252,600
At 31 March 2024	4,607,600	254,634	112,668	40,528	5,015,430
DEPRECIATION					
At 1 April 2023	-	105,099	100,174	18,229	223,502
Charge for year	-	32,960	5,106	7,666	45,732
Eliminated on disposal	-	-	-	-	-
Revaluation	-	-	-	-	-
At 31 March 2024	-	138,059	105,280	25,895	269,234
NET BOOK VALUE					
At 31 March 2023	4,607,600	116,575	7,388	14,633	4,746,196
At 31 March 2024	4,813,710	144,708	12,494	879	4,971,791

11. TANGIBLE FIXED ASSETS – Group

	Freehold Property £	Fixtures and fittings £	Motor vehicles £	Computers £	Totals £
COST					
At 1 April 2023	4,183,710	249,807	112,668	19,108	5,195,293
Additions	-	4,827	-	21,420	26,247
Disposals	(458,710)	-	-	-	(458,710)
Revaluation	252,600	-	-	-	252,600
At 31 March 2024	4,607,600	254,634	112,668	40,528	5,015,430
DEPRECIATION					
At 1 April 2023	-	105,099	100,174	18,229	223,502
Charge for year	-	32,960	5,106	7,666	45,732
Eliminated on disposal	-	-	-	-	-
Revaluation	-	-	-	-	-
At 31 March 2024	-	138,059	105,280	25,895	269,234
NET BOOK VALUE					
At 31 March 2024	4,607,600	116,575	7,388	14,633	4,746,196
At 31 March 2023	4,813,710	144,708	12,494	879	4,971,791

Included in cost of land and buildings is freehold land of £194,000.

Land and buildings with a carrying value of £4,607,600 were revalued on 24 February 2023 by Lamber Smith Hampton Chartered Surveyors and on 23 May by Eddisons Chartered Surveyors both independent valuers nor connected with the charity on the basis of market value. The valuation conforms to international valuation standards and was based on recent market transactions of similar properties.

12. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
MARKET VALUE	
At 1 April 2023 and 31 March 2024	11
NET BOOK VALUE	
At 31 March 2024	11
At 31 March 2023	11

There were no investment assets outside the UK.

The company's investments at the balance sheet date in the share capital of companies include the following:

Kingfisher Housing (Hull) Ltd – 10 shares of £1
Brian Crosher Training Ltd – dormant – 1 share of £1

Nature of business: Property management

Class of share:	% holding
Ordinary	100

	2024 £	2023 £
Aggregate capital and reserves	167,262	212,012
Profit/(loss) for the year	(44,750)	208,014

Investments, which represent shares held in the subsidiary company, are stated at cost.

13. INVESTMENT PROPERTY

	Total £
COST OR VALUATION	
At 1 April 2023	1,779,000
Disposals	(134,000)
Revaluations	-
At 31 March 2024	1,645,000
NET BOOK VALUE	
At 31 March 2024	1,645,000
At 31 March 2023	1,779,000

14. INVESTMENT PROPERTY – continued

Included in cost or valuation of investment property is freehold land of £462,988 (2023: £500,703) which is not depreciated.

Cost or valuation at 31 March 2024 is represented by:

Fair value	1,779,000
Additions	-
Disposals	(134,000)
Revaluation	-
	1,645,000

	2024	2023
	£	£
Cost	1,454,154	1,569,154
Aggregate depreciation	-	-

The fair value of the investment property has been arrived at on the basis of a valuation carried out on 30 May 2023 by Eddisons Chartered Surveyors, who are not connected with the charity on behalf of the charity bankers. The valuation was made on an open market basis by reference to market evidence of the transaction prices of similar properties.

15. DEBTORS

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Amount falling due within one year:				
Trade debtors	532,643	581,837	532,643	581,837
Amounts owed by group undertakings	-	-	852,359	924,107
Other debtors	(1,215)	2,933	1,104	2,933
Prepayments	65,579	62,463	65,579	62,463
	597,007	647,233	1,451,685	1,571,340

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Bank loans and overdrafts	110,274	250,671	72,398	212,796
Trade creditors	137,648	154,681	137,648	154,681
Social security and other taxes	293,609	44,404	293,609	44,404
Accruals and deferred income	482,854	504,535	482,854	504,535
	1,024,385	954,291	986,509	916,416

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Bank loans	1,940,544	2,300,062	1,354,502	1,695,066
	1,940,544	2,300,062	1,354,502	1,695,066

18. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Amounts falling due within one year:				
Bank loans	110,274	129,994	72,398	212,796
Amounts falling due:				
Bank loans – 1-2 years	110,274	129,994	72,398	212,796
Bank loans – 2-5 years	220,554	259,988	144,796	425,592
Bank loans after 5 years	1,609,722	1,910,080	1,137,308	1,056,678
	1,940,544	2,300,062	1,354,502	1,695,066

19. SECURED DEBTS

The following secured debts are included within creditors:

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Bank loans	2,020,818	2,430,056	1,426,900	1,907,862

The Co-operative Bank and Unity Trust Bank hold a legal charge over the property of Avocet Trust and Kingfisher Housing Limited

The bank also holds a specific charge over the book of debts of the company.

20. MOVEMENT IN FUNDS

	At 1/4/23	Net movement in funds	At 31/3/24
	£	£	£
Unrestricted funds			
General fund	4,153,540	(43,738)	4,109,802
TOTAL FUNDS	4,153,540	(43,738)	4,109,802

Net movement in funds, included in the above are as follows:

	Incoming resources	Resources expended	Net gains/loss	Movement in funds
	£	£	£	£
Unrestricted funds				
General fund	7,068,396	(7,171,094)	58,960	(43,738)

21. CONTINGENT LIABILITIES

In addition to the security over the assets of the company described above, the Co-operative Bank plc also holds a first legal charge over the assets of Avocet's subsidiary company Kingfisher Housing (Hull) Limited.

22. RELATED PARTY DISCLOSURES

Kingfisher Housing (Hull) Limited ("Kingfisher") is a wholly owned subsidiary of Avocet Trust. Kingfisher purchased several houses from Avocet Trust in a previous year and Avocet Trust made a loan to Kingfisher for that purpose. The loan is subject to an agreement setting out repayment terms. In addition, Avocet Trust has made an informal loan by way of inter-company balance in respect of Kingfisher's start-up costs. Avocet Trust pay rent for the use of properties owned by Kingfisher.

Transactions between Kingfisher and Avocet Trust are as follows:

	2024	2023
	£	£
Rents paid	52,000	80,300
Grants paid	-	-
Loan Interest received	20,185	20,185
Management charge	-	74,000

The above transactions were at market value.

At 31 March 2024 Kingfisher owed Avocet Trust £852,359 (2023: £924,107)

During the year the charity made payments for professional services to the following trustees:

Mr I Spibey – Atom HR Consultancy	£42,487 (2023 £37,675)	HR Services
Mr A Tearle	£2,750 (2023 £3,345)	Training services

AVOCET TRUST

England & Wales - Charity number 1004537

Accounts

Registered Company Number: 2647631 (England and Wales)
Registered Charity Number: 1004537

Avocet Trust
Report of the Trustees and Consolidated Financial Statements
For the Year Ended 31 March 2023

Fawley Judge & Easton
Chartered Certified Accountants
1 Parliament Street
Hull
HU1 2AS

Avocet Trust

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Avocet Trust

Report of the Trustees
for the Year Ended 31 March 2023

The trustees present their report and financial statements for the year ended 31 March 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1.1 to the financial statements and comply with Avocet Trust's governance documents, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016)

Objectives and activities
Avocet Trust's objectives are set out in the company's Memorandum and Articles of Association and are as follows: -

- The provision of facilities to people who are handicapped, disabled, or otherwise disadvantaged, including housing, calculated to relieve their needs.
- The provision and/or assistance with providing accommodation and support to people, particularly young people who are homeless or threatened with homelessness.

During the past financial year, the Charity has continued to carry out its objectives of providing care and support for those people who are disadvantaged. There has been no change in these during the year.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the Avocet Trust should undertake.

The main client group which Avocet Trust supports the profound learning disabilities which are often associated with physical disability and other health problems. We also look after clients on the autistic spectrum.

The main objective is to continue with our fundamental aim to assist clients, many with limited communication skills, to be able to express their needs and wants and to have enjoyable company and support from staff they like and trust.

The strategies employed to achieve the Charity's objectives are to:

- Offer opportunities for clients to live in a quality environment through the purchasing of domestic properties appropriate to the client's needs.
- Provide highly qualified staff specifically employed to support clients to realise their interests and choices in their personal life and to maximise client's personal developments.
- Provide full and valued life opportunities through community involvement and integration and by creating opportunities and choice for Avocet's clients.

The major areas of activity are:

The majority of Avocet Trust's income is generated by residential clients housed in well-appointed domestic housing of high standard, appropriate to our client's needs. We ensure that clients are comfortable and secure in a pleasant and welcoming environment. Clients are able to stay in the house of their choice or to move to a more appropriate accommodation as their needs change.

Avocet Trust

Report of the Trustees
for the Year Ended 31 March 2023

Achievements and performance

It is disappointing to report a Group loss of £20,610 for the financial year ending 31 March 2023.

Unfortunately, during late 2022/early 2023 the trust encountered financial difficulty following the identifying of poor financial management by the Board. Such financial difficulty resulted in a letter of severe concern being sent to the Chair of Trustees from the Co-Operative bank which was dated Thursday 2nd March 2023. This communication from the bank triggered an emergency board meeting on Tuesday 7th March 2023 in which representatives of the Co-Operative Bank attended.

The issues encountered followed the resignation of the trust's Financial Controller in late January 2023 and then by the resignation of the Chief Executive in early March 2023.

Following the resignation of both the Financial Controller and Chief Executive the poor financial position of the Avocet Trust was revealed. This included poor and incorrect financial reporting to the Board of Trustees for the Avocet Trust and subsidiaries'. Such financial reporting resulted in poor decision making when if the correct financial information had been received the decisions made would have been different. This included the purchase of the Burnsall Farm site at auction for the price of £435,000 in which a bridging loan was used to secure this purchase following the trustees being assured that in November 2022 there was no financial risk.

At the time of the emergency board meeting on Tuesday 7th March 2023 the trust were ultimately at risk of closure due to the acute financial problems which had been encountered.

A short-term financial recovery plan was put into place by the trust board and senior management team (SMT) in March 2023. This in turn was supported by the Co-Operative Bank who provided an overdraft facility of up to £200,000 up until the end of September 2023. Additionally, loan payment holidays were agreed with both the Co-Operative Bank and Unity Bank.

As part of the recovery process the following actions were agreed to be undertaken in March 2023;

- Identified four property sites to be sold in order to work towards financial sustainability.
- A review of financial practices which included the discovery of over £200,000 of unpaid NHS invoices and local authority fee uplifts between the period of October 2022 and March 2023.
- The appointment of a new Financial Controller.
- A full review of financial systems and reporting in order that full revisions could be made to provide clarity and accuracy.
- Strict controls over expenditure.
- A review of the Matthew Enterprise Trust (MET) day service.

Following the agreement and implementation of the plan the Board of Trustees and Senior Management Team of the Avocet Trust are now in a position to achieve financial recovery and sustainability.

Throughout this period the Trustee's primary focus was centred on the health and welfare of the residents under their care and also the supporting of our exceptional staff who support them. I am pleased to report there was no compromise in our service delivery during this time. I extend on behalf of the Board their thanks to the Senior Management Team, Head Office staff and support staff for their continued dedication and hard work.

We would advise that the residential numbers have been maintained during the year at 56 (2022 - 58). This was due to long term client's moving on and the continuous review of provisioning requirements by the management to ensure there is sufficient capacity to meet the demands placed by the commissioning authorities.

Financial review
As previously reported the loss for the Group was due to management failures which are being addressed, We Board expects the recovery plan to deliver the results expected.

Risk management
In view of the recent failings the Trustees together with the senior management team have reviewed the risks to which the Charity is exposed and to ensure appropriate controls are in place to give assurance against error and fraud. The Trustees have a revised risk management strategy that encompasses the revised Statement of Recommended Practice (SORP) issued by the Charity Commission in March 2005 and includes a requirement that the Report of Trustees should include: -

- An annual review of the risks the Charity may face, including financial, governance, operational or reputational.
- The establishment of systems and procedures to identify, assess and mitigate those risks identified in the plan in accordance with Avocet Trust's charitable objectives.
- The implementation of procedures designed to minimise any impact on the Charity should those risks materialise.

The Trust is continuing to develop management procedures, governance protocols and has a systematic programme of review in place. In addition, the Trust has achieved a number of nationally recognised accreditations, including the Contractors Health & Safety Assessment Scheme (CHAS), Positive about Disabled People, The Fund-Raising Standards Board. It is also registered with the British Quality Foundation. Avocet is also registered with the New Deal Employment Agency. The Trust has also achieved the National Autism Society Accreditation for a number of its services for Clients on the Autistic Spectrum.

It is Avocet's policy to give full consideration to applications for employment from disabled persons when a disabled person can adequately fulfil the requirements of the job.

Should an existing employee become disabled, it is the Charity's policy to provide continued employment under normal terms and conditions and to provide training and career development and promotion wherever possible.

Structure, governance, and management
Avocet Trust is a company limited by guarantee which is governed by its Memorandum and Articles of Association dated 20th September 1991 and amend to allow for current governance arrangements on 22nd November 1995 and 16th October 2006. It is a charity registered with the Charities Commission.

Avocet Trust

Report of the Trustees
for the Year Ended 31 March 2023

The trustees, who are also the directors for the purpose of company law, and who served during the year were:

Mr C M Brown	
Mrs L Cartwright	Resigned 8 December 2022
Ms F L I Cartwright	Resigned 8 December 2022
Mr A D Tearle	
Mrs J Comerford	
Mr C Leferve	
Mr R Dibb	
Mrs J G Hyam	
Mr I Spibey	

As set out in Articles of Association the trustees will remain in office until an Annual General Meeting. At the annual General Meeting of the company one third of the trustees shall be eligible for re-election as a trustee. The retiring trustee shall, if offering to be re-elected be deemed to have been re-elected. The aforesaid statements can be viewed in full and complete within the Article of Association. When considering the appointment of trustees, the board has regard to the requirement for any specialist knowledge and skills required by the trust.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

The Board of Trustees, which must have a minimum of five members, administers the charity: they are responsible for the polices, activities and assets of the charity.

The board meets quarterly, to enable it to fulfil its responsibilities, review developments and make policy and strategic decisions. Such strategic decisions include, for example, agreeing the trusts business plan, new contracts of employment and staff training strategies

There are a number of Trust Board sub-committees each chaired by a trust board trustee to address specific areas of the trust's business. The standing Trust Board sub-committees include business development, health & safety, quality assurance, human resources, risk management, finance, and ICT. There is also a parents and relatives sub-committee as well as a Staff Consultative Committee.

The day-to-day management of the Charity and the implementation of its policies are delegated to the Chief Executive, (Mr LC Howell) and members of the senior management team. To facilitate effective operations, the Chief Executive has delegated authority, within terms of delegation approved by the trustees, for operational matters including the management of client services, finance, employment, and other related activities.

Related parties
Avocet Trust has a subsidiary company, Kingfisher Housing (Hull) Limited. The principal activity of Kingfisher Housing (Hull) Limited is that of the development and rental of property. The properties are occupied by the clients of Avocet Trust. Brian Crosher Training is a further subsidiary company of Avocet Trust. This company provides specialist training to the parent Trust and to other care companies and to companies not involved directly with care.

Avocet Trust

Report of the Trustees
for the Year Ended 31 March 2023

Public Benefit Statement
The public benefit commitment of the Trust includes the provision of financial support for a Short Stay Respite service. The initial provision of this service was to provide respite service for hard pressed families. It has been successful in this regard. When necessary, the Trust will provide funds to access this service at a discounted rate.

The Trust has funded a holiday home on the east coast where our clients and their families can stay. This facility is free and is well used.

The Trust has a second holiday home facility on the Neat Marsh site in the East Yorkshire village of Preston. This facility is available free of charge to any vulnerable person.

In an effort to continually improve our support to vulnerable people and their families we offer them training courses free of charge.

Employee involvement
Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the Avocet Trust continues and that the appropriate training is arranged. It is the policy of the Avocet Trust that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Statement of Trustees Responsibilities
The trustees, who are also the directors of Avocet Trust for the purpose 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 trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Avocet Trust and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently.
- observe the methods and principles in the Charities SORP.
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Avocet Trust will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Avocet Trust 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 Avocet Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Trustees' report was approved by the Board of Trustees on 7 December 2023

.....

Mr A Tearle - Trustee

Avocet Trust

Report of the Auditors
for the Year Ended 31 March 2023

Opinion

We have audited the group and company financial statements of Avocet Trust (the 'parent company') and its subsidiaries (the group) for the year ended 31 March 2023 which comprise the statement of financial activities, the balance sheet, the statement of cashflows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102.

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as of 31 March 2023 and of its incoming resources and application of resources, 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 of opinion

We have conducted our audit in accordance with International Standards of Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for audit of the financial statements section in our report. We are independent of the Avocet Trust 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 Avocet Trust'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 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 we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on our work we have performed, we conclude that there is a material misstatement of this information, we are required to report that face.

We have nothing to report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of Trustees' responsibilities, the trustees, who are also the directors of the Avocet Trust for the purpose 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 Avocet Trust'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 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 section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

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 considered the nature of the company's industry and its control environment and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

Report of the Auditors
for the Year Ended 31 March 2023

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.
In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.
In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations

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

Jonathan Leathley (Senior Statutory Auditor)
for and on behalf of Fawley Judge & Easton
Chartered Certified Accountants
Statutory Auditor
1 Parliament Street
Hull
HU1 2AS

7 December 2023

Fawley Judge & Easton is eligible for appointment as auditor of the Avocet Trust by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

Avocet Trust

Consolidated Statement of Financial Activities and Income Expenses for the Year Ended 31 March 2023

	Notes	Unrestricted funds £	2023 Total funds £	2022 Total funds £
INCOMING RESOURCES				
Incoming resources from generated funds				
Investment income	2	-	-	-
Incoming resources from charitable activities	3			
General		5,849,839	5,849,839	6,074,489
Grants		50,038	50,038	363,585
Surplus on disposal of fixed asset		-	-	-
Total incoming resources		5,899,877-	5,899,877	6,438,054
RESOURCES EXPENDED				
Costs of generating funds				
Fundraising trading: cost of goods sold and other costs	4	-	-	-
Charitable activities	5			
General		6,283,806	6,283,806	6,209,335
Governance costs	7	43,842	43,842	49,514
Total resources expended		6,327,648	6,327,648	6,258,849
Revaluation		428,230	428,230	-
Loss on disposal of fixed asset		(21,069)	(21,069)	(19,213)
NET INCOMING RESOURCES		(20,610)	(20,610)	159,992
RECONCILIATION OF FUNDS				
Fund balances at 1 April 2022		4,174,150	4,170,150	4,014,158
TOTAL FUNDS CARRIED FORWARD		4,153,540	4,153,540	4,174,150

CONTINUING OPERATIONS

All incoming resources and resources expended arise from continuing activities.

The notes form part of these financial statements

Avocet Trust

Charity Balance Sheet
at 31 March 2023

	Notes	2023 Total funds £	2022 Total funds £
FIXED ASETS			
Tangible assets	11	4,971,790	4,223,714
Investments	13	11	11
		4,971,801	4,223,725
CURRENT ASSETS			
Debtors	16	1,571,340	1,534,475
Cash at bank and in hand		9,869	460,239
		1,581,209	1,994,714
CREDITORS			
Amounts falling due within one year	17	(916,416)	(727,667)
NET CURRENT ASSETS		664,793	1,267,047
TOTAL ASSETS LESS CURRENT LIABILITIES		5,636,594	5,490,772
CREDITORS			
Amounts falling due after more than one year	18	(1,695,066)	(1,320,620)
NET ASSETS		3,941,528	4,170,152
FUNDS			
Unrestricted funds		3,941,528	4,170,152
TOTAL FUNDS		3,941,528	4,170,152

The financial statements were approved by the Board of Trustees on 7 December 2023 and were signed on its behalf by Mr A Tearle – Trustee

The notes form part of these financial statements

Avocet Trust

Consolidated Balance Sheet
at 31 March 2023

	Notes	2023 Total funds £	2022 Total funds £
FIXED ASETS			
Tangible assets	11	4,971,791	4,223,715
Investment property	14	1,779,000	1,990,114
		6,750,791	5,883,829
CURRENT ASSETS			
Debtors	16	647,233	491,147
Cash at bank and in hand		9,869	537,755
		657,102	1,028,902
CREDITORS			
Amounts falling due within one year	17	(954,291)	(765,542)
NET CURRENT LIABILITES/ASSETS		(297,189)	263,360
TOTAL ASSETS LESS CURRENT LIABILITIES		6,453,602	6,147,189
CREDITORS			
Amounts falling due after more than one year	18	(2,300,062)	(1,973,039)
NET ASSETS		4,153,540	4,174,150
FUNDS	21		
Unrestricted funds		4,153,540	4,174,150
TOTAL FUNDS		4,153,540	4,174,150

The financial statements were approved by the Board of Trustees on 7 December 2023 and were signed on its behalf by Mr A Tearle - Trustee

The notes form part of these financial statements

Avocet Trust

Consolidated Cash Flow Statement for the Year Ended 31 March 2023

	Notes	2023 Group £	2022 Group £
Cash used in operating activity	1	(411,000)	(116,965)
Interest paid		(48,826)	-
		(459,826)	(116,965)
Cash flows from investing activity			
Investment income		20,185	-
Proceeds on disposal of fixed assets		-	-
Proceeds on disposal of investment property		88,931	215,449
Purchase of tangible fixed assets		(592,917)	(24,358)
Cash provided by (used in) investing activities		(484,381)	191,091
Cash flows from financing activity			
Repayments of bank loans		(134,966)	(234,171)
Repayment of borrowings		(4,390)	-
Financing		435,000	-
Increase in bank overdraft		120,677	-
Cash used in financing activities		416,321	(234,171)
Increase/(Decrease) in cash and cash equivalents in the year		(527,886)	(160,045)
Cash and cash equivalents at the beginning of the year		537,755	697,800
Total cash and cash equivalents at the end of the year		9,869	537,755

Avocet Trust

Notes to the Cash Flow Statement for the Year Ended 31 March 2023

1. RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2023 £	2022 £
Net incoming resources	(20,610)	159,992
Revaluation	(428,230)	-
Depreciation charges	44,185	27,671
Loss on disposal of fixed assets	21,649	19,213
Decrease/(increase) in debtors	(151,696)	(290,556)
(Decrease)/increase in creditors	107,936	(20,410)
(Decrease)/increase in deferred income	(12,875)	(12,875)
Investment Income	(20,185)	-
Interest paid	48,826	-
Net cash outflow from operating activities	(411,000)	(116,965)

1. ACCOUNTING POLICIES

Charity information

Avocet Trust is a private company limited by guarantee incorporated in England and Wales. The registered office is Clarence House, 60-62 Clarence Street, Hull, East Yorkshire, HU9 1DN.

Accounting convention

The financial statements have been prepared in accordance with the Avocet Trust's [governing document], the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The Avocet Trust is a Public Benefit Entity as defined by FRS 102

The financial statements are prepared in sterling, which is the functional currency of the Avocet Trust. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares.
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures.
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognized in profit or loss and in other comprehensive income.
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements.
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

Going Concern

The financial statements have been prepared on a going concern basis.

The Trustees continue to be confident that both the Charity, operating in its own right and its trading subsidiaries will achieve their forecasts for the next twelve months. The Trustees are also aware of their continued dependence on the grants and contracts issued from the Public Sector and continue to seek other forms of income by maximising their resources and infrastructure.

A meeting has taken place between Avocet Trust and Hull City Council to review the funding currently received from Hull City Council. Hull City Council are attempting to reduce the amounts paid to Avocet Trust for the care of clients. Whilst this would have a negative impact on Avocet Trust the Trustees believe that the Charity can continue to operate.

Basis of Consolidation

In the parent company Avocet Trust, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued, and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognized as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognized for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Kingfisher Housing (Hull) Limited has been included in the group financial statements using the purchase method of accounting. Accordingly, the group statemen of financial activities and statement of cash flows include the results and cash flows of Kingfisher Housing (Hull) Limited for the 12-month period from its acquisition. The purchase consideration has been allocated to the assets and liabilities on the basis of fair value at the date of acquisition.

Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates. In the group financial statements, associates are accounted for using the equity method.

Entities in which the group holds an interest, and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. In the group Avocet Trust, joint ventures are accounted for using the equity method.

Incoming resources

Income is recognised when Avocet Trust is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the Avocet Trust has been notified of the donation unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if Avocet Trust has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT, and other sales related taxes.

Resources

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of resources. Grants offered subject to conditions which have not been met at the yearend date are noted as a commitment but not accrued as expenditure.

Governance costs
Governance costs are those costs which have been identified as constitutional and statutory requirements, as opposed to generating funds, service delivery, and programmes of project work. Governance costs include legal advice and audit of the statutory accounts.

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	-25% on reducing balance, 20% on cost
Motor vehicles	-25% on cost

Impairment of fixed assets
At each reporting end date, Avocet Trust reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Cash and cash equivalents
Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Financial instruments
The Avocet Trust has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments

Financial instruments are recognised in Avocet Trust's balance sheet when Avocet Trust becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets
Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities
Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities
Financial liabilities are derecognised when Avocet Trust's contractual obligations expire or are discharged or cancelled.

Employee benefits
The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when Avocet Trust is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Investment property
Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in market value is transferred to a revaluation reserve.

Taxation
The charity is exempt from corporation tax on its charitable activities.

Fund accounting
Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the Trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Hire purchase and leasing commitments
Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to net income/(expenditure) for the year so as to produce a constant periodic rate of interest on the remaining balance of the liability

Deferred grant
Included in creditors is a provision for deferred income in respect of a grant received from SEIF. The deferral is being amortised at a rate which matches the depreciation of the assets purchased with the grant.

2. INVESTMENT INCOME

	2023	2022
	£	£
Interest receivable - trading	-	-

3. INCOMING RESOURCES FROM CHARITABLE ACTIVITES

	Activity	2023 £	2022 £
DSS Income	General	5,382,206	5,456,451
Residents Income	General	161,892	235,285
Respite & Sessional Income	General	238,718	258,752
Sundry Income	General	67,023	124,001
		5,849,839	6,074,489

4. FUNDRAISING TRADING: COST OF GOODS SOLD AND OTHER COSTS

	2023 £	2022 £
Purchases	-	-

5. CHARITABLE ACIVITIES COSTS

	Direct costs £	Grant funding of activities £	Totals £
General	6,268,212	36,663	6,304,875

6. GRANTS PAYABLE

	2023 £	2022 £
General	-	-

7. GOVERNANCE COSTS

	2023 £	2022 £
Accountancy	9,598	19,540
Legal fees	27,043	22,774
Auditors' remuneration	7,200	7,200
	43,841	49,514

8. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting):

	2023	2022
	£	£
Auditors' remuneration	7,200	7,200
Depreciation – owned assets	44,185	27,671
Hire of plant and machinery	19,202	12,881
(Profit)/Deficit on disposal of fixed asset	21,069	(19,213)

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no Trustees' remuneration or other benefits for the year ended 31 March 2023 nor for the year ended 31 March 2022.

Trustees' expenses
There were no Trustees' expenses paid for the year ended 31 March 2023 nor for the year ended 31 March 2022.

10. STAFF COSTS

	2023	2022
	£	£
Wages and salaries	5,067,984	4,963,468
	5,067.984	4,963,468

The average monthly number of employees during the year was as follows:

	2023	2022
Residential care	267	185
Administration	12	20
	279	205

One member of staff was paid in excess £60,000, in the following bands:

	2023	2022
£70,000-£80,000	1	1

11. TANGIBLE FIXED ASSETS – Charity

	Freehold Property £	Fixtures and fittings £	Motor vehicles £	Computers £	Totals £
COST					
At 1 April 2022	4,155,656	115,600	112,668	19,107	4,403,031
Additions	458,710	134,207	-	-	592,917
Disposals	-	-	-	-	-
Revaluation	199,344	-	-	-	199,3344
At 31 March 2023	4,813,710	249,807	112,668	19,107	5,195,292
DEPRECIATION					
At 1 April 2022	-	78,883	82,782	17,702	154,062
Charge for year	-	26,266	17,392	527	44,185
Eliminated on disposal	-	-	-	-	-
Revaluation	-	-	-	-	-
At 31 March 2023	-	105,099	100,174	18,229	223,502
NET BOOK VALUE					
At 31 March 2023	4,813,710	144,708	12,494	878	4,971,790
At 31 March 2022	4,155,656	36,767	29,886	1,405	4,223,714

12. TANGIBLE FIXED ASSETS – Group

	Freehold Property £	Fixtures and fittings £	Motor vehicles £	Computers £	Totals £
COST					
At 1 April 2022	4,155,656	130,097	112,668	19,107	4,417,528
Additions	458,710	134,207	-	-	592,917
Disposals	-	-	-	-	-
Revaluation	199,344	-	-	-	199,344
At 31 March 2023	4,813,710	264,304	112,668	19,107	5,209,789
DEPRECIATION					
At 1 April 2022	-	93,329	82,782	17,702	193,813
Charge for year	-	26,266	17,392	527	44,185
Eliminated on disposal	-	-	-	-	-
Revaluation	-	-	-	-	-
At 31 March 2023	-	119,595	100,174	18,229	237,998
NET BOOK VALUE					
At 31 March 2023	4,813,710	144,709	12,494	878	4,971,791
At 31 March 2022	4,155,656	36,768	29,886	1,405	4,223,715

Included in cost or valuation of land and buildings is freehold land of £194,000.

Land and buildings with a carrying value of £4,813,710 were revalued on 24 February 2023 by Lamber Smith Hampton Chartered Surveyors and on 23 May by Eddisons Chartered Surveyors both independent valuers nor connected with the charity on the basis of market value. The valuation conforms to International valuation standards and was based on recent market transactions of similar properties.

13. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
MARKET VALUE	
At 1 April 2022 and 31 March 2023	11
NET BOOK VALUE	
At 31 March 2023	11
At 31 March 2022	11

There were no investment assets outside the UK.

The company's investments at the balance sheet date in the share capital of companies include the following:

Kingfisher Housing (Hull) Ltd – 10 shares of £1
Brian Crosher Training Ltd – dormant – 1 share of £1

Nature of business: Property management

Class of share:	% holding
Ordinary	100

	2023	2022
	£	£
Aggregate capital and reserves	212,012	4,008
Profit/(loss) for the year	208,014	(3,380)

Investments, which represent shares held in the subsidiary company, are stated at cost.

14. INVESTMENT PROPERTY

	Total £
COST OR VALUATION	
At 1 April 2022	1,660,114
Disposals	(110,000)
Revaluations	228,886
At 31 March 2023	1,779,000
NET BOOK VALUE	
At 31 March 2023	1,779,000
At 31 March 2022	1,660,114

15. INVESTMENT PROPERTY – continued

Included in cost or valuation of investment property is freehold land of £500,703 (2022: £520,703) which is not depreciated.

Cost or valuation at 31 March 2023 is represented by:

Fair value	1,660,144
Additions	-
Disposals	(110,000)
Revaluation	228,886
	1,779,000

	2023	2022
	£	£
Cost	1,569,154	1,641,602
Aggregate depreciation	-	-

The fair value of the investment property has been arrived at on the basis of a valuation carried out on 30 May 2023 by Eddisons Chartered Surveyors, who are not connected with the charity on behalf of the charity bankers. The valuation was made on an open market basis by reference to market evidence of the transaction prices of similar properties.

16. DEBTORS

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Amount falling due within one year:				
Trade debtors	581,837	389,339	581,837	389,339
Amounts owed by group undertakings	-	-	924,107	1,043,329
Other debtors	2,933	4,871	2,933	4,871
Prepayments	62,463	96,937	62,463	96,357
	647,233	491,147	1,571,340	1,534,476

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Bank loans and overdrafts	250,671	156,983	212,796	119,108
Trade creditors	154,681	100,791	154,681	100,791
Social security and other taxes	44,404	86,744	44,404	86,744
Accruals and deferred income	504,535	421,024	504,535	421,024
	954,291	765,542	916,416	727,667

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Bank loans	2,300,062	1,973,039	1,695,066	1,320,620
	2,300,062	1,973,039	1,695,066	1,320,620

19. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Amounts falling due within one year:				
Bank loans	129,994	156,983	212,796	119,108
Amounts falling due:				
Bank loans – 1-2 years	129,994	156,983	212,796	119,108
Bank loans – 2-5 years	259,988	470,949	425,592	357,324
Bank loans after 5 years	1,910,080	1,345,107	1,056,678	963,296
	2,300,062	1,973,039	1,695,066	1,439,728

20. SECURED DEBTS

The following secured debts are included within creditors:

	Group		**Company**	
	2023	2022	2023	2022
	£	£	£	£
Bank loans	2,430,056	2,130,022	1,907,862	1,439,728

The Co-operative Bank and Unity Trust Bank hold a legal charge over the property of Avocet Trust and Kingfisher Housing Limited

The bank also holds a specific charge over the book of debts of the company.

21. MOVEMENT IN FUNDS

	At 1/4/22	Net movement in funds	At 31/3/23
	£	£	£
Unrestricted funds			
General fund	4,174,150	(20,610)	4,153,540
TOTAL FUNDS	4,174,150	(20,610)	4,153,540

Net movement in funds, included in the above are as follows:

	Incoming resources	Resources expended	Net gains/loss	Movement in funds
	£	£	£	£
Unrestricted funds				
General fund	6,348,276	(6,348,717)	(20,169)	(20,610)

22. CONTINGENT LIABILITIES

In addition to the security over the assets of the company described above, the Co-operative Bank plc also holds a first legal charge over the assets of Avocet's subsidiary company Kingfisher Housing (Hull) Limited.

23. RELATED PARTY DISCLOSURES

Kingfisher Housing (Hull) Limited ("Kingfisher") is a wholly owned subsidiary of Avocet Trust. Kingfisher purchased several houses from Avocet Trust in a previous year and Avocet Trust made a loan to Kingfisher for that purpose. The loan is subject to an agreement setting out repayment terms. In addition, Avocet Trust has made an informal loan by way of inter-company balance in respect of Kingfisher's start-up costs. Avocet Trust pay rent for the use of properties owned by Kingfisher.

Transactions between Kingfisher and Avocet Trust are as follows:

	2023	2022
	£	£
Rents paid	80,300	81,300
Grants paid	-	-
Loan Interest received	20,185	20,185
Management charge	74,000	49,000

The above transactions were at market value.

At 31 March 2023 Kingfisher owed Avocet Trust £924,107 (2022: £1,043,329)

During the year the charity made payments for professional services to the following trustees:

Mr I Spibey – Atom HR Consultancy	£37,675 (2022 £39,600)	HR Services
Mr A Tearle	£3,345 (2022 £1,012)	Training services

AVOCET TRUST

England & Wales - Charity number 1004537

Accounts

Registered Company Number: 2647631 (England and Wales)
Registered Charity Number: 1004537

Avocet Trust
Report of the Trustees and Consolidated Financial Statements
For the Year Ended 31 March 2022

Fawley Judge & Easton
Chartered Certified Accountants
1 Parliament Street
Hull
HU1 2AS

Avocet Trust

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Avocet Trust

Report of the Trustees
for the Year Ended 31 March 2022

The trustees present their report and financial statements for the year ended 31 March 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1.1 to the financial statements and comply with Avocet Trust's governance documents, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016)

Objectives and activities
Avocet Trust's objectives are set out in the company's Memorandum and Articles of Association and are as follows: -

- The provision of facilities to people who are handicapped, disabled, or otherwise disadvantaged, including housing, calculated to relieve their needs.
- The provision and/or assistance with providing accommodation and support to people, particularly young people who are homeless or threatened with homelessness.

During the past financial year, the Charity has continued to carry out its objectives of providing care and support for those people who are disadvantaged. There has been no change in these during the year.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the Avocet Trust should undertake.

The main client group which Avocet Trust supports the profound learning disabilities which are often associated with physical disability and other health problems. We also look after clients on the autistic spectrum.

The main objective is to continue with our fundamental aim to assist clients, many with limited communication skills, to be able to express their needs and wants and to have enjoyable company and support from staff they like and trust.

The strategies employed to achieve the Charity's objectives are to:

- Offer opportunities for clients to live in a quality environment through the purchasing of domestic properties appropriate to the client's needs.
- Provide highly qualified staff specifically employed to support clients to realise their interests and choices in their personal life and to maximise client's personal developments.
- Provide full and valued life opportunities through community involvement and integration and by creating opportunities and choice for Avocet's clients.

The major areas of activity are:

The majority of Avocet Trust's income is generated by residential clients housed in well-appointed domestic housing of high standard, appropriate to our client's needs. We ensure that clients are comfortable and secure in a pleasant and welcoming environment. Clients are able to stay in the house of their choice or to move to a more appropriate accommodation as their needs change.

Neat Marsh Farm facility continues its re-establishment post the COVID pandemic and with the appointment of the new manager and staff the trustees continue to direct the offering to student clients of learning and development opportunities based on vocational and lifetime skill sets.

Avocet Trust

Report of the Trustees
for the Year Ended 31 March 2022

Achievements and performance
We would advise that the residential numbers have been maintained during the year at 56 (2021 - 72). This was due to long term client's moving on and the continuous review of provisioning requirements by the management to ensure there is sufficient capacity to meet the demands placed by the commissioning authorities.

The Trust once again was successful in achieving Constructors Health & Safety Assessment Scheme accreditation. (CHAS)

The Trust was also successful in achieving National Autistic Society (NAS) Accreditation for the standard of services it provides for people on the Autistic Spectrum.

Throughout the year the Respite service and Day-care services were recovering from the COVID pandemic and whilst Day-care services are moving forward, Respite services were being limited by predominantly acquiring adequate staff provision and the service is currently under review to establish the level of service that can be achieved.

The Trust as part of the continuing review of capacity is looking to identify suitable sites to acquire to provide higher care needs for clients. This is extending the service currently at Neat Marsh Farm where 4 high need clients are placed in a quiet and secure environment. Such clients provide higher revenue for the Trust.

Financial review
Local service providers have moved to increase charge rates which is welcomed but it is expected that cost pressure will continue during the coming year, so an immediate review of operational costs is being undertaken by the Trust to minimise the impact even though expected costs increases were factored into the 2022-23 budget.

Our total funds as of 31 March 2022 is £4,174,150.

Risk management
The Trustees have a duty to identify and review the risks to which the Charity is exposed and to ensure appropriate controls are in place to give assurance against error and fraud. The Trustees have a risk management strategy that encompasses the revised Statement of Recommended Practice (SORP) issued by the Charity Commission in March 2005 and includes a requirement that the Report of Trustees should include: -

- An annual review of the risks the Charity may face, including financial, governance, operational or reputational.
- The establishment of systems and procedures to identify, assess and mitigate those risks identified in the plan in accordance with Avocet Trust's charitable objectives.
- The implementation of procedures designed to minimise any impact on the Charity should those risks materialise.

The Trust has well developed management procedures, governance protocols and has a systematic programme of review in place. In addition, the Trust has achieved a number of nationally recognised accreditations, including the Contractors Health & Safety Assessment Scheme (CHAS), Positive about Disabled People, The Fund-Raising Standards Board. It is also registered with the British Quality Foundation. Avocet is also registered with the New Deal Employment Agency. The Trust has also achieved the National Autism Society Accreditation for a number of its services for Clients on the Autistic Spectrum.

It is Avocet's policy to give full consideration to applications for employment from disabled persons when a disabled person can adequately fulfil the requirements of the job.

Should an existing employee become disabled, it is the Charity's policy to provide continued employment under normal terms and conditions and to provide training and career development and promotion wherever possible.

Structure, governance, and management
Avocet Trust is a company limited by guarantee which is governed by its Memorandum and Articles of Association dated 20th September 1991 and amend to allow for current governance arrangements on 22nd November 1995 and 16th October 2006. It is a charity registered with the Charities Commission.

Avocet Trust

Report of the Trustees
for the Year Ended 31 March 2022

The trustees, who are also the directors for the purpose of company law, and who served during the year were:

Ms S Baker	Resigned 25/11/2021
Mr C M Brown	
Mrs L Cartwright	Resigned 8/9/22
Ms F L I Cartwright	
Mr A D Tearle	
Mrs J Comerford	
Mr C Leferve	Appointed 10/3/22
Mr R Dibb	
Mrs J G Hyam	
Mr I Spibey	Appointed 8/9/22

As set out in Articles of Association the trustees will remain in office until an Annual General Meeting. At the annual General Meeting of the company one third of the trustees shall be eligible for re-election as a trustee. The retiring trustee shall, if offering to be re-elected be deemed to have been re-elected. The aforesaid statements can be viewed in full and complete within the Article of Association. When considering the appointment of trustees, the board has regard to the requirement for any specialist knowledge and skills required by the trust.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

The Board of Trustees, which must have a minimum of five members, administers the charity: they are responsible for the polices, activities and assets of the charity.

The board meets quarterly, to enable it to fulfil its responsibilities, review developments and make policy and strategic decisions. Such strategic decisions include, for example, agreeing the trusts business plan, new contracts of employment and staff training strategies

There are a number of Trust Board sub-committees each chaired by a trust board trustee to address specific areas of the trust's business. The standing Trust Board sub-committees include business development, health & safety, quality assurance, human resources, risk management, finance, and ICT. There is also a parents and relatives sub-committee as well as a Staff Consultative Committee.

The day-to-day management of the Charity and the implementation of its policies are delegated to the Chief Executive, (Mr LC Howell) and members of the senior management team. To facilitate effective operations, the Chief Executive has delegated authority, within terms of delegation approved by the trustees, for operational matters including the management of client services, finance, employment, and other related activities.

Related parties
Avocet Trust has a subsidiary company, Kingfisher Housing (Hull) Limited. The principal activity of Kingfisher Housing (Hull) Limited is that of the development and rental of property. The properties are occupied by the clients of Avocet Trust. Brian Crosher Training is a further subsidiary company of Avocet Trust. This company provides specialist training to the parent Trust and to other care companies and to companies not involved directly with care.

Avocet Trust

Report of the Trustees
for the Year Ended 31 March 2022

Public Benefit Statement
The public benefit commitment of the Trust includes the provision of financial support for a Short Stay Respite service. The initial provision of this service was to provide respite service for hard pressed families. It has been successful in this regard. When necessary, the Trust will provide funds to access this service at a discounted rate.

The Trust has funded a holiday home on the east coast where our clients and their families can stay. This facility is free and is well used.

The Trust has a second holiday home facility on the Neat Marsh site in the East Yorkshire village of Preston. This facility is available free of charge to any vulnerable person.

In an effort to continually improve our support to vulnerable people and their families we offer them training courses free of charge.

Employee Involvement
Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the Avocet Trust continues and that the appropriate training is arranged. It is the policy of the Avocet Trust that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Statement of Trustees Responsibilities
The trustees, who are also the directors of Avocet Trust for the purpose 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 trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Avocet Trust and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently.
- observe the methods and principles in the Charities SORP.
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Avocet Trust will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Avocet Trust 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 Avocet Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:
- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Trustees' report was approved by the Board of Trustees on 8 December 2022

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Mr A Tearle - Trustee

Avocet Trust

Report of the Auditors
for the Year Ended 31 March 2022

Opinion

We have audited the group and company financial statements of Avocet Trust for the year ended 31 March 2022 which comprise the statement of financial activities, the balance sheet, the statement of cashflows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102.

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as of 31 March 2022 and of its incoming resources and application of resources, 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 of opinion

We have conducted our audit in accordance with International Standards of Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for audit of the financial statements section in our report. We are independent of the Avocet Trust 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 Avocet Trust'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 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 we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on our work we have performed, we conclude that there is a material misstatement of this information, we are required to report that face.

We have nothing to report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of Trustees' responsibilities, the trustees, who are also the directors of the Avocet Trust for the purpose 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 Avocet Trust'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 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 section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

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 considered the nature of the company's industry and its control environment and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.
In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.
In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations

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

Jonathan Leathley (Senior Statutory Auditor)
for and on behalf of Fawley Judge & Easton
Chartered Certified Accountants
Statutory Auditor
1 Parliament Street
Hull
HU1 2AS

8 December 2022

Fawley Judge & Easton is eligible for appointment as auditor of the Avocet Trust by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

Avocet Trust

Consolidated Statement of Financial Activities and Income Expenses for the Year Ended 31 March 2022

	Notes	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
INCOMING RESOURCES					
Incoming resources from generated funds					
Investment income	2	-	-	-	-
Incoming resources from charitable activities	3				
General		6,074,489	-	6,074,489	6,122,463
Grants		363,565	-	363,565	275,597
Surplus on disposal of fixed asset		-	-	-	21,020
Total incoming resources		6,438,054	-	6,438,054	6,419,080
RESOURCES EXPENDED					
Costs of generating funds					
Fundraising trading: cost of goods sold and other costs	4	-	-	-	-
Charitable activities	5				
General		6,209,335	-	6,209,335	6,202,946
Governance costs	7	49,514	-	49,514	38,250
Total resources expended		6,258,849	-	6,258,849	6,241,196
Revaluation		-	-	–	738,958
Loss on disposal of fixed asset		(19,213)	-	(19,213)	(593,266)
NET INCOMING RESOURCES		159,992	-	159,992	323,576
RECONCILIATION OF FUNDS					
Fund balances at 1 April 2021		4,014,158	-	4,014,158	3,690,582
TOTAL FUNDS CARRIED FORWARD		4,174,150	-	4,174,150	4,014,158

CONTINUING OPERATIONS

All incoming resources and resources expended arise from continuing activities.

The notes form part of these financial statements

Avocet Trust

Charity Balance Sheet
at 31 March 2022

	Notes	2022 Total funds £	2021 Total funds £
FIXED ASETS			
Tangible assets	11	4,223,714	4,227,138
Investments	13	11	11
		4,223,725	4,227,149
CURRENT ASSETS			
Debtors	16	1,534,475	1,393,403
Cash at bank and in hand		460,239	603,391
		1,994,714	1,996,794
CREDITORS			
Amounts falling due within one year	17	(727,667)	(740,515)
NET CURRENT ASSETS		1,267,047	1,256,279
TOTAL ASSETS LESS CURRENT LIABILITIES		5,490,772	5,483,428
CREDITORS			
Amounts falling due after more than one year	18	(1,320,620)	(1,476,648)
NET ASSETS		4,170,152	4,006,780
FUNDS			
Unrestricted funds		4,170,152	4,006,780
TOTAL FUNDS		4,170,152	4,006,780

The financial statements were approved by the Board of Trustees on 8 December 2022 and were signed on its behalf by Mr A Tearle – Trustee

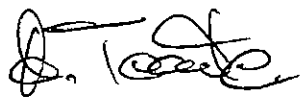
The notes form part of these financial statements

Avocet Trust

Consolidated Balance Sheet
at 31 March 2022

	Notes	2022 Total funds £	2021 Total funds £
FIXED ASETS			
Tangible assets	11	4,223,715	4,227,138
Investment property	14	1,660,114	1,895,115
		5,883,829	6,122,253
CURRENT ASSETS			
Debtors	16	491,147	200,591
Cash at bank and in hand		537,755	697,800
		1,028,902	898,391
CREDITORS			
Amounts falling due within one year	17	(765.542)	(801,127)
NET CURRENT ASSETS		263,360	97,264
TOTAL ASSETS LESS CURRENT LIABILITIES		6,147,189	6,219,517
CREDITORS			
Amounts falling due after more than one year	18	(1,973,039)	(2,205,359)
NET ASSETS		4,174,150	4,014,158
FUNDS	21		
Unrestricted funds		4,174,150	4,014,158
TOTAL FUNDS		4,174,150	4,014,158

The financial statements were approved by the Board of Trustees on 8 December 2022 and were signed on its behalf by Mr A Tearle - Trustee



The notes form part of these financial statements

Avocet Trust

Consolidated Cash Flow Statement
for the Year Ended 31 March 2022

	Notes	2022 Group £	2021 Group £
Cash used in operating activity	1	(157,807)	660,764
Cash flows from investing activity			
Interest income		-	-
Proceeds on disposal of fixed assets		-	193,288
Proceeds on disposal of investment property		210,642	-
Purchase of tangible fixed assets		(24,358)	(175,256)
Cash provided by (used in) investing activities		186,284	18,032
Cash flows from financing activity			
Repayments of loans		(234,171)	(270,860)
Repayment of obligations under finance leases		-	-
Cash used in financing activities		(234,171)	(270,860)
Increase/(Decrease) in cash and cash equivalents in the year		(134,278)	407,936
Cash and cash equivalents at the beginning of the year		697,800	289,864
Total cash and cash equivalents at the end of the year		497,106	697,800

Avocet Trust

Notes to the Cash Flow Statement for the Year Ended 31 March 2022

1. RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2022 £	2021 £
Net incoming resources	159,992	323,576
Depreciation charges	25,255	22,691
Loss on disposal of fixed assets	(19,213)	-
Decrease/(increase) in debtors	(290,556)	212,384
(Decrease)/increase in creditors	(41,910)	93,018
Increase in deferred income	8,625	329
Net cash inflow from operating activities	(157,807)	660,764

Avocet Trust

Notes to the Financial Statements for the Year Ended 31 March 2022

1. ACCOUNTING POLICIES

Charity information

Avocet Trust is a private company limited by guarantee incorporated in England and Wales. The registered office is Clarence House, 60-62 Clarence Street, Hull, East Yorkshire, HU9 1DN.

Accounting convention

The financial statements have been prepared in accordance with the Avocet Trust's [governing document], the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The Avocet Trust is a Public Benefit Entity as defined by FRS 102

The financial statements are prepared in sterling, which is the functional currency of the Avocet Trust. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares.
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures.
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognized in profit or loss and in other comprehensive income.
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements.
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

Going Concern

The financial statements have been prepared on a going concern basis.

The Trustees continue to be confident that both the Charity, operating in its own right and its trading subsidiaries will achieve their forecasts for the next twelve months. The Trustees are also aware of their continued dependence on the grants and contracts issued from the Public Sector and continue to seek other forms of income by maximising their resources and infrastructure.

A meeting has taken place between Avocet Trust and Hull City Council to review the funding currently received from Hull City Council. Hull City Council are attempting to reduce the amounts paid to Avocet Trust for the care of clients. Whilst this would have a negative impact on Avocet Trust the Trustees believe that the Charity can continue to operate.

Basis of Consolidation

In the parent company Avocet Trust, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued, and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognized as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognized for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Kingfisher Housing (Hull) Limited has been included in the group financial statements using the purchase method of accounting. Accordingly, the group statemen of financial activities and statement of cash flows include the results and cash flows of Kingfisher Housing (Hull) Limited for the 12-month period from its acquisition. The purchase consideration has been allocated to the assets and liabilities on the basis of fair value at the date of acquisition.

Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates. In the group financial statements, associates are accounted for using the equity method.

Entities in which the group holds an interest, and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. In the group Avocet Trust, joint ventures are accounted for using the equity method.

Incoming resources

Income is recognised when Avocet Trust is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the Avocet Trust has been notified of the donation unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if Avocet Trust has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT, and other sales related taxes.

Resources

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of resources. Grants offered subject to conditions which have not been met at the yearend date are noted as a commitment but not accrued as expenditure.

Governance costs
Governance costs are those costs which have been identified as constitutional and statutory requirements, as opposed to generating funds, service delivery, and programmes of project work. Governance costs include legal advice and audit of the statutory accounts.

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	-25% on reducing balance, 20% on cost
Motor vehicles	-25% on cost

Impairment of fixed assets
At each reporting end date, Avocet Trust reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Cash and cash equivalents
Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Financial instruments
The Avocet Trust has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments

Financial instruments are recognised in Avocet Trust's balance sheet when Avocet Trust becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets
Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities
Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities
Financial liabilities are derecognised when Avocet Trust's contractual obligations expire or are discharged or cancelled.

Employee benefits
The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when Avocet Trust is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Investment property
Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in market value is transferred to a revaluation reserve.

Taxation
The charity is exempt from corporation tax on its charitable activities.

Fund accounting
Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the Trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Hire purchase and leasing commitments
Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to net income/(expenditure) for the year so as to produce a constant periodic rate of interest on the remaining balance of the liability

Deferred grant
Included in creditors is a provision for deferred income in respect of a grant received from SEIF. The deferral is being amortised at a rate which matches the depreciation of the assets purchased with the grant.

2. INVESTMENT INCOME

	2022	2021
	£	£
Interest receivable - trading	-	-

3. INCOMING RESOURCES FROM CHARITABLE ACTIVITES

	Activity	2022 £	2021 £
DSS Income	General	5,456,451	5,423,818
Residents Income	General	235,285	229,874
Respite & Sessional Income	General	258,752	406,085
Sundry Income	General	124,001	62,659
		6,074,489	6,122,436

4. FUNDRAISING TRADING: COST OF GOODS SOLD AND OTHER COSTS

	2022 £	2021 £
Purchases	-	-

5. CHARITABLE ACIVITIES COSTS

	Direct costs £	Grant funding of activities £	Totals £
General	6,148,100	221,227	6,396,327

6. GRANTS PAYABLE

	2022 £	2021 £
General	-	-

7. GOVERNANCE COSTS

	2022 £	2021 £
Accountancy	19,540	15,900
Legal fees	22,774	15,150
Auditors' remuneration	7,200	7,200
	49,514	38,250

8. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting):

	2022	2021
	£	£
Auditors' remuneration	7,200	7,200
Depreciation – owned assets	27,671	22,691
Hire of plant and machinery	12,881	15,497
(Profit)/Deficit on disposal of fixed asset	(19,213)	25,520

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no Trustees' remuneration or other benefits for the year ended 31 March 2021 nor for the year ended 31 March 2022.

Trustees' expenses
There were no Trustees' expenses paid for the year ended 31 March 2021 nor for the year ended 31 March 2022.

10. STAFF COSTS

	2022	2021
	£	£
Wages and salaries	4,963,468	5,027,347
	4,963,468	5,027,347

The average monthly number of employees during the year was as follows:

	2022	2021
Residential care	185	182
Administration	20	20
	205	202

One member of staff was paid in excess £60,000, in the following bands:

	2022	2021
£70,000-£80,000	1	1

11. TANGIBLE FIXED ASSETS – Charity

	Freeehold Property £	Fixtures and fittings £	Motor vehicles £	Computers £	Totals £
COST					
At 1 April 2021	4,155,656	118,308	88,130	19,107	4,381,201
Additions	-	-	24,538	-	24,538
Disposals	-	(2,708)	-	-	(2,708)
Revaluation	-	-	-	-	-
At 31 March 2022	4,155,656	115,600	112,668	19,107	4,403,031
DEPRECIATION					
At 1 April 2021	-	69,757	67,305	17,000	154,062
Charge for year	-	11,492	15,477	702	27,671
Eliminated on disposal	-	(2,416)	-	-	(2,416)
Revaluation	-	-	-	-	-
At 31 March 2022	-	78,833	82.782	17,702	179,317
NET BOOK VALUE					
At 31 March 2022	4,155,656	36,767	29,886	1,405	4,223,714
At 31 March 2021	4,155,656	48,550	20,825	2,107	4,227,138

12. TANGIBLE FIXED ASSETS – Group

	Freehold Property £	Fixtures and fittings £	Motor vehicles £	Computers £	Totals £
COST					
At 1 April 2021	4,155,656	132,805	88,130	19,107	4,395,698
Additions	-	-	24,538	-	24,538
Disposals	-	(2,708)	-	-	(2,708)
Revaluation	-	-	-	-	-
At 31 March 2022	4,155,656	130,097	112,668	19,107	4,417,528
DEPRECIATION					
At 1 April 2021	-	84,253	67,305	17,000	168,558
Charge for year	-	11,492	15,477	702	27,671
Eliminated on disposal	-	(2,416)	-	-	(2,416)
Revaluation	-	-	-	-	-
At 31 March 2022	-	93,329	82,782	17,702	193,813
NET BOOK VALUE					
At 31 March 2022	4,155,656	36,768	29,886	1,405	4,223,715
At 31 March 2021	4,155,656	50,697	30,457	2,107	4,227,138

Included in cost or valuation of land and buildings is freehold land of £194,000.

Land and buildings in fixed assets were at 31 March 2022. These properties were previously stated at historic cost.

13. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
MARKET VALUE	
At 1 April 2020 and 31 March 2022	11
NET BOOK VALUE	
At 31 March 2022	11
At 31 March 2021	11

There were no investment assets outside the UK.

The company's Investments at the balance sheet date in the share capital of companies include the following:

Kingfisher Housing (Hull) Ltd – 10 shares of £1
Brian Crosher Training Ltd – dormant – 1 share of £1

Nature of business: Property management

Class of share:	% holding
Ordinary	100

	2022	2021
	£	£
Aggregate capital and reserves	4,008	7,388
Profit/(loss) for the year	(3,380)	7,378

Investments, which represent shares held in the subsidiary company, are stated at cost.

14. INVESTMENT PROPERTY

	Total £
COST OR VALUATION	
At 1 April 2022	1,660,114
NET BOOK VALUE	
At 31 March 2022	1,660,114
At 31 March 2021	1,895,114

15. INVESTMENT PROPERTY – continued

Included in cost or valuation of investment property is freehold land of £520,703 (2021: £633,667) which is not depreciated

Cost or valuation at 31 March 2022 is represented by:

Fair value	1,895,114
Additions	-
Disposals	(235,000)
Revaluation	-
	1,660,114

	2022	2021
	£	£
Cost	1,641,602	1,971,270
Aggregate depreciation	-	(41,850)

Land and buildings were valued on an open market basis on 31 March 2016 by Allied Chartered Surveyors.

16. DEBTORS

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Amount falling due within one year:				
Trade debtors	389,339	157,494	389,339	157,494
Amounts owed by group undertakings	-	-	1,043,329	1,192,812
Other debtors	4,871	1,783	4,871	1,783
Prepayments	96,937	41,314	96,937	41,314
	491,147	200,591	1,534,476	1,393,403

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Bank loans and overdrafts	156,983	158,834	119,108	98,220
Trade creditors	100,791	88,148	100,791	88,148
Social security and other taxes	86,744	81,495	86,744	81,945
Accruals and deferred income	421,024	472,201	421,024	472,202
	765,542	691,040	727,667	645,773

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Bank loans	1,973,039	2,205,359	1,320,620	1,476,648
	1,973,039	2,205,359	1,439,728	1,476,648

19. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Amounts falling due within one year:				
Bank loans	156,983	158,834	119,108	98,220
Amounts falling due:				
Bank loans – 1-2 years	156,983	158,834	119,108	98,220
Bank loans – 2-5 years	470,949	476,502	357,324	292,992
Bank loans after 5 years	1,502,090	1,570,023	963,296	1,085,436
	2,130,022	2,205,359	1,439,728	1,476,648

20. SECURED DEBTS

The following secured debts are included within creditors:

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Bank loans	2,130,022	2,205,359	1,439,728	1,476,643

The Co-operative Bank and Unity Trust Bank hold a legal charge over the property of Avocet Trust and Kingfisher Housing Limited

The bank also holds a specific charge over the book of debts of the company.

21. MOVEMENT IN FUNDS

	At 1.4.21	Net movement in funds	At 31.3.22
	£	£	£
Unrestricted funds			
General fund	4,014,158	159,992	4,174,150
TOTAL FUNDS	4,014,158	159,992	4,174,150

Net movement in funds, included in the above are as follows:

	Incoming resources	Resources expended	Net gains/loss	Movement in funds
	£	£	£	£
Unrestricted funds				
General fund	6,438,054	(6,258,849)	(19,213)	159,992

22. CONTINGENT LIABILITIES

In addition to the security over the assets of the company described above, the Co-operative Bank plc also holds a first legal charge over the assets of Avocet's subsidiary company Kingfisher Housing (Hull) Limited.

23. RELATED PARTY DISCLOSURES

Kingfisher Housing (Hull) Limited ("Kingfisher") is a wholly owned subsidiary of Avocet Trust. Kingfisher purchased several houses from Avocet Trust in a previous year and Avocet Trust made a loan to Kingfisher for that purpose. The loan is subject to an agreement setting out repayment terms. In addition, Avocet Trust has made an informal loan by way of inter-company balance in respect of Kingfisher's start-up costs. Avocet Trust pay rent for the use of properties owned by Kingfisher.

Transactions between Kingfisher and Avocet Trust are as follows

	2022	2021
	£	£
Rents paid	81,300	166,000
Grants paid	-	-
Loan Interest received	20,185	20,185
Management charge	49,000	149,670

The above transactions were at market value.

At 31 March 2022 Kingfisher owed Avocet Trust £1,043,329 (2021: £1,192,811)

AVOCET TRUST

England & Wales - Charity number 1004537

Accounts

Registered Company Number: 2647631 (England and Wales)
Registered Charity Number: 1004537

Avocet Trust
Report of the Trustees and Consolidated Financial Statements
For the Year Ended 31 March 2021

Fawley Judge & Easton
Chartered Certified Accountants
1 Parliament Street
Hull
HU1 2AS

Avocet Trust

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Avocet Trust

Report of the Trustees
for the Year Ended 31 March 2021

The trustees present their report and financial statements for the year ended 31 March 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1.1 to the financial statements and comply with Avocet Trust's governance documents, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016)

Objectives and activities
Avocet Trust's objectives are set out in the company's Memorandum and Articles of Association and are as follows: -

- The provision of facilities to people who are handicapped, disabled, or otherwise disadvantaged, including housing, calculated to relieve their needs.
- The provision and/or assistance with providing accommodation and support to people, particularly young people who are homeless or threatened with homelessness.

During the past financial year the Charity has continued to carry out its objectives of providing care and support for those people who are disadvantaged. There has been no change in these during the year.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the Avocet Trust should undertake.

The main client group which Avocet Trust supports the profound learning disabilities which are often associated with physical disability and other health problems. We also look after clients on the autistic spectrum.

The main objective is to continue with our fundamental aim to assist clients, many with limited communication skills, to be able to express their needs and wants and to have enjoyable company and support from staff they like and trust.

The strategies employed to achieve the Charity's objectives are to:

- Offer opportunities for clients to live in a quality environment through the purchasing of domestic properties appropriate to the client's needs.
- Provide highly qualified staff specifically employed to support clients to realise their interests and choices in their personal life and to maximise client's personal developments.
- Provide full and valued life opportunities through community involvement and integration and by creating opportunities and choice for Avocet's clients.

The major areas of activity are:

The majority of Avocet Trust's income is generated by residential clients housed in well-appointed domestic housing of high standard, appropriate to our client's needs. We ensure that clients are comfortable and secure in a pleasant and welcoming environment. Clients are able to stay in the house of their choice or to move to a more appropriate accommodation as their needs change.

Neat Marsh Farm market garden facility continues to be well used and is a much valued facility in the community.

Achievements and performance
We would advise that the residential numbers have been maintained during the year at 72 (2020 - 72). There is a continuous review of provisioning requirements by the management to ensure there is sufficient capacity to meet the demands placed by the commissioning authorities.

The Trust once again was successful in achieving Constructors Health & Safety Assessment Scheme accreditation.(CHAS)

The Trust was also successful in achieving National Autistic Society (NAS) Accreditation for the standard of services it provides for people on the Autistic Spectrum.

Through the Covid 19 Pandemic, the Trust effectively supported in excess of 30 day clients and their families in their homes throughout the lockdown period. Avocet staff provided verbal support over the telephone including facetime etc. They also offered practical support including collections for those without transport. Avocet staff also delivered weekly free food supplies grown on the farm as well as Fair Share food supplies for clients and other vulnerable people in the community identified as being in need.

Avocet Trust staff also designed, manufactured, and distributed face shields to the local Authority services, local health services and care homes free of charge.

Financial review

Funding continues to be difficult. Financial constraints imposed by the local authorities means that our services are being continually stretched and each case is being dealt with on an individual basis.

With the "Mencap sleeps" decision finding in favour of the employer, for now the night sleep rate formula remains as budgeted.

During the year all the property and plant assets were revalued. This resulted in a net surplus on revaluation of £710,560.

Our total funds as at 31 March 2021 is £4,006,780.

Risk management

The Trustees have a duty to identify and review the risks to which the Charity is exposed and to ensure appropriate controls are in place to give assurance against error and fraud. The Trustees have a risk management strategy that encompasses the revised Statement of Recommended Practice (SORP) issued by the Charity Commission in March 2005 and includes a requirement that the Report of Trustees should include: -

- An annual review of the risks the Charity may face, including financial, governance, operational or reputational.
- The establishment of systems and procedures to identify, assess and mitigate those risks identified in the plan in accordance with Avocet Trust's charitable objectives.
- The implementation of procedures designed to minimise any impact on the Charity should those risks materialise.

The Trust has well developed management procedures, governance protocols and has a systematic programme of review in place. In addition, the Trust has achieved a number of nationally recognised accreditations, including the Contractors Health & Safety Assessment Scheme (CHAS), Positive about Disabled People, The Fund Raising Standards Board. It is also registered with the British Quality Foundation. Avocet is also registered with the New Deal Employment Agency. The Trust has also achieved the National Autism Society Accreditation for a number of its services for Clients on the Autistic Spectrum.

It is Avocet's policy to give full consideration to applications for employment from disabled persons when a disabled person can adequately fulfil the requirements of the job.

Should an existing employee become disabled, it is the Charity's policy to provide continued employment under normal terms and conditions and to provide training and career development and promotion wherever possible.

Structure, governance, and management

Avocet Trust is a company limited by guarantee which is governed by its Memorandum and Articles of Association dated 20th September 1991 and amend to allow for current governance arrangements on 22nd November 1995 and 16th October 2006. It is a charity registered with the Charities Commission.

Avocet Trust

Report of the Trustees
for the Year Ended 31 March 2021

The trustees, who are also the directors for the purpose of company law, and who served during the year were:

Ms S Baker
Mr C M Brown
Mrs L Cartwright
Ms F L I Cartwright
Mr A D Tearle
Mrs J Comerford
Mrs W D Holmes
Mr R Dibb
Mrs J G Hyam (Appointed 2 March 2021)

As set out in Articles of Association the trustees will remain in office until an Annual General Meeting. At the annual General Meeting of the company one third of the trustees shall be eligible for re-election as a trustee. The retiring trustee shall, if offering to be re-elected be deemed to have been re-elected. The aforesaid statements can be viewed in full and complete within the Article of Association. When considering the appointment of trustees, the board has regard to the requirement for any specialist knowledge and skills required by the trust.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

The Board of Trustees, which must have a minimum of five members, administers the charity: they are responsible for the polices, activities and assets of the charity.

The board meets quarterly, to enable it to fulfil its responsibilities, review developments and make policy and strategic decisions. Such strategic decisions include, for example, agreeing the trusts business plan, new contracts of employment and staff training strategies

There are a number of Trust Board sub-committees each chaired by a trust board trustee to address specific areas of the trust's business. The standing Trust Board sub-committees include business development, health & safety, quality assurance, human resources, risk management, finance, and ICT. There is also a parents and relatives sub-committee as well as a Staff Consultative Committee.

The day-to-day management of the Charity and the implementation of its policies are delegated to the Chief Executive, (Mr LC Howell) and members of the senior management team. To facilitate effective operations, the Chief Executive has delegated authority, within terms of delegation approved by the trustees, for operational matters including the management of client services, finance, employment, and other related activities.

Related parties
Avocet Trust has a subsidiary company, Kingfisher Housing (Hull) Limited. The principal activity of Kingfisher Housing (Hull) Limited is that of the development and rental of property. The properties are occupied by the clients of Avocet Trust. Brian Crosher Training is a further subsidiary company of Avocet Trust. This company provides specialist training to the parent Trust and to other care companies and to companies not involved directly with care.

Avocet Trust

Report of the Trustees
for the Year Ended 31 March 2021

Public Benefit Statement
The public benefit commitment of the Trust includes the provision of financial support for a Short Stay Respite service. The initial provision of this service was to provide respite service for hard pressed families. It has been successful in this regard. When necessary, the Trust will provide funds to access this service at a discounted rate.

The Trust has funded a holiday home on the east coast where our clients and their families can stay. This facility is free and is well used.

The Trust has a second holiday home facility on the Neat Marsh site in the East Yorkshire village of Preston. This facility is available free of charge to any vulnerable person.

In an effort to continually improve our support to vulnerable people and their families we offer them training courses free of charge.

Employee involvement
Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the Avocet Trust continues and that the appropriate training is arranged. It is the policy of the Avocet Trust that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Statement of Trustees Responsibilities
The trustees, who are also the directors of Avocet Trust for the purpose 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 trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Avocet Trust and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Avocet Trust will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Avocet Trust 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 Avocet Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Trustees' report was approved by the Board of Trustees.

.....

Mr A Tearle
Trustee
25 November 2021

Avocet Trust

Report of the Auditors
for the Year Ended 31 March 2021

Opinion

We have audited the group and company financial statements of Avocet Trust for the year ended 31 March 2021 which comprise the statement of financial activities, the balance sheet, the statement of cashflows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102.

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, 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 of opinion

We have conducted our audit in accordance with International Standards of Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for audit of the financial statements section in our report. We are independent of the Avocet Trust 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 Avocet Trust'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 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 nor cover the other information and we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on our work we have performed, we conclude that there is a material misstatement of this information, we are required to report that face.

We have nothing to report.

Report of the Auditors
for the Year Ended 31 March 2021

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees
As explained more fully in the statement of Trustees' responsibilities, the trustees, who are also the directors of the Avocet Trust for the purpose 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 Avocet Trust'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 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 section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

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 considered the nature of the company's industry and its control environment and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.
We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

Report of the Auditors
for the Year Ended 31 March 2021

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.
In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.
In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations

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

Jonathan Leathley (Senior Statutory Auditor)
for and on behalf of Fawley Judge & Easton
Chartered Certified Accountants
Statutory Auditor
1 Parliament Street
Hull
HU1 2AS

25 November 2021

Fawley Judge & Easton is eligible for appointment as auditor of the Avocet Trust by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

Avocet Trust

Consolidated Statement of Financial Activities and Income Expenses for the Year Ended 31 March 2021

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
INCOMING RESOURCES					
Incoming resources from generated funds					
Investment income	2	-	-	-	-
Incoming resources from charitable activities	3				
General		6,122,463	-	6,122,463	6,606,363
Grants		275,597	-	275,597	32,336
Surplus on disposal of fixed asset		21,020	-	21,020	-
Total incoming resources		6,419,080	-	6,419,080	6,638,699
RESOURCES EXPENDED					
Costs of generating funds					
Fundraising trading: cost of goods sold and other costs	4	-	-	-	-
Charitable activities	5				
General		6,202,946	-	6,202,946	6,669,839
Governance costs	7	38,250	-	38,250	36,838
Total resources expended		6,241,196	-	6,241,196	6,706,677
Revaluation		738,958	-	738,958	-
Loss on disposal of fixed asset		(593,266)	-	(593,266)	-
NET INCOMING RESOURCES		323,576	-	323,576	(67,978)
RECONCILIATION OF FUNDS					
Fund balances at 1 April 2020		3,690,582	-	3,690,582	3,758,560
TOTAL FUNDS CARRIED FORWARD		4,014,158	-	4,014,158	3,690,582

CONTINUING OPERATIONS

All incoming resources and resources expended arise from continuing activities.

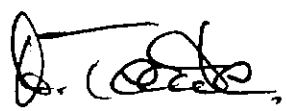
The notes form part of these financial statements

Avocet Trust

Charity Balance Sheet
at 31 March 2021

	Notes	2021 Total funds £	2020 Total funds £
FIXED ASETS			
Tangible assets	11	4,227,138	4,140,199
Investments	13	11	11
		4,227,149	4,140,210
CURRENT ASSETS			
Debtors	16	1,393,403	1,335,931
Cash at bank and in hand		603,391	289,606
		1,996,794	1,625,537
CREDITORS			
Amounts falling due within one year	17	(740,515)	(645,773)
NET CURRENT ASSETS		1,256,279	979,764
TOTAL ASSETS LESS CURRENT LIABILITIES		5,483,428	5,119,974
CREDITORS			
Amounts falling due after more than one year	18	(1,476,648)	(1,429,392)
NET ASSETS		4,006,780	3,690,582
FUNDS			
Unrestricted funds		4,006,780	3,690,582
TOTAL FUNDS		4,006,780	3,690,582

The financial statements were approved by the Board of Trustees on 25 November 2021 and were signed on its behalf by Mr A Tearle – Trustee



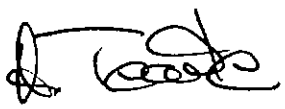
The notes form part of these financial statements

Avocet Trust

Consolidated Balance Sheet
at 31 March 2021

	Notes	2021 Total funds £	2020 Total funds £
FIXED ASETS			
Tangible assets	11	4,227,138	4,140,200
Investment property	14	1,895,115	1,865,500
		6,122,253	6,005,700
CURRENT ASSETS			
Debtors	16	200,591	412,975
Cash at bank and in hand		697,800	289,864
		898,391	702,839
CREDITORS			
Amounts falling due within one year	17	(801,127)	(691,040)
NET CURRENT ASSETS		97,264	11,799
TOTAL ASSETS LESS CURRENT LIABILITIES		6,219,517	6,017,499
CREDITORS			
Amounts falling due after more than one year	18	(2,205,359)	(2,326,917)
NET ASSETS		4,014,158	3,690,582
FUNDS	21		
Unrestricted funds		4,014,158	3,690,582
TOTAL FUNDS		4,014,158	3,690,582

The financial statements were approved by the Board of Trustees on 25 November 2021 and were signed on its behalf by Mr A Tearle - Trustee



The notes form part of these financial statements

Avocet Trust

Consolidated Cash Flow Statement
for the Year Ended 31 March 2021

	Notes	2021 Group £	2020 Group £
Cash used in operating activity	1	660,764	128,654
Cash flows from investing activity			
Interest income			
Proceeds on disposal of fixed assets		193,288	-
Proceeds on disposal of investment property		-	-
Purchase of tangible fixed assets		(175,256)	(317,083)
Cash provided by (used in) investing activities		18,032	(317,083)
Cash flows from financing activity			
Repayments of loans		(270,860)	(147,506)
Repayment of obligations under finance leases		-	(79,580)
Cash used in financing activities		(270,860)	(227,086)
Increase/(Decrease) in cash and cash equivalents in the year		407,936	(415,515)
Cash and cash equivalents at the beginning of the year		289,864	705,379
Total cash and cash equivalents at the end of the year		697,800	289,864

Avocet Trust

Notes to the Cash Flow Statement for the Year Ended 31 March 2021

1. RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2021 £	2020 £
Net incoming resources	323,576	(67,978)
Depreciation charges	22,691	149,719
Loss on disposal of fixed assets	-	-
Decrease/(increase) in debtors	212,384	53,190
(Decrease)/Increase in creditors	93,018	(126,163)
Increase in deferred income	329	9,154
Net cash inflow from operating activities	660,764	128,654

Avocet Trust

Notes to the Financial Statements for the Year Ended 31 March 2021

1. ACCOUNTING POLICIES

Charity information

Avocet Trust is a private company limited by guarantee incorporated in England and Wales. The registered office is Clarence House, 60-62 Clarence Street, Hull, East Yorkshire, HU9 1DN.

Accounting convention

The financial statements have been prepared in accordance with the Avocet Trust's [governing document], the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The Avocet Trust is a Public Benefit Entity as defined by FRS 102

The financial statements are prepared in sterling, which is the functional currency of the Avocet Trust. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares.
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures.
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income.
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements.
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

Going Concern

The financial statements have been prepared on a going concern basis.

The Trustees continue to be confident that both the Charity, operating in its own right and its trading subsidiaries will achieve their forecasts for the next twelve months. The Trustees are also aware of their continued dependence on the grants and contracts issued from the Public Sector and continue to seek other forms of income by maximising their resources and infrastructure.

A meeting has taken place between Avocet Trust and Hull City Council to review the funding currently received from Hull City Council. Hull City Council are attempting to reduce the amounts paid to Avocet Trust for the care of clients. Whilst this would have a negative impact on Avocet Trust the Trustees believe that the Charity can continue to operate.

Basis of Consolidation

In the parent company Avocet Trust, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued, and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent

consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Kingfisher Housing (Hull) Limited has been included in the group financial statements using the purchase method of accounting. Accordingly, the group statemen of financial activities and statement of cash flows include the results and cash flows of Kingfisher Housing (Hull) Limited for the 12-month period from its acquisition. The purchase consideration has been allocated to the assets and liabilities on the basis of fair value at the date of acquisition.

Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates. In the group financial statements, associates are accounted for using the equity method.

Entities in which the group holds an interest, and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. In the group Avocet Trust, joint ventures are accounted for using the equity method.

Incoming resources

Income is recognised when Avocet Trust is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the Avocet Trust has been notified of the donation unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if Avocet Trust has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT, and other sales related taxes.

Resources

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of resources. Grants offered subject to conditions which have not been met at the yearend date are noted as a commitment but not accrued as expenditure.

Governance costs

Governance costs are those costs which have been identified as constitutional and statutory requirements, as opposed to generating funds, service delivery, and programmes of project work. Governance costs include legal advice and audit of the statutory accounts.

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	-25% on reducing balance, 20% on cost
Motor vehicles	-25% on cost

Impairment of fixed assets
At each reporting end date, Avocet Trust reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Cash and cash equivalents
Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Financial Instruments
The Avocet Trust has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments

Financial instruments are recognised in Avocet Trust's balance sheet when Avocet Trust becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets
Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities
Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities
Financial liabilities are derecognised when Avocet Trust's contractual obligations expire or are discharged or cancelled.

Employee benefits
The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when Avocet Trust is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Investment property
Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in market value is transferred to a revaluation reserve.

Taxation
The charity is exempt from corporation tax on its charitable activities.

Fund accounting
Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the Trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Hire purchase and leasing commitments
Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to net income/(expenditure) for the year so as to produce a constant periodic rate of interest on the remaining balance of the liability

Deferred grant
Included in creditors is a provision for deferred income in respect of a grant received from SEIF. The deferral is being amortised at a rate which matches the depreciation of the assets purchased with the grant.

2. INVESTMENT INCOME

	2021	2020
	£	£
Interest receivable - trading	-	-

Notes to the Financial Statements - continued for the Year Ended 31 March 2021

3. INCOMING RESOURCES FROM CHARITABLE ACTIVITES

	Activity	2021 £	2020 £
DSS Income	General	5,423,818	5,216,314
Residents Income	General	229,874	515,647
Respite & Sessional Income	General	406,085	614,800
Sundry Income	General	62,659	259,602
		6,122,436	6,606,363

4. FUNDRAISING TRADING: COST OF GOODS SOLD AND OTHER COSTS

	2021 £	2020 £
Purchases	-	-

5. CHARITABLE ACIVITIES COSTS

	Direct costs £	Grant funding of activities £	Totals £
General	5,928,349	274,597	6,202,946

6. GRANTS PAYABLE

	2021 £	2020 £
General	-	-

7. GOVERNANCE COSTS

	2021 £	2020 £
Accountancy	15,900	16,200
Legal fees	15,150	13,438
Auditors' remuneration	7,200	7,200
	38,250	36,838

8. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting):

	2021	2020
	£	£
Auditors' remuneration	7,200	7,200
Depreciation – owned assets	22,691	149,719
Hire of plant and machinery	15,497	11,559
(Profit)/Deficit on disposal of fixed asset	25,520	-

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no Trustees' remuneration or other benefits for the year ended 31 March 2021 nor for the year ended 31 March 2020.

Trustees' expenses
There were no Trustees' expenses paid for the year ended 31 March 2021 nor for the year ended 31 March 2020.

10. STAFF COSTS

	2021	2020
	£	£
Wages and salaries	5,027,347	5,366,427
	5,027,347	5,366,427

The average monthly number of employees during the year was as follows:

	2021	2020
Residential care	182	239
Administration	20	28
	202	267

One member of staff was paid in excess £60,000, in the following bands:

	2021	2020
£70,000-£80,000	1	1

Notes to the Financial Statements - continued for the Year Ended 31 March 2021

11. TANGIBLE FIXED ASSETS – Charity

	Freehold Property £	Assets under construction £	Motor vehicles £	F&F & computers £	Totals £
COST					
At 1 April 2020	3,455,244	173,664	88,130	1,337,324	5,054,362
Additions	-	-	-	2,808	2,808
Disposals	-	(173,664)	-	(1,202,717)	(1,376,381)
Revaluation	700,412	-	-	-	700,412
At 31 March 2021	4,155,656	-	88,130	137,415	4,381,201
DEPRECIATION					
At 1 April 2020	10,148	-	57,673	846,343	914,164
Charge for year	-	-	9,632	13,059	22,691
Eliminated on disposal	-	-	-	(772,644)	(772,644)
Revaluation	(10,148)	-	-	-	(10,148)
At 31 March 2021	-	-	67,305	86,758	154,063
NET BOOK VALUE					
At 31 March 2021	4,155,656	-	20,825	50,657	4,227,138
At 31 March 2020	3,445,096	173,664	30,457	490,982	4,140,199

12. TANGIBLE FIXED ASSETS – Group

	Freehold Property £	Assets under construction £	Motor vehicles £	F&F & computers £	Totals £
COST					
At 1 April 2020	3,455,244	173,664	88,130	1,337,324	5,054,362
Additions	-	-	-	2,808	2,808
Disposals	-	(173,664)	-	(1,202,717)	(1,376,381)
Revaluation	700,412	-	-	-	700,412
At 31 March 2021	4,155,656	-	88,130	137,415	4,381,201
DEPRECIATION					
At 1 April 2020	10,148	-	57,673	846,343	914,164
Charge for year	-	-	9,632	13,059	22,691
Eliminated on disposal	-	-	-	(772,644)	(772,644)
Revaluation	(10,148)	-	-	-	(10,148)
At 31 March 2021	-	-	67,305	86,758	154,063
NET BOOK VALUE					
At 31 March 2021	4,155,656	-	20,825	50,657	4,227,138
At 31 March 2020	3,445,096	173,664	30,457	490,982	4,140,199

Included in cost or valuation of land and buildings is freehold land of £194,000.

Land and buildings in fixed assets were at 31 March 2012. These properties were previously stated at historic cost.

13. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
MARKET VALUE	
At 1 April 2020 and 31 March 2021	11
NET BOOK VALUE	
At 31 March 2021	11
At 31 March 2020	11

There were no investment assets outside the UK.

The company's investments at the balance sheet date in the share capital of companies include the following:

Kingfisher Housing (Hull) Ltd – 10 shares of £1
Brian Crosher Training Ltd – dormant – 1 share of £1

Nature of business: Property management

Class of share:	% holding
Ordinary	100

	2021 £	2020 £
Aggregate capital and reserves	7,388	(9,022)
Profit/(loss) for the year	7,378	39.788

Investments, which represent shares held in the subsidiary company, are stated at cost.

14. INVESTMENT PROPERTY

	Total £
COST OR VALUATION	
At 1 April 2021	1,895,115
NET BOOK VALUE	
At 31 March 2021	1,895,115
At 31 March 2020	1,895,115

15. INVESTMENT PROPERTY – continued

Included in cost or valuation of investment property is freehold land of £633,667 (2020: £692,000) which is not depreciated

Cost or valuation at 31 March 2021 is represented by:

Cost	1,971,878
Additions	173,664
Disposals	(172,448)
Revaluation	(77,980)
	1,865,500

	2021	2020
	£	£
Cost	1,971,270	1,971,878
Aggregate depreciation	(41,850)	(41,850)

Land and buildings were valued on an open market basis on 31 March 2016 by Allied Chartered Surveyors.

16. DEBTORS

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Amount falling due within one year:				
Trade debtors	157,494	296,796	157,494	296,796
Amounts owed by group undertakings	-	-	1,192,812	922,957
Other debtors	1,783	100,940	1,783	100,940
Prepayments	41,314	15,239	41,314	15,239
	200,591	412,975	1,393,403	1,335,932

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Bank loans and overdrafts	158,834	141,863	98,220	98,220
Trade creditors	88,148	12,167	88,148	12,167
Social security and other taxes	81,945	67,915	81,945	67,915
Accruals and deferred income	472,201	469,095	472,202	467,471
Obligations under finance lease	-	-	-	-
	801,128	691,040	740,515	645,773

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Bank loans	2,205,359	2,326,917	1,476,648	1,429,392
Obligations under finance lease	-	-	-	-
	2,205,359	2,326,917	1,476,648	1,429,392

19. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Amounts falling due within one year:				
Bank loans	158,834	141,863	98,220	98,220
Amounts falling due:				
Bank loans – 1-2 years	158,834	141,863	98,220	98,220
Bank loans – 2-5 years	476,502	439,900	292,992	292,992
Bank loans after 5 years	1,570,023	1,745,154	1,085,436	1,038,180
	2,205,359	2,476,219	1,476,648	1,429,392

20. SECURED DEBTS

The following secured debts are included within creditors:

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Bank loans	2,205,359	2,326,917	1,476,643	1,429,392

The Co-operative Bank and Unity Trust Bank hold a legal charge over the property of Avocet Trust and Kingfisher Housing Limited

The bank also holds a specific charge over the book of debts of the company.

Notes to the Financial Statements - continued for the Year Ended 31 March 2021

21. MOVEMENT IN FUNDS

	At 1.4.20	Net movement in funds	At 31.3.21
	£	£	£
Unrestricted funds			
General fund	3,690,582	316,198	4,006,780
TOTAL FUNDS	3,690,582	316,198	4,006,780

Net movement in funds, included in the above are as follows:

	Incoming resources	Resources expended	Net gains/loss	Movement in funds
	£	£	£	£
Unrestricted funds				
General fund	6,419,080	(6,241,186)	117,294	323,576

22. CONTINGENT LIABILITIES

In addition to the security over the assets of the company described above, the Co-operative Bank plc also holds a first legal charge over the assets of Avocet's subsidiary company Kingfisher Housing (Hull) Limited.

23. RELATED PARTY DISCLOSURES

Kingfisher Housing (Hull) Limited ("Kingfisher") is a wholly owned subsidiary of Avocet Trust. Kingfisher purchased several houses from Avocet Trust in a previous year and Avocet Trust made a loan to Kingfisher for that purpose. The loan is subject to an agreement setting out repayment terms. In addition, Avocet Trust has made an informal loan by way of inter-company balance in respect of Kingfisher's start up costs. Avocet Trust pay rent for the use of properties owned by Kingfisher.

Transactions between Kingfisher and Avocet Trust are as follows

	2021	2020
	£	£
Rents paid	166,000	190,000
Grants paid	-	-
Loan interest received	20,185	16,680
Management charge	149,670	42,752

The above transactions were at market value.

At 31 March 2021 Kingfisher owed Avocet Trust £1,192,811 (2020: £922,957)