

AVALON GROUP (SOCIAL CARE)

England & Wales · Charity number 1048236

Details

Other names	ADULT PLACEMENT SERVICES, AVALON
Status	Registered
Legal form	Charitable company
Company number	02976727
Registered	1995-07-26
Register	View on the Charity Commission register

Contact

Address	Avalon Group 6 Grove Park Court Harrogate HG1 4DP
Phone	01423 530053
Email	enquire@avalongroup.org.uk
Website	www.avalongroup.org.uk

Activities

Objects: The relief of persons in Yorkshire and Northern England and elsewhere in the United Kingdom (hereinafter called the ?area of benefit?) who are disabled or otherwise vulnerable by providing, directly or indirectly, a range of services which may include domiciliary, housing support or placements with shared lives carers with the object of improving their conditions of life.

Activities: Avalon strives to support adults in need of care to be full citizens and to live as independently as possible in a supportive environment. Family Living for support long or short term in a family based setting. Supported Living for accommodation, tenancy and community support services.

Classification

- **How:** Provides Services
- **What:** Education/training, Disability, Accommodation/housing, Other Charitable Purposes
- **Who:** Elderly/old People, People With Disabilities, Other Defined Groups

Geography

- **Area of benefit:** NORTH YORKSHIRE OR ELSEWHERE IN THE U.K.
- City Of Wakefield
- City Of York
- Doncaster
- Kirklees
- Middlesbrough
- North Yorkshire
- Redcar And Cleveland
- Stockton-on-tees

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£11,664,881	£11,948,493	£1,710,755	342
2024-03-31	£12,361,269	£12,317,151	£1,994,367	336
2023-03-31	£11,571,867	£11,550,000	£1,950,249	317
2022-03-31	£11,544,833	£11,524,356	£1,927,039	322
2021-03-31	£11,601,070	£11,369,787	£1,906,562	346

Trustees

Name	Role	Appointed
Claire Irene Cecila Armstrong		2026-03-27
Jonathan May		2025-06-05
Joseph Bradley		2020-01-17
Kathryn Pratt		2025-09-25
Keith Nurcombe		2024-08-15
Naomi Carey		2024-11-28
Stephen Perry		2024-08-15
Vanessa Davies		2026-03-27

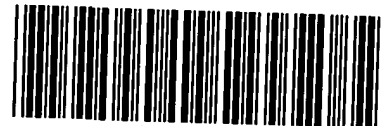
Accounts

Registered number: 02976727
Charity number: 1048236

AVALON GROUP (SOCIAL CARE)
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

TUESDAY



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COMPANIES HOUSE

AVALON GROUP (SOCIAL CARE)
(A company limited by guarantee)

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AVALON GROUP (SOCIAL CARE)
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2025

Trustees

Stephen Fox, Chair of the Board (resigned 15 August 2024)^{2,4,6,7}
Keith Nurcombe, Chair of the Board (appointed 15 August 2024)
Joseph Bradley^{1,4,8}
Naomi Carey (appointed 28 November 2024)⁵
Susan Carr (resigned 22 April 2024)⁵
James Dunmore (appointed 28 November 2024, resigned 10 June 2025)
Susan Howard (resigned 1 May 2024)
Jonathan May (appointed 5 June 2025)
Kirsty Needham⁶
Stephen Perry (appointed 15 August 2024)⁷
Michael Purvis^{2,3}
Karen Tyrell (resigned 27 February 2025)^{2,4,8}

- ¹ Chair of Audit and Risk Committee
² Member of Audit and Risk Committee
³ Chair of Business Development Committee
⁴ Member of Business Development Committee
⁵ Chair of People Committee
⁶ Member of People Committee
⁷ Chair of Remuneration Committee
⁸ Member of Remuneration Committee

Company registered number 02976727

Charity registered number 1048236

Registered office 6 Grove Park Court
Harrogate
HG1 4DP

Independent auditor BHP LLP
Chartered Accountants
Rievaulx House
1 St Mary's Court
York
YO24 1AH

Solicitors Hempsons
The Exchange
Station Parade
Harrogate
HG1 1DY

Senior management team Emma Williams, Chief Executive Officer and Company Secretary
Lisette Robinson, Director of Finance and Corporate Services
Bev Wilson, Director of Operations (until 4 October 2024)
Tom Pick, Directors of Operations (appointed 13 February 2025)
Kelly Winham, Service Development Director (appointed 7 May 2024)

Trustees' Report for the Year ended 31 March 2025

I am pleased to present our Annual Report and Accounts for the year ended 31 March 2025 which provide a full summary of the charity's key achievements during 2024/25 and some of the challenges we faced as an organisation during this period.

Transformational change continues at Avalon as we navigate the challenges within the sector and work towards operating sustainably in the medium to longer term.

To support the successful implementation of the five year plan, created and launched during 2023/24, which safeguards the future growth and sustainability of the charity, we welcomed four new trustees to the board during the financial year and the months following. Their appointment further strengthens the financial, commercial and human resources strategic leadership of the organisation.

The challenging economic outlook and continued pressure on local Councils continues to direct Avalon resources towards developing and sustaining care solutions that meet the greatest unmet need. This year, designated funds have been invested in strengthening the operating infrastructure at Avalon, including resource to grow and develop services and ICT projects to underpin digital transformation work over the medium term.

As we reflect on the achievements of the past year, we extend a very sincere thank you to everyone at Avalon who has made these accomplishments possible. With a special appreciation expressed to our talented and committed colleagues who make a difference to so many lives every day. For more information on all topics please visit our website, where you will find more stories, details of the support we can provide, and also how to contact your local Avalon office.

Keith Nurcombe

Chair of Trustees

Trustees' Report for the Year ended 31 March 2025

The Trustees present their annual report together with the audited financial statements of the Avalon Group (Social Care) (the company) for the year ended 31 March 2025.

Reference and administrative information set out on page 1 forms part of this report.

The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" in preparing the annual report and financial statements of the charity. The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 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 published in October 2019. This report also meets the requirements of the Strategic Report for Companies Act 2006 purposes.

Strategic Report

A. Avalon's Objectives and Activities

Purposes and aims

Avalon Group's vision is that the people we support will achieve their best life experience. We provide high quality social care services and solutions in the North of England, providing Community Support, Supported Living and Shared Lives services to disabled people of a working age, older adults and young people in transition.

Our mission is to promote inclusive, personalised support in our local communities, helping individuals and families improve their lives. *This means tackling loneliness, promoting choice, control and independent living, and empowering people to live the lives they want to live.*

In order to make this vision a reality, we are committed to the following values which influence our strategic priorities and guide our day to day work:

- We are kind and respectful to everyone
- We are honest and trustworthy
- We are always learning and developing
- We are inclusive; everyone has a voice
- We work in partnership with our communities

The charity reviews its aims, objectives and activities each year to ensure it remains focused on its stated purposes. This report looks at what the charity has achieved and the outcomes of its work within the previous twelve months. The Trustees report on the success of each key activity and the benefits they have brought to those groups of people the charity was set up to support.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and when planning its future activities.

Trustees' Report for the Year ended 31 March 2025

B. Achievements and performance

During the year ended 31 March 2025, the Avalon Group supported more than 320 people with learning disabilities, autism, people living with dementia and/or mental health challenges, commissioned by 12 Local Authorities and NHS bodies across Yorkshire and the North East of England. Services included Supported Living, Community Support and Shared Lives long term and short term breaks and Day Services. We supported people with a wide spectrum of needs, including mild to moderate learning disabilities, autism, mental health challenges and people with profound and multiple learning disabilities, sensory and physical disabilities and complex health needs.

Key successes in the year include:

- **Good CQC ratings** – all locality offices have continued to be rated “Good”.
- **Investors in People** - During the year we were awarded Investors in People accreditation for the first time in 10 years, reflecting our ongoing commitment to create a workplace where everyone thrives and feels valued.
- **Satisfaction surveys** – provides vital insight into our performance from the perspective of our key stakeholders. Examples of feedback are:
 - 99% of the people we support were satisfied with our overall support
 - 99% of the people we support would recommend Avalon as a support provider
 - 100% of the people we support felt they have choice in their everyday life
 - 94% of the people we support feel like they are part of the community where they live
 - 87% of our staff and 91% of Shared Lives carers feel motivated to give their best
 - 73% of our staff 85% of Shared Lives carers agree that Avalon supports them to be their best
- **Service Development** – during the year we were also successful in joining key frameworks in Redcar and Cleveland and East Riding enabling us to expand and grow our Supported Living services in these new areas.

Set out below is a summary of the specific activities from the year 2024/25 along with the objectives we set for that year, the first year of our five year plan. Our plan was split into five pathways, which allow us to achieve our vision. The table below sets out the key plans associated with each pathway and performance during the year.

Aim	Activities planned	
Outstanding co-produced support – we will respond to increasingly varied and complex needs, co-producing support that achieves the best possible outcome.	• Community mapping and training in community networking within localities to share systemically existing best practice across local teams. • Roadmap to outstanding created for each locality. • Board composition: skills and succession review.	• Locality offices have local community networking information available to all staff and people supported. Locality Managers are active members of local Skills for Care Registered Manager networks and actively share local and regional knowledge across Avalon to generate new ideas and reinforce existing best practice. • Internal quality inspections now take place bi-annually at each locality generating an action plan that is monitored monthly. • Board skills audit undertaken and four new trustees were recruited and onboarded in the year with strategic financial management, HR and commercial experience of the sector.

Trustees' Report for the Year ended 31 March 2025

<i>A great place to work</i> – we will recognise and continuously develop our people as valued leaders of quality services.	• Relaunch the Employee Forum in a format that improves engagement across all localities and roles. • Begin work towards Investors in People accreditation as independent measure of employee engagement, wellbeing and culture. • Review of clinical governance infrastructure to ensure fit for purpose as the organisation develops.	• The Employee Forum was relaunched in February 2025, chaired by the CEO with representatives from each locality and a range of different job roles. The annual plan of agenda items focuses on well-being and support, leadership, workplace improvement and feedback and recognition and celebrations. • Awarded Investors in People accreditation in December 2024 along with detailed action plan for continual improvement being incorporated into the longer term People Plan. • Initial independent review of clinical governance structure completed identifying areas of best practice and development areas to focus on as the charity grows.
<i>Technology for all</i> – we will invest in digital solutions for the benefit of everyone.	• Implementation of digital care records for all Community Support and Supported Living services. • Identify and implement Shared Lives digital system. • Identify and implement digital Board management system.	• A new MSP (Jungle IT) was on-boarded in May 2024 enabling projects to streamline the virtual desktop, Intune and improve Teams end-user experience during the year. • Implementation of digital care records is ongoing across all services. ICB funding of £57,941 was secured to fund the initial resource required to fund the new care system for one year. • Charms has been selected as the Shared Lives digital system which will be implemented across all Shared Lives services during 2025/26. • Digital Board management has been postponed pending the completion of other digital projects. This is scheduled for 2025/26.
<i>Sustainable futures</i> – we will create support options that meet people's needs and we will be embedded within communities.	• Draft and launch the Business Development strategy to support the five year plan. • Review of Marketing & Communications to ensure most effective use of resource.	• The Business Development strategy was approved by the Board of Trustees in August 2024. The Plan covers 2024-2029 and sets out priorities for the next 5 years and actions that will enable us to achieve scalable operations, ensuring a sustainable future for the charity and supporting more people to live independently. • A review of the internal Marketing & Communications resource was undertaken during 2024/25 and changes were made to the team as a result of this. During 2025/26, a Marketing & Communications strategy will be drafted by the restructured team to align resource to the requirements of the remainder of the five year plan.

Trustees' Report for the Year ended 31 March 2025

C. Financial Review

Avalon continues to operate in a financially challenging environment, as wage costs increase and pressures on funding escalate across the sector. During the year, £156,827 was invested from designated funds into projects to further enhance the operating infrastructure of the charity. In addition to this, an operating deficit for the year of £126,785 was incurred compared to a surplus of £44,118 in 2024.

Income from charitable activities was £11.6m (2024: £12.3m) for the year ended 31 March 2025. Income from supported living and community support increased by 10% from £8.0m in 2024 to £8.8m. This reflects organic growth of support compared to prior year in all localities. Shared Lives income fell from £4.2m in 2024 to £2m in 2025 following a full year operating Shared Lives without the North Yorkshire Shared Lives contract.

Free reserves at 31 March 2025 are £1,011,120 compared to £1,114,672 at 31 March 2024.

Despite the deficit for the year, our cash position remains strong at £1,383,474 (2024: £1,299,817) although the ageing profile of debtors owed from Local Authorities continues to require significant finance resource to chase.

Risk

Avalon Group's principal objectives for managing risks are to:

- aid achievement of its strategic objectives
- ensure business continuity and service to its customers
- protect the organisation's wider reputation and other assets
- sustain its commercial viability
- be compliant with statute and regulatory obligations

We have identified the principal High Risks at 31 March 2025 as:

Trustees' Report for the Year ended 31 March 2025

Risk	Mitigants
Cultural transformation Magnitude of change required to deliver essential organisational strategic development is underestimated and/or not achieved.	• Investors in People accreditation and People Plan including the relaunch of the Employee Forum and ongoing locality Business Partnering meetings to engage and support all staff and carers in transformational change. • Partnership working to develop networks of support for key roles and initiatives such as Assisted Technology in care. • Recruitment of Project Manager experienced in change management to drive forward transformation projects such as digital care records. • Updated organisational structure and clear vision statement of Avalon's future culture.
Reliance on key personnel Given the strategic importance of growth and cultural transformation to Avalon, risk of reliance on the individual members of the Senior Leadership Team.	• Salaries are benchmarked to appeal to candidates and retain talent. • Board of Trustees leading on succession planning for the Board and the Senior Leadership Team.
Financial sustainability Delivered hours for the year to date are in line with budget but growth restricted by availability of resource.	• Strong focus on recruitment and retention of staff to minimise use of agency staff. • Early budget process including scenario planning potential cost saving actions. • Underperforming teams monitored closely to ensure value for money from all roles. • Service redesign towards a sustainable target operating model, including digital operations and associated efficiencies.
Tender risk Current tender activity is not enough to meet our growth targets and / or tender submissions are not successful and / or sustainable BD strategy is not successful.	• BD function structure reviewed and updated to both develop and mobilise sustainable service delivery. • Updated BD strategy developed in year with supporting annual BD plans to support and monitor organisational growth.
Economic outlook Steep cost of living and inflation rises impacting on staff financial wellbeing and Avalon's financial sustainability, particularly in relation to food and fuel price increases.	• Cost of living initiatives to retain staff and higher pay award that in prior years as well as real time benchmarking of pay rates for all roles to remain competitive. • Ongoing dialogue with commissioners on impact of current rates if a shortfall to actual cost of care. • Challenges made to annual uplifts that do not cover the increase in the cost of delivery. • Business Development planning to target scale of operations and services to enable longer term sustainability of the charity.

Trustees' Report for the Year ended 31 March 2025

Our Risk Register contains detailed explanations for each risk, a score for both impact and likelihood and the existing mitigants, which reduce our exposure to the overall risk.

Principal funding sources

The majority of our income is from Local Authorities who continue to face their own challenges in relation to availability of funding at the same time as an increase in demand from those in need. We continue to work well with the local authorities, building on solid relationships to work together through these pressures. We have developed relationships with additional Local Authorities in the North East and Yorkshire during the year, including East Riding and Redcar & Cleveland, as we seek to support more people across our operating geography.

Fundraising

The Avalon Group does not engage in large scale levels of public fundraising and does not use professional fundraisers or commercial participators. The charity nevertheless observes and complies with the relevant fundraising regulations and codes. During the year there was no non-compliance of these regulations and codes and the charity received no complaints relating to its fundraising practice.

Reserves Policy

Free reserves at 31 March 2025 are £1,011,120 (2024: £1,114,672). These are the net funds of £1,710,755 available after deducting fixed assets (which have no associated bank loans) of £583,297 Restricted Funds of £36,860 (2024: £47,023) and Designated Funds of £79,478 (2024: £236,305).

The Trustees have reviewed the level of reserves required to take account of known liabilities and possible contingencies. The Risk Register is reviewed on a regular basis and informs the Reserves Policy to ensure that we consider funds that enable us to deal with situations in a sustainable way, for example the loss of a major contract, a short term cash flow problem due to late payment for a significant contract or the long term sickness of a key member of staff.

The required reserves estimate at 31 March 2025 have been estimated at £1.1m. This means that our free reserves at 31 March 2025 are £89k below target reserves following the operating deficit of £126,785. Steps have been planned for the early part of 2025/26 to reorganise the charity in light of this and the significant increase in operating costs the charity will incur as a result of the increase in Employers' National Insurance and National Living Wage from 1 April 2025.

At 31 March 2025, £79,478 is designated funds for the purpose of strengthening the long term future of Avalon and for significant IT projects. During the year to 31 March 2025 these funds were spent in line with planned investment into strategic projects during the years ending 31 March 2025, as part of the five year strategy. This included strengthening of the ICT infrastructure in readiness for digital care records and key Service Development resource.

Our Reserves policy, which has been reviewed this year, also states that reserves should be held in the form of cash and near cash investments. We review our Reserves policy at least annually and more frequently if we perceive there are significant changes in our risk exposure.

Trustees' Report for the Year ended 31 March 2025

D. Plans for future periods

Changes in the sector continually require us to revisit strategic priorities and ways of working. The five year plan, launched in 2023/24, is the framework that underpins planned strategic projects each year and is guided by four key aims. The table below sets out the goals associated with each aim and how we will measure success.

Aim	Goals	How we will measure success
Outstanding co-produced support – we will respond to increasingly varied and complex needs, co-producing support that achieves the best possible outcome.	- We will be accountable to those we support, providing person-centred care and support. - We will be creative, exploring strengths, capacities and networks of support to promote wellbeing and positive outcomes for all.	- Customer feedback. - Quality of life outcomes. - CQC ratings.
A great place to work – we will recognise and continuously develop our people as valued leaders of quality services.	- We will develop a culture where people feel confident to innovate and make decisions. - Training & development will nurture talents and create future leaders.	- Staff/carer retention. - Staff/carer satisfaction.
Technology for all – we will invest in digital solutions for the benefit of everyone.	- Design and implement simple, effective internal systems for all that enable efficient, high quality person-centred care and support. - Digital and assistive technology will form a key part in designing support with people.	- Number of services operating fully paper-free. - Number of people benefiting from technology as part of their support.
Sustainable futures – we will create support options that meet people's needs and we will be embedded within communities.	- Collaborate with people we support, partners, commissioners and local communities to develop new and innovative ways to provide support. - Generate income growth to deliver the 5 year plan.	- Income growth. - Financial reserves.

During the year commencing 1 April 2025, the following activities are planned in order to achieve progress towards the five year plan.

Aim	Activities planned
Outstanding co-produced support – we will respond to increasingly varied and complex needs, co-producing support that achieves the best possible outcome.	- Develop and implement an annual Quality Plan to support the future needs of services, including responding to the CQC's Assessment Framework as locality's undergo external inspections going forward. - Develop and implement standard target operating model for each service type responsive to future changes in key variables such as complexity of service and cost base. - Review sustainability of all services based on achievable target operating model.
A great place to work – we will recognise and continuously develop our people as valued leaders of quality services.	- People Plan to support the five year plan and implement Investors In People action plan, to focus on: - Culture transformation to working agile, at pace and creatively - Trusted leadership and communication - Living Avalon values

Trustees' Report for the Year ended 31 March 2025

Technology for all – we will invest in digital solutions for the benefit of everyone.	• Implementation of digital care records for all Community Support and Supported Living services. • Implementation Shared Lives digital system "Charms". • Source and implement Learning & Development Management system. • Technology to support quality of life – draft Avalon's strategy for ensuring all support solutions maximise use of technology.
Sustainable futures – we will create support options that meet people's needs and we will be embedded within communities.	• Refresh of Business Development plan to support the five year plan, including remodelling of target income growth. • Draft and implement Marketing & Communications strategy to ensure most effective use of resource and support the delivery of the five year plan.

E. Structure, Governance and Management

Legal

The Avalon Group is a charitable company limited by guarantee.

- The company was incorporated on 7 October 1994 with the name Adult Placement Services Ltd, trading under the name The Avalon Group. On 12 November 2020 a special resolution was passed to change the legal entity name Avalon Group (Social Care).
- The company was registered as a charity on 26 July 1995. In the event of the Company being wound up, each member is required to contribute an amount not exceeding £10.
- The company was established under a Memorandum of Association dated September 2002 which established the objects and powers of the charitable company and is governed under its Articles of Association.
- On 12 November 2020 updated Articles of Association were adopted by Special Resolution.

Responsibility of the Board and Committees

The Trustees (who are also directors of Avalon for the purposes of company law) are responsible for preparing the Trustees' Annual 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the 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;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue on that basis.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Trustees' Report for the Year ended 31 March 2025

They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Key Management Pay and Remuneration

Pay for senior managers is determined by reference to market salary rates, taking into account individual's experience and skills. Pay scales are set for all posts within Avalon, including those of senior managers. The Remuneration Committee agrees the pay for all Directors and also any major changes to pay scales for other staff.

Employee Engagement

During November 2024, all employees were invited to complete the Investors In People staff survey and a sample of staff covering all roles and localities was selected independently by Investors In People to individual focus sessions. This feedback generated the Investors In People action plan that is a key component of Avalon's People Plan. Avalon's annual staff survey continued to be circulated as in previous years. This ensures all staff have the opportunity to feed back anonymously and feedback is analysed per role and per locality compared to the prior year for trends and themes.

The Employee Forum was relaunched in February 2025, chaired by the CEO and acts as a key vehicle for staff engagement with member representatives from each locality ensuring all teams' input is incorporated. The agenda includes key priorities identified by the Investors In People report and began with a focussed exercise on trusted leadership and communication that generated Avalon's own Leadership Charter; an agreed set of principles and behaviours for all Avalon staff to measure themselves against. Building on Avalon's values, the Forum also created and launched Avalon's culture statement during the year:

"We are committed to building a culture that is open, inclusive, and grounded in trust. Where everyone – whether team member, volunteer, or person we support – is valued, heard, and empowered. We believe that every voice matters, every idea counts, and everyone deserves to be treated with respect and kindness. In our work, openness isn't just encouraged, it's essential.

We foster honest communication, continuous learning, and shared leadership. We celebrate diversity and encourage curiosity, feedback, and innovation. In every interaction, we strive to be transparent, respectful, and kind – because real change happens when people feel safe to be themselves.

This is our culture; Let's keep shaping it together."

Employment of the Disabled

Avalon holds and works to Disability Confident Employer standards. These include ensuring our recruitment process is inclusive and accessible by advertising using diverse methods and accepting applications in different formats. Avalon promotes being committed to offering an interview to anyone who meets the minimum standards of the role specification and ensures that reasonable adjustments are considered and put in place where practical and necessary for interviews, such as video conferencing or allowing additional time for practical tasks.

Trustees' Report for the Year ended 31 March 2025

Avalon's blended training offer is more accessible for people with disabilities, using technology through eLearning and online webinars. Line managers work closely with Learning & Development to ensure that the particular training needs for disabled individuals are understood and met.

Avalon provides a suite of training to staff including a number of Mental Health sessions, Equality & Diversity and Recruitment, which all focus on providing support to disabled colleagues. Avalon has Mental Health First Aiders to provide additional support to employees and has signed the Mindful Employer Charter. Able Futures provide confidential mental health support to employees and Avalon works closely with Occupational Health and Access to Work to ensure that disabled colleagues are provided with the resources they need to do their job.

Statement of Trustees

In accordance with company law, we, the company's Directors, certify that as far as we are aware, there is no relevant audit information of which the company's auditor is unaware. In addition, the Directors have taken all the necessary steps that they ought to have taken as Directors, in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

After making appropriate enquiries, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

Committees

There are four Committees, made up of Trustees and senior managers:

- **Audit and Risk Committee** – provides oversight, review and advisory role to the Board on all financial affairs of Avalon.
- **Business Development and Fundraising Committee** – provides oversight, review and an advisory role to the Board on the Business Development strategy and its implementation.
- **Remuneration Committee** – provides oversight, review and an advisory role to the Board on the remuneration of the CEO and staff within Avalon.
- **People & Operations Committee** – provides oversight, review and an advisory role to the Board on the People Strategy and Operations and their progress against plan.

Recruitment and Appointment to the Board

Under the requirements of the Memorandum and Articles of Association, the Trustees are elected to serve for 3 years and retire by rotation. Retiring Trustees, if willing to continue to serve, may be re-elected by members' resolution.

Since April 2024 we welcomed 4 new Trustees whose experience and expertise, along with their passion for adult social care, added additional strength to our Board.

Trustee Training and Induction

The Board of Trustees regularly reviews the skills and expertise of the group. This is led by the Chair in consultation with the Chief Executive Officer. The recruitment process for Trustees aims to fill the identified voids and the key skills necessary to support the organisation's strategic needs.

Trustees' Report for the Year ended 31 March 2025

The number of Trustees is subject to a minimum of 3 members with no maximum. Each prospective trustee is interviewed initially by the Chief Executive Officer, a Customer and the Chair of the Board. If successful, they undergo a full induction programme including meeting with Avalon staff, as well as being provided with ongoing training and an information pack.

Voluntary support

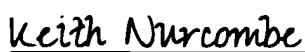
The Trustees involvement with Avalon is in a purely voluntary capacity. The Trustees provide a range of skills, including but not limited to; legal matters, new and existing business growth strategies, good governance and risk strategies.

No trustee has received any remuneration or any other benefits in the current or previous year for these activities. During the year to 31 March 2025 we paid Trustees expenses of £nil (2024: £nil), which was to cover travel and mileage charges.

Auditor

The auditor, BHP, Chartered Accountants, have indicated their willingness to continue in office. The Designated Trustees will propose a motion re-appointing the auditors at a meeting of the Trustees in 4 December 2025.

This report including the strategic report was approved by the Trustees on 4 December 2025 and signed on their behalf by:


Signer ID: HP7PFDOON8...
Keith Nurcombe

Chair of the Board of Trustees

AVALON GROUP (SOCIAL CARE)
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AVALON GROUP (SOCIAL CARE)

We have audited the financial statements of Avalon Group (Social Care) (the 'charitable company') for the year ended 31 March 2025, which comprise the statement of financial activities, the balance sheet, the statement of cash flows and 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, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2025, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the trustees' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AVALON GROUP (SOCIAL CARE) (CONTINUED)

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the strategic report and the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor responsibilities for the audit of the financial statements

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.

AVALON GROUP (SOCIAL CARE)
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AVALON GROUP (SOCIAL CARE) (CONTINUED)

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:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charitable company through discussions with management and trustees, and from our knowledge and experience of this sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Companies Act 2006, Charities Act 2011, CQC regulations, safeguarding, health and safety, data protection and employment law;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and directors;
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by;

- making enquiries of management and directors as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risks of fraud through management override controls, we:

- performed analytical procedures to identify any unusual or unexpected variances;
- tested journal entries to identify unusual transactions;
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims.

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

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

AVALON GROUP (SOCIAL CARE)
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AVALON GROUP (SOCIAL CARE) (CONTINUED)

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Laura Masheder

Signer ID: CRZCVPKXXZ...

Laura Masheder (Senior statutory auditor)

for and on behalf of

BHP LLP

Chartered Accountants

Statutory Auditor

Rievaulx House

1 St Mary's Court

York

YO24 1AH

Date: 15/12/2025 GMT

AVALON GROUP (SOCIAL CARE)
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2025

		Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
	Note				
Income from:					
Donations and grants	4	43,293	20,572	63,865	57,260
Charitable activities	5	11,560,576	-	11,560,576	12,258,357
Investments	6	40,440	-	40,440	40,652
Other income	7	-	-	-	5,000
Total income		11,644,309	20,572	11,664,881	12,361,269
Expenditure on:					
Charitable activities	8	11,917,758	30,735	11,948,493	12,317,151
Total expenditure		11,917,758	30,735	11,948,493	12,317,151
Net movement in funds		(273,449)	(10,163)	(283,612)	44,118
Reconciliation of funds:					
Total funds brought forward		1,947,344	47,023	1,994,367	1,950,249
Net movement in funds		(273,449)	(10,163)	(283,612)	44,118
Total funds carried forward	16	1,673,895	36,860	1,710,755	1,994,367

The Statement of financial activities complies with the requirements for an income and expenditure account under Companies Act 2006 and includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

AVALON GROUP (SOCIAL CARE)
(A company limited by guarantee)
REGISTERED NUMBER: 02976727

BALANCE SHEET
AS AT 31 MARCH 2025

	Note	2025 £	2024 £
Fixed assets			
Intangible assets	12	-	535
Tangible assets	13	583,297	595,832
		583,297	596,367
Current assets			
Debtors	14	1,880,690	2,098,042
Cash at bank and in hand	20	1,383,474	1,299,817
		3,264,164	3,397,859
Current liabilities			
Creditors: amounts falling due within one year	15	(2,136,706)	(1,999,859)
Net current assets		1,127,458	1,398,000
Total net assets		1,710,755	1,994,367
Charity funds			
Restricted funds	16	36,860	47,023
Unrestricted funds	16	1,673,895	1,947,344
Total funds		1,710,755	1,994,367

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Keith Nurcombe
 Signer ID: HP7PFDOON8...

Keith Nurcombe
 (Chair of Trustees)
 Date: 4 December 2025

The notes on pages 21 to 39 form part of these financial statements.

AVALON GROUP (SOCIAL CARE)
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2025

	Note	2025 £	2024 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	19	63,091	(138,900)
Cash flows from investing activities			
Bank interest		33,032	40,652
Purchase of tangible fixed assets		(12,466)	(2,649)
Net cash provided by investing activities		20,566	38,003
Change in cash and cash equivalents in the year		83,657	(100,897)
Cash and cash equivalents at the beginning of the year		1,299,817	1,400,714
Cash and cash equivalents at the end of the year	20	1,383,474	1,299,817

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

1. General information

The Avalon Group is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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) (issued in October 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Avalon Group (Social Care) meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

2.2 Going concern

The Trustees have considered their forecasts of income and expenditure for the period to 31 March 2027 and subjected these forecasts to sensitivity analysis which shows that they have sufficient reserves to be able to continue for the foreseeable future. The Trustees therefore continue to adopt the going concern basis of preparation for these financial statements.

2.3 Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2. Accounting policies (continued)

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the charity's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6 Intangible assets and amortisation

Intangible assets are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

Amortisation is provided on the following basis:

Software licenses	- 33 % on cost
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

2. Accounting policies (continued)

2.7 Tangible fixed assets and depreciation

Tangible fixed assets are capitalised when the cost is £1,000 or more and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Freehold property	- 2% straight line
Leasehold improvements	- over lease term
Motor vehicles	- 20% straight line
Fixtures and fittings	- 20% reducing balance
Office equipment	- 25% straight line

Freehold land is not depreciated.

2.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.10 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

2. Accounting policies (continued)

2.11 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.12 Operating leases

Rentals paid under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.13 Pensions

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

2.14 Employee benefits

The cost of short-term employee benefits are recognised as a liability and an expense.

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

2.15 Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

3. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Debtor related provisions:

Management judgement is required in considering the recoverability of debtors. Provisions have been made relating to specific debtor balances where these balances are significantly aged. These are based on management judgement from historic experience and ongoing discussions with commissioners.

4. Income from donations and legacies

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Donations	1,463	-	1,463	23,079
Grant income	41,830	20,572	62,402	34,181
	<u>43,293</u>	<u>20,572</u>	<u>63,865</u>	<u>57,260</u>
Total 2024	<u>23,079</u>	<u>34,181</u>	<u>57,260</u>	

AVALON GROUP (SOCIAL CARE)
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

5. Income from charitable activities

	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Supported Living	8,805,401	8,805,401	7,965,017
Shared Lives	2,016,398	2,016,398	4,153,368
Short Breaks	721,515	721,515	120,172
Other income	17,262	17,262	19,800
	<u>11,560,576</u>	<u>11,560,576</u>	<u>12,258,357</u>
Total 2024	<u>12,258,357</u>	<u>12,258,357</u>	

6. Investment income

	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Bank interest	40,440	40,440	40,652
	<u>40,652</u>	<u>40,652</u>	
Total 2024	<u>40,652</u>	<u>40,652</u>	

AVALON GROUP (SOCIAL CARE)
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

7. Other income

	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Profit on disposal of fixed assets	-	-	5,000
Total 2024	5,000	5,000	

8. Charitable activities

	Supported lives 2025 £	Shared lives 2025 £	Short breaks 2025 £	Governance 2025 £	Total funds 2025 £	Total funds 2024 £
Staff and providers	7,572,540	2,000,995	664,239	-	10,237,774	10,788,114
Housing	56,216	-	-	-	56,216	70,851
Premises	165,656	44,573	88,566	-	298,795	196,222
Office and consumables	284,759	76,619	-	-	361,378	273,646
Compliance	16,722	4,499	-	-	21,221	23,191
Other Costs	11,485	3,090	-	-	14,575	9,385
Group allocated (support)	739,231	198,902	-	-	938,133	938,133
Governance costs	-	-	-	20,401	20,401	17,609
	8,846,609	2,328,678	752,805	20,401	11,948,493	12,317,151
Total 2024	7,688,218	4,557,528	53,796	17,609	12,317,151	

Expenditure on charitable activities includes restricted expenditure of £30,735 (2024: £2,590) and designated expenditure of £156,827 (2024: £nil).

AVALON GROUP (SOCIAL CARE)
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

Group allocated costs breakdown

	2025 £	2024 £
Staff and provider costs	748,376	760,366
Premises	56,010	77,980
Office and consumables	31,367	49,349
Other	102,380	50,438
	938,133	938,133

9. Auditor's remuneration

	2025 £	2024 £
Fees payable to the charity's auditor for the audit of the charity's annual accounts	15,730	14,980
Fees payable to the charity's auditor in respect of:		
All non-audit services not included above	1,430	1,390

10. Staff costs

	2025 £	2024 £
Wages and salaries	7,778,755	7,013,857
Social security costs	653,719	560,367
Other pension costs	204,479	158,178
	8,636,953	7,732,402

During the year total redundancy costs amounted to £nil (2024: £9,665).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

10. Staff costs (continued)

The average number of persons employed by the charity during the year was as follows:

	2025	2024
	No.	No.
Support workers	278	265
Charitable activities	40	45
Management and administration of the charity	24	26
	342	336

The average headcount expressed as full-time equivalents was:

	2025	2024
	No.	No.
Support workers	168	151
Charitable activities	29	31
Management and administration of the charity	28	30
	225	212

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2025	2024
	No.	No.
In the band £60,001 - £70,000	2	2
In the band £90,001 - £100,000	1	1

The value of pension contributions to staff within the above bands is £9,511 (2024: £13,095).

The total amount of employee benefits (including employer pension contributions and national insurance) received by key management personnel is £338,121 (2024: £274,060). Key management personnel comprise the senior management team as detailed on page 1.

11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2024 - £NIL).

During the year ended 31 March 2025, no Trustee expenses have been incurred (2024 - £NIL).

AVALON GROUP (SOCIAL CARE)
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

12. Intangible assets

	Software licenses £
Cost	
At 1 April 2024	49,100
At 31 March 2025	49,100
Amortisation	
At 1 April 2024	48,565
Charge for the year	535
At 31 March 2025	49,100
Net book value	
At 31 March 2025	-
At 31 March 2024	535

AVALON GROUP (SOCIAL CARE)
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

13. Tangible fixed assets

	Freehold property £	Short-term leasehold improvements £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation						
At 1 April 2024	683,880	20,647	11,005	75,954	182,341	973,827
Additions	-	5,373	-	3,967	3,126	12,466
At 31 March 2025	683,880	26,020	11,005	79,921	185,467	986,293
Depreciation						
At 1 April 2024	124,749	11,567	11,005	56,663	174,011	377,995
Charge for the year	10,673	5,041	-	3,655	5,632	25,001
At 31 March 2025	135,422	16,608	11,005	60,318	179,643	402,996
Net book value						
At 31 March 2025	548,458	9,412	-	19,603	5,824	583,297
At 31 March 2024	559,131	9,080	-	19,291	8,330	595,832

Freehold land with a historic cost of £150,000 (2024: £150,000) is not depreciated.

AVALON GROUP (SOCIAL CARE)
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

14. Debtors

	2025 £	2024 £
<i>Due within one year</i>		
Trade debtors	1,317,484	1,643,982
Other debtors	88,802	88,265
Prepayments and accrued income	474,404	365,795
	<u>1,880,690</u>	<u>2,098,042</u>

15. Creditors: Amounts falling due within one year

	2025 £	2024 £
Trade creditors	90,153	174,159
Other taxation and social security	185,113	160,942
Other creditors	688,863	553,654
Accruals and deferred income	1,172,577	1,111,104
	<u>2,136,706</u>	<u>1,999,859</u>

Barclays Bank has a fixed, floating charge and negative pledge in place over all the property and undertakings of the company. No amounts are due to Barclays at year end.

	2025 £	2024 £
Deferred income at 1 April 2024	294,978	391,914
Income deferred during the year	327,305	294,978
Amounts released from previous periods	(294,978)	(391,914)
	<u>327,305</u>	<u>294,978</u>

Deferred income relates to amounts received in advance of care services provided.

AVALON GROUP (SOCIAL CARE)
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

16. Statement of funds

Statement of funds - current year

	Balance at 1 April 2024 £	Income £	Expenditure £	Balance at 31 March 2025 £
Unrestricted funds				
Designated funds				
Funds to strengthen the long term future of Avalon	203,398	-	(156,827)	46,571
Funding for beneficial significant IT projects	32,907	-	-	32,907
	<u>236,305</u>	<u>-</u>	<u>(156,827)</u>	<u>79,478</u>
General funds				
General funds	1,711,039	11,644,309	(11,760,931)	1,594,417
	<u>1,947,344</u>	<u>11,644,309</u>	<u>(11,917,758)</u>	<u>1,673,895</u>
Restricted funds				
Digital Social Care Records Funds	31,711	17,230	(30,211)	18,730
Other restricted funds	15,312	3,342	(524)	18,130
	<u>47,023</u>	<u>20,572</u>	<u>(30,735)</u>	<u>36,860</u>
Total of funds	<u><u>1,994,367</u></u>	<u><u>11,664,881</u></u>	<u><u>(11,948,493)</u></u>	<u><u>1,710,755</u></u>

AVALON GROUP (SOCIAL CARE)
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

16. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 April 2023 £	Income £	Expenditure £	Balance at 31 March 2024 £
Unrestricted funds				
Designated funds				
Funds to strengthen the long term future of Avalon	203,398	-	-	203,398
Funding for beneficial significant IT projects	32,907	-	-	32,907
	<u>236,305</u>	<u>-</u>	<u>-</u>	<u>236,305</u>
General funds				
General funds	1,698,512	12,327,088	(12,314,561)	1,711,039
	<u>1,698,512</u>	<u>12,327,088</u>	<u>(12,314,561)</u>	<u>1,711,039</u>
Total Unrestricted funds	<u>1,934,817</u>	<u>12,327,088</u>	<u>(12,314,561)</u>	<u>1,947,344</u>
Restricted funds				
Digital Social Care Records Funds	-	31,711	-	31,711
Other restricted funds	15,432	2,470	(2,590)	15,312
	<u>15,432</u>	<u>34,181</u>	<u>(2,590)</u>	<u>47,023</u>
Total of funds	<u>1,950,249</u>	<u>12,361,269</u>	<u>(12,317,151)</u>	<u>1,994,367</u>

Description of funds

Designated funds

Funds to strengthen the long term future of Avalon - Investments in new services to increase the security and longevity of Avalon. It is anticipated that this fund will be used within the next 2 years, subject to financial scrutiny and Board approval.

Funding for beneficial significant IT projects - Investments to eventually save management time in localities. Short term funding would be required to reap the benefits. It is anticipated that this fund would be spent by the end of May 2027 at the latest.

Restricted funds

Digital Social Care Records Funds - these funds support the implementation of Digital Social Care Software from the NHS Approved Supplier List. Avalon is implementing Digital Social Care Software in the 2024-25 period.

Other Restricted funds - includes Harrogate/ Northallerton/ Scarborough/ Teesside/ West Yorkshire/ Northallerton/Skipiton and Head office locality fundraising held for the use of each locality office and their customers. Also includes Northallerton Covid-19 communities fund, Out and About fundraising, Avalark Fundraising, Wakefield Rotary club grant income, inclusion donations and Middlesbrough SHL Recruitment funding.

AVALON GROUP (SOCIAL CARE)
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

17. Summary of funds

Summary of funds - current year

	Balance at 1 April 2024 £	Income £	Expenditure £	Balance at 31 March 2025 £
Designated funds	236,305	-	(156,827)	79,478
General funds	1,711,039	11,644,309	(11,760,931)	1,594,417
Restricted funds	47,023	20,572	(30,735)	36,860
	1,994,367	11,664,881	(11,948,493)	1,710,755

Summary of funds - prior year

	Balance at 1 April 2023 £	Income £	Expenditure £	Balance at 31 March 2024 £
Designated funds	236,305	-	-	236,305
General funds	1,698,512	12,327,088	(12,314,561)	1,711,039
Restricted funds	15,432	34,181	(2,590)	47,023
	1,950,249	12,361,269	(12,317,151)	1,994,367

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £
Tangible fixed assets	583,297	-	583,297
Current assets	3,227,304	36,860	3,264,164
Creditors due within one year	(2,136,706)	-	(2,136,706)
Total	1,673,895	36,860	1,710,755

AVALON GROUP (SOCIAL CARE)
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

18. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Tangible fixed assets	595,832	-	595,832
Intangible fixed assets	535	-	535
Current assets	3,350,836	47,023	3,397,859
Creditors due within one year	(1,999,859)	-	(1,999,859)
Total	1,947,344	47,023	1,994,367

19. Reconciliation of net movement in funds to net cash flow from operating activities

	2025 £	2024 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(283,612)	44,118
Adjustments for:		
Depreciation charges	25,001	26,814
Amortisation charges	535	6,417
Bank interest	(40,440)	(40,652)
Decrease/(increase) in debtors	224,760	(160,573)
Increase/(decrease) in creditors	136,847	(15,024)
Net cash provided by/(used in) operating activities	63,091	(138,900)

AVALON GROUP (SOCIAL CARE)
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

20. Analysis of cash and cash equivalents

	2025 £	2024 £
Cash in hand	1,383,474	1,299,817
Total cash	1,383,474	1,299,817

21. Analysis of changes in net debt

	At 1 April 2024 £	Cash flows £	At 31 March 2025 £
Cash at bank and in hand	1,299,817	83,657	1,383,474
	1,299,817	83,657	1,383,474

There was no debt at the current or previous year end.

22. Pension commitments

The charity operates a defined contribution pension arrangement for the benefit of its employees. The assets of the scheme are held separately from those of the charity in independently administered private funds. The pension cost charge represents contributions payable by the charity to the fund. The amount recognised as an expense in the period was £204,479 (2024: £158,178). Contributions totalling £30,498 (2024: £23,926) were payable to the fund at the balance sheet date and are included in creditors.

23. Operating lease commitments

At 31 March 2025 the charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2025 £	2024 £
Not later than 1 year	79,278	74,202
Between 1 and 5 years	128,897	111,706
Later than 5 years	-	5,000
	208,175	190,908

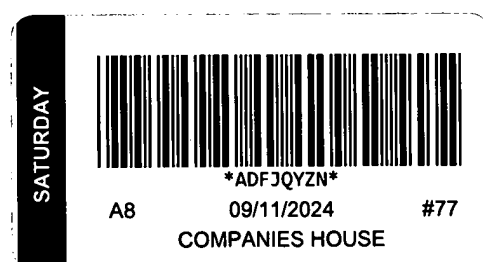
24. Related party transactions

There have been no related party transactions during either year.

Accounts

AVALON GROUP (SOCIAL CARE)
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024



AVALON GROUP (SOCIAL CARE)
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2024

Trustees	Stephen Fox, Chair of the Board (resigned 15 August 2024) ^{2,4,6,7} Keith Nurcombe, Chair of the Board (appointed 15 August 2024) Joseph Bradley ^{1,4,8} Susan Carr (resigned 22 April 2024) ⁵ Susan Howard (resigned 1 May 2024) John Moore (resigned 6 November 2023) Kirsty Needham (appointed 18 May 2023) ⁶ Stephen Perry (appointed 15 August 2024) Michael Purvis (appointed 18 May 2023) ^{2,3} Karen Tyrell ^{2,4,8}
	¹ Chair of Audit and Risk Committee ² Member of Audit and Risk Committee ³ Chair of Business Development Committee ⁴ Member of Business Development Committee ⁵ Chair of People Committee ⁶ Member of People Committee ⁷ Chair of Remuneration Committee ⁸ Member of Remuneration Committee
Company registered number	02976727
Charity registered number	1048236
Registered office	6 Grove Park Court Harrogate HG1 4DP
Independent auditor	BHP LLP Chartered Accountants Rievaulx House 1 St Mary's Court York YO24 1AH
Solicitors	Hempsons The Exchange Station Parade Harrogate HG1 1DY
Senior management team	Emma Williams, Chief Executive Officer and Company Secretary Dan Blackith, Director of People and Culture (until 28 June 2023) Lisette Robinson, Director of Finance and Corporate Services Bev Wilson, Director of Operations

Trustees' Report for the Year ended 31 March 2024

As the incoming Chair of Avalon Group (Social Care), I am delighted to present our Annual Report and Accounts for the year ended 31 March 2024 which provide a full summary of the year's activities.

This has been a year of change as Avalon continues through its period of transformation. We wished Stephen Fox, Chair of Trustees and Board member of 9 years, all the best in his retirement in August 2024. His leadership and counsel has guided the charity to upholding its reputation as a high-quality provider of Shared Lives and Community Support across the North East and Yorkshire during that period.

During the last quarter of 2023/24, the charity worked together with those we support, families, carers and commissioners to design the new five year plan. In today's rapidly evolving landscape of social and economic challenges, the need for strategic foresight and proactive initiatives has never been more pressing. At the heart of our strategy lies a deep understanding of the people and communities we serve. Through extensive research, stakeholder engagement and data-driven insights, as well as 30 years' experience of delivering support in communities, we have crafted a roadmap that is both ambitious and achievable.

We launch our new five year plan at a time when employee engagement is high, satisfaction levels of people we support and families is good and feedback from regulators and commissioners is positive. Despite the challenging economic outlook and continued pressure on local Councils, Avalon continues to manage resource carefully achieving a small surplus for the year.

As we reflect on the achievements of the past year, we extend a very sincere thank you to everyone at Avalon who have made these accomplishments possible. With a special appreciation expressed to our talented and committed colleagues who make a difference to so many lives every day. For more information on all topics please visit our website, where you will find more stories, details of the support we can provide, and also how to contact your local Avalon office.

Keith Nurcombe

Chair of Trustees

Trustees' Report for the Year ended 31 March 2024

The Trustees present their annual report together with the audited financial statements of the Avalon Group (Social Care) (the company) for the year ended 31 March 2024.

Reference and administrative information set out on page 1 forms part of this report.

The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" in preparing the annual report and financial statements of the charity. The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 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 published in October 2019. This report also meets the requirements of the Strategic Report for Companies Act 2006 purposes.

Strategic Report

A. Avalon's Objectives and Activities

Purposes and aims

Avalon Group's vision is that the people we support will achieve their best life experience. We are recognised as a high quality social care provider in the North of England, providing Community Support and Shared Lives services to disabled people of a working age, older adults and young people in transition.

Our mission is to promote inclusive, personalised support in our local communities, helping individuals and families improve their lives. This means tackling loneliness, promoting choice, control and independent living, and empowering people to live the lives they want to live.

In order to make this vision a reality, we are committed to the following values which influence our strategic priorities and guide our day to day work:

- We are kind and respectful to everyone
- We are honest and trustworthy
- We are always learning and developing
- We are inclusive; everyone has a voice
- We work in partnership with our communities

The charity reviews its aims, objectives and activities each year to ensure it remains focused on its stated purposes. This report looks at what the charity has achieved and the outcomes of its work within the previous twelve months. The Trustees report on the success of each key activity and the benefits they have brought to those groups of people the charity was set up to support.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and when planning its future activities.

Trustees' Report for the Year ended 31 March 2024

B. Achievements and performance

During the year ended 31 March 2024, the Avalon Group supported more than 450 people with learning disabilities, autism, people living with dementia and/or mental health challenges, commissioned by 19 Local Authorities and NHS bodies across Yorkshire and the North East of England. Services included supported living services, community support and Shared Lives long term and short term breaks and day services. We supported people with a wide spectrum of needs, from mild to moderate learning disabilities to people with profound and multiple learning disabilities, sensory and physical disabilities and complex health needs.

Key successes in the year include:

- **Good CQC ratings** – all locality offices have continued to be rated “Good”.
- **Satisfaction surveys** – provides vital insight into our performance from the perspective of our key stakeholders. Examples of feedback are:
 - 96% of our customers were satisfied with our overall support
 - 98% of our customers would recommend us to a friend
 - 90% of our staff agree they play an important part in helping us to achieve our vision
 - 88% of our staff feel motivated to give their best
 - 70% of our staff agree that Avalon supports them to be their best.
- **Service Development** – during the year we were successful in competitive tender for the provision of two residential Short Breaks services in Wakefield which mobilised in February 2024, expanding our existing suite of services and providing short breaks for local people and respite for families. We were also successful in joining the Leeds Interim Homecare Framework.

Set out below is a summary of the specific activities from the year 2023/24 along with the objectives we set for that year. Our plan was split into five pathways, which allow us to achieve our vision. The table below sets out the key plans associated with each pathway and performance during the year.

Strategic pathway	Activities planned	Activities performed
The right People - Referring to staff, carers, trustees and our partners, having the right people in place who understand and support our vision will support its achievement.	• Roll-out and implementation of PBS training program across the charity. • Draft Equality Diversity and inclusion strategy fit for the future. • Review of HR function and resource required for supporting our People through the medium term.	• 6 Managers completed BILD levels 1& 2 and functional assessment. PBS Senior Leaders programme includes Locality Managers, Operations Directors and CEO and 2 PBS leads are completing the level 5 diploma during 2023/24 and 2024/25. • The HR and wider People function was reviewed by an independent HR consultant, focussing on the recruitment process, efficient working, EDI and staff support and wellbeing. The team was restructured to provide clear leadership of the HR and L&D functions that can support colleagues in a more joined up way.

Trustees' Report for the Year ended 31 March 2024

A Sustainable Future – Ensuring the financial sustainability of our charity through investing in the future, making the best of our reserves and creating a diverse portfolio of contracted work.	- Retention of key contracts such as North Yorkshire Shared Lives. - Review of the operational structure in the context of changes experienced and design Avalon plan fit for the future.	- In January 2024, North Yorkshire Shared Lives moved to a new provider and it was necessary to review our Organisational structure to shape Avalon for the remaining services and for the future. - The whole organisation came together to identify the key strategic priorities for the coming years. Including stakeholder input from commissioners, the next 5 year plan was designed collaboratively to work towards the vision of Avalon in 5 years time. - The 5 year plan identified the need for additional service development resource to drive service change in response to changing needs. Two new roles: Service Development Director and Shared Lives Service Development Manager have been created within the organisation, to be funded in part by designated funds whose purpose is to invest in the future infrastructure of the charity.
Meeting local need – responding to the needs of local authorities, developing additional community services and taking a generous community approach.	- Develop Avalon's community presence, including networking plan for each ISC within Yorkshire and the North East. - Developing existing services to meet identified local community-based need including: - Reducing barriers in referral routes such as home from hospital - Transitions services into independent living. - Meaningful day services. - Developing Shared Lives to ensure those supported have the best opportunities possible to live in the community they choose.	- Local teams continue to build local networks across each ISC as well as Local Authorities. - Existing services continue to develop to meet emerging demand, for example: - A focus on transitions and enabling individuals to live independently supported by Shared Lives, Supported Living and/or Community Support has increased the number of people moving through services improving outcomes and creating capacity within overstretched services. - Golden Days day service in Northallerton increased activities by a day per week to accommodate a growing waiting list, providing day support to older people in the area and respite for their families. - Shared Lives services in York, Doncaster and Teesside have supported a more diverse range of needs from domestic abuse victims to mother and baby placements.
Embracing technology – completing an organisation wide digital transformation which will see us become a paperless organisation with	- Digitalisation of full Care system using ICB grant funding to be completed during the financial year. - Use of Telecare/assisted technology wherever possible to genuinely improve lives.	Digital system identified and purchased to replace existing systems and plan in place for full implementation by June 2025. This is funded in part by ICB funding for digital transformation.

Trustees' Report for the Year ended 31 March 2024

efficient and effective business systems, and enhanced use of technology enabled care/assistive technology.	Shared Lives digital strategy to meet the unique needs of the service as a home-based lifestyle ensuring all families are digitally included.	- Use of Assisted Technology is identified as a key growth area in the next five year plan. - A bespoke Shared Lives digital system has been identified for implementation during 2024/25.
Growing and developing – committing to the development of more good quality housing, offering a wide range of support services including dementia and mental health and making Avalon the first choice for families across our localities.	- Business Development strategy for Supported Living, Community Support and Shared Lives that diversifies Avalon's current contract risk at the same time as having meaningful presence in our core local areas. - Complex needs and PBS delivery to meet the growing need for high quality provision in the Community. This will be piloted in Teesside on the PBS framework where the scale and skills & experience of the team will input into growth across Avalon more widely.	- Avalon's organisational five year plan was developed clearly identifying service development and growth as a key ingredient to meeting evolving market needs and remaining sustainable over the coming years. - In February 2024, Avalon mobilised two Short Breaks residential services in Wakefield following successful competitive tender process. Each property has four bedrooms and provides short breaks for adults with disabilities within their own communities.

C. Financial Review

Avalon continues to operate in a financially challenging environment, as wage costs increase and pressures on funding escalate across the sector. Despite this, we generated a surplus for the year of £44,118 (2023: £23,210).

Income from charitable activities was £12.3m (2023: £11.5m) for the year ended 31 March 2024. Income from supported living and community support increased marginally to £8.0m from £7.3m in 2023, whilst Shared Lives income of £4.2m remained consistent with prior year.

Free reserves at 31 March 2024 are £1,114,672 compared to £1,071,563 at 31 March 2023.

In addition to our surplus, our cash position remains strong at £1,299,817 (2023: £1,400,714) although the ageing profile of debtors owed from Local Authorities has deteriorated in the year.

Risk

Avalon Group's principal objectives for managing risks are to:

- aid achievement of its strategic objectives
- ensure business continuity and service to its customers
- protect the organisation's wider reputation and other assets
- sustain its commercial viability
- be compliant with statute and regulatory obligations

Trustees' Report for the Year ended 31 March 2024

We have identified the principal High Risks at 31 March 2024 as:

Risk	Mitigants
Economic outlook Steep cost of living and inflation rises impacting on staff financial wellbeing and Avalon's financial sustainability, particularly in relation to food and fuel price increases.	• Cost of living initiatives to retain staff and higher pay award that in prior years as well as real time benchmarking of pay rates for all roles to remain competitive. • Ongoing dialogue with commissioners on impact of current rates if a shortfall to actual cost of care. • Challenges made to annual uplifts that do not cover the increase in the cost of delivery. • Business Development planning to target model scale of operations and services to enable longer term sustainability of the charity.
Significant reputational damage e.g. resulting from a safeguarding arising from unsuitability of staff & carers and high turnover of support workers or an external event impacting Avalon's brand/image.	• Ops Reporting Group carefully examines all individual incidents and themes over time. All safeguarding reports are examined prior to circulation with CQC. • Lessons learned reviews following all Serious Incidents and learning points fed back to Operational teams. • Summary of Safeguarding events reported at each Board meeting. • Review of safeguarding policy and face to face training including making safeguarding personal.

Our Risk Register contains detailed explanations for each risk, a score for both impact and likelihood and the existing mitigants, which reduce our exposure to the overall risk.

Principal funding sources

The majority of our funding is from Local Authorities who continue to face their own challenges in relation to availability of funding at the same time as an increase in demand from those in need. We continue to work well with the local authorities, building on solid relationships to work together through these pressures.

Fundraising

The Avalon Group does not engage in large scale levels of public fundraising and does not use professional fundraisers or commercial participators. The charity nevertheless observes and complies with the relevant fundraising regulations and codes. During the year there was no non-compliance of these regulations and codes and the charity received no complaints relating to its fundraising practice.

Reserves Policy

Free reserves at 31 March 2024 are £1,114,672 (2023: £1,071,563). These are the net funds of £1,994,367 available after deducting fixed assets (which have no associated bank loans) of £596,367 Restricted Funds of £47,023 (2023: £15,432) and Designated Funds of £236,305.

Trustees' Report for the Year ended 31 March 2024

The Trustees have reviewed the level of reserves required to take account of known liabilities and possible contingencies. The Risk Register is reviewed on a regular basis and informs the Reserves Policy to ensure that we consider funds that enable us to deal with situations in a sustainable way, for example the loss of a major contract, a short term cash flow problem due to late payment for a significant contract or the long term sickness of a key member of staff.

The required reserves estimate at 31 March 2024 remains at £1,031,860, following a review this year to ensure that potential additional risks arising from the loss of the North Yorkshire Shared Lives contract income from February 2024 and the impact on operational scalability are incorporated into this value. This means that our free reserves at 31 March 2024 are £82,812 above target reserves.

At 31 March 2024, £236,305 is designated funds for the purpose of strengthening the long term future of Avalon and for significant IT projects. During the year to 31 March 2024 these funds were not spent but instead Trustees have approved planned investment into strategic projects during the years ending 31 March 2025 and 2026, as part of the five year strategy.

Our Reserves policy, which has been reviewed this year, also states that reserves should be held in the form of cash and near cash investments. We review our Reserves policy at least annually and more frequently if we perceive there are significant changes in our risk exposure.

D. Plans for future periods

Changes in the sector continually require us to revisit strategic priorities and ways of working. During 2023/24, customers, colleagues, families and commissioners collaborated to plan how to best direct resources over the next five years to make the greatest difference to the people and communities we work with.

The Senior Leadership Team and Avalink led the work which involved a full review of our strategic direction, starting with our Vision, Mission and Values, and encompassing all elements of the business model to agree collectively and in collaboration with all internal stakeholders where the charity's future priorities lie.

The new five year plan was launch during the first quarter of 2024/25 and is guided by four key aims. The table below sets out the goals associated with each aim and how we will measure success.

Aim	Goals	How we will measure success
<i>Outstanding co-produced support</i> – we will respond to increasingly varied and complex needs, co-producing support that achieves the best possible outcome.	• We will be accountable to those we support, providing person-centred care and support. • We will be creative, exploring strengths, capacities and networks of support to promote wellbeing and positive outcomes for all.	• Customer feedback. • Quality of life outcomes. • CQC ratings.
<i>A great place to work</i> – we will recognise and continuously develop our people as valued leaders of quality services.	• We will develop a culture where people feel confident to innovate and make decisions. • Training & development will nurture talents and create future leaders.	• Staff/carer retention. • Staff/carer satisfaction.
<i>Technology for all</i> – we will invest in digital solutions for the benefit of everyone.	• Design and implement simple, effective internal systems for all that enable efficient, high quality person-centred care and support. • Digital and assistive technology will form a key part in designing support with people.	• Number of services operating fully paper-free. • Number of people benefiting from technology as part of their support.

Trustees' Report for the Year ended 31 March 2024

Sustainable futures – we will create support options that meet people's needs and we will be embedded within communities.	- Collaborate with people we support, partners, commissioners and local communities to develop new and innovative ways to provide support. - Generate income growth to deliver the 5 year plan.	- Income growth. - Financial reserves.
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During the year commencing 1 April 2024, the following activities are planned in order to achieve progress towards the five year plan.

Aim	Activities planned
Outstanding co-produced support – we will respond to increasingly varied and complex needs, co-producing support that achieves the best possible outcome.	- Community mapping and training in community networking within localities to share systemically existing best practice across local teams. - Roadmap to outstanding created for each locality. - Board composition: skills and succession review.
A great place to work – we will recognise and continuously develop our people as valued leaders of quality services.	- Relaunch the Employee Forum in a format that improves engagement across all localities and roles. - Begin work towards Investors in People accreditation as independent measure of employee engagement, wellbeing and culture. - Review of clinical governance infrastructure to ensure fit for purpose as the organisation develops.
Technology for all – we will invest in digital solutions for the benefit of everyone.	- Implementation of digital care records for all Community Support and Supported Living services. - Identify and implement Shared Lives digital system. - Identify and implement digital Board management system.
Sustainable futures – we will create support options that meet people's needs and we will be embedded within communities.	- Draft and launch the Business Development strategy to support the five year plan. - Review of Marketing & Communications to ensure most effective use of resource.

E. Structure, Governance and Management

Legal

The Avalon Group is a charitable company limited by guarantee.

- The company was incorporated on 7 October 1994 with the name Adult Placement Services Ltd, trading under the name The Avalon Group. On 12 November 2020 a special resolution was passed to change the legal entity name Avalon Group (Social Care).
- The company was registered as a charity on 26 July 1995. In the event of the Company being wound up, each member is required to contribute an amount not exceeding £10.
- The company was established under a Memorandum of Association dated September 2002 which established the objects and powers of the charitable company and is governed under its Articles of Association.
- On 12 November 2020 updated Articles of Association were adopted by Special Resolution.

Trustees' Report for the Year ended 31 March 2024

Responsibility of the Board and Committees

The Trustees (who are also directors of Avalon for the purposes of company law) are responsible for preparing the Trustees' Annual 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the 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;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue on that basis.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Key Management Pay and Remuneration

Pay for senior managers is determined by reference to market salary rates, taking into account individual's experience and skills. Pay scales are set for all posts within Avalon, including those of senior managers. The Remuneration Committee agrees the pay for all Directors and also any major changes to pay scales for other staff.

Employee Engagement

During the last quarter of 2023/24, all staff teams were offered the opportunity to take part in focus groups working towards the development of the next five year strategy. This was then launched in each locality by the Directors and the Avalink representative for that locality. Monthly staff newsletters include strategic updates, updates on financial performance and key issues relevant to them.

An annual staff survey ensures all staff have the opportunity to feed back anonymously and feedback is analysed per role and per locality compared to the prior year for trends and themes.

Employment of the Disabled

Avalon holds and works to Disability Confident Employer standards. These include ensuring our recruitment process is inclusive and accessible by advertising using diverse methods and accepting applications in different formats. Avalon promotes being committed to offering an interview to anyone who meets the minimum

Trustees' Report for the Year ended 31 March 2024

standards of the role specification and ensures that reasonable adjustments are considered and put in place where practical and necessary for interviews, such as video conferencing or allowing additional time for practical tasks.

Avalon's blended training offer is more accessible for people with disabilities, using technology through eLearning and online webinars. Line managers work closely with Learning & Development to ensure that the particular training needs for disabled individuals are understood and met.

Avalon provides a suite of training to staff including a number of Mental Health sessions, Equality & Diversity and Recruitment, which all focus on providing support to disabled colleagues. Avalon has Mental Health First Aiders to provide additional support to employees and has signed the Mindful Employer Charter. Able Futures provide confidential mental health support to employees and Avalon works closely with Occupational Health and Access to Work to ensure that disabled colleagues are provided with the resources they need to do their job.

Statement of Trustees

In accordance with company law, we, the company's Directors, certify that as far as we are aware, there is no relevant audit information of which the company's auditor is unaware. In addition, the Directors have taken all the necessary steps that they ought to have taken as Directors, in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

After making appropriate enquiries, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

Committees

There are four Committees, made up of Trustees and senior managers:

- **Audit and Risk Committee** – provides oversight, review and advisory role to the Board on all financial affairs of Avalon.
- **Business Development and Fundraising Committee**- provides oversight, review and an advisory role to the Board on the Business Development strategy and its implementation.
- **Remuneration Committee** – provides oversight, review and an advisory role to the Board on the remuneration of the CEO and staff within Avalon.
- **People & Operations Committee** – provides oversight, review and an advisory role to the Board on the People Strategy and Operations and their progress against plan.

Recruitment and Appointment to the Board

Under the requirements of the Memorandum and Articles of Association, the Trustees are elected to serve for 3 years and retire by rotation. Retiring Trustees, if willing to continue to serve, may be re-elected by members' resolution.

Since April 2023 we welcomed 4 new Trustees whose experience and expertise, along with their passion for adult social care, added additional strength to our Board.

Trustees' Report for the Year ended 31 March 2024

Trustee Training and Induction

The Board of Trustees regularly reviews the skills and expertise of the group. This is led by the Chair in consultation with the Chief Executive Officer. The recruitment process for Trustees aims to fill the identified voids and the key skills necessary to support the organisation's strategic needs.

The number of Trustees is subject to a minimum of 3 members with no maximum. Each prospective trustee is interviewed initially by the Chief Executive Officer, a Customer and the Chair of the Board. If successful, they undergo a full induction programme including meeting with Avalon staff, as well as being provided with ongoing training and an information pack.

Voluntary support

The Trustees involvement with Avalon is in a purely voluntary capacity. The Trustees provide a range of skills, including but not limited to; legal matters, new and existing business growth strategies, good governance and risk strategies.

No trustee has received any remuneration in the current or previous year for these activities. During the year to 31 March 2024 we paid Trustees expenses of £nil (2023: £379), which was to cover travel and mileage charges.

Auditor

The auditor, BHP, Chartered Accountants, have indicated their willingness to continue in office. The Designated Trustees will propose a motion re-appointing the auditors at a meeting of the Trustees in 8 October 2024.

This report including the strategic report was approved by the Trustees on 8 October 2024 and signed on their behalf by:

Keith Nurcombe

Signer ID: HP7PFDOON8...
Keith Nurcombe

Chair of the Board of Trustees

AVALON GROUP (SOCIAL CARE)
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AVALON GROUP (SOCIAL CARE)

We have audited the financial statements of Avalon Group (Social Care) (the 'charitable company') for the year ended 31 March 2024, which comprise the statement of financial activities, the balance sheet, the statement of cash flows and 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, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2024, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the trustees' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AVALON GROUP (SOCIAL CARE) (CONTINUED)

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the strategic report and the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor responsibilities for the audit of the financial statements

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AVALON GROUP (SOCIAL CARE) (CONTINUED)

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charitable company through discussions with management and trustees, and from our knowledge and experience of this sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Companies Act 2006, Charities Act 2011, CQC regulations, safeguarding, health and safety, data protection and employment law;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and directors;
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

- making enquiries of management and directors as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

- performed analytical procedures to identify any unusual or unexpected variances;
- tested journal entries to identify unusual transactions;
- investigated the rationale behind significant or unusual transactions.

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims.

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

AVALON GROUP (SOCIAL CARE)
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AVALON GROUP (SOCIAL CARE) (CONTINUED)

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

BHP LLP

Signer ID: IPFNE7JE16
Laura Masheder (Senior statutory auditor)

for and on behalf of

BHP LLP
Chartered Accountants
Statutory Auditor
Rievaulx House
1 St Mary's Court
York
YO24 1AH

Date: 08/10/2024 GMT

AVALON GROUP (SOCIAL CARE)
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2024

		Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
	Note				
Income from:					
Donations and grants	4	23,079	34,181	57,260	49,469
Charitable activities	5	12,258,357	-	12,258,357	11,504,506
Investments	6	40,652	-	40,652	17,892
Other income	7	5,000	-	5,000	-
Total income		12,327,088	34,181	12,361,269	11,571,867
Expenditure on:					
Charitable activities	8	12,314,561	2,590	12,317,151	11,548,657
Total expenditure		12,314,561	2,590	12,317,151	11,548,657
Net movement in funds		12,527	31,591	44,118	23,210
Reconciliation of funds:					
Total funds brought forward		1,934,817	15,432	1,950,249	1,927,039
Net movement in funds		12,527	31,591	44,118	23,210
Total funds carried forward	16	1,947,344	47,023	1,994,367	1,950,249

The Statement of financial activities complies with the requirements for an income and expenditure account under Companies Act 2006 and includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

AVALON GROUP (SOCIAL CARE)
(A company limited by guarantee)
REGISTERED NUMBER: 02976727

BALANCE SHEET
AS AT 31 MARCH 2024

	Note	2024 £	2023 £
Fixed assets			
Intangible assets	12	535	6,952
Tangible assets	13	595,832	619,997
		<u>596,367</u>	<u>626,949</u>
Current assets			
Debtors	14	2,098,042	1,812,447
Cash at bank and in hand	20	1,299,817	1,400,714
		<u>3,397,859</u>	<u>3,213,161</u>
Creditors: amounts falling due within one year	15	(1,999,859)	(1,889,861)
Net current assets		<u>1,398,000</u>	<u>1,323,300</u>
Total net assets		<u><u>1,994,367</u></u>	<u><u>1,950,249</u></u>
Charity funds			
Restricted funds	16	47,023	15,432
Unrestricted funds	16	1,947,344	1,934,817
Total funds		<u><u>1,994,367</u></u>	<u><u>1,950,249</u></u>

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Keith Nurcombe

Signer ID: HP7PFDOON8...

Keith Newcombe

(Chair of Trustees)

Date: 08/10/2024 GMT

The notes on pages 20 to 38 form part of these financial statements.

AVALON GROUP (SOCIAL CARE)
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2024

	Note	2024 £	2023 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	19	(138,900)	(503,614)
Cash flows from investing activities			
Bank interest		40,652	17,892
Purchase of intangible assets		-	(13,370)
Purchase of tangible fixed assets		(2,649)	(62,460)
Net cash provided by/(used in) investing activities		38,003	(57,938)
Change in cash and cash equivalents in the year		(100,897)	(561,552)
Cash and cash equivalents at the beginning of the year		1,400,714	1,962,266
Cash and cash equivalents at the end of the year	20	1,299,817	1,400,714

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

1. General information

The Avalon Group is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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) (issued in October 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Avalon Group (Social Care) meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

2.2 Going concern

The Trustees have considered their forecasts of income and expenditure for the period to 31 March 2025 and subjected these forecasts to sensitivity analysis which shows that they have sufficient reserves to be able to continue for the foreseeable future. The Trustees therefore continue to adopt the going concern basis of preparation for these financial statements.

2.3 Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

2.4 Expenditure

All expenditure is inclusive of irrecoverable VAT.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

Amortisation is provided on the following basis:

Software licenses - 33 % on cost

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

2. Accounting policies (continued)

2.7 Tangible fixed assets and depreciation

Tangible fixed assets are capitalised when the cost is £1,000 or more and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Freehold property	- 2% straight line
Leasehold improvements	- over lease term
Motor vehicles	- 20% straight line
Fixtures and fittings	- 20% reducing balance
Office equipment	- 25% straight line

Freehold land is not depreciated.

2.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.10 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

2. Accounting policies (continued)

2.11 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.12 Operating leases

Rentals paid under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.13 Pensions

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

2.14 Employee benefits

The cost of short-term employee benefits are recognised as a liability and an expense.

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

2.15 Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

3. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Debtor related provisions:

Management judgement is required in considering the recoverability of debtors. Provisions have been made relating to specific debtor balances where these balances are significantly aged. These are based on management judgement from historic experience and ongoing discussions with commissioners.

4. Income from donations and legacies

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Donations	23,079	-	23,079	21,684
Grant income	-	34,181	34,181	27,785
	<u>23,079</u>	<u>34,181</u>	<u>57,260</u>	<u>49,469</u>
Total 2023	<u>21,348</u>	<u>28,121</u>	<u>49,469</u>	

AVALON GROUP (SOCIAL CARE)
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

5. Income from charitable activities

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Supported Living	7,965,017	7,965,017	7,256,804
Shared Lives	4,153,368	4,153,368	4,203,694
Short Breaks	120,172	120,172	-
Other income	19,800	19,800	44,008
	12,258,357	12,258,357	11,504,506
Total 2023	11,504,506	11,504,506	

6. Investment income

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Bank interest	40,652	40,652	17,892
Total 2023	17,892	17,892	

7. Other income

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Profit on disposal of fixed assets	5,000	5,000	-

AVALON GROUP (SOCIAL CARE)
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

8. Charitable activities

	Supported lives 2024 £	Shared lives 2024 £	Short breaks 2024 £	Governance 2024 £	Total funds 2024 £	Total funds 2023 £
Staff and providers	6,720,217	4,021,714	46,183	-	10,788,114	9,969,350
Housing	70,851	-	-	-	70,851	89,805
Premises	118,101	70,590	7,531	-	196,222	186,107
Office and consumables	171,273	102,373	-	-	273,646	256,740
Compliance	14,515	8,676	-	-	23,191	24,024
Other Costs	6,089	3,214	82	-	9,385	15,134
Group allocated (support)	587,172	350,961	-	-	938,133	988,926
Governance costs	-	-	-	17,609	17,609	18,571
	7,688,218	4,557,528	53,796	17,609	12,317,151	11,548,657
Total 2023	6,729,796	4,800,290	-	18,571	11,548,657	

Expenditure on charitable activities includes restricted expenditure of £2,590 (2023: £18,219).

Group allocated costs breakdown

	2024 £	2023 £
Staff and provider costs	760,366	804,739
Premises	77,980	55,226
Office and consumables	49,349	57,964
Other	50,438	70,997
	938,133	988,926

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

	2024	2023
	£	£
Fees payable to the charity's auditor for the audit of the charity's annual accounts	14,980	14,270
Fees payable to the charity's auditor in respect of:		
All non-audit services not included above	1,390	1,320

	2024	2023
	£	£
Wages and salaries	7,013,857	6,079,452
Social security costs	560,367	526,992
Other pension costs	158,178	151,989
	<u>7,732,402</u>	<u>6,758,433</u>

The average number of persons employed by the charity during the year was as follows:

	2024	2023
	No.	No.
Support workers	265	240
Charitable activities	45	51
Management and administration of the charity	26	26
	<u>336</u>	<u>317</u>

	2024	2023
	No.	No.
Support workers	151	136
Charitable activities	31	36
Management and administration of the charity	30	26
	212	198

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

10. Staff costs (continued)

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2024 No.	2023 No.
In the band £60,001 - £70,000	2	1
In the band £70,001 - £80,000	-	2
In the band £90,001 - £100,000	1	-

The value of pension contributions to staff within the above bands is £13,095 (2023: £12,466).

The total amount of employee benefits (including employer pension contributions and national insurance) received by key management personnel is £274,060 (2023: £369,355). Key management personnel comprise the senior management team as detailed on page 1.

11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2023 - £NIL).

During the year ended 31 March 2024, no expenses were reimbursed or paid directly to any trustees (2023L £379 was reimbursed or directly paid to 2 trustees).

AVALON GROUP (SOCIAL CARE)
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

12. Intangible assets

	Software licenses £
Cost	
At 1 April 2023	49,100
At 31 March 2024	49,100
Amortisation	
At 1 April 2023	42,148
Charge for the year	6,417
At 31 March 2024	48,565
Net book value	
At 31 March 2024	535
At 31 March 2023	6,952

AVALON GROUP (SOCIAL CARE)
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

13. Tangible fixed assets

	Freehold property £	Short-term leasehold improvements £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
<i>Cost or valuation</i>						
At 1 April 2023	681,231	20,647	11,005	75,954	182,341	971,178
Additions	2,649	-	-	-	-	2,649
At 31 March 2024	683,880	20,647	11,005	75,954	182,341	973,827
<i>Depreciation</i>						
At 1 April 2023	114,080	7,043	11,005	52,928	166,125	351,181
Charge for the year	10,669	4,524	-	3,735	7,886	26,814
At 31 March 2024	124,749	11,567	11,005	56,663	174,011	377,995
<i>Net book value</i>						
At 31 March 2024	559,131	9,080	-	19,291	8,330	595,832
At 31 March 2023	567,151	13,604	-	23,026	16,216	619,997

Freehold land with a historic cost of £150,000 (2023: £150,000) is not depreciated.

AVALON GROUP (SOCIAL CARE)
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

14. Debtors

	2024 £	2023 £
<i>Due within one year</i>		
Trade debtors	1,643,982	1,435,796
Other debtors	88,265	51,599
Prepayments and accrued income	365,795	325,052
	<u>2,098,042</u>	<u>1,812,447</u>

15. Creditors: Amounts falling due within one year

	2024 £	2023 £
Trade creditors	174,159	320,543
Other taxation and social security	160,942	132,775
Other creditors	553,654	347,426
Accruals and deferred income	1,111,104	1,089,117
	<u>1,999,859</u>	<u>1,889,861</u>

Barclays Bank has a fixed, floating charge and negative pledge in place over all the property and undertakings of the company. No amounts are due to Barclays at year end.

	2024 £	2023 £
Deferred income at 1 April 2023	391,914	285,644
Income deferred during the year	294,978	381,839
Amounts released from previous periods	(391,914)	(275,569)
	<u>294,978</u>	<u>391,914</u>

Deferred income relates to amounts received in advance of services provided.

AVALON GROUP (SOCIAL CARE)
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

16. Statement of funds

Statement of funds - current year

	Balance at 1 April 2023 £	Income £	Expenditure £	Balance at 31 March 2024 £
Unrestricted funds				
Designated funds				
Funds to strengthen the long term future of Avalon	203,398	-	-	203,398
Funding for beneficial significant IT projects	32,907	-	-	32,907
	<u>236,305</u>	<u>-</u>	<u>-</u>	<u>236,305</u>
General funds				
General funds	1,698,512	12,327,088	(12,314,561)	1,711,039
	<u>1,698,512</u>	<u>12,327,088</u>	<u>(12,314,561)</u>	<u>1,711,039</u>
Total Unrestricted funds	<u>1,934,817</u>	<u>12,327,088</u>	<u>(12,314,561)</u>	<u>1,947,344</u>
Restricted funds				
Digital Social Care Records Funds	-	31,711	-	31,711
Other restricted funds	15,432	2,470	(2,590)	15,312
	<u>15,432</u>	<u>34,181</u>	<u>(2,590)</u>	<u>47,023</u>
Total of funds	<u>1,950,249</u>	<u>12,361,269</u>	<u>(12,317,151)</u>	<u>1,994,367</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

Statement of funds - prior year

Document ID: 5c115b08-270b-4709-9110-041b1a973899

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

Description of funds

Designated funds

Funds to strengthen the long term future of Avalon - Investments in new services to increase the security and longevity of Avalon. It is anticipated that this fund will be used within the next 2 years, subject to financial scrutiny and Board approval.

Funding for beneficial significant IT projects - Investments to eventually save management time in localities. Short term funding would be required to reap the benefits. It is anticipated that this fund would be spent by the end of May 2027 at the latest.

Restricted funds

Inclusion - donations received from The Yorkshire & Clydesdale Bank Foundation (£50) and Dickinson Dees Solicitors of York (£250) intended to fund the activities of Bubble Enterprises.

Wakefield Rotary Club - a grant for the set up costs of the social group opened for our customers in Wakefield.

Digital Social Care Records Funds - these funds support the implementation of Digital Social Care Software from the NHS Approved Supplier List. Avalon is implementing Digital Social Care Software in the 2024-25 period.

Avalark Fundraising - donated monies and fundraising held for the use of each locality office and their customers

Groundworks - Northallerton - grant received for the purpose of funding Northallerton Day Service Equipment.

Kirby Foundation grant - grant received for the purpose of refurbishing the Harrogate office.

NYCC market support grant - grant received for the purpose of recruiting Support Workers.

DMBC fuel prices support payment - grant to contribute to Support Work Pay in Doncaster.

Other Restricted funds - includes Harrogate/ Northallerton/ Scarborough/ Teesside/ West Yorkshire/ Northallerton/Skipton and Head office locality fundraising held for the use of each locality office and their customers. Also includes Northallerton Covid-19 communities fund, Out and About fundraising, Avalark Fundraising, Wakefield Rotary club grant income, inclusion donations and Middlesborough SHL Recruitment funding.

Transfers between funds of £10,000 have been made in the prior year from restricted funds to unrestricted funds to account for the purchase of tangible fixed assets in line with the restrictions of the funds.

AVALON GROUP (SOCIAL CARE)
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

17. Summary of funds

Summary of funds - current year

	Balance at 1 April 2023 £	Income £	Expenditure £	Balance at 31 March 2024 £
Designated funds	236,305	-	-	236,305
General funds	1,698,512	12,327,088	(12,314,561)	1,711,039
Restricted funds	15,432	34,181	(2,590)	47,023
	<u>1,950,249</u>	<u>12,361,269</u>	<u>(12,317,151)</u>	<u>1,994,367</u>

Summary of funds - prior year

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2023 £
Designated funds	261,945	-	(25,640)	-	236,305
General funds	1,649,564	11,543,746	(11,504,798)	10,000	1,698,512
Restricted funds	15,530	28,121	(18,219)	(10,000)	15,432
	<u>1,927,039</u>	<u>11,571,867</u>	<u>(11,548,657)</u>	<u>-</u>	<u>1,950,249</u>

18. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Tangible fixed assets	595,832	-	595,832
Intangible fixed assets	535	-	535
Current assets	3,350,836	47,023	3,397,859
Creditors due within one year	(1,999,859)	-	(1,999,859)
Total	<u>1,947,344</u>	<u>47,023</u>	<u>1,994,367</u>

AVALON GROUP (SOCIAL CARE)
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

18. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	619,997	-	619,997
Intangible fixed assets	6,952	-	6,952
Current assets	3,197,729	15,432	3,213,161
Creditors due within one year	(1,889,861)	-	(1,889,861)
Total	1,934,817	15,432	1,950,249

19. Reconciliation of net movement in funds to net cash flow from operating activities

	2024 £	2023 £
Net income for the period (as per Statement of Financial Activities)	44,118	23,210
Adjustments for:		
Depreciation charges	26,814	26,748
Amortisation charges	6,417	6,418
Bank interest	(40,652)	(17,892)
(Increase)/decrease in debtors	(160,573)	(156,256)
(Increase)/decrease in creditors	(15,024)	(385,842)
Net cash (used in)/provided by operating activities	(138,900)	(503,614)

AVALON GROUP (SOCIAL CARE)
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

20. Analysis of cash and cash equivalents

	2024 £	2023 £
Cash in hand	1,299,817	1,400,714
Total cash	1,299,817	1,400,714

21. Analysis of changes in net debt

	At 1 April 2023 £	Cash flows £	At 31 March 2024 £
Cash at bank and in hand	1,400,714	(100,897)	1,299,817
	1,400,714	(100,897)	1,299,817

There was no debt at the current or previous year end.

22. Pension commitments

The charity operates a defined contribution pension arrangement for the benefit of its employees. The assets of the scheme are held separately from those of the charity in independently administered private funds. The pension cost charge represents contributions payable by the charity to the fund. The amount recognised as an expense in the period was £158,178 (2023: £151,989). Contributions totalling £23,926 (2023: £20,095) were payable to the fund at the balance sheet date and are included in creditors.

23. Operating lease commitments

At 31 March 2024 the charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2024 £	2023 £
Not later than 1 year	74,202	62,652
Between 1 and 5 years	111,706	90,929
Later than 5 years	5,000	-
	190,908	153,581

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

24. Related party transactions

There have been no related party transactions during either year.

Accounts

AVALON GROUP (SOCIAL CARE)
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

AVALON GROUP (SOCIAL CARE)
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AVALON GROUP (SOCIAL CARE)
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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2023

Stephen Fox, Chair of the Board^{2,6,7}
Karen Tyrell³
Sandra Frier (resigned 24 January 2023)
Joseph Bradley^{1,4,8}
Susan Howard
Melvyn Ellis (resigned 31 August 2022)
Susan Carr⁵
Mohammed Arif Awan (resigned 7 January 2023)
Alistair How (resigned 13 January 2023)
John Moore
Kirsty Needham (appointed 18 May 2023)⁶
Michael Purvis (appointed 18 May 2023)^{2,4}

- ¹ Chair of Audit and Risk Committee
² Member of Audit and Risk Committee
³ Chair of Business Development Committee
⁴ Member of Business Development Committee
⁵ Chair of People Committee
⁶ Member of People Committee
⁷ Chair of Remuneration Committee
⁸ Member of Remuneration Committee

**Company registered
number**

02976727

Charity registered number

1048236

Registered office

6 Grove Park Court
Harrogate
HG1 4DP

Independent auditor

BHP LLP
Chartered Accountants
Rievaulx House
1 St Mary's Court
York
YO24 1AH

Solicitors

Hempsons
The Exchange
Station Parade
Harrogate
HG1 1DY

AVALON GROUP (SOCIAL CARE)
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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Senior management team Larry Hollando, Chief Executive Officer (until 8 December 2022) and Company Secretary (until Jan 2023)
Emma Williams, Chief Executive Officer (from 8 December 2022)
Dan Blackith (until 28 June 2023)
Lisette Robinson (from 8 December 2022)
Bev Wilson

Trustees' Report for the Year ended 31 March 2023

I am pleased to present our Annual Report and Accounts for the year ended 31 March 2023 which provides a full summary of the year's activities.

This has been a year of change for Avalon. We wished Larry Hollando, our CEO of 10 years, all the best in his retirement in February, and celebrated his huge contribution to Social Care and to Avalon. His leadership has guided the charity in upholding its reputation as a high-quality provider growing our Shared Lives and Community Support offer during that period. We welcomed Emma Williams to the role whose work alongside Larry as Finance Director in the past 5 years paved the way for a smooth transition.

We have emerged from the ongoing challenges presented by Covid-19 stronger and continue to build on this solid foundation as we begin to plan our next strategic priorities for the coming years. As always, I would like to express my sincere gratitude to all our staff, Shared Lives Carers, customers, families and Trustees for their hard work and dedication.

Resource pressures present throughout recent years worsened during the year putting severe pressure on our staff and Carers. We continued to prioritise the wellbeing of all our people, via initiatives including the Mindful Employer Charter, Mental Health First Aiders and a Wellbeing Support pack for all employees. From January 2023, Recruitment and Retention initiatives such as the Welcome Bonus, a review of all Support Worker rates and an improved and expedited recruitment process have yielded strong results such that by the end of the financial year, the shortfall in resource was reduced to a manageable level and the use of agency workers began to reduce.

Shared Lives activity recovered from Covid-19 lockdowns throughout the year with strong Carer recruitment and a significant increase in referrals, reaching further and meeting a wider range of needs in the community such as Mental Health and Transitions for both long term and short break support. We were disappointed to be unsuccessful in retaining one of our larger Shared Lives services following the year end which will see our North Yorkshire Shared Lives service transfer to a new provider from February 2024. However, we have grown our Shared Lives schemes in Doncaster, Middlesbrough and York and continue to invest in new and innovate approaches to Carer recruitment and developing the model to meet the future needs of those we support.

To enhance the quality and efficiency of services, Avalon's digitalisation programme has systemised the recording and monitoring of Quality & Compliance in the year and teams have been supported to refresh their approach to maximising the quality of service delivery. There is significant digital change still to come to streamline the processes, revolutionise support planning and monitoring and importantly, to work towards a digitally inclusive environment for all.

For more information on all topics please visit our website, where you will find more stories, details of the support we can provide, details on our Covid-19 response and also how to contact your local Avalon office.

Stephen Fox

Chair of Trustees

Trustees' Report for the Year ended 31 March 2023

The Trustees present their Annual Report together with the audited financial statements of the Avalon Group (Social Care) (the company) for the year ended 31 March 2023.

Reference and administrative information set out on page 1 forms part of this report. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019). This report also meets the requirements of the Strategic Report for Companies Act 2006 purposes.

A. Avalon's Objectives and Activities

Purposes and aims

Avalon Group's vision is that the people we support will achieve their best life experience. We are recognised as a high quality social care provider in the North of England, providing Community Support and Shared Lives services to disabled people of a working age, older adults and young people in transition.

Our mission is to promote inclusive, personalised support in our local communities, helping individuals and families improve their lives. This means tackling loneliness, promoting choice, control and independent living, and empowering people to live the lives they want to live.

In order to make this vision a reality, we are committed to the following values which influence our strategic priorities and guide our day to day work:

- We are kind and respectful to everyone
- We are honest and trustworthy
- We are always learning and developing
- We are inclusive; everyone has a voice
- We work in partnership with our communities

The charity reviews its aims, objectives and activities each year to ensure it remains focused on its stated purposes. This report looks at what the charity has achieved and the outcomes of its work within the previous twelve months. The Trustees report on the success of each key activity and the benefits they have brought to those groups of people the charity was set up to support.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and when planning its future activities.

B. Achievements and performance

During the year ended 31 March 2023, the Avalon Group supported more than 450 people with learning disabilities, autism, people living with dementia and/or mental health challenges, commissioned by 19 Local Authorities and NHS bodies across Yorkshire and the North East of England. Services included supported living services, community support and Shared Lives long term and short term breaks and day services. We supported people with a wide spectrum of needs, from mild to moderate learning disabilities to people with profound and multiple learning disabilities, sensory and physical disabilities and complex health needs.

Trustees' Report for the Year ended 31 March 2023

Key successes in the year include:

- **Good CQC ratings** – all locality offices have continued to be rated “Good” in the year with Teesside receiving “Outstanding” in one line of enquiry.
- **Satisfaction surveys** – provides vital insight into our performance from the perspective of our key stakeholders. Examples of feedback are:
 - 93% of our customers were satisfied with our overall support
 - 94% of our customers would recommend us to a friend
 - 92% of our customers say Avalon supports them to feel like part of their community
 - 90% of our staff feel motivated to give their best
 - 78% of staff feel that they play an important role in achieving Avalon’s vision
 - 74% of our staff felt they had opportunities to learn and grow
- **Consolidation of work** – during the year we were successful in being added to the new Bradford Supported Living Framework and Tees Valley Complex Care and Support Framework, as well as retaining the North Yorkshire Approved Provider List and Wakefield My Life Services contracts.

Set out below is a summary of the specific activities from the year 2022/23 along with the objectives we set for that year. Our plan is split into five pathways, which allow us to achieve our vision. The table below sets out the key plans associated with each pathway and performance during the year.

Strategic pathway	Activities planned	Activities performed
The right People – Referring to staff, Carers, Trustees and our partners, having the right people in place who understand and support our vision will support its achievement	• Review career progression of all roles, with initial focus on Support Co-ordinators and Support Workers • Development of management training offer and tailored training for Shared Lives Carers • Establish new employee forum and EDI working group Continual review of staff reward package to remain competitive	• Wellbeing Initiatives Renewed Mindful Employer Charter and trained the first cohort of employees across all localities to be Mental Health First Aiders. Mental Health Support pack for employees was created and rolled out New wellbeing section on the benefits portal was launched providing a wide range of advice, support and signposting. • Agile Working Policy Following staff consultation, the policy was shaped and rolled out to meet the needs of Avalon at the time. • Staff Benefits A new benefits portal has been launched which gives easy access to all Avalon benefits including a new benefit partnership with O2 and the Blue Light card. • Improve Recruitment Process Dedicated HR resource has been put in place to lead on some recruitment activities to aid consistency, speed of response and to free up operational time The application and refer a friend schemes on the Avalon website have

Trustees' Report for the Year ended 31 March 2023

		been streamlined considerably, to speed up and simplify the application process Docusign was implemented to automate part of the recruitment on-boarding process. As a result, information gets out to and returned to the applicant quicker (on average 3 days) and increases the quality of the information.
A Sustainable Future - Ensuring the financial sustainability of our charity through investing in the future, making the best of our reserves and creating a diverse portfolio of contracted work.	- Investment strategy - Retention of key contracts - Ongoing financial and business reviews of each locality	Retention of key contracts – when the two key contracts that came for retender in the year: NYC Approved Provider List and Wakefield My Life Services. Additional grant funding – During the year we received a grant for £20,000 from a charity partnership with Froneri. We continue to benefit from up to £96,000 per annum Google advertising grant which comes in the form of free PPC advertising throughout the year. During 2022/23 the value of advertising received was worth an estimated \$35. Supporting each locality to be financially secure – Assisted localities with their own growth plans through the quarterly locality business review process and supporting internal process improvements such as recruitment and retention processes.
Meeting local need – responding to the needs of Local Authorities, developing additional community services and taking a generous community approach	- Developing existing services to meet local need - Developing Shared Lives, including new pilot respite project in North Yorkshire and broadening customer groups - Develop Avalon's community presence, including generous sharing of resources and facilities with local partners	Growing and developing services to meet future need - Our addition to a new Bradford Supported Living framework allows us to begin planning to expand into this area, and our addition to the Tees Valley Complex Care framework aligns with our goal to take on more complex packages there which will enable growth over the next 3 years. Shared Lives respite pilot – providing dedicated rooms offered exclusively to NYC for short breaks referrals. We also implemented a single-point-of contact for referrals to remove barriers. We expanded the project to all referrals and Carer assessments going forward to add simplicity and consistency. Sharing resources - we delivered free training to local charities (including Better Connect, MIND, Carer's Resource) and larger corporates (including Ikea) supporting their teams to better understand mental health and suicide awareness.

Trustees' Report for the Year ended 31 March 2023

Embracing technology – completing an organisation wide digital transformation which will see us become a paperless organisation with efficient and effective business systems, and enhanced use of technology enabled care/assistive technology.	• Digitalisation of care records • Launch and rollout of all employee intranet • Maximise use of Carefree rota/reporting software • Digitalised onboarding/new starter process • Technology Champions locally to support pro-active use of assistive technology and digital first solutions for our customers	• Quality assurance processes have been transferred to the digital care system during the year allowing real-time accurate monitoring of quality & compliance and a more simple way of recording information. • We launched our new intranet for all staff at the beginning of the financial year. This hosts all policies & procedures, regular communications updates and wellbeing and support materials for all staff including Support Workers. • Technology Champions in each locality continue to keep up to date on new and emerging technologies and how they can best support people.
Growing and developing – committing to the development of more good quality housing, offering a wide range of support services including dementia and mental health and making Avalon the first choice for families across our localities.	• Growing our Shared Lives service through recruitment of new Carers, promotion of the referrals process for local teams, and seeking to grow into new geographical areas where commissioning allows • Transitions project to support young people reaching adulthood to be able to confidently access support services that will best benefit them (whether Supported Living, Community Support or Shared Lives) – working in partnership with council transitions teams • Growth of Supported Living through pro-active search and development of suitable properties across our localities • Creating an external training offer • Developing a bespoke dementia service based on research of evidenced local need	• Shared Lives Carer numbers growth - Implemented ongoing targeted social media campaigns on a rolling 6 weekly basis with evaluation and ongoing improvements to measure and maximise ROI. Social Media adverts in the last 12 months were seen by 77,806 people creating 364 leads and 7 conversions, with a ROI of £397 per converted Carer. • Shared Lives referrals – Created new materials to share with childrens and fostering teams to encourage Shared Lives to be factored into transitions process early – materials aimed at foster carers, young people and social workers to understand Shared Lives and how it benefits each audience. This saw an increase in foster carers becoming Shared Lives Carers, with numbers expected to continue to grow year-on-year. • Golden Days dementia service – Increased the offering of our Northallerton Golden Days service, adding an extra day each week specifically for people living with dementia. Service running at capacity since September 2022.

Trustees' Report for the Year ended 31 March 2023

C. Financial Review

Avalon continues to operate in a financially challenging environment, as wage costs increase and pressures on funding escalate across the sector. Despite this, we generated a surplus for the year of £23,210 (2022: £20,477).

Income from charitable activities was £11.5m (2022: £11.3m) for the year ended 31 March 2023. Income from Supported Living and community support increased marginally to £7.3m from £6.8m in 2022, whilst Shared Lives income fell to £4.2m from £4.4m at 31 March 2022 as a result of Stockton Council Shared Lives services being taken back in-house.

Free reserves at 31 March 2023 are £1,071,563 compared to £1,065,279 at 31 March 2022.

In addition to our surplus, our cash position remains strong at £1,400,714 (2022: £1,962,266) although the reduction on prior year reflects the reversion of payment profile in place during Covid-19 when a number of Local Authorities moved to paying planned delivery one month in advance.

Risk

Avalon Group's principal objectives for managing risks are to:

- aid achievement of its strategic objectives
- ensure business continuity and service to its customers
- protect the organisation's wider reputation and other assets
- sustain its commercial viability
- be compliant with statute and regulatory obligations

We have identified the principal High Risks at 31 March 2023 as:

Risk	Mitigants
Staff recruitment challenge increased significantly during the year and agency use increased. This caused significant pressure on staff welfare.	• Creative and tailored recruitment solutions such as Facebook adverts. • Regular review of staff pay linked to new National Living Wage requirements. • Use of agency staff where available. • Welcome bonus and refer a friend schemes launched and readvertised. • Mindful Employer, Mental Health First Aiders and staff Wellbeing Action Plans introduced.
Contract income risk - Large contracts and frameworks continue to be commissioned on a rolling basis, typically on a 3-5 year basis.	• Avalon retains a strong reputation with all commissioners through ongoing quality of performance and good relationships with all Local Authorities. • When there is a significant contract due for renewal or retender, Avalon takes a proactive approach in retaining the contract balanced with scenario planning for any loss of income to ensure we remain sustainable as a charity.
Increased work pressure of pandemic leads to reduction in quality and compliance manifesting in poor service delivery and/or inadequate CQC rating.	• Quality compliance monitoring remains a priority for Operational teams supplemented by Internal Audit reviews on a 6 monthly basis. • Quality compliance monitoring systems updated during the year to be captured and reported digitally. • Regular client satisfaction surveys and Compliments & Complaints monitoring identify

Trustees' Report for the Year ended 31 March 2023

	issues early to ensure resource is allocated as necessary. Avalon is prepared to return work to commissioners as a last resort where it is felt a safe service can no longer be provided.
Significant reputational damage e.g. resulting from a safeguarding arising from unsuitability of staff & Carers and high turnover of Support Workers or an external event impacting Avalon's brand/image.	- Operations Reporting Group carefully examines all incidents for lessons learned, themes and improvement observations. - Safeguarding policy and training enhanced to include making safeguarding personal and relevant to customer groups. - Summary of safeguarding events reported at Board level.
Tender risk Current tender activity is short notice, failing services where existing providers are unable to continue. This increases the risk of safely delivering the service and around TUPE and staffing.	- All tender submissions managed centrally by the Business Development manager with full involvement of the Directors of Operations, the Director of Finance and Corporate Services and the CEO. - Price submissions include full cost recovery incorporating full risk assessment of service by Operations Directors.
IT Infrastructure is not fit for purpose for example, due to cyber threat and outdated working practices.	- Avalon is working with the ICT outsource provider to stabilise the new operating infrastructure such that the risk of business interruption is reduced. - A cyber security roadmap a key workstream within the digitalisation roadmap ongoing during the year.

Our Risk Register contains detailed explanations for each risk, a score for both impact and likelihood and the existing mitigants, which reduce our exposure to the overall risk.

Principal funding sources

The majority of our funding is from Local Authorities who continue to face their own challenges in relation to availability of funding at the same time as an increase in demand from those in need. We continue to work well with the Local Authorities, building on solid relationships to work together through these pressures.

Fundraising

The Avalon Group does not engage in large scale levels of public fundraising and does not use professional fundraisers or commercial participators. The charity nevertheless observes and complies with the relevant fundraising regulations and codes. During the year there was no non-compliance of these regulations and codes and the charity received no complaints relating to its fundraising practice.

Reserves Policy

Free reserves at 31 March 2023 are £1,071,563 (2021: £1,065,279). These are the net funds of £1,950,249 available after deducting fixed assets (which have no associated bank loans) of £626,949, Restricted Funds of £15,432 (2022: £15,530) and Designated Funds of £236,305.

Trustees' Report for the Year ended 31 March 2023

The Trustees have reviewed the level of reserves required to take account of known liabilities and possible contingencies. The Risk Register is reviewed on a regular basis and informs the Reserves Policy to ensure that we consider funds that enable us to deal with situations in a sustainable way, for example the loss of a major contract, a short term cash flow problem due to late payment for a significant contract or the long term sickness of a key member of staff.

The required reserves estimate at 31 March 2023 remains at £1,031,860, following a review this year to ensure that potential additional risks to our operations arising from the pandemic are incorporated into this value. This means that our free reserves at 31 March 2023 are £41,563 above target reserves.

On 31 March 2016 we created the Designated Fund of £200,000. This was to enable us to strengthen the organisation through both an ICT modernisation programme and expansion via business opportunities that fit with our priorities and core values. In the year ended 31 March 2021 a designated funds were increased by a further £100,000 for the purpose of funding future projects which develop Avalon's organisational infrastructure. In the year ended 31 March 2023 no further resource was allocated from Designated Funds.

Our Reserves Policy, which has been reviewed this year, also states that reserves should be held in the form of cash and near cash investments. We review our Reserves Policy at least annually and more frequently if we perceive there are significant changes in our risk exposure.

D. Plans for future periods

Changes in the sector continually require us to revisit strategic priorities and ways of working and given the significant change impacting Avalon during this current period, planning the new Strategy for the period beginning 1 April 2024 is now underway.

This work involved a full review of our strategic direction, starting with our Vision, Mission and Values, and encompassing all elements of the business model to agree collectively and in collaboration with all internal stakeholders where the charity's future priorities lie.

The table below sets out the key plans associated with each pathway of the plan for the year 2023/24.

Pathway	Activities planned
<i>The right people</i> – Referring to staff, Carers, Trustees and our partners, having the right people in place who understand and support our vision will support its achievement.	• Roll-out and implementation of PBS training program across the charity • Draft Equality Diversity and Inclusion strategy fit for the future • Review of HR function and resource required for supporting our People through the medium term
<i>A sustainable future</i> – Ensuring the financial sustainability of our charity through investing in the future, making the best of our reserves and creating a diverse portfolio of contracted work.	• Retention of key contracts such as North Yorkshire Shared Lives • Review of the operational structure in the context of changes experienced and design Avalon plan fit for the future
<i>Meeting local need</i> – responding to the needs of Local Authorities, developing additional community services and taking a generous community approach.	• Develop Avalon's community presence, including networking plan for each ISC within Yorkshire and the North East • Developing existing services to meet identified local, community-based need, including: • Reducing barriers in referral routes such as home from hospital • Transitions services into independent living

Trustees' Report for the Year ended 31 March 2023

	• Meaningful day services • Developing Shared Lives to ensure those supported have the best opportunities possible to live in the community they choose
Embracing technology – completing an organisation wide digital transformation which will see us become a paperless organisation with efficient and effective business systems, and enhanced use of technology enabled care/assistive technology.	• Digitalisation of full Care system using ICB grant funding to be completed during the financial year • Use of Telecare/assisted technology wherever possible to genuinely improve lives • Shared Lives digital strategy to meet the unique needs of the service as a home-based lifestyle ensuring all families are digitally included
Growing and developing – committing to the development of more good quality housing, offering a wide range of support services including dementia and mental health and making Avalon the first choice for families across our localities.	• Business Development strategy for Supported Living, Community Support and Shared Lives that diversifies Avalon's current contract risk at the same time as having meaningful presence in our core local areas • Complex needs and PBS delivery to meet the growing need for high quality provision in the Community. This will be piloted in Teesside on the PBS framework where the scale and skills & experience of the team will input into growth across Avalon more widely.

E. Structure, Governance and Management

The Trustees confirm their compliance with s172 of the Companies Act 2006.

The Trustees recognise the need to operate in a way that considers and is fair to all our employees and this is firmly embedded in the culture and values of the charity.

Strategic planning underpins the operational delivery plans of the organisation. In the current three year plan, one of the five pillars to growth is People which is delivered by a People Plan measured by KPIs such as staff retention and results from the staff satisfaction survey.

The annual cycle of Board meetings is mirrored by a series of staff meetings for each role (SMT, Locality Managers, Service Managers and Administrators). Key topics discussed at the Board and Sub-Committee meetings are cascaded via these staff meetings which also provide the opportunity for staff to feed back to the Trustees at the next quarterly Board meeting. In addition, Trustees perform locality visits where they meet the staff team, carers and customers at a locality.

Legal

The Avalon Group is a charitable company limited by guarantee.

- The company was incorporated on 7 October 1994 with the name Adult Placement Services Ltd, trading under the name The Avalon Group. On 12 November 2020 a special resolution was passed to change the legal entity name Avalon Group (Social Care).
- The company was registered as a charity on 26 July 1995. In the event of the Company being wound up, each member is required to contribute an amount not exceeding £10.
- The company was established under a Memorandum of Association dated September 2002 which established the objects and powers of the charitable company and is governed under its Articles of Association.
- On 12 November 2020 updated Articles of Association were adopted by Special Resolution.

Trustees' Report for the Year ended 31 March 2023

Responsibility of the Board and Committees

The Trustees (who are also Directors of Avalon for the purposes of company law) are responsible for preparing the Trustees' Annual 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the 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;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue on that basis.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Key Management Pay and Remuneration

Pay for senior managers is determined by reference to market salary rates, taking into account individual's experience and skills. Pay scales are set for all posts within Avalon, including those of senior managers. The Remuneration Committee agrees the pay for all Directors and also any major changes to pay scales for other staff.

Statement of Trustees

In accordance with company law, we, the company's Directors, certify that as far as we are aware, there is no relevant audit information of which the company's auditor is unaware. In addition, the Directors have taken all the necessary steps that they ought to have taken as Directors, in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

After making appropriate enquiries, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

Trustees' Report for the Year ended 31 March 2023

Committees

There are currently three Committees, made up of Trustees and senior managers:

- **People and Operations Committee** – provides oversight, review and an advisory role to the Board on the People Strategy, Operations and Business Development plans and progress.
- **Audit and Risk Committee** – provides oversight, review and advisory role to the Board on all financial affairs of Avalon.
- **Remuneration Committee** – provides oversight, review and an advisory role to the Board on the remuneration of the CEO and staff within Avalon.

Post year end, the committees were split, to create a separate Business Development committee.

Recruitment and Appointment to the Board

Under the requirements of the Memorandum and Articles of Association, the Trustees are elected to serve for 3 years and retire by rotation. Retiring Trustees, if willing to continue to serve, may be re-elected by members' resolution.

In 2022 we welcomed 3 new Trustees whose experience and expertise, along with their passion for adult social care, added additional strength to our Board.

Trustee Training and Induction

The Board of Trustees regularly reviews the skills and expertise of the group. This is led by the Chair in consultation with the Chief Executive Officer. The recruitment process for Trustees aims to fill the identified voids and the key skills necessary to support the organisation's strategic needs.

The number of Trustees is subject to a minimum of 3 members with no maximum. Each prospective Trustee is interviewed initially by the Chief Executive Officer and the Chair of the Board. If successful, they undergo a full induction programme including meeting with Avalon staff, as well as being provided with ongoing training and an information pack.

Voluntary support

The Trustees involvement with Avalon is in a purely voluntary capacity. The Trustees provide a range of skills, including but not limited to; legal matters, new and existing business growth strategies, good governance and risk strategies.

No Trustee has received any remuneration in the current or previous year for these activities. During the year to 31 March 2023 we paid Trustees expenses of £379 (2022: £25), which was to cover travel and mileage charges.

Auditor

The auditor, BHP, Chartered Accountants, have indicated their willingness to continue in office. The Designated Trustees will propose a motion re-appointing the auditors at a meeting of the Trustees on 30 November 2023.

Trustees' Report for the Year ended 31 March 2023

This report, including the strategic report, was approved by the Trustees on 30 November 2023 and signed on their behalf by:


Stephen Fox (Dec 2, 2023 12:56 GMT)

Stephen Fox

Chair of the Board of Trustees

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AVALON GROUP (SOCIAL CARE)

Opinion

We have audited the financial statements of Avalon Group (Social Care) (the 'charitable company') for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AVALON GROUP (SOCIAL CARE) (CONTINUED)

Other information

The other information comprises the information included in the Trustees' Report other than the financial statements and our Auditor's report thereon. The Trustees are responsible for the other information contained within the Trustees' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AVALON GROUP (SOCIAL CARE) (CONTINUED)

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the 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

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.

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:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charitable company through discussions with management and trustees, and from our knowledge and experience of this sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Companies Act 2006, Charities Act 2011, CQC regulations, safeguarding, health and safety, data protection and employment law;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and directors;
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by;

- making enquiries of management and directors as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

AVALON GROUP (SOCIAL CARE)
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AVALON GROUP (SOCIAL CARE) (CONTINUED)

To address the risks of fraud through management override controls, we:

- performed analytical procedures to identify any unusual or unexpected variances;
- tested journal entries to identify unusual transactions;
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims.

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

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.


Laura Masheder (Dec 8, 2023 13:42 GMT)

Laura Masheder (Senior statutory auditor)

for and on behalf of

BHP LLP

Chartered Accountants

Statutory Auditor

Rievaulx House

1 St Mary's Court

York

YO24 1AH

Date: Dec 8, 2023

AVALON GROUP (SOCIAL CARE)
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2023

		Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
	Note				
Income from:					
Donations and legacies	4	21,348	28,121	49,469	293,399
Charitable activities	5	11,504,506	-	11,504,506	11,250,543
Investments	6	17,892	-	17,892	891
Total income		11,543,746	28,121	11,571,867	11,544,833
Expenditure on:					
Charitable activities	7	11,530,438	18,219	11,548,657	11,524,356
Total expenditure		11,530,438	18,219	11,548,657	11,524,356
Net income		13,308	9,902	23,210	20,477
Transfers between funds	15	10,000	(10,000)	-	-
Net movement in funds		23,308	(98)	23,210	20,477
Reconciliation of funds:					
Total funds brought forward		1,911,509	15,530	1,927,039	1,906,562
Net movement in funds		23,308	(98)	23,210	20,477
Total funds carried forward		1,934,817	15,432	1,950,249	1,927,039

The Statement of Financial Activities complies with the requirements for an income and expenditure account under Companies Act 2006 and includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The notes on pages 22 to 39 form part of these financial statements.

AVALON GROUP (SOCIAL CARE)
(A company limited by guarantee)
REGISTERED NUMBER: 02976727

BALANCE SHEET
AS AT 31 MARCH 2023

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	11	6,952	-
Tangible assets	12	619,997	584,285
		626,949	584,285
Current assets			
Debtors	13	1,812,447	1,656,191
Cash at bank and in hand	19	1,400,714	1,962,266
		3,213,161	3,618,457
Creditors: amounts falling due within one year	14	(1,889,861)	(2,275,703)
Net current assets		1,323,300	1,342,754
Total net assets		1,950,249	1,927,039
Charity funds			
Restricted funds	15	15,432	15,530
Unrestricted funds	15	1,934,817	1,911,509
Total funds		1,950,249	1,927,039

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:


Stephen Fox (Dec 2, 2023 12:56 GMT)

Stephen Fox

Date: 30 November 2023

The notes on pages 22 to 39 form part of these financial statements.

AVALON GROUP (SOCIAL CARE)
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	18	(503,614)	(75,237)
Cash flows from investing activities			
Bank interest		17,892	891
Purchase of intangible assets		(13,370)	-
Purchase of tangible fixed assets		(62,460)	(44,382)
Net cash used in investing activities		(57,938)	(43,491)
Cash flows from financing activities			
Repayments of borrowing		-	(25,015)
Net cash provided by/(used in) financing activities		-	(25,015)
Change in cash and cash equivalents in the year		(561,552)	(143,743)
Cash and cash equivalents at the beginning of the year		1,962,266	2,106,009
Cash and cash equivalents at the end of the year	19	1,400,714	1,962,266

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1. General information

The Avalon Group is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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) (issued in October 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Avalon Group (Social Care) meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

2.2 Going concern

The Trustees have considered their forecasts of income and expenditure for the period to 31 March 2025 and subjected these forecasts to sensitivity analysis which shows that they have sufficient reserves to be able to continue for the foreseeable future. The Trustees therefore continue to adopt the going concern basis of preparation for these financial statements.

2.3 Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the charity's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6 Intangible assets and amortisation

Intangible assets are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

Amortisation is provided on the following basis:

Software licenses	- 33 % on cost
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.7 Tangible fixed assets and depreciation

Tangible fixed assets are capitalised when the cost is £500 or more and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Freehold property	- 2% straight line
Leasehold improvements	- over lease term
Motor vehicles	- 20% straight line
Fixtures and fittings	- 20% reducing balance
Office equipment	- 25% straight line

Freehold land is not depreciated.

2.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.10 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.11 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.12 Operating leases

Rentals paid under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.13 Pensions

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

2.14 Employee benefits

The cost of short-term employee benefits are recognised as a liability and an expense.

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

2.15 Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

3. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. Income from donations and legacies

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Donations	21,348	336	21,684	22,032
Grant income	-	27,785	27,785	271,367
	21,348	28,121	49,469	293,399
Total 2022	22,032	271,367	293,399	

5. Income from charitable activities

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Supported Living	7,256,804	7,256,804	6,793,497
Shared Lives	4,203,694	4,203,694	4,434,239
Other income	44,008	44,008	22,807
	11,504,506	11,504,506	11,250,543
Total 2022	11,250,543	11,250,543	

AVALON GROUP (SOCIAL CARE)
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

6. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Bank interest	17,892	17,892	891
Total 2022	891	891	

7. Charitable activities

	Supported living 2023 £	Shared lives 2023 £	Governance 2023 £	Total funds 2023 £	Total funds 2022 £
Staff and Providers	5,786,495	4,182,855	-	9,969,350	10,019,419
Housing	89,805	-	-	89,805	108,474
Premises	107,987	78,120	-	186,107	150,909
Office and Consumables	148,971	107,769	-	256,740	230,204
Compliance	13,940	10,084	-	24,024	11,666
Other Costs	8,781	6,353	-	15,134	31,827
Group Allocated (Support)	573,817	415,109	-	988,926	958,067
Audit (Governance Costs)	-	-	18,571	18,571	13,790
	6,729,796	4,800,290	18,571	11,548,657	11,524,356
Total 2022	6,539,044	4,971,522	13,790	11,524,356	

AVALON GROUP (SOCIAL CARE)
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

Group allocated costs breakdown

	2023	2022
	£	£
Staff and provider costs	804,739	805,044
Premises	55,226	36,742
Office and consumables	57,964	53,169
Compliance	-	12,391
Other	70,997	50,721
	988,926	958,067

8. Auditor's remuneration

	2023	2022
	£	£
Fees payable to the charity's auditor for the audit of the charity's annual accounts	14,270	10,700

AVALON GROUP (SOCIAL CARE)
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

9. Staff costs

	2023	2022
	£	£
Wages and salaries	6,079,452	6,089,898
Social security costs	526,992	480,233
Other pension costs	151,989	147,806
	<u>6,758,433</u>	<u>6,717,937</u>

The average number of persons employed by the charity during the year was as follows:

	2023	2022
	No.	No.
Support workers	240	246
Charitable activities	51	45
Management and administration of the charity	26	31
	<u>317</u>	<u>322</u>

The average headcount expressed as full-time equivalents was:

	2023	2022
	No.	No.
Support workers	136	157
Charitable activities	36	47
Management and administration of the charity	26	29
	<u>198</u>	<u>233</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

9. Staff costs (continued)

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2023	2022
	No.	No.
In the band £60,001 - £70,000	1	1
In the band £70,001 - £80,000	2	-
In the band £80,001 - £90,000	-	1

The value of pension contributions to staff within the above bands is £12,466 (2022: £8,416).

The total amount of employee benefits (including employer pension contributions and national insurance) received by key management personnel is £369,355 (2022: £307,088). Key management personnel comprise the senior management team as detailed on page 1.

10. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2022 - £NIL).

During the year ended 31 March 2023, expenses totalling £379 were reimbursed or paid directly to 2 trustees in relation to travel expenses (2022: £150 was reimbursed or paid directly to 2 trustees).

AVALON GROUP (SOCIAL CARE)
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

11. Intangible assets

	Software licenses £
Cost	
At 1 April 2022	35,730
Additions	13,370
At 31 March 2023	49,100
Amortisation	
At 1 April 2022	35,730
Charge for the year	6,418
At 31 March 2023	42,148
Net book value	
At 31 March 2023	6,952
At 31 March 2022	-

AVALON GROUP (SOCIAL CARE)
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

12. Tangible fixed assets

	Freehold property £	Short-term leasehold improvements £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
<i>Cost or valuation</i>						
At 1 April 2022	639,569	20,647	11,005	60,178	177,319	908,718
Additions	41,662	-	-	15,776	5,022	62,460
At 31 March 2023	681,231	20,647	11,005	75,954	182,341	971,178
<i>Depreciation</i>						
At 1 April 2022	103,759	2,519	11,005	48,186	158,964	324,433
Charge for the year	10,321	4,524	-	4,742	7,161	26,748
At 31 March 2023	114,080	7,043	11,005	52,928	166,125	351,181
<i>Net book value</i>						
At 31 March 2023	567,151	13,604	-	23,026	16,216	619,997
At 31 March 2022	535,810	18,128	-	11,992	18,355	584,285

Freehold land with a historic cost of £150,000 (2022: £150,000) is not depreciated.

AVALON GROUP (SOCIAL CARE)
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

13. Debtors

	2023	2022
	£	£
<i>Due within one year</i>		
Trade debtors	1,435,796	1,278,821
Other debtors	51,599	29,217
Prepayments and accrued income	325,052	348,153
	1,812,447	1,656,191

14. Creditors: Amounts falling due within one year

	2023	As restated 2022
	£	£
Trade creditors	320,543	152,593
Other taxation and social security	132,775	147,964
Other creditors	347,426	473,520
Accruals and deferred income	1,089,117	1,501,626
	1,889,861	2,275,703

For the purposes of comparability, payments made in advance totalling £274,496 have been moved from trade creditors in the comparative to accruals and deferred income.

	2023	As restated 2022
	£	£
Deferred income at 1 April 2022	285,644	21,171
Income deferred during the year	381,839	285,644
Amounts released from previous periods	(275,569)	(21,171)
	391,914	285,644

Deferred income relates to amounts received in advance of projects being undertaken or work completed.

AVALON GROUP (SOCIAL CARE)
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

15. Statement of funds

Statement of funds - current year

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2023 £
<i>Unrestricted funds</i>					
<i>Designated funds</i>					
Funds to strengthen the long term future of Avalon	229,038	-	(25,640)	-	203,398
Funding for beneficial significant IT projects	32,907	-	-	-	32,907
	<u>261,945</u>	<u>-</u>	<u>(25,640)</u>	<u>-</u>	<u>236,305</u>
<i>General funds</i>					
General funds	1,649,564	11,543,746	(11,504,798)	10,000	1,698,512
<i>Total Unrestricted funds</i>	<u>1,911,509</u>	<u>11,543,746</u>	<u>(11,530,438)</u>	<u>10,000</u>	<u>1,934,817</u>
<i>Restricted funds</i>					
Inclusion	250	-	-	-	250
Wakefield Rotary Club	100	-	-	-	100
Groundworks - Northallerton	-	1,000	-	-	1,000
Kirby Foundation grant	-	10,000	-	(10,000)	-
NYCC Mkt support grant	-	16,130	(16,130)	-	-
DMBC fuel prices support payment	-	655	(655)	-	-
Other restricted funds	12,303	336	(1,434)	-	11,205
Avalark Fundraising	2,877	-	-	-	2,877
	<u>15,530</u>	<u>28,121</u>	<u>(18,219)</u>	<u>(10,000)</u>	<u>15,432</u>
<i>Total of funds</i>	<u>1,927,039</u>	<u>11,571,867</u>	<u>(11,548,657)</u>	<u>-</u>	<u>1,950,249</u>

AVALON GROUP (SOCIAL CARE)
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

15. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 April 2021 £	Income £	Expenditure £	Balance at 31 March 2022 £
<i>Unrestricted funds</i>				
<i>Designated funds</i>				
Funds to strengthen the long term future of Avalon	229,038	-	-	229,038
Funding for beneficial significant IT projects	44,785	-	(11,878)	32,907
	<u>273,823</u>	<u>-</u>	<u>(11,878)</u>	<u>261,945</u>
<i>General funds</i>				
General Funds	<u>1,559,873</u>	<u>11,273,466</u>	<u>(11,183,775)</u>	<u>1,649,564</u>
<i>Total Unrestricted funds</i>	<u>1,833,696</u>	<u>11,273,466</u>	<u>(11,195,653)</u>	<u>1,911,509</u>
<i>Restricted funds</i>				
Inclusion	250	-	-	250
Wakefield Rotary Club	100	-	-	100
Ship Drop-In	1,011	-	(1,011)	-
Infection control grants	54,792	63,985	(118,777)	-
WICS grants	-	104,600	(104,600)	-
WRRF grants	-	72,074	(72,074)	-
Middlesbrough covid grant	-	14,440	(14,440)	-
National living wage grants	-	11,982	(11,982)	-
Other restricted funds	4,986	8,136	(5,819)	7,303
Skipton Fundraising	5,000	-	-	5,000
Wakefield Rapid Testing Fund	3,850	(3,850)	-	-
Avalark Fundraising	2,877	-	-	2,877
	<u>72,866</u>	<u>271,367</u>	<u>(328,703)</u>	<u>15,530</u>
<i>Total of funds</i>	<u>1,906,562</u>	<u>11,544,833</u>	<u>(11,524,356)</u>	<u>1,927,039</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

Description of funds

Designated funds

Funds to strengthen the long term future of Avalon - Investments in new services to increase the security and longevity of Avalon. It is anticipated that this fund will be used within the next 2 years, subject to financial scrutiny and Board approval.

Funding for beneficial significant IT projects - Investments to eventually save management time in localities. Short term funding would be required to reap the benefits. It is anticipated that this fund would be spent by the end of May 2024 at the latest.

Restricted funds

Inclusion - donations received from The Yorkshire & Clydesdale Bank Foundation (£50) and Dickinson Dees Solicitors of York (£250) intended to fund the activities of Bubble Enterprises.

Wakefield Rotary Club - a grant for the set up costs of the social group opened for our customers in Wakefield.

Ship Drop-In - donated for social events for customers attending dementia services in Northallerton.

Infection control grants - funding from various local authorities for the purpose of measures introduced to reduce infection control risk across the services.

WICS grants - Workforce Integrated Care service: local authority grant funding to pay front line staff an additional payment.

WRRF grants - Workforce Development, Recruitment and Retention funding from local authorities.

Middlesborough COVID grant - local authority funding to support the workforce during the pandemic.

National Living Wage grants - local authority funding to support the payment of front line workers.

Groundworks - Northallerton - grant received for the purpose of funding Northallerton Day Service Equipment.

Kirby Foundation grant - grant received for the purpose of refurbishing the Harrogate office.

NYCC Mkt support grant - grant received for the purpose of recruiting Support Workers.

DMBC fuel prices support payment - grant to contribute to Support Work Pay in Doncaster.

Avalark Fundraising - donated monies and fundraising held for the use of each locality office and their customers.

Wakefield Rapid Testing Fund - local authority grant funding for the purpose of additional time/costs incurred on rapid flow testing staff.

Other Restricted funds - includes Harrogate/ Northallerton/ Scarborough/ Teesside/ West Yorkshire/ Northallerton/Skipton and Head office locality fundraising held for the use of each locality office and their customers. Also includes Northallerton Covid-19 communities fund, Out and About fundraising and Middlesborough SHL Recruitment funding.

AVALON GROUP (SOCIAL CARE)
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

Transfers between funds of £10,000 have been made from restricted funds to unrestricted funds to account for the purchase of tangible fixed assets in line with the restrictions of the funds.

16. Summary of funds

Summary of funds - current year

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2023 £
Designated funds	261,945	-	(25,640)	-	236,305
General funds	1,649,564	11,543,746	(11,504,798)	10,000	1,698,512
Restricted funds	15,530	28,121	(18,219)	(10,000)	15,432
	<u>1,927,039</u>	<u>11,571,867</u>	<u>(11,548,657)</u>	<u>-</u>	<u>1,950,249</u>

Summary of funds - prior year

	Balance at 1 April 2021 £	Income £	Expenditure £	Balance at 31 March 2022 £
Designated funds	273,823	-	(11,878)	261,945
General funds	1,559,873	11,273,466	(11,183,775)	1,649,564
Restricted funds	72,866	271,367	(328,703)	15,530
	<u>1,906,562</u>	<u>11,544,833</u>	<u>(11,524,356)</u>	<u>1,927,039</u>

17. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	619,997	-	619,997
Intangible fixed assets	6,952	-	6,952
Current assets	3,197,729	15,432	3,213,161
Creditors due within one year	(1,889,861)	-	(1,889,861)
Total	<u>1,934,817</u>	<u>15,432</u>	<u>1,950,249</u>

AVALON GROUP (SOCIAL CARE)
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

17. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	584,285	-	584,285
Current assets	3,602,927	15,530	3,618,457
Creditors due within one year	(2,275,703)	-	(2,275,703)
Total	1,911,509	15,530	1,927,039

18. Reconciliation of net movement in funds to net cash flow from operating activities

	2023 £	2022 £
Net income for the year (as per Statement of Financial Activities)	23,210	20,477
Adjustments for:		
Depreciation charges	26,748	18,969
Amortisation charges	6,418	143
Bank interest	(17,892)	(891)
(Increase)/decrease in debtors	(156,256)	(260,846)
(Decrease)/increase in creditors	(385,842)	146,911
Net cash (used in)/provided by operating activities	(503,614)	(75,237)

19. Analysis of cash and cash equivalents

	2023 £	2022 £
Cash in hand	1,400,714	1,962,266
Total cash	1,400,714	1,962,266

AVALON GROUP (SOCIAL CARE)
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

20. Analysis of changes in net debt

	At 1 April 2022	Cash flows	At 31 March 2023
	£	£	£
Cash at bank and in hand	1,962,266	(561,552)	1,400,714
	<u>1,962,266</u>	<u>(561,552)</u>	<u>1,400,714</u>

There was no debt at the current or previous year end.

21. Pension commitments

The charity operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund. The amount recognised as an expense in the period was £151,989 (2022: £147,806). Contributions totalling £20,095 (2022: £23,968) were payable to the fund at the balance sheet date and are included in creditors.

22. Operating lease commitments

At 31 March 2023 the charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2023 £	2022 £
Not later than 1 year	62,652	73,521
Between 1 and 5 years	90,929	152,706
	<u>153,581</u>	<u>226,227</u>

23. Related party transactions

There have been no related party transactions during the year.

In the prior year, £6,130 was paid to Deans Computer Services PLC for IT services, a company where a former Trustee, Barry Rankin, is a Director. Barry Rankin resigned on 26 August 2021, transactions after this date were not included in this figure.

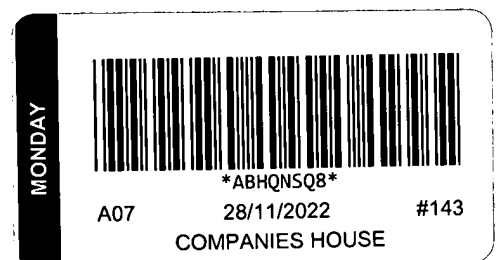
AVALON GROUP (SOCIAL CARE)

England & Wales - Charity number 1048236

Accounts

AVALON GROUP (SOCIAL CARE)
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022



AVALON GROUP (SOCIAL CARE)
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AVALON GROUP (SOCIAL CARE)
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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2022

Stephen Fox, Chair of the Board⁷
Karen Tyrell³
Sandra Frier^{2,8}
Joseph Bradley^{1,4,8}
Susan Howard⁶
Melvyn Ellis⁵
Susan Carr⁶
Mohammed Arif Awan (appointed 11 November 2021)^{4,6}
Alistair How (appointed 6 December 2021)²
John Moore (appointed 11 November 2021)⁴
Barry Rankin (resigned 26 August 2021)⁴
Janice Gowing (resigned 26 August 2021)⁶

- ¹ Chair of Audit and Risk Committee
² Member of Audit and Risk Committee
³ Chair of Business Development and Fundraising Committee
⁴ Member of Business Development and Fundraising Committee
⁵ Chair of People Committee
⁶ Member of People Committee
⁷ Chair of Remuneration Committee
⁸ Member of Remuneration Committee

Company registered number	02976727
Charity registered number	1048236
Registered office	6 Grove Park Court Harrogate HG1 4DP
Independent auditor	BHP LLP Chartered Accountants Rievaulx House 1 St Mary's Court York YO24 1AH
Solicitors	Hempsons The Exchange Station Parade Harrogate HG1 1DY
Senior management team	Larry Hollando, Chief Executive Officer and Company Secretary Emma Williams Dan Blackith Robbie Wright (until June 2021) Bev Wilson (from June 2021)

Trustees' Report for the Year ended 31 March 2022

I am pleased to present our Annual Report and Accounts for the year ended 31 March 2022 which provide a full summary of the year's activities.

Over the last year, Avalon's most significant achievement has been to continue to deliver high-quality support services to our customers in the face of the continued exceptional challenges posed by the Covid-19 pandemic. As always, I would like to begin by thanking all our staff, Shared Lives carers, customers, families and trustees for their hard work and dedication as we continued to navigate through the demands of the ongoing health emergency. We now emerge from the year stronger and I have been humbled by the compassion, resilience and integrity of all our people who remain steadfast in their mission to provide the best possible support to those who need it, working tirelessly to keep customers and colleagues safe and well.

Our priority continues to be the wellbeing of all our people, particularly in light of the significant resource pressures experienced by the sector during the second half of the year. Wellbeing initiatives rolled out included the Mindful Employer Charter, Mental Health First Aiders training and a Wellbeing Support pack for all employees. Recruitment and retention initiatives such as the Welcome Bonus, an improved and expedited recruitment process and a review of the core benefits package have yielded results but this remains a key pressure for the charity.

Shared Lives is also a key priority at Avalon both in terms of ensuring the safety and wellbeing of our customers and carers and also growing the service to reach further and meet a wider range of needs in the community such as Mental Health and Transitions. The service is being developed to better meet respite needs across the localities, further supporting families and customers' wellbeing.

Alongside front line activities, Avalon continues to invest in and improve its support services to allow colleagues to work more efficiently. An example of this was the roll-out of Microsoft Teams following a cloud migration project. This forms the platform for the digitalisation process so that our people can spend more time adding value in their role and not on paperwork.

The year sees the Avalon Group Strategic Plan 2019-2022 draw to a close and reflecting on our successes and lessons learned provides a solid foundation for the creation of the next three year plan. A Board strategy day held in March 2022 focussed on our long-term organisational growth and development in the context of a volatile external environment. The implementation of the 2022 Three Year Plan is now well underway and the experience and resilience we have developed over the last year will be integral in delivering continual improvement across the organisation to ensure we provide high quality and responsive support in the years to come.

For more information on all topics please visit our website, where you will find more stories, details of the support we can provide, details on our Covid-19 response and also how to contact your local Avalon office.

Stephen Fox

Chair of Trustees

Trustees' Report for the Year ended 31 March 2022

The trustees present their annual report together with the audited financial statements of the Avalon Group (Social Care) (the company) for the year ended 31 March 2022.

Reference and administrative information set out on page 1 forms part of this report. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" in preparing the annual report and financial statements of the charity. The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 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 published in October 2019.

A. Avalon's Objectives and Activities

Purposes and aims

Avalon Group's vision is to be recognised as a high quality social care provider in the North of England, providing Community Support and Shared Lives services to disabled people of a working age, older adults and young people in transition.

Our mission is to enable people to live fulfilling lives in the community. This means tackling loneliness, promoting choice, control and independent living, and empowering people to live the lives they want to live.

In order to make this vision a reality, we are committed to the following values which influence our strategic priorities and guide our day to day work:

- Respect
- Integrity
- Learning & Reflection
- Working Together
- Quality

The charity reviews its aims, objectives and activities each year to ensure it remains focused on its stated purposes. This report looks at what the charity has achieved and the outcomes of its work within the previous twelve months. The trustees report on the success of each key activity and the benefits they have brought to those groups of people the charity was set up to support.

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and when planning its future activities.

Strategic Report

B. Achievements and performance

During the year ended 31 March 2022, the Avalon Group supported more than 500 people with learning disabilities, people living with dementia and/or mental health challenges, commissioned by 19 Local Authorities and NHS Clinical Commissioning Groups across Yorkshire and the North East of England. Services included Supported Living services, Community Support and Shared Lives. We supported people with a wide spectrum of needs, from mild to moderate learning disabilities to people with profound and multiple learning disabilities, sensory and physical disabilities and complex health needs.

Trustees' Report for the Year ended 31 March 2022

B. Achievements and performance - continued

Key successes in the year include:

- **Good CQC ratings** – all locality offices have continued to be rated “Good” in the year with Teesside receiving “Outstanding” in one line of enquiry.
- **Satisfaction surveys** – provides vital insight into our performance from the perspective of our key stakeholders. Examples of feedback are:
 - 97% of our customers were satisfied with our overall support
 - 95% of our customers would recommend us to a friend
 - 90% of our staff agree they play an important part in helping us to achieve our vision
 - 88% of our staff feel motivated to give their best
 - 70% of our staff agree that Avalon supports them to be their best.
- **Consolidation of work** – during the year we were successful in joining the Hull DPS Supported Living framework. We were also successful in retaining the Wakefield My Life services contract. This reflects our strong reputation for providing both community support and shared lives services.

Set out below is a summary of the specific activities from the year 2021-22 along with the objectives we set for that year.

Strategic objective	Activities planned	Activities performed
Excellence - to provide high quality care and continue to develop relationship based social care and create personalised support.	• Relaunch Avalink and continue to explore opportunities to work in close collaboration with customers • Develop a fresh website and a new marketing approach (including branding) to reflect the new identity of the charity, in consultation with customers and staff • Strategic KPI – At least 90% overall satisfaction across the staff, carer and customer annual surveys	• Avalink Committee continues to support localities to facilitate meaningful user-led participation in Avalon’s ongoing development. Face to face meetings were replaced with Zoom meetings during lockdown and support focused on improving digital skills. Funding was obtained during the year from Froneri which will be used to appoint a part-time Avalink co-ordinator so that specific resource is focussed on delivering this planned activity. • New website designed in partnership with internal stakeholders, including a large focus on accessibility, with Accessible plug-in ensuring users can personalise their accessible experience, as well as browse aloud functionality on each page. Site was launched in March 2022. • Customer satisfaction overall was 96%, with staff overall figure 80% and carer figure at 80%

Trustees' Report for the Year ended 31 March 2022

Strategic objective	Activities planned	Activities performed
People - create a culture that allows people to flourish and provide a positive environment where people have the tools, support and skills they need.	• Work with the People Committee to implement our People Plan including: • Excellence in supporting internal stakeholders with wellbeing initiatives • Establish an Agile Working Policy, in consultation with staff • Continue to expand staff benefits, and publish • Improve recruitment process to ensure Operational Staff can achieve growth levels	• Wellbeing Initiatives Renewed Mindful Employer Charter and trained the first cohort of employees across all localities to be Mental Health First Aiders. Mental Health Support pack for employees was created and rolled out New wellbeing section on the benefits portal was launched providing a wide range of advice, support and signposting. • Agile Working Policy Following staff consultation, the policy was shaped and rolled out to meet the needs of Avalon at the time. • Staff Benefits A new benefits portal has been launched which gives easy access to all Avalon benefits including a new benefit partnership with O2 and the Blue Light card. • Improve Recruitment Process Dedicated HR resource has been put in place to lead on some recruitment activities to aid consistency, speed of response and to free up operational time The application and refer a friend schemes on the Avalon website have been streamlined considerably, to speed up and simplify the application process • DocuSign was implemented to automate part of the recruitment on-boarding process. As a result, information gets out to and returned to the applicant quicker (on average 3 days) and increases the quality of the information.

Trustees' Report for the Year ended 31 March 2022

Strategic objective	Activities planned	Activities performed
Social care – contribute to the shaping of social care, ensuring our offer reflects the evolving needs of the social care sector.	- Informed by intelligence in each area, establish a locality Service Offer detailing what can be delivered in each location, this will include mental health and dementia where possible. - Complete and implement changes in our approach to Shared Lives, including recruitment of shared lives carers, respite payments review processes. - Progress Housing Strategy transferring lease responsibility to Housing Providers and developing additional supported living in localities where needs have been identified. - Explore opportunities to establish services in neighbouring areas as well as expanding in current localities. - Strengthen our mental health offer and relationships with mental health commissioners	- We continued to work in partnership with Golden Lane Housing Association to transfer direct customer tenancies for supported living properties to as well as to identify new development opportunities to improve customers' housing provision. Shared Lives we received £1,000 grant from Shared Lives Plus to fund development of new training, and £2,500 from Middlesbrough Council to test new innovations in recruitment of Shared Lives carers via online paid avenues. Hull City Council invited us to apply to their DPS Supported Living framework, which we were successfully appointed to. This allows us the opportunity to consider expansion to this new neighbouring locality, and we have since established working relationships with housing providers to attempt to find suitable supported living solutions. - The Directors continue their active membership of key working groups such as VODG, ARC and the ICG with the aim of influencing and helping shape future models of care.
Continuous improvement – continue to modernise working practice that meets the needs of colleagues and customers.	- Digital Transformation - Conduct reviews of core business processes of the charity moving to implement digital solutions where possible. - Work with new ICT Provider to improve connectivity, reduce reliance on current physical server and introduce Microsoft Office 365. - Review Health & Safety policies and its management arrangements.	ICT modernisation activities in the year included: - Migration of the on-premise server to a cloud-based solution and the roll-out of Microsoft Teams to all Avalon staff. - Continued development of the rota system "Carefree" to facilitate increased digital solutions such as communicating shifts and reduced reliance on paper. New locality offices were identified and moved into at Northallerton and Scarborough providing more accessible office space with improved connectivity. Health & Safety training was provided by Hettle Andrews to the senior management team in addition to existing in-house training, alongside a review of Health & Safety policy framework. Avalon continues to hold its CHAS accreditation.

Trustees' Report for the Year ended 31 March 2022

Strategic objective	Activities planned	Activities performed
Sustainability – continue to develop and invest in new initiatives which are appropriate to our core business and values.	• Clear plans to deal with any risks associated with loss of income due to loss of contracts. • Generate £200k in additional funding from grant funds and other form of fundraising.	In September 2021 we began work on the new Avalon 3 year strategy (incorporating Business Development). The new Plan was signed off in March 2022 to begin delivery in 2022/23 year. During the year 2021/22 we followed the existing strategic plan for Business Development, which included the following activities: • Maintain existing key contracts – Over the past 12 months this has continued to have a large focus on retention of the retender of the NYCC Shared Lives contract, working with the council to continue to innovate and improve service elements such as recruitment, matching, referrals process and new respite options. We also retained the two key contracts that came for retender in the year: York PPA and Wakefield My Life. • Seek new work in identified areas for development – With a focus on the increase in Supported Living delivery; establishing relationships with developers, RSLs and Housing Associations to identify potential properties. We have opened 1 Supported Living property in Doncaster, and have another in development for launch 2022/23. • Seek relevant grant funding – In particular looking for funding which is unrestricted, and can support the whole organisation. During the year we received £134,750 in grants (including the ongoing £96,000 Google advertising grant which comes in the form of free PPC advertising throughout the year). • Develop partner projects – To enhance our organizational offering and support the submission of future tenders and grant applications we work successfully in partnership with reputable providers (e.g. Shared Lives Plus, Good Things Foundation, AbilityNet, Dementia Forward) • Support organisational development – Assisting localities with their own growth plans through the quarterly locality business review process, and supporting internal process improvements such as recruitment, retention and assessment processes.

Trustees' Report for the Year ended 31 March 2022

C. Financial Review

Avalon continues to operate in a financially challenging environment, as wage costs increase and pressures on funding escalate across the sector. Despite this, we generated an unrestricted surplus for the year of £77,813 (2021: £187,895). Net movement in restricted funds in the year was a deficit of £57,336 (2021: surplus of £43,388).

Income from charitable activities was £11.3m (2021: £11.3m) for the year ended 31 March 2022. Income from supported living and community support increased marginally to £6.8m from £6.6m in 2021, whilst Shared Lives income fell to £4.4m from £4.6m at 31 March 2021.

Free reserves at 31 March 2022 are £1,065,279 compared to £1,025,873 at 31 March 2021.

In addition to our surplus, our cash position remains strong at £1,962,266 (2021: £2,106,009) reflecting the change in payment profile during Covid-19 when a number of local authorities moved to paying planned delivery one month in advance.

Risk

The Avalon Group's principal objectives for managing risks are to:

- aid achievement of its strategic objectives
- ensure business continuity and service to its customers
- protect the organisation's wider reputation and other assets
- sustain its commercial viability
- be compliant with statutory and regulatory obligations

We have identified the principal High Risks at 31 March 2022 as:

Risk	Mitigants
Staff recruitment remains a challenge (on occasions, we are forced to turn down new work due to insufficient staff). The risk is compounded by staff availability during Covid-19 and puts significant pressure on delivery teams.	• Creative and tailored recruitment solutions such as Facebook adverts. • Regular review of staff pay linked to new National Living Wage requirements. • Use of agency staff where available. • Welcome bonus and refer a friend schemes launched and readvertised.
Contract income risk - Large contracts and frameworks continue to be commissioned on a rolling basis, typically on a 3-5 year basis.	• Avalon retains a strong reputation with all commissioners through ongoing quality of performance and good relationships with all local authorities. • When there is a significant contract due for renewal or retender, Avalon takes a proactive approach in retaining the contract balanced with scenario planning for any loss of income to ensure we remain sustainable as a charity.
Increased work pressure of pandemic leads to reduction in quality and compliance manifesting in poor service delivery and/or inadequate CQC rating.	• Quality compliance monitoring remains a priority for Operational teams supplemented by Internal Audit reviews on a 6 monthly basis. • Regular client satisfaction surveys and Compliments & Complaints monitoring identify issues early to ensure resource is allocated as necessary. • Avalon is prepared to return work to commissioners as a last resort where it is felt a safe service can no longer be provided.

Trustees' Report for the Year ended 31 March 2022

C. Financial Review - continued

Risk	Mitigants
Significant reputational damage e.g. resulting from a safeguarding arising from unsuitability of staff & carers and high turnover of support workers or an external event impacting Avalon's brand/image.	• Operations Reporting Group carefully examines all incidents for lessons learned, themes and improvement observations. • Safeguarding policy and training enhanced to include making safeguarding personal and relevant to customer groups. • Summary of safeguarding events reported at Board level.
Tender risk Current tender activity is short notice, failing services where existing providers are unable to continue. This increases the risk of safely delivering the service and around TUPE and staffing.	• All tender submissions managed centrally by the Business Development manager with full involvement of Directors of Operations, People and Finance and the CEO. • Price submissions include full cost recovery incorporating full risk assessment of service by Operations Directors.
IT Infrastructure is not fit for purpose for example, due to ageing hardware, cyber threat and outdated working practices.	• A cloud migration project is virtually complete mitigating the risk of the sustainability of the on-premise server. • Avalon is working with the ICT outsource provider to stabilise the new operating infrastructure +such that the risk of business interruption is reduced.

Our Risk Register contains detailed explanations for each risk, a score for both impact and likelihood and the existing mitigants, which reduce our exposure to the overall risk.

Principal funding sources

The majority of our funding is from Local Authorities who continue to face their own challenges in relation to availability of funding at the same time as an increase in demand from those in need. We continue to work well with the local authorities, building on solid relationships to work together through these pressures.

Fundraising

The Avalon Group does not engage in large scale levels of public fundraising and does not use professional fundraisers or commercial participators. The charity nevertheless observes and complies with the relevant fundraising regulations and codes. During the year there was no non-compliance of these regulations and codes and the charity received no complaints relating to its fundraising practice.

Trustees' Report for the Year ended 31 March 2022

C. Financial Review - continued

Reserves Policy

Free reserves at 31 March 2022 are £1,065,279 (2021: £1,025,873). These are the net funds of £1,927,039 available after deducting fixed assets (which have no associated bank loans) of £559,015, Restricted Funds of £15,530 (2021: £72,866) and Designated Funds of £261,945.

The trustees have reviewed the level of reserves required to take account of known liabilities and possible contingencies. The Risk Register is reviewed on a regular basis and informs the Reserves Policy to ensure that we consider funds that enable us to deal with situations in a sustainable way, for example the loss of a major contract, a short term cash flow problem due to late payment for a significant contract or the long term sickness of a key member of staff.

The required reserves estimate at 31 March 2022 remains at £1,009,200, following a review this year to ensure that potential additional risks to our operations arising from the pandemic are incorporated into this value. This means that our free reserves at 31 March 2022 exceed our target reserves by £56,079. Given the current economic climate and the continued uncertain environment presented by Covid-19, the trustees consider this to be a prudent position.

At 31 March 2016 we created the Designated Fund of £200,000. This was to enable us to strengthen the organisation through both an ICT modernisation programme and expansion via business opportunities that fit with our priorities and core values. In the year ended 31 March 2021 -designated funds were increased by a further £100,000 for the purpose of funding future projects which develop Avalon's organisational infrastructure. In the year ended 31 March 2022 no further resource was allocated to Designated Funds.

Our Reserves policy, which has been reviewed this year, also states that reserves should be held in the form of cash and near cash investments. We review our Reserves policy at least annually and more frequently if we perceive there are significant changes in our risk exposure.

D. Plans for future periods

Changes in the sector continually require us to revisit strategic priorities and ways of working. As the three year Strategy drew to a close in March 2022, planning the new Three Year Plan for the period 2022/23 to 2025/26 began during the year.

This work involved a full review of our strategic direction, starting with our Vision, Mission and Values, and encompassing all elements of the business model to agree collectively and in collaboration with all internal stakeholders where the charity's future priorities lie.

From April 2022 we are working to the following statements:

Vision: The people we support will achieve their best life experience

Mission: We provide inclusive, personalised support in our local communities, helping individuals and families to improve their lives every day

Values:

- We are kind and respectful to everyone
- We are honest and trustworthy
- We are always learning and developing
- We are inclusive; everyone has a voice
- We work in partnership with our communities

Trustees' Report for the Year ended 31 March 2022

D. Plans for future periods - continued

Our plan is split into five pathways, which allow us to achieve our vision. The table below sets out the key plans associated with each pathway

Pathway	Activities planned
<i>The right people</i> – Referring to staff, carers, trustees and our partners, having the right people in place who understand and support our vision will support its achievement	• Review career progression of all roles, with initial focus on Support Co-ordinators and Support Workers • Development of Management training offer and tailored training for Shared Lives carers • Establish new employee forum and EDI working group • Continual review of staff reward package to remain competitive
<i>A sustainable future</i> – Ensuring the financial sustainability of our charity through investing in the future, making the best of our reserves and creating a diverse portfolio of contracted work	• Investment strategy • Retention of key contracts • Ongoing financial and business reviews of each locality
<i>Meeting local need</i> – responding to the needs of local authorities, developing additional community services and taking a generous community approach	• Develop Avalon's community presence, including new local Community Champions and generous sharing of resources and facilities with local partners • Developing existing services to meet local need • Developing Shared Lives, including new pilot respite project in North Yorkshire and broadening customer groups
<i>Embracing technology</i> – completing an organisation wide digital transformation which will see us become a paperless organisation with efficient and effective business systems, and enhanced use of technology enabled care/assistive technology	• Digitalisation of care records • Launch and rollout of all employee intranet • Maximise use of Carefree rota/reporting software • Digitalised onboarding/new starter process • Technology Champions locally to support pro-active use of assistive technology and digital first solutions for our customers
<i>Growing and developing</i> – committing to the development of more good quality housing, offering a wide range of support services including dementia and mental health and making Avalon the first choice for families across our localities	• Growing our Shared Lives service through recruitment of new carers, promotion of the referrals process for local teams, and seeking to grow into new geographical areas where commissioning allows • Transitions project to support young people reaching adulthood to be able to confidently access support services that will best benefit them (whether Supported Living, Community Support or Shared Lives) – working in partnership with council transitions teams • Growth of supported living through pro-active search and development of suitable properties across our localities • Creating an external training offer • Developing a bespoke dementia service based on research of evidenced local need

Trustees' Report for the Year ended 31 March 2022

E. Structure, Governance and Management

Legal

The Avalon Group is a charitable company limited by guarantee.

- The company was incorporated on 7 October 1994 with the name Adult Placement Services Ltd, trading under the name The Avalon Group. On 12 November 2020 a special resolution was passed to change the legal entity name Avalon Group (Social Care).
- The company was registered as a charity on 26 July 1995. In the event of the Company being wound up, each member is required to contribute an amount not exceeding £1.
- The company was established under a Memorandum of Association dated September 2002 which established the objects and powers of the charitable company and is governed under its Articles of Association.
- On 12 November 2020 updated Articles of Association were adopted by Special Resolution.

Responsibility of the Board and Committees

The Trustees (who are also Directors of Avalon for the purposes of company law) are responsible for preparing the Trustees' Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the 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;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue on that basis.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Key Management Pay and Remuneration

Pay for senior managers is determined by reference to market salary rates, taking into account individual's experience and skills. Pay scales are set for all posts within Avalon, including those of senior managers. The Remuneration Committee agrees the pay for all Directors and also any major changes to pay scales for other staff.

Trustees' Report for the Year ended 31 March 2022

E. Structure, Governance and Management - continued

Employment of the Disabled

Avalon holds and works to the Disability Confident Committed employer standards. These include ensuring our recruitment process is inclusive and accessible by advertising using diverse methods, and accepting applications in different formats. Avalon promotes being committed to offering an interview to anyone who meets the minimum standards of the role specification to someone who declares they have a disability. Avalon ensure that reasonable adjustments are considered and put in place where practical and necessary for interviews, such as using video technology or allowing additional time for practical tasks.

Avalon have also created a more blended training offer to make training more accessible for people with disabilities, by utilising technology through eLearning and online webinars. Training has also been tailored to meet the needs of particular individuals or groups, such as providing face to face training in a specific location or providing one to one training to allow more dedicated time to focus on a particular area. Line managers will work closely with the L&D team to ensure that the particular training needs for disabled individuals are understood and met, which are identified through 1:1 supervisions.

Avalon provides a suite of training to staff, including a number of Mental Health sessions, Equality & Diversity and Recruitment, which all focus on providing support to disabled colleagues. In addition to this, Avalon has trained over 10% of the workforce in Mental Health First Aid to provide additional support to employees, has signed the Mindful Employer charter, acquired the Mental Health Committed Employer standard. A partnership with Able Futures has commenced to provide confidential mental health support to our employees and Avalon has worked closely with occupational health and Access to Work to ensure that disabled colleagues are provided with the resources they need to do their job.

Statement of Trustees

In accordance with company law, we, the company's Directors, certify that as far as we are aware, there is no relevant audit information of which the company's auditor is unaware. In addition, the Directors have taken all the necessary steps that they ought to have taken as Directors, in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

After making appropriate enquiries, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

Committees

There are four Committees, made up of Trustees and senior managers:

- i. **Audit and Risk Committee** – provides oversight, review and advisory role to the Board on all financial affairs of Avalon.
- ii. **Business Development and Fundraising Committee**- provides oversight, review and an advisory role to the Board on the Business Development strategy and its implementation.
- iii. **Remuneration Committee** – provides oversight, review and an advisory role to the Board on the remuneration of the CEO and staff within Avalon.
- iv. **People Committee** – provides oversight, review and an advisory role to the Board on the People Strategy and its progress.

Trustees' Report for the Year ended 31 March 2022

E. Structure, Governance and Management - continued

Recruitment and Appointment to the Board

Under the requirements of the Memorandum and Articles of Association, the Trustees are elected to serve for 3 years and retire by rotation. Retiring Trustees, if willing to continue to serve, may be re-elected by members' resolution.

In 2022 we welcomed 3 new Trustees whose experience and expertise, along with their passion for adult social care, added additional strength to our Board.

Trustee Training and Induction

The Board of Trustees regularly reviews the skills and expertise of the group. This is led by the Chair in consultation with the Chief Executive Officer. The recruitment process for Trustees aims to fill the identified voids and the key skills necessary to support the organisation's strategic needs.

The number of Trustees is subject to a minimum of 3 members with no maximum. Each prospective trustee is interviewed initially by the Chief Executive Officer and the Chair of the Board. If successful, they undergo a full induction programme including meeting with Avalon staff, as well as being provided with ongoing training and an information pack.

Voluntary support

The Trustees involvement with Avalon is in a purely voluntary capacity. The Trustees provide a range of skills, including but not limited to; legal matters, new and existing business growth strategies, good governance and risk strategies.

No Trustee has received any remuneration in the current or previous year for these activities. During the year to 31 March 2022 we paid Trustees expenses of £150 (2021: £nil), which was to cover travel and mileage charges.

Auditor

The auditor, BHP, Chartered Accountants, have indicated their willingness to continue in office. The Designated Trustees will propose a motion re-appointing the auditors at a meeting of the Trustees on 4 October 2022.

This report including the strategic report was approved by the Trustees on 4 October 2022 and signed on their behalf by:


.....
Stephen Fox
Chair of the Board of Trustees

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AVALON GROUP (SOCIAL CARE)

Opinion

We have audited the financial statements of Avalon Group (Social Care) (the 'charitable company') for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AVALON GROUP (SOCIAL CARE) (CONTINUED)

Other information

The other information comprises the information included in the Trustees' Report other than the financial statements and our Auditor's report thereon. The Trustees are responsible for the other information contained within the Trustees' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AVALON GROUP (SOCIAL CARE) (CONTINUED)

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the 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

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.

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:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charitable company through discussions with management and directors, and from our knowledge and experience of this sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Companies Act 2006, Charities Act 2011, CQC regulations, safeguarding, health and safety, data protection and employment law;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and directors;
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by;

- making enquiries of management and directors as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AVALON GROUP (SOCIAL CARE) (CONTINUED)

To address the risks of fraud through management override controls, we:

- performed analytical procedures to identify any unusual or unexpected variances;
- tested journal entries to identify unusual transactions;
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for>. This description forms part of our Auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Jane Marshall (Oct 5, 2022 14:19 GMT+1)

Jane Marshall (Senior statutory auditor)

for and on behalf of

BHP LLP

Chartered Accountants

Statutory Auditor

Rievaulx House

1 St Mary's Court

York

YO24 1AH

Date: Oct 5, 2022

AVALON GROUP (SOCIAL CARE)
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2022

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:					
Donations and legacies	4	22,032	271,367	293,399	262,829
Charitable activities	5	11,250,543	-	11,250,543	11,263,338
Investments	6	891	-	891	474
Other income	7	-	-	-	74,429
Total income		11,273,466	271,367	11,544,833	11,601,070
Expenditure on:					
Charitable activities	8	11,195,653	328,703	11,524,356	11,369,787
Total expenditure		11,195,653	328,703	11,524,356	11,369,787
Net movement in funds		77,813	(57,336)	20,477	231,283
Reconciliation of funds:					
Total funds brought forward		1,833,696	72,866	1,906,562	1,675,279
Net movement in funds		77,813	(57,336)	20,477	231,283
Total funds carried forward		1,911,509	15,530	1,927,039	1,906,562

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 22 to 41 form part of these financial statements.

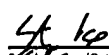
AVALON GROUP (SOCIAL CARE)
(A company limited by guarantee)
REGISTERED NUMBER: 02976727

BALANCE SHEET
AS AT 31 MARCH 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	12	-	143
Tangible assets	13	584,285	558,872
		584,285	559,015
Current assets			
Debtors	14	1,656,191	1,395,345
Cash at bank and in hand		1,962,266	2,106,009
		3,618,457	3,501,354
Creditors: amounts falling due within one year	15	(2,275,703)	(2,153,807)
Net current assets		1,342,754	1,347,547
Total net assets		1,927,039	1,906,562
Charity funds			
Restricted funds	16	15,530	72,866
Unrestricted funds	16	1,911,509	1,833,696
Total funds		1,927,039	1,906,562

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:


 Stephen Fox (Oct 4, 2022 17:25 GMT+1)
Stephen Fox

Date: 4 October 2022

The notes on pages 22 to 41 form part of these financial statements.

AVALON GROUP (SOCIAL CARE)
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	19	(75,237)	1,157,016
Cash flows from investing activities			
Bank interest		891	474
Purchase of tangible fixed assets		(44,382)	(345)
Net cash (used in)/provided by investing activities		(43,491)	129
Cash flows from financing activities			
Repayments of borrowing		(25,015)	(25,028)
Net cash used in financing activities		(25,015)	(25,028)
Change in cash and cash equivalents in the year		(143,743)	1,132,117
Cash and cash equivalents at the beginning of the year		2,106,009	973,892
Cash and cash equivalents at the end of the year	20	<u>1,962,266</u>	<u>2,106,009</u>

The notes on pages 22 to 41 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

1. General information

The Avalon Group is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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) (issued in October 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Avalon Group (Social Care) meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

2.2 Going concern

The Trustees have considered their forecasts of income and expenditure for the period to 31 March 2024 and subjected these forecasts to sensitivity analysis which shows that they have sufficient reserves to be able to continue for the foreseeable future. The Trustees therefore continue to adopt the going concern basis of preparation for these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.3 Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Donated services or facilities are recognised when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the charity of the item is probable and that economic benefit can be measured reliably.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Grants received in relation to the government Coronavirus Job Retention Scheme (Furlough) have been recognised within other operating income. The grant is accounted for on the accruals basis once the related payroll return has been submitted.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.4 Expenditure (continued)

Expenditure on charitable activities is incurred on directly undertaking the activities which further the charity's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.5 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of financial activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of financial activities as the related expenditure is incurred.

2.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.7 Intangible assets and amortisation

Intangible assets are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

Amortisation is provided on the following basis:

Software licenses	- 33 % on cost
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2.8 Tangible fixed assets and depreciation

Tangible fixed assets are capitalised when the cost is £500 or more and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.8 Tangible fixed assets and depreciation (continued)

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Freehold property	- 2% straight line
Short-term leasehold improvements	- over lease term
Motor vehicles	- 20% straight line
Fixtures and fittings	- 20% reducing balance
Office equipment	- 25% straight line

2.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.10 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.11 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

2.12 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.13 Operating leases

Rentals paid under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.14 Pensions

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

2.15 Employee benefits

The cost of short-term employee benefits are recognised as a liability and an expense.

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

2.16 Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

3. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The charity has recorded a liability for potential employee pay liabilities, the outcome of which is not known with certainty and is dependent on future events.

4. Income from donations and legacies

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Donations	22,032	-	22,032	10,959
City of York Shared Lives	-	-	-	30,046
Government grants	-	271,367	271,367	221,824
	<u>22,032</u>	<u>271,367</u>	<u>293,399</u>	<u>262,829</u>
Total 2021	<u>847</u>	<u>261,982</u>	<u>262,829</u>	

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5. Income from charitable activities

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Supported Living	6,793,497	6,793,497	6,617,345
Shared Lives	4,434,239	4,434,239	4,635,100
Other income	22,807	22,807	10,893
	<u>11,250,543</u>	<u>11,250,543</u>	<u>11,263,338</u>
Total 2021	<u>11,263,338</u>	<u>11,263,338</u>	

6. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Bank interest	891	891	474
	<u>474</u>	<u>474</u>	
Total 2021	<u>474</u>	<u>474</u>	

7. Other incoming resources

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Coronavirus job retention scheme grant	-	-	74,429
	<u>74,429</u>	<u>74,429</u>	
Total 2021	<u>74,429</u>	<u>74,429</u>	

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NOTES TO THE FINANCIAL STATEMENTS
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8. Charitable activities

	Supported living 2022 £	Shared lives 2022 £	Governance 2022 £	Total funds 2022 £	Total funds 2021 £
Staff & Providers	5,714,842	4,304,577	-	10,019,419	9,893,753
Housing	108,474	-	-	108,474	141,543
Premises	84,294	66,615	-	150,909	124,270
Office & Consumables	71,391	158,813	-	230,204	167,313
Compliance	6,516	5,150	-	11,666	12,928
Other Costs	18,377	13,450	-	31,827	38,765
Group Allocated	535,150	422,917	-	958,067	978,615
Audit (Governance Costs)	-	-	13,790	13,790	12,600
	6,539,044	4,971,522	13,790	11,524,356	11,369,787
Total 2021	6,281,291	5,075,896	12,600	11,369,787	

9. Auditor's remuneration

	2022 £	2021 £
Fees payable to the charity's auditor for the audit of the charity's annual accounts	13,790	12,600

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NOTES TO THE FINANCIAL STATEMENTS
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10. Staff costs

	2022	2021
	£	£
Wages and salaries	6,089,898	5,888,388
Social security costs	480,233	451,934
Other pension costs	147,806	131,052
	<u>6,717,937</u>	<u>6,471,374</u>

The average number of persons employed by the charity during the year was as follows:

	2022	2021
	No.	No.
Support workers	246	270
Charitable activities	45	46
Management & administration of the charity	31	30
	<u>322</u>	<u>346</u>

The average headcount expressed as full-time equivalents was:

	2022	2021
	No.	No.
Support workers	157	183
Charitable activities	47	47
Management & administration of the charity	29	35
	<u>233</u>	<u>265</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2022	2021
	No.	No.
In the band £60,001 - £70,000	1	-
In the band £70,001 - £80,000	-	1
In the band £80,001 - £90,000	1	-

The value of pension contributions to staff within the above bands is £8,416 (2021: £4,557).

The total amount of employee benefits (including employer pension contributions and national insurance) received by key management personnel is £307,088 (2021: £341,856).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2021 - £NIL).

During the year ended 31 March 2022, expenses totalling £150 were reimbursed or paid directly to 2 trustees in relation to travel expenses (2021: £nil were reimbursed or paid directly to no trustees).

12. Intangible assets

	Software licenses £
Cost	
At 1 April 2021	35,730
At 31 March 2022	35,730
Amortisation	
At 1 April 2021	35,587
Charge for the year	143
At 31 March 2022	35,730
Net book value	
At 31 March 2022	-
At 31 March 2021	143

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NOTES TO THE FINANCIAL STATEMENTS
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13. Tangible fixed assets

	Freehold property £	Short-term leasehold improvements £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
<i>Cost or valuation</i>						
At 1 April 2021	639,569	-	11,005	51,719	162,043	864,336
Additions	-	20,647	-	8,459	15,276	44,382
At 31 March 2022	639,569	20,647	11,005	60,178	177,319	908,718
<i>Depreciation</i>						
At 1 April 2021	93,979	-	11,005	46,204	154,276	305,464
Charge for the year	9,780	2,519	-	1,982	4,688	18,969
At 31 March 2022	103,759	2,519	11,005	48,186	158,964	324,433
<i>Net book value</i>						
At 31 March 2022	535,810	18,128	-	11,992	18,355	584,285
At 31 March 2021	545,590	-	-	5,515	7,767	558,872

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14. Debtors

	2022	2021
	£	£
<i>Due within one year</i>		
Trade debtors	1,278,821	1,099,218
Other debtors	29,217	30,872
Prepayments and accrued income	348,153	265,255
	<u>1,656,191</u>	<u>1,395,345</u>

15. Creditors: Amounts falling due within one year

	2022	2021
	£	£
Bank loans	-	25,015
Trade creditors	427,089	400,529
Other taxation and social security	147,964	152,766
Other creditors	473,520	376,800
Accruals and deferred income	1,227,130	1,198,697
	<u>2,275,703</u>	<u>2,153,807</u>

	2022	2021
	£	£
Deferred income at 1 April 2021	21,171	12,019
Resources deferred during the year (new deferred income)	11,148	16,209
Amounts released from previous periods	(21,171)	(7,057)
	<u>11,148</u>	<u>21,171</u>

Deferred income relates to amounts received in advance of projects being undertaken or work completed.

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NOTES TO THE FINANCIAL STATEMENTS
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16. Statement of funds

Statement of funds - current year

	Balance at 1 April 2021 £	Income £	Expenditure £	Balance at 31 March 2022 £
Unrestricted funds				
Designated funds				
Funds to strengthen the long term future of Avalon	229,038	-	-	229,038
Funding for beneficial significant IT projects	44,785	-	(11,878)	32,907
	<u>273,823</u>	<u>-</u>	<u>(11,878)</u>	<u>261,945</u>
General funds				
General Funds - all funds	<u>1,559,873</u>	<u>11,273,466</u>	<u>(11,183,775)</u>	<u>1,649,564</u>
Total Unrestricted funds	<u>1,833,696</u>	<u>11,273,466</u>	<u>(11,195,653)</u>	<u>1,911,509</u>
Restricted funds				
Inclusion	250	-	-	250
Wakefield Rotary Club	100	-	-	100
Ship Drop-In	1,011	-	(1,011)	-
Infection control grants	54,792	63,985	(118,777)	-
WICS grants	-	104,600	(104,600)	-
WRRF grants	-	72,074	(72,074)	-
Middlesbrough covid grant	-	14,440	(14,440)	-
National living wage grants	-	11,982	(11,982)	-
Other restricted funds	4,986	8,136	(5,819)	7,303
Skipton Fundraising	5,000	-	-	5,000
Wakefield Rapid Testing Fund	3,850	(3,850)	-	-
Avalark Fundraising	2,877	-	-	2,877
	<u>72,866</u>	<u>271,367</u>	<u>(328,703)</u>	<u>15,530</u>
Total of funds	<u>1,906,562</u>	<u>11,544,833</u>	<u>(11,524,356)</u>	<u>1,927,039</u>

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NOTES TO THE FINANCIAL STATEMENTS
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16. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2021 £
<i>Unrestricted funds</i>					
<i>Designated funds</i>					
Funds to strengthen the long term future of Avalon	129,038	-	-	100,000	229,038
Funding for beneficial significant IT projects	44,785	-	-	-	44,785
	<u>173,823</u>	<u>-</u>	<u>-</u>	<u>100,000</u>	<u>273,823</u>
<i>General funds</i>					
General funds	<u>1,471,978</u>	<u>11,339,088</u>	<u>(11,151,193)</u>	<u>(100,000)</u>	<u>1,559,873</u>
<i>Total Unrestricted funds</i>	<u>1,645,801</u>	<u>11,339,088</u>	<u>(11,151,193)</u>	<u>-</u>	<u>1,833,696</u>

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16. Statement of funds (continued)

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2021 £
<i>Restricted funds</i>					
Shared Lives Plus grant	-	30,046	(30,046)	-	-
West Yorkshire Fundraising	300	-	-	-	300
Inclusion	250	-	-	-	250
Wakefield Rotary Club	100	-	-	-	100
Ship Drop-In	1,011	-	-	-	1,011
City of York Shared Lives	23,414	-	(23,414)	-	-
Pavers grant	1,966	-	(1,966)	-	-
Harrogate fundraising	1,074	389	-	-	1,463
Scarborough fundraising	658	-	-	-	658
Teeside fundraising	637	-	-	-	637
Infection control grants	-	217,472	(162,680)	-	54,792
Other restricted funds	68	2,348	(488)	-	1,928
Skipton Fundraising	-	5,000	-	-	5,000
Wakefield Rapid Testing Fund	-	3,850	-	-	3,850
Avalark Fundraising	-	2,877	-	-	2,877
	<u>29,478</u>	<u>261,982</u>	<u>(218,594)</u>	<u>-</u>	<u>72,866</u>
<i>Total of funds</i>	<u>1,675,279</u>	<u>11,601,070</u>	<u>(11,369,787)</u>	<u>-</u>	<u>1,906,562</u>

Description of funds

Funding for beneficial significant IT projects - Investments to eventually save management time in localities. Short term funding would be required to reap the benefits. It is anticipated that this fund would be spent by the end of March 2022 at the latest.

Funds to strengthen the long term future of Avalon - Investments in new services to increase the security and longevity of Avalon. It is anticipated that this fund will be used within the next 2 years, subject to financial scrutiny and Board approval.

Inclusion - donations received from The Yorkshire & Clydesdale Bank Foundation (£50) and Dickinson Dees Solicitors of York (£250) intended to fund the activities of Bubble Enterprises.

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Wakefield Rotary Club - a grant for the set up costs of the social group opened for our customers in Wakefield.

Ship Drop-In - donated for social events for customers attending dementia services in Northallerton.

Infection control grants - funding from various local authorities for the purpose of measures introduced to reduce infection control risk across the services.

WICS grants - Workforce Integrated Care service: local authority grant funding to pay front line staff an additional payment.

WRRF grants - Workforce Development, Recruitment and Retention funding from local authorities.

Middlesborough COVID grant - local authority funding to support the workforce during the pandemic.

National Living Wage grants - local authority funding to support the payment of front line workers.

Skipton/ Avarark Fundraising - donated monies and fundraising held for the use of each locality office and their customers.

Wakefield Rapid Testing Fund - local authority grant funding for the purpose of additional time/costs incurred on rapid flow testing staff.

Other Restricted funds - includes Harrogate/ Northallerton/ Scarborough/ Teesside/ West Yorkshire/ Northallerton and Head office locality fundraising held for the use of each locality office and their customers. Also includes Northallerton Covid-19 communities fund, Out and About fundraising and Middlesborough SHL Recruitment funding.

Shared Lives Plus grant - funding to develop an accelerated process for recruiting carers via an online recruitment and assessment platform.

City of York Shared Lives - service level agreement to deliver a project in relation to development of Shared Lives and Mental Health.

Pavers Grant - grant funding for a project in relation to Shared Lives and Mental Health.

Transfers between funds - represent the designation of unrestricted funds for specific future projects.

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NOTES TO THE FINANCIAL STATEMENTS
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17. Summary of funds

Summary of funds - current year

	Balance at 1 April 2021 £	Income £	Expenditure £	Balance at 31 March 2022 £
Designated funds	273,823	-	(11,878)	261,945
General funds	1,559,873	11,273,466	(11,183,775)	1,649,564
Restricted funds	72,866	271,367	(328,703)	15,530
	<u>1,906,562</u>	<u>11,544,833</u>	<u>(11,524,356)</u>	<u>1,927,039</u>

Summary of funds - prior year

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2021 £
Designated funds	173,823	-	-	100,000	273,823
General funds	1,471,978	11,339,088	(11,151,193)	(100,000)	1,559,873
Restricted funds	29,478	261,982	(218,594)	-	72,866
	<u>1,675,279</u>	<u>11,601,070</u>	<u>(11,369,787)</u>	<u>-</u>	<u>1,906,562</u>

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	584,285	-	584,285
Current assets	3,602,927	15,530	3,618,457
Creditors due within one year	(2,275,703)	-	(2,275,703)
Total	<u>1,911,509</u>	<u>15,530</u>	<u>1,927,039</u>

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18. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	558,872	-	558,872
Intangible fixed assets	143	-	143
Current assets	3,428,488	72,866	3,501,354
Creditors due within one year	(2,153,807)	-	(2,153,807)
Total	1,833,696	72,866	1,906,562

19. Reconciliation of net movement in funds to net cash flow from operating activities

	2022 £	2021 £
Net income for the year (as per Statement of Financial Activities)	20,477	231,283
Adjustments for:		
Depreciation charges	18,969	19,203
Amortisation charges	143	4,736
Bank interest	(891)	(474)
(Increase)/decrease in debtors	(260,846)	174,671
Increase in creditors	146,911	727,597
Net cash (used in)/provided by operating activities	(75,237)	1,157,016

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20. Analysis of cash and cash equivalents

	2022	2021
	£	£
Cash in hand	1,962,266	2,106,009
Total cash	1,962,266	2,106,009

21. Analysis of changes in net debt

	At 1 April 2021	Cash flows	At 31 March 2022
	£	£	£
Cash at bank and in hand	2,106,009	(143,743)	1,962,266
Debt due within 1 year	(25,015)	25,015	-
	2,080,994	(118,728)	1,962,266

22. Pension commitments

The charity operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund. The amount recognised as an expense in the period was £147,806 (2021: £131,052). Contributions totalling £23,968 (2021: £25,203) were payable to the fund at the balance sheet date and are included in creditors.

23. Operating lease commitments

At 31 March 2022 the charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022	2021
	£	£
Not later than 1 year	73,521	39,513
Between 1 and 5 years	152,706	67,931
	226,227	107,444

24. Related party transactions

The following payments were made to the business of a member of the board of trustees during the year:

£6,130 (2021: £22,562) was paid to Deans Computer Services PLC for IT services, a company where a Trustee, Barry Rankin, is a Director. The company has used Deans Computer Services PLC for a number of years prior to Barry Rankin becoming a Trustee. At the year end there was a balance outstanding of £Nil (2021: £1,715). Barry Rankin resigned on 26 August 2021, transactions after this date have not been included in the figures above.

Accounts

AVALON GROUP (SOCIAL CARE)
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

AVALON GROUP (SOCIAL CARE)
(A company limited by guarantee)

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AVALON GROUP (SOCIAL CARE)
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2021

Stephen Fox, Chair of the Board⁸
Ian Lawson (resigned 12 November 2020)²
Barry Rankin (resigned 26 August 2021)⁴
Janice Gowing (resigned 26 August 2021)⁵
Karen Tyrell^{2,3}
Sandra Frier^{1,7}
Joseph Bradley^{2,4}
Susan Howard^{6,7}
Melvyn Ellis⁶
Susan Carr⁶

- ¹ Chair of Audit and Risk Committee
- ² Member of Audit and Risk Committee
- ³ Chair of Business Development and Fundraising Committee
- ⁴ Member of Business Development and Fundraising Committee
- ⁵ Chair of People Committee
- ⁶ Member of People Committee
- ⁷ Member of Remuneration Committee
- ⁸ Chair of Remuneration Committee

**Company registered
number**

02976727

Charity registered number

1048236

Registered office

6 Grove Park Court
Harrogate
HG1 4DP

Independent auditors

BHP LLP
Chartered Accountants
Rievaulx House
1 St Mary's Court
York
YO24 1AH

Solicitors

Hempsons
The Exchange
Station Parade
Harrogate
HG1 1DY

AVALON GROUP (SOCIAL CARE)
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Senior management team Larry Hollando, Chief Executive Officer and Company Secretary
 Julie Colley (until 10 April 2020)
 Martyn Miller (until March 2021)
 Emma Williams
 Bev Wilson (until 30 June 2020)
 Jill Farmer (until September 2021)
 Sarah Hargreaves (from May 2020 to October 2020)
 Robbie Wright (September 2020 to June 2021)
 Dan Blackith (from November 2020)

Trustees' Report for the Year ended 31 March 2021

I am pleased to present our Annual Report and Accounts for the year ended 31 March 2021 which provide a full summary of the year's activities.

It was a year that was, of course, dominated by the impact of Covid-19. I would like to begin by paying tribute to all our staff, Shared Lives carers, customers, families and trustees for their hard work and dedication in this most challenging time. I have been humbled by the compassion, resilience and integrity of all our people who remain steadfast in their mission to provide the best possible support to those who need it, working tirelessly to keep customers and colleagues safe and well.

Despite the continuing demands of this unprecedented and ongoing health emergency, looking back over the year, Avalon has had many highlights and continued to progress towards achieving the Avalon Group Strategic Plan 2019-2022.

Particular focus has been given to the wellbeing of all our people including an improved staff benefits package, a relaunch of our internal communication strategy and our management training offer to continually improve the support we offer across the organisation to our people.

Shared Lives has remained a key priority at Avalon both in terms of ensuring the safety and wellbeing of our customers and carers during the pandemic and also growing the service to reach further and meet a wider range of needs in the community. A new Shared Lives website was launched to better engage with potential carers and beneficiaries, and we have increased the number of Shared Lives carers across the organisation as a result.

Alongside front line activities, Avalon continues to invest in and improve its support services to allow colleagues to work more efficiently. An example of this was the roll-out of mobile phones for all support workers during the year for improved communication across the Avalon community. This forms the platform for the digitalisation process so that our people can spend more time adding value in their role and not on paperwork.

Although Covid-19 continues to challenge the way we work, forward planning on the new strategy is well underway to shape the medium to long term future of Avalon. The experience and resilience we have developed over the last year will be integral in delivering continual improvement across the organisation to ensure we provide high quality and responsive support in the years to come.

For more information on all topics please visit our website, where you will find more stories, details of the support we can provide, details on our Covid-19 response and also how to contact your local Avalon office.

Stephen Fox

Chair of Trustees

Trustees' Report for the Year ended 31 March 2021

The trustees present their annual report together with the audited financial statements of the Avalon Group (Social Care) (the company) for the year ended 31 March 2021.

Reference and administrative information set out on page 1 and 2 forms part of this report. The trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements. The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 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 published in October 2019.

A. Avalon's Objectives and Activities

Purposes and aims

Avalon Group's vision is to be recognised as a high quality social care provider in the North of England, providing Community Support and Shared Lives services to disabled people of a working age, older adults and young people in transition.

Our mission is to enable people to live fulfilling lives in the community. This means tackling loneliness, promoting choice, control and independent living, and empowering people to live the lives they want to live.

In order to make this vision a reality, we are committed to the following values which influence our strategic priorities and guide our day to day work:

- Respect
- Integrity
- Learning & Reflection
- Working Together
- Quality

The charity reviews its aims, objectives and activities each year to ensure it remains focused on its stated purposes. This report looks at what the charity has achieved and the outcomes of its work within the previous twelve months. The trustees report on the success of each key activity and the benefits they have brought to those groups of people the charity was set up to support.

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and when planning its future activities.

Strategic Report

B. Achievements and performance

During the year ended 31 March 2021, the Avalon Group supported more than 500 people with learning disabilities, people living with dementia and/or mental health challenges, commissioned by 19 Local Authorities and NHS Clinical Commissioning Groups across Yorkshire and the North East of England. Services included supported living services, community support and Shared Lives long term and short term breaks. We supported people with a wide spectrum of needs, from mild to moderate learning disabilities to people with profound and multiple learning disabilities, sensory and physical disabilities and complex health needs.

Key successes in the year include:

- **Good CQC ratings** – all locality offices have continued to be rated "Good" in the year with Teesside receiving "Outstanding" in one line of enquiry.
- **Satisfaction surveys** – provides vital insight into our performance from the perspective of our key stakeholders. Examples of feedback are:

Trustees' Report for the Year ended 31 March 2021

- 97% of our customers were satisfied with our overall support
- 97% of our customers would recommend us to a friend
- 92% of our staff agree they play an important part in helping us to achieve our vision
- 88% of our staff feel motivated to give their best
- 71% of our staff agree that Avalon supports them to be their best.
- **Consolidation of work** – during the year we were successful in joining the Doncaster Young People's Short Breaks Framework. We were also successful in retaining the City of York PPA for Community Support and Shared Lives. This reflects our strong reputation for providing both community support and shared lives services.

Set out below is a summary of the specific activities from the year 2020-21 along with the objectives we set for that year.

Strategic objective	Activities planned	Activities performed
Excellence - to provide high quality care and continue to develop relationship based social care and create personalised support.	• Strengthen Inclusion in partnership with our customers • Invest in initiatives that increase our ability to support people with varied needs and in the changing environment • Establish and embed new support pathways embracing Active Support	• Avalink Committee continues to support localities to facilitate meaningful user-led participation in Avalon's ongoing development. Face to face meetings were replaced with Zoom meetings during lockdown and support focused on improving digital skills. • In March, we were successful in a bid to the Good Things Foundation (working in partnership with AbilityNet) to receive 41 tablet devices for digitally excluded customers to connect with family, friends and local support services during lockdown.
People - create a culture that allows people to flourish and provide a positive environment where people have the tools, support and skills they need.	• Establish competitive and sustainable Terms and Conditions of service for all colleagues • Improve and develop a Communication Strategy with all stakeholders • Develop a Positive Engagement Strategy for recruitment that targets diverse communities and harder to reach groups • Embed our Recruitment and Retention processes, including wellbeing of staff	• We benchmarked salaries for all roles externally and awarded an annual pay increase for all employees in October 2020 to keep salaries in line with our peers. To reflect the significant pressure staff were facing, a one-off bonus of £100 for all employees (excluding Directors) was also paid in March 2020. • A new online benefits hub including access to new discounted products and services was launched in year. • We focused on internal communications to respond to the challenges of remote working, including introducing new communication channels such as OpComms and regular staff, customer & wellbeing surveys. • An attraction and retention plan was created during the year, focussing on: • Targeted adverts to encourage applications from diverse communities based on detailed analysis of workforce demographics and identifying under-represented groups • Our recruitment and retention process was refreshed in the year including: • New recruitment KPI's to monitor each stage of the process • New starter and exit surveys • Localised recruitment campaigns • Our wellbeing offer was developed to include: • Wellbeing support through partnership with Able Futures • Training of Mental Health First Aiders • The setting up of a new wellbeing group (Talking Wellness)

Trustees' Report for the Year ended 31 March 2021

Strategic objective	Activities planned	Activities performed
Social care - contribute to the shaping of social care, ensuring our offer reflects the evolving needs of the social care sector.	- Consolidate and develop relationships and partnerships to improve the housing arrangements for our customers - Ongoing review of our offerings to ensure they remain relevant and sustainable throughout the evolving demands created by the ongoing pandemic - Continue to develop our shared lives services for people with mental health needs - Contribute to shaping the landscape through representation on national and local key working groups.	- We continued to work in partnership with Golden Lane Housing Association to transfer direct customer tenancies for supported living properties to as well as to identify new development opportunities to improve customers' housing provision. - During the year, quarterly Locality Business Reviews were established to review and develop service offerings in each area ensuring Avalon responds to customer and community needs and continues to provide a sustainable service provision. Shared Lives grant monies from City of York Council funded the development of the Shared Lives model for a wider customer group including Mental Health and Transitions. - A Mental Health lead was established during the year to support the continued development in this area. - The directors continue their active membership of key working groups such as VODG and the ICG with the aim of influencing and helping shape future models of care.
Continuous improvement - continue to modernise working practice that meets the needs of colleagues and customers.	- Update the governing documents of the charity in response to the findings of the governance review and ensure all stakeholders are fully aware of the role they have to play in achieving the charity's objects - Continue to modernise and develop our shared lives service incorporating feedback from customers, carers and families - Full roll-out of electronic verification of support calls to achieve efficiencies through improved business systems and to enhance colleagues' working experience	Governance – The charity's governing documents have been reviewed and updated in order to ensure relevant and effective for current charity activities. This included changing our company name from Adult Placement Services Limited to Avalon Group (Social Care) to better reflect our current charity. A preliminary self-assessment was undertaken to consider Avalon's governance framework with the Charity Governance Code's 7 Principles to identify key themes for further evaluation and monitoring. - Shared Lives Plus funded us to partner on a national project looking at innovative ways to recruit carers. Through use of digital tools and analysis of local demographic data, we created several targeted online campaigns to reach new applicants. This led to the recruitment of 30 new carers in a 5 month period - Recognising that Shared Lives needs its own space in the online environment, we developed a specific website dedicated to Shared Lives, with a focus on identifying new carers (www.avalonsharedlives.co.uk). - Working in partnership with large, independent providers (including CVT, Shared Lives Southwest, and Possibilities) we have created a more streamlined carer application and assessment process, reducing carer approval times from 4-6 months to 1-2 months, without impacting quality.

Trustees' Report for the Year ended 31 March 2021

Strategic objective	Activities planned	Activities performed
		• ICT modernisation activities in the year included: • Full roll-out of electronic verification of support calls. • Completing a tender process for the outsource ICT provider and for the Cloud migration project planned for 2021/22
Sustainability - continue to develop and invest in new initiatives which are appropriate to our core business and values.	• Develop a Business Development strategy to identify sustainable sources of grant funding supporting strategic growth projects. • Manage our existing resources effectively to maximise efficiency.	• Priorities for Business Development for the year were agreed as: • Maintain existing key contracts • Seek new work in identified areas for development with a focus on Supported Living delivery; • Seek relevant grant funding to support strategic growth projects; • Develop partner projects to enhance our organizational offering and support the submission of future tenders and grant applications; • Support organizational development by assisting localities with their own growth plans, and supporting internal process improvements such as the Shared Lives assessment processes. • A full Business Development Strategy will be developed with the next 3 year plan to underpin strategic growth.

C. Financial Review

Avalon continues to operate in a financially challenging environment, as wage costs increase and pressures on funding escalate across the sector. Despite this, we generated an unrestricted surplus for the year of £187,895 (2020: £185,648). Restricted funds increased in the year by £43,388 (2020: £2,299).

Income from charitable activities was £11.3m (2020: £10.9m) for the year ended 31 March 2021. Income from supported living reduced to £6.6m from £6.8m in 2020, whilst Shared Lives income continued to grow to £4.6m from £4.1m at 31 March 2020.

Free reserves at 31 March 2021 are £1,025,873 compared to £963,275 at 31 March 2020.

In addition to our cash surplus, our improved cash position of £2.1m at the end of March 2021 (£973,892 at March 2020) reflected the change in payment profile during Covid-19 when a number of local authorities moved to paying planned delivery one month in advance.

Risk

The Avalon Group's principal objectives for managing risks are to: aid achievement of its strategic objectives

- ensure business continuity and service to its customers
- protect the organisation's wider reputation and other assets
- sustain its commercial viability
- be compliant with statute and regulatory obligations

As part of the ongoing governance review, the process for managing and monitoring the Risk Register was reviewed during the year with the support of a Risk Consultant and each risk scrutinised by the Senior Management Team and trustees to arrive at a concise document which can be actively used to identify and respond to emerging risk profiles more efficiently and effectively. Each risk now has a clear business owner and is updated in real time by the Senior Management Team and reported at the trustees' sub-committees and the main board of trustees' meetings.

Trustees' Report for the Year ended 31 March 2021

Following this in depth review of our risk position, we have identified the principal High Risks at 31 March 2021 as:

Risk	Mitigants
Staff recruitment remains a challenge (on occasions, we are forced to turn down new work due to insufficient staff). The risk is compounded by staff availability during Covid-19.	• Creative and tailored recruitment solutions such as Facebook adverts. • Regular review of staff pay linked to new National Living Wage requirements. • Use of agency staff where available.
Contract income risk - Large contracts and frameworks continue to be commissioned on a rolling basis, typically on a 3-5 year basis.	• Avalon retains a strong reputation with all commissioners through ongoing quality of performance and good relationships with all local authorities. • When there is a significant contract due for renewal or retender, Avalon takes a proactive approach in retaining the contract balanced with scenario planning for any loss of income to ensure we remain sustainable as a charity.
Covid-19 The pandemic has increased the likelihood and impact of failing to adhere to: • evolving Health & Safety requirements • changes to sickness pay and process following guidance around self-isolation and shielding The pandemic has also impacted delivery of services as customers move back with families and where day services are on hold or working at reduced capacity. This, alongside the increasing costs associated with Covid-19 such as agency staff and weekly testing of support workers, increases the financial risk of the charity.	• Ordering of PPE and cleaning supplies continues to be prioritised and the implementation of all changes cascaded to all staff as and when changes occur. • Changes to sickness pay and process following guidance around self-isolation and shielding continues to be updated on a regular basis and communication with staff is ongoing to ensure infection control risk is mitigated as far as possible. • During the year, additional costs relating to the purchase of PPE and the payment of staff who are self-isolating in line with government guidelines have been mitigated by the provision of Infection Control Fund grant income from each local authority. • During the year reduction in income due to Covid-19 was topped up by commissioners who funded contracted or planned hours for the initially until support hours recovered. • Avalon delivered hours are monitored on a weekly basis along with associated cash flow impacts to identify early significant trends that could have an impact on the financial position. • To date, strong relationships with commissioners have resulted in continued financial support beyond the initial offer and additional referrals are being taken on to mitigate against the reduction in delivered hours where capacity exists across our services.

Our Risk Register contains detailed explanations for each risk, a score for both impact and likelihood and the existing mitigants, which reduce our exposure to the overall risk.

Principal funding sources

The majority of our funding is from Local Authorities who continue to face their own challenges in relation to availability of funding at the same time as an increase in demand from those in need. We continue to work well with the local authorities, building on solid relationships to work together through these pressures.

Fundraising

The Avalon Group does not engage in large scale levels of public fundraising and does not use professional fundraisers or commercial participators. The charity nevertheless observes and complies with the relevant fundraising regulations and codes. During the year there was no non-compliance of these regulations and codes and the charity received no complaints relating to its fundraising practice.

Trustees' Report for the Year ended 31 March 2021

Reserves Policy

Free reserves at 31 March 2021 are £1,025,873 (2020: £963,275). These are the net funds of £1,906,562 available after deducting fixed assets (net of associated bank loans) of £534,000, Restricted Funds of £72,866 (2020: £29,478) and Designated Funds of £273,823.

The trustees have reviewed the level of reserves required to take account of known liabilities and possible contingencies. The Risk Register is reviewed on a regular basis and informs the Reserves Policy to ensure that we consider funds that enable us to deal with situations in a sustainable way, for example the loss of a major contract, a short term cash flow problem due to late payment for a significant contract or the long term sickness of a key member of staff.

The required reserves estimate at 31 March 2021 is £1,009,200, following a review this year to ensure that potential additional risks to our operations arising from the pandemic are incorporated into this value.

At 31 March 2016 we created the Designated Fund of £200,000. This was to enable us to strengthen the organisation through both an ICT modernisation programme and expansion via business opportunities that fit with our priorities and core values. In the year ended 31 March 2021 no further resource was allocated from Designated Funds, however, the trustees have decided to increase this balance by £100,000 for the purpose of funding future projects which develop Avalon's organisational infrastructure. A number of projects have commenced during the year ended 31 March 2022 and the fund total is £273,823.

Our Reserves policy, which has been reviewed this year, also states that reserves should be held in the form of cash and near cash investments. We review our Reserves policy at least annually and more frequently if we perceive there are significant changes in our risk exposure.

D. Plans for future periods

Changes in the sector continually require us to revisit strategic priorities and ways of working. We require a strategy that incorporates the risks and uncertainty we face and enables us to respond to changes swiftly and confidently. This has been tested significantly since March 2020 as we respond to the significant challenges the Covid-19 pandemic has caused the UK.

Despite the large scale uncertainty faced by the sector as a result of the pandemic, the five strategic priorities continue to underpin all of Avalon's activities (Excellence, People, Social Care, Continuous Improvement and Sustainability).

The table below sets out the key plans associated with each of the strategic priorities.

Strategic objective	Activities planned
Excellence - to provide high quality care and continue to develop relationship based social care and create personalised support.	• Relaunch Avalink and continue to explore opportunities to work in close collaboration with customers • Develop a fresh website and a new marketing approach (including branding) to reflect the new identity of the charity, in consultation with customers and staff
People - create a culture that allows people to flourish and provide a positive environment where people have the tools, support and skills they need.	• Work with the People Committee to implement our People Plan including: • Excellence in supporting internal stakeholders with wellbeing initiatives • Establish an Agile Working Policy, in consultation with staff • Continue to expand staff benefits, and publish • Improve recruitment process to ensure Operational Staff can achieve growth levels

Trustees' Report for the Year ended 31 March 2021

Strategic objective	Activities planned
Social care - contribute to the shaping of social care, ensuring our offer reflects the evolving needs of the social care sector.	• Informed by intelligence in each area establish a locality Service Offer detailing what can be delivered in each location, this will include mental health and dementia where possible. • Complete and implement changes in our approach to Shared Lives, including recruitment of shared, respite payments review processes. • Progress Housing Strategy transferring lease responsibility to Housing Providers and developing additional supported living in localities where needs have been identified. • Explore opportunities to establish services in neighboring areas as well as expanding in current localities. • Strengthen our mental health offer and relationships with mental health commissioners
Continuous improvement - continue to modernise working practice that meets the needs of colleagues and customers.	• Digital Transformation - Conduct reviews of core business processes of the charity moving to implement digital solutions where possible. • Work with new ICT Provider to improve connectivity, reduce reliance on current physical server and introduce Microsoft Office 365. • Review Health & Safety policies and its management arrangements.
Sustainability - continue to develop and invest in new initiatives which are appropriate to our core business and values.	• Clear plans to deal with any risks associated with loss of income due to loss of contracts. • Generate £200k additional funding from grant funds and other form of fundraising.

E. Structure, Governance and Management

Legal

The Avalon Group is a charitable company limited by guarantee.

- The company was incorporated on 7 October 1994 with the name Adult Placement Services Ltd, trading under the name The Avalon Group. On 12 November 2020 a special resolution was passed to change the legal entity name Avalon Group (Social Care).
- The company was registered as a charity on 26 July 1995. In the event of the Company being wound up, each member is required to contribute an amount not exceeding £10.
- The company was established under a Memorandum of Association dated September 2002 which established the objects and powers of the charitable company and is governed under its Articles of Association.
- On 12 November 2020 updated Articles of Association were adopted by Special Resolution.

Responsibility of the Board and Committees

The trustees (who are also directors of Avalon for the purposes of company law) are responsible for preparing the Trustees' Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the 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;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue on that basis.

Trustees' Report for the Year ended 31 March 2021

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Key Management Pay and Remuneration

Pay for senior managers is determined by reference to market salary rates, taking into account individual's experience and skills. Pay scales are set for all posts within Avalon, including those of senior managers. The Remuneration Committee agrees the pay for all Directors and also any major changes to pay scales for other staff.

Statement of Trustees

In accordance with company law, we, the company's Directors, certify that as far as we are aware, there is no relevant audit information of which the company's auditor is unaware. In addition, the Directors have taken all the necessary steps that they ought to have taken as Directors, in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

After making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

Committees

There are four Committees, made up of trustees and senior managers:

- **Audit and Risk Committee** – provides oversight, review and advisory role to the Board on all financial affairs of Avalon.
- **Business Development and Fundraising Committee**- provides oversight, review and an advisory role to the Board on the Business Development strategy and its implementation.
- **Remuneration** – provides oversight, review and an advisory role to the Board on the remuneration of the CEO and staff within Avalon.
- **People Committee** - provides oversight, review and an advisory role to the Board on all People strategy.

Recruitment and Appointment to the Board

Under the requirements of the Memorandum and Articles of Association, the trustees are elected to serve for 3 years and retire by rotation. Retiring Trustees, if willing to continue to serve, may be re-elected by members' resolution.

Trustees' Report for the Year ended 31 March 2021

Trustee Training and Induction

The Board of Trustees regularly reviews the skills and expertise of the group. This is led by the Chair in consultation with the Chief Executive Officer. The recruitment process for trustees aims to fill the identified voids and the key skills necessary to support the organisation's strategic needs.

The number of trustees is subject to a minimum of 3 members with no maximum. Each prospective trustee is interviewed initially by the Chief Executive Officer and the Chair of the Board. If successful, they undergo a full induction programme including meeting with Avalon staff, as well as being provided with ongoing training and an information pack.

Voluntary support

The Trustees involvement with Avalon is in a purely voluntary capacity. The Trustees provide a range of skills, including but not limited to; legal matters, new and existing business growth strategies, good governance and risk strategies.

No Trustee has received any remuneration in the current or previous year for these activities. During the year to 31 March 2021 we paid trustees expenses of £nil (2020: £534), which was to cover travel and mileage charges.

Auditor

The auditor, BHP, Chartered Accountants, have indicated their willingness to continue in office. The Designated Trustees will propose a motion re-appointing the auditors at a meeting of the trustees on 25 November 2021.

This report including the strategic report was approved by the trustees on 25 November 2021 and signed on their behalf by:


Stephen Fox (Nov 26, 2021 15:21 GMT)

Stephen Fox

Chair of the Board of Trustees

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AVALON GROUP (SOCIAL CARE)

Opinion

We have audited the financial statements of Avalon Group (Social Care) (the 'charitable company') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AVALON GROUP (SOCIAL CARE) (CONTINUED)

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report (incorporating the strategic report and the director's report) for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the strategic report and the director's report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AVALON GROUP (SOCIAL CARE) (CONTINUED)

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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 Auditors' 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.

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:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with management and directors, and from our knowledge and experience of this charity;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including the Companies Act 2006, Charities Act 2011, CQC inspections, safeguarding, health and safety, data protection and employment law;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and directors;
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non compliance throughout the audit.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by;

- making enquiries of management and directors as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

AVALON GROUP (SOCIAL CARE)
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AVALON GROUP (SOCIAL CARE) (CONTINUED)

To address the risks of fraud through management override controls, we:

- performed analytical procedures to identify any unusual or unexpected variances;
- tested journal entries to identify unusual transactions;
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our Auditors' report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Jane Marshall (Nov 29, 2021 12:50 GMT)

Jane Marshall (Senior statutory auditor)

for and on behalf of

BHP LLP

Chartered Accountants

Statutory Auditor

Rievaulx House

1 St Mary's Court

York

YO24 1AH

Date: Nov 29, 2021

AVALON GROUP (SOCIAL CARE)
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:					
Donations and legacies	4	847	261,982	262,829	36,870
Charitable activities	5	11,263,338	-	11,263,338	10,909,472
Investments	6	474	-	474	3,984
Other income	7	74,429	-	74,429	-
Total income		11,339,088	261,982	11,601,070	10,950,326
Expenditure on:					
Charitable activities	8	11,151,193	218,594	11,369,787	10,762,173
Total expenditure		11,151,193	218,594	11,369,787	10,762,173
Net movement in funds		187,895	43,388	231,283	188,153
Reconciliation of funds:					
Total funds brought forward		1,645,801	29,478	1,675,279	1,487,126
Net movement in funds		187,895	43,388	231,283	188,153
Total funds carried forward		1,833,696	72,866	1,906,562	1,675,279

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 21 to 40 form part of these financial statements.

AVALON GROUP (SOCIAL CARE)
(A company limited by guarantee)
REGISTERED NUMBER: 02976727

BALANCE SHEET
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	12	143	4,879
Tangible assets	13	558,872	577,730
		559,015	582,609
Current assets			
Debtors	14	1,395,345	1,570,016
Cash at bank and in hand		2,106,009	973,892
		3,501,354	2,543,908
Creditors: amounts falling due within one year	15	(2,153,807)	(1,426,210)
Net current assets		1,347,547	1,117,698
Total assets less current liabilities		1,906,562	1,700,307
Creditors: amounts falling due after more than one year	16	-	(25,028)
Total net assets		1,906,562	1,675,279
Charity funds			
Restricted funds	17	72,866	29,478
Unrestricted funds	17	1,833,696	1,645,801
Total funds		1,906,562	1,675,279

AVALON GROUP (SOCIAL CARE)
(A company limited by guarantee)

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2021

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:


Stephen Fox (Nov 26, 2021 15:21 GMT)

Stephen Fox

Date: 25 November 2021


Larry Hollando (Nov 26, 2021 15:55 GMT)

L Hollando

The notes on pages 21 to 40 form part of these financial statements.

AVALON GROUP (SOCIAL CARE)
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by operating activities	20	1,157,016	441,112
Cash flows from investing activities			
Bank interest		474	3,984
Purchase of tangible fixed assets		(345)	(11,185)
Net cash provided by/(used in) investing activities		129	(7,201)
Cash flows from financing activities			
Repayments of borrowing		(25,028)	(46,650)
Net cash used in financing activities		(25,028)	(46,650)
Change in cash and cash equivalents in the year		1,132,117	387,261
Cash and cash equivalents at the beginning of the year		973,892	586,631
Cash and cash equivalents at the end of the year	21	2,106,009	973,892

The notes on pages 21 to 40 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. General information

The Avalon Group is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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) (issued in October 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Avalon Group (Social Care) meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

2.2 Going concern

The Trustees have considered their forecasts of income and expenditure for the period to 31 March 2023 and subjected these forecasts to sensitivity analysis which shows that they have sufficient reserves to be able to continue for the foreseeable future. The Trustees therefore continue to adopt the going concern basis of preparation for these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.3 Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Donated services or facilities are recognised when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the charity of the item is probable and that economic benefit can be measured reliably.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Grants received in relation to the government Coronavirus Job Retention Scheme (Furlough) have been recognised within other operating income. The grant is accounted for on the accruals basis once the related payroll return has been submitted.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

All expenditure is inclusive of irrecoverable VAT.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.5 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of financial activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of financial activities as the related expenditure is incurred.

2.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.7 Intangible assets and amortisation

Intangible assets are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

The estimated useful lives are as follows:

Amortisation is provided on the following basis:

Software licenses	- 33 % on cost
-------------------	----------------

2.8 Tangible fixed assets and depreciation

Tangible fixed assets are capitalised when the cost is £500 or more and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Freehold property	- 2% straight line
Motor vehicles	- 20% straight line
Fixtures and fittings	- 20% reducing balance
Office equipment	- 25% straight line

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.10 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.11 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

2.12 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.13 Operating leases

Rentals paid under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.14 Pensions

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.15 Employee benefits

The cost of short-term employee benefits are recognised as a liability and an expense.

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

2.16 Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

3. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The charity has recorded a liability for potential employee pay liabilities, the outcome of which is not known with certainty and is dependent on future events.

AVALON GROUP (SOCIAL CARE)
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

4. Income from donations and legacies

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations	847	10,112	10,959	6,894
City of York Shared Lives	-	30,046	30,046	29,976
Government grants	-	221,824	221,824	-
	847	261,982	262,829	36,870
Total 2020	6,894	29,976	36,870	

5. Income from charitable activities

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Supported Living	6,617,345	6,617,345	6,828,925
Shared Lives	4,635,100	4,635,100	4,053,958
Learning & Development	-	-	7,125
Other income	10,893	10,893	19,464
	11,263,338	11,263,338	10,909,472
Total 2020	10,909,472	10,909,472	

AVALON GROUP (SOCIAL CARE)
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

6. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Bank interest	474	474	3,984
Total 2020	3,984	3,984	

7. Other incoming resources

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Coronavirus job retention scheme grant	74,429	74,429	-

AVALON GROUP (SOCIAL CARE)
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

8. Charitable activities

	Supported living 2021 £	Shared lives 2021 £	Governance 2021 £	Total funds 2021 £	Total funds 2020 £
Staff & Providers	5,402,767	4,490,986	-	9,893,753	9,367,860
Housing	141,543	-	-	141,543	225,461
Premises	67,503	56,767	-	124,270	139,385
Office & Consumables	109,817	57,496	-	167,313	94,638
Compliance	7,022	5,906	-	12,928	23,777
Other Costs	21,057	17,708	-	38,765	29,208
Group Allocated	531,582	447,033	-	978,615	869,244
Audit (Governance Costs)	-	-	12,600	12,600	12,600
	6,281,291	5,075,896	12,600	11,369,787	10,762,173
Total 2020	6,428,643	4,320,930	12,600	10,762,173	

9. Auditors' remuneration

	2021 £	2020 £
Fees payable to the charity's auditor for the audit of the charity's annual accounts	12,600	12,600

10. Staff costs

	2021 £	2020 £
Wages and salaries	5,888,388	5,852,835
Social security costs	451,934	439,043
Other pension costs	131,052	128,693
	6,471,374	6,420,571

AVALON GROUP (SOCIAL CARE)
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

10. Staff costs (continued)

The average number of persons employed by the charity during the year was as follows:

	2021	2020
	No.	No.
Support workers	270	255
Charitable activities	46	49
Management & administration of the charity	30	32
	346	336

The average headcount expressed as full-time equivalents was:

	2021	2020
	No.	No.
Support workers	183	222
Charitable activities	47	48
Management & administration of the charity	35	29
	265	299

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2021	2020
	No.	No.
In the band £70,001 - £80,000	1	1

The value of pension contributions to staff within the above bands is £4,557 (2020: £4,163).

The total amount of employee benefits (including employer pension contributions and national insurance) received by key management personnel is £341,856 (2020: £318,618). Until April 2020 the charity considered its key management personnel to comprise of the Chief Executive Officer, Deputy Chief Executive Officer, Director of Finance & Corporate Services and both Deputy Directors of Operations. From May 2020 the charity considers its key management personnel to comprise of the CEO, Director of Operations, Director of People & Culture and Director of Finance & Corporate Services.

11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 March 2021, expenses totalling £nil were reimbursed or paid directly to no trustees (2020: £534 were reimbursed or paid directly to 2 trustees).

AVALON GROUP (SOCIAL CARE)
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

12. Intangible assets

	Software licenses £
Cost	
At 1 April 2020	35,730
At 31 March 2021	35,730
Amortisation	
At 1 April 2020	30,851
Charge for the year	4,736
At 31 March 2021	35,587
Net book value	
At 31 March 2021	143
At 31 March 2020	4,879

AVALON GROUP (SOCIAL CARE)
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

13. Tangible fixed assets

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
<i>Cost or valuation</i>					
At 1 April 2020	639,569	11,005	51,374	162,043	863,991
Additions	-	-	345	-	345
At 31 March 2021	639,569	11,005	51,719	162,043	864,336
<i>Depreciation</i>					
At 1 April 2020	84,194	11,005	43,676	147,386	286,261
Charge for the year	9,785	-	2,528	6,890	19,203
At 31 March 2021	93,979	11,005	46,204	154,276	305,464
<i>Net book value</i>					
At 31 March 2021	545,590	-	5,515	7,767	558,872
At 31 March 2020	555,375	-	7,698	14,657	577,730

AVALON GROUP (SOCIAL CARE)
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

14. Debtors

	2021	2020
	£	£
<i>Due within one year</i>		
Trade debtors	1,099,218	1,257,966
Other debtors	30,872	13,767
Prepayments and accrued income	265,255	298,283
	1,395,345	1,570,016

15. Creditors: Amounts falling due within one year

	2021	2020
	£	£
Bank loans	25,015	48,878
Trade creditors	400,529	165,010
Other taxation and social security	152,766	126,538
Other creditors	376,800	92,176
Accruals and deferred income	1,198,697	993,608
	2,153,807	1,426,210

	2021	2020
	£	£
Deferred income at 1 April 2020	12,019	9,631
Resources deferred during the year (new deferred income)	16,209	6,142
Amounts released from previous periods	(7,057)	(3,754)
	21,171	12,019

The bank loan is repayable in monthly instalments over 6 months years and bears interest at 4.67%. The loan is secured by a legal charge over the freehold property.

Deferred income relates to amounts received in advance of projects being undertaken or work completed.

AVALON GROUP (SOCIAL CARE)
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

16. Creditors: Amounts falling due after more than one year

	2021	2020
	£	£
Bank loans	-	25,028

17. Statement of funds

Statement of funds - current year

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2021 £
<i>Unrestricted funds</i>					
<i>Designated funds</i>					
Funds to strengthen the long term future of Avalon	129,038	-	-	100,000	229,038
Funding for beneficial significant IT projects	44,785	-	-	-	44,785
	<u>173,823</u>	<u>-</u>	<u>-</u>	<u>100,000</u>	<u>273,823</u>
<i>General funds</i>					
General funds	1,471,978	11,339,088	(11,151,193)	(100,000)	1,559,873
<i>Total Unrestricted funds</i>	<u>1,645,801</u>	<u>11,339,088</u>	<u>(11,151,193)</u>	<u>-</u>	<u>1,833,696</u>

AVALON GROUP (SOCIAL CARE)
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

17. Statement of funds (continued)

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2021 £
<i>Restricted funds</i>					
Shared Lives Plus grant	-	30,046	(30,046)	-	-
West Yorkshire Fundraising	300	-	-	-	300
Inclusion	250	-	-	-	250
Wakefield Rotary Club	100	-	-	-	100
Ship Drop-In	1,011	-	-	-	1,011
City of York Shared Lives	23,414	-	(23,414)	-	-
Pavers grant	1,966	-	(1,966)	-	-
Harrogate Fundraising	1,074	389	-	-	1,463
Scarborough Fundraising	658	-	-	-	658
Teeside Fundraising	637	-	-	-	637
NYCC infection control grant	-	107,395	(101,836)	-	5,559
York infection control grant	-	42,388	(12,542)	-	29,846
Doncaster infection control grant	-	9,792	(3,719)	-	6,073
Kirklees infection control grant	-	25,320	(23,940)	-	1,380
Middlesborough infection control grant	-	27,385	(15,453)	-	11,932
Doncaster - ICF for Carers	-	5,192	(5,190)	-	2
Other restricted funds	68	2,348	(488)	-	1,928
Skipton Fundraising	-	5,000	-	-	5,000
Wakefield Rapid Testing Fund	-	3,850	-	-	3,850
Avalark Fundraising	-	2,877	-	-	2,877
	29,478	261,982	(218,594)	-	72,866
	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2021 £
<i>Total of funds</i>	1,675,279	11,601,070	(11,369,787)	-	1,906,562

AVALON GROUP (SOCIAL CARE)
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

17. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 April 2019 £	Income £	Expenditure £	Balance at 31 March 2020 £
<i>Unrestricted funds</i>				
<i>Designated funds</i>				
Funds to strengthen the long term future of Avalon	129,038	-	-	129,038
Funding for beneficial significant IT projects	44,785	-	-	44,785
	173,823	-	-	173,823
<i>General funds</i>				
General funds	1,286,124	10,920,350	(10,734,496)	1,471,978
<i>Total Unrestricted funds</i>	1,459,947	10,920,350	(10,734,496)	1,645,801

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17. Statement of funds (continued)

	Balance at 1 April 2019 £	Income £	Expenditure £	Balance at 31 March 2020 £
<i>Restricted funds</i>				
Inclusion	250	-	-	250
Wakefield Rotary Club	100	-	-	100
Ship Drop-In	1,011	-	-	1,011
City of York Shared Lives	11,838	29,976	(18,400)	23,414
Pavers grant	11,000	-	(9,034)	1,966
Harrogate Fundraising	1,117	-	(43)	1,074
Scarborough Fundraising	658	-	-	658
Teeside Fundraising	637	-	-	637
Northallerton Fundraising	68	-	-	68
West Yorkshire Fundraising	500	-	(200)	300
	27,179	29,976	(27,677)	29,478
<i>Total of funds</i>	1,487,126	10,950,326	(10,762,173)	1,675,279

Description of funds

Funding for beneficial significant IT projects - Investments to eventually save management time in localities. Short term funding would be required to reap the benefits. It is anticipated that this fund would be spent by the end of March 2022 at the latest.

Funds to strengthen the long term future of Avalon - Investments in new services to increase the security and longevity of Avalon. It is anticipated that this fund will be used within the next 2 years, subject to financial scrutiny and Board approval.

Shared Lives Plus grant - funding to develop an accelerated process for recruiting carers via an online recruitment and assessment platform

Inclusion - donations received from The Yorkshire & Clydesdale Bank Foundation (£50) and Dickinson Dees Solicitors of York (£250) intended to fund the activities of Bubble Enterprises.

Wakefield Rotary Club - a grant for the set up costs of the social group opened for our customers in Wakefield.

Ship Drop-In - donated for social events for customers attending dementia services in Northallerton.

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City of York Shared Lives - service level agreement to deliver a project in relation to development of Shared Lives and Mental Health.

Pavers Grant - grant funding for a project in relation to Shared Lives and Mental Health.

Harrogate/Northallerton/Scarborough/Teesside/West Yorkshire/Skipton/Avalark office fundraising - donated monies and fundraising held for the use of each locality office and their customers.

NYCC/York/Doncaster/Kirklees/Middlesborough Council infection control grants - funding from local authorities for the purpose of measures introduced to reduce infection control risk across the services.

Wakefield Rapid Testing Fund - local authority grant funding for the purpose of additional time/costs incurred on rapid flow testing staff.

Other Restricted funds - includes Northallerton Fundraising, Northallerton Covid-19 communities fund, Out and About fundraising and Head Office fundraising.

Transfers between funds - represent the designation of unrestricted funds for specific future projects.

18. Summary of funds

Summary of funds - current year

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2021 £
Designated funds	173,823	-	-	100,000	273,823
General funds	1,471,978	11,339,088	(11,151,193)	(100,000)	1,559,873
Restricted funds	29,478	261,982	(218,594)	-	72,866
	<u>1,675,279</u>	<u>11,601,070</u>	<u>(11,369,787)</u>	<u>-</u>	<u>1,906,562</u>

Summary of funds - prior year

	Balance at 1 April 2019 £	Income £	Expenditure £	Balance at 31 March 2020 £
Designated funds	173,823	-	-	173,823
General funds	1,286,124	10,920,350	(10,734,496)	1,471,978
Restricted funds	27,179	29,976	(27,677)	29,478
	<u>1,487,126</u>	<u>10,950,326</u>	<u>(10,762,173)</u>	<u>1,675,279</u>

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19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	558,872	-	558,872
Intangible fixed assets	143	-	143
Current assets	3,428,488	72,866	3,501,354
Creditors due within one year	(2,153,807)	-	(2,153,807)
Total	1,833,696	72,866	1,906,562

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	577,730	-	577,730
Intangible fixed assets	4,879	-	4,879
Current assets	2,514,430	29,478	2,543,908
Creditors due within one year	(1,426,210)	-	(1,426,210)
Creditors due in more than one year	(25,028)	-	(25,028)
Total	1,645,801	29,478	1,675,279

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20. Reconciliation of net movement in funds to net cash flow from operating activities

	2021 £	2020 £
Net income for the year (as per Statement of Financial Activities)	231,283	188,153
Adjustments for:		
Depreciation charges	19,203	17,307
Amortisation charges	4,736	4,736
Bank interest	(474)	(3,984)
Decrease in debtors	174,671	84,734
Increase in creditors	727,597	150,166
Net cash provided by operating activities	1,157,016	441,112

21. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand	2,106,009	973,892
Total cash	2,106,009	973,892

22. Analysis of changes in net debt

	At 1 April 2020 £	Cash flows £	Other non- cash changes £	At 31 March 2021 £
Cash at bank and in hand	973,892	1,132,117	-	2,106,009
Debt due within 1 year	(48,878)	(25,028)	48,891	(25,015)
Debt due after 1 year	(25,028)	-	25,028	-
	899,986	1,107,089	73,919	2,080,994

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23. Pension commitments

The charity operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund. The amount recognised as an expense in the period was £131,052 (2020: £128,693). Contributions totalling £25,203 (2020: £21,788) were payable to the fund at the balance sheet date and are included in creditors.

24. Operating lease commitments

At 31 March 2021 the charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021	2020
	£	£
Not later than 1 year	39,513	20,102
Between 1 and 5 years	67,931	48,975
	107,444	69,077

25. Related party transactions

The following payments were made to the business of a member of the board of trustees during the year:

£22,562 (2020: £41,557) was paid to Deans Computer Services PLC for IT services, a company where a Trustee, Barry Rankin, is a Director. The company has used Deans Computer Services PLC for a number of years prior to Barry Rankin becoming a Trustee. At the year end there was a balance outstanding of £1,715 (2020: £520).