

**AVENUES EAST**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

Charity Registration Number: 1061241

Company Registration Number: 03326442

## **AVENUES EAST**

Index	Page
Board members and executive directors	1 - 2
Trustees' report	3 – 9
Strategic Report	10 - 13
Statement of Trustees' responsibilities	14
Independent auditor's report	15 - 18
Statement of financial activities	19
Balance sheet	20
Notes to the financial statements	21 - 34

## **AVENUES EAST**

### **BOARD MEMBERS AND MANAGEMENT PERSONNEL**

#### **FOR THE YEAR ENDED 31 MARCH 2021**

#### **Reference and administrative details of the charity, its advisers and trustees**

##### **Board Members**

**Chairman:** Terry Rich

All Trustees are Members of the overlapping Group Boards for Avenues Trust Group and all committees are held on a Group basis.

##### **Non-Executive Trustees:**

Martin Owen	(Member of the Audit Committee and Risk Committee)
Evlynne Gilvary	(Member of the Audit Committee and Risk Committee)
Lynne Holmes	(To August 2020) (Chair of HR and Nominations Committee)
Alistair Oag	(Chair of the Audit and Risk Committee and Finance Committee)
Mark Pittaway	(To October 2021) (Member of the Finance Committee)
Alistair Brown	(From March 2021) (Member of Audit and Risk Committee)

##### **Executive Trustees:**

Joanne Land  
Nicola Ford

##### **Key Management Personnel:**

Paul Attrill	Regional Director
Joanne Land	Group Chief Executive
Nicola Ford	Group Director of Finance
Steven Parker	Group Director of Housing and Development
Daniel Gower-Smith	Group Operations Director
Caroline Neal	Group Director of People and Organisational Development (From October 2020)
Karina Hourd	Group Business Development Director (From September 2020)
Lauren Osman	Company Secretary

**CHARITY REGISTRATION NUMBER** 1061241

**COMPANY REGISTRATION NUMBER** 03326442

## **AVENUES EAST**

### **BOARD MEMBERS AND MANAGEMENT PERSONNEL**

#### **FOR THE YEAR ENDED 31 MARCH 2021**

##### **Registered Office:**

River House, 1 Maidstone Road, Sidcup, Kent DA14 5TA

##### **Advisors:**

Bankers: Barclays Bank PLC, One Churchill Place, Canary Wharf, London E14 5HP

Independent auditor: RSM UK Audit LLP, 25 Farringdon Street, London EC4A 4AB

Solicitors: Hempsons, 40 Villiers Street, London WC2N 6NJ; Doyle Clayton, House Level 10, One Canada Square, London E14 5AA. Trowers & Hamlin, 3 Bunhill Row, London EC1Y 8YZ.

## **AVENUES EAST**

### **TRUSTEES' REPORT AND STRATEGIC REPORT**

#### **FOR THE YEAR ENDED 31 MARCH 2021**

The Board presents herewith its Annual Report and the Audited Financial Statements of Avenues East for the year ended 31 March 2021. The legal and administrative information set out on Pages 1 and 2 forms part of this report. The Financial Statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard (FRS 102) applicable in the UK and in the Republic of Ireland (effective January 2019).

#### **Introduction**

The Avenues East accounts for 2021 and the 2020 comparative figures are constructed in line with best practice, as set out above. Compliance with best practice extends to the need to address the "public benefit" provided by Avenues East.

"Avenues"/"Avenues Group" means the Avenues Trust Group Limited and its subsidiaries of which Avenues East is one.

#### **Structure, Governance and Management**

##### **Board Structure**

The Avenues Group Boards operate an overlapping board governance structure. The overlapping board structure involves all of the entities within the Group sharing a core group of trustees common to all of the Boards (the majority of whom are non-executive) with a small number of independent trustees who sit on one but not any of the other Boards. This way of operating provides for efficiency but also the effectiveness of our governance. It increases the speed of our decision making, streamlines information flows and improves clarity regarding accountabilities.

##### **Structure**

Avenues East is a charitable company limited by guarantee and was incorporated in England and Wales on 3 March 1997. The company was established under a Memorandum of Association which established the objects and powers of the charitable company, which is governed under its Articles of Association. In the event of the company being wound up, members are required to contribute an amount not exceeding £1.

Members have adopted a set of Articles which include the Objects to enable the organisation to change its Board to a unitary structure, enabling two executives to become trustees.

Avenues East is a subsidiary of The Avenues Trust Group, which is a registered charity and constituted as a company limited by guarantee.

##### **Membership**

The Avenues Trust Group is the sole member of Avenues East. This change was affected and agreed at an Extraordinary General Meeting held in May 2020 where the Avenues East's constitution was updated to reflect the changes.

## **AVENUES EAST**

### **TRUSTEES' REPORT AND STRATEGIC REPORT**

#### **FOR THE YEAR ENDED 31 MARCH 2021**

##### **Governance**

The Board members are set out on Page 1.

The Group Board meets four to five times per year and more frequently if required and is responsible for determining the strategy of the organisation and for ensuring successful operational performance, in line with the expectations of stakeholders.

The Avenues Group has four committees which discuss the business of the whole Group. The committees are Audit & Risk, Finance, HR & Nominations and Quality, Local Focus and Engagement. Committees report directly to all the Boards within the Avenues Group.

The Audit & Risk committee, in line with good governance principles, is expected to bring a further degree of detachment from the Board's responsibilities in discharging its distinctive duties. The committee oversees all systems, controls and processes that may have an impact on the ability to meet our aims.

The Finance committee provides an additional layer of oversight regarding any financial matters that may have a significant impact on the charity.

The HR & Nominations committee provides assurance to the Avenues Group Boards that the Avenues Group has an effective People and Pay Strategy in place, promoting an effective, high performing and diverse workforce. The committee also oversees issues relating to the remuneration of staff, with specific responsibility for making recommendations to the Boards regarding the Group Remuneration Policy and the Executive Management Team's remuneration. In addition, the committee is responsible for linking the Group's strategy to future changes on the Boards whilst giving full consideration to succession planning for directors and other senior executives in the course of its work.

The Quality, Local Focus and Engagement committee (QLE) provides assurance to the Avenues Group Boards regarding the quality of our services and the engagement of the people we support across the organisation is our priority and so this committee was introduced to provide assurance to the board(s) around the operational delivery of quality support. Our aspiration is that the support we provide enables people to maximize their independence and opportunities whilst keeping them safe.

The committee will also find the best way to engage with all stakeholders within particular regions, ensuring their voices are heard so they are involved in the setting of the organisation's goals, quality and culture.

Avenues East has made qualifying third party indemnity provisions for the benefit of its trustees.

##### **The Charity Governance Code**

The Avenues Group recognises the importance of good governance and uses the Charity Governance Code to inform any reviews and changes to all governance policies. All trustees are made aware upon appointment of their responsibilities under the Code.

## **AVENUES EAST**

### **TRUSTEES' REPORT AND STRATEGIC REPORT**

#### **FOR THE YEAR ENDED 31 MARCH 2021**

In our efforts to strive to be the best we can be in governance we have used the Code to undertake board and trustee appraisals, making sure that the principles of our appraisal tools are based on and support the guidelines and recommendations outlined in the Code.

All of our trustees are selected in a manner consistent with the organisation's recruitment, diversity and equality policies, ensuring that the selection process is both time and cost effective. Our trustees serve a period of four years, with an option to extend for a further four years. In addition to making direct approaches to suitable candidates Avenues may advertise for trustees through notice boards, network recruitment or in the media. When a recruitment need is identified the Company Secretary will work with the board or committee to carry out a skills audit before a recruitment campaign begins. Policies and procedures are in place for the induction and training of new trustees. Training needs are continuously identified through board/committee discussions and surveys and board and trustee appraisals. When a training need is identified we organise externally facilitated training sessions. In 2020 we identified the need for the following training; Health & Safety and safeguarding responsibilities at a board level and these sessions were externally facilitated.

#### **Data Protection Compliance**

The Avenues Group Boards have continued to help ensure our compliance with UK data Protection Laws following Brexit. Avenues has always taken data protection seriously and we continue to strengthen our policies and procedures to ensure that the protection of people's information remains a high priority. In 2020 we commissioned an internal audit review of our GDPR compliance which resulted in reasonable assurance.

#### **Public Benefit**

The Avenues Group specialises in providing complex support, most commonly working with people who have a profound learning disability, autism, or acquired brain injury.

The majority of our work is commissioned by local government and the NHS, and delivered through community-based Supported Living; a methodology which is recognised to deliver better outcomes and significant savings to the public purse when compared to traditional residential and clinical alternatives.

Avenues East supports more than 80 people to enjoy community-based life, and employs more than 250 staff.

The coronavirus pandemic demonstrated what an exceptional workforce we have, and our culture means we will not allow external challenges to inhibit the lives of the people we support.

Our aspiration is not to manage people's lives, but to understand what really matters to them and unlock the opportunities they want to take. But no provider can do this effectively in isolation.

## **AVENUES EAST**

### **TRUSTEES' REPORT AND STRATEGIC REPORT**

#### **FOR THE YEAR ENDED 31 MARCH 2021**

Quality is of paramount importance to Avenues. It's central to all our plans and we work with the Tizard Centre to audit our standards. At a statutory level we are regulated by the Care Quality Commission.

Performance is reliant on all employees' shared ambition to make a positive difference to the lives of people we support, so recruitment is based on aptitude - regardless of previous experience. Staff complete mandatory training, as well as specialist courses based on the needs of the people, we provide services to.

We always take into account shared interests when matching staff to people they might support. This means support is personalised and encourages retention and consistency. Staff take time to get to know people, supporting them to do things differently or for the first time, working out what matters to them and what they enjoy.

Avenues East is committed to developing the way it supports its staff, as we know that well-supported people support people well.

We continue to work with the University of Kent on mindfulness packages to strengthen employee wellbeing, and professional training around positive behaviour support. This advances the efficacy of the care we provide and therefore reduce people's support needs over time.

The trustees of Avenues East have read the Charity Commission guidance on public benefit and have paid due regard to the guidance in preparing their statements on public benefit in this report.

#### **Strategy**

The strategic direction of Avenues East is set in the context of the overall Avenues Group strategy as a whole. The focus of the 3 year strategic plan starting in 2018/19 was on providing high-quality, and consistently improving services to everyone it supports, throughout their lives. Our strategy for 2021-25, 'Building Better Lives Together', will mean we are able to continue to provide our unique support for the long term; and offer it to more people, in more places.

#### **Risk Management**

The Board of the Avenues Group operate a formal risk management process and risk register, which involves continuous review of the risks identified and those emerging, their potential impact and means of mitigation. The risk register is reviewed by all of the Boards of the Avenues Group and by the Audit Committee. The key risk identified for 2019/20 was the coronavirus pandemic impact which arose towards the end of the financial year and this has continued to be key risk throughout 2020/21 and going into 2021/22. The national issue of potential back-pay liabilities in relation to sleep-ins was eradicated following the Supreme Court's dismissal of the appeals against the Court of Appeal judgement.



## **AVENUES EAST**

### **TRUSTEES' REPORT AND STRATEGIC REPORT**

#### **FOR THE YEAR ENDED 31 MARCH 2021**

##### **Principal Risks and Uncertainties – Coronavirus**

As the financial year started our sector, the nation and indeed world were still trying to understand what the coronavirus pandemic would mean and moreover, how we would navigate through it.

Every step, and every decision, was taken to keep the people we support and our staff teams safe and well and in line with the current guidelines. We know that well supported people, support people well and we have made every effort to make sure our teams have had everything they need to maintain their own resilience and wellbeing, so that they can continue to provide the support people deserve.

In response to the emerging pandemic, The Avenues Trust Group set up the "COVID-19 management team". The group is chaired by the Group Director of Operations and includes members from all key areas of the organisation.

Initially the group met bi-weekly and changed the frequency as required and at its peak this was daily. The group applied the theory of a graded response meaning that actions changed as information, data or guidance from central Government was issued and that we didn't go to the most restrictive solution if it wasn't required at that time.

Communication and support didn't just come from within Avenues and it was clear that the sector needed to support each other. We encouraged managers to join external sessions:

- VODG
- Skills for Care
- Local Authority updates
- Webinars

Directors collaborated with other social care organisations to share lessons learnt, our approach and to offer additional support.

Data\* is collected from front line managers to enable services/teams to be risk rated to ensure the required dedicated management support is deployed to make certain a safe service is delivered. The data included, but not limited to:

- Confirmation of suspected cases for people supported and employees reported via an incident report
- Available staff numbers
- PPE levels
- Food provisions
- Employee and the people we support testing results
- Employee and the people we support vaccine data

## **AVENUES EAST**

### **TRUSTEES' REPORT AND STRATEGIC REPORT**

#### **FOR THE YEAR ENDED 31 MARCH 2021**

##### **Principal Risks and Uncertainties – Coronavirus (Continued)**

A separate CV19 risk register was developed and updated weekly relating to actions taken to support the organisation and managing risks. The risk register and reports were shared with the Avenues Group Boards.

Policies and procedures were reviewed in light of coronavirus and where changes were required, they were agreed via the COVID-19 Oversight Group and documented. The Policy Review Group (PRG) monitored progress, managed updates and ensured the organisation takes action as required. Updated policies and procedures have been reissued.

Personal Protective Equipment (PPE) continues to require a significant level of management oversight. We have at least, a minimum, of four month's supply of the required PPE supported by monthly stock takes. Central repeat orders were placed as required to maintain minimum levels. All registered locations made full use of the governments' supply chain.

A key part to successful management of the pandemic included prompt infection control practice. In addition to the use of PPE and deep cleans as required, the level of cleaning was increased and visitors stopped as per government guidelines. Staff movement was minimised and steps were taken to ensure that the same staff worked with each other where possible.

In the event of two or more confirmed cases within a service a Task Force meeting has been convened to ensure the required support and action is taken. The main aim was to ensure that the required support was provided to the affected team.

We reviewed our approach to occupational sick pay and in line with government funding, employees were paid their normal salary for all sickness and time away from work due to coronavirus.

Testing for the people we support and employees has always been a top priority and we have always followed the government advice in all settings. We recognised early on that regular testing was required, not only to ensure our operational teams were not spreading the virus but also to enable us to manage any outbreaks. We requested weekly testing of all staff ahead of the Government advice where such facilities were available. Testing for people we support, has been a challenge and Avenues follow the Government advice for each setting. The size of our individual services is such that where we had outbreaks, they could be contained more easily to minimise the spread and impact.

The organisation is supportive of the vaccine programme for both the people we support and employees. To ensure, as far as possible, the workforce is able to have the vaccine, we have paid employees for their time and travel to have the vaccine where required.

We have shared, relevant accessible information for the people we support. This was communicate to Service Managers and copies saved to the CV19 Intranet for use.

The Group wide Business Continuity Plan was reviewed at the start of the pandemic and has remained under regular review.

## **AVENUES EAST**

### **TRUSTEES' REPORT AND STRATEGIC REPORT**

#### **FOR THE YEAR ENDED 31 MARCH 2021**

##### **Principal Risks and Uncertainties – Coronavirus (Continued)**

Finally, whilst we were all learning as we navigated through the pandemic the CV19 Oversight Group, chaired by Avenues Learning and Development Manager completed our lessons learnt exercise based on our experience and feedback. As a result of this work, changes were made both with regards to the coronavirus management but in other areas of the organisation.

Throughout this period we have been astounded by the determination, resilience and compassion of our staff, whose professionalism has been pivotal in keeping people with complex health needs safe at home, protecting NHS beds for the critically ill.

See Going Concern on page 12 for financial risk assessment.

## **AVENUES EAST**

### **TRUSTEES' REPORT AND STRATEGIC REPORT**

#### **FOR THE YEAR ENDED 31 MARCH 2021**

#### **STRATEGIC REPORT**

##### **Objectives and Activities**

The charitable objects of Avenues East are for the public benefit as they support and promote the intellectual, emotional, physical and spiritual welfare of people aged nine and upward with complex support needs. This is achieved by providing professional, high quality, not-for-profit support services to people, supporting them to enjoy their lives within their communities.

In considering the organisation's objectives and activities, the Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

##### **Achievements and Performance**

Avenues East operates a balanced scorecard which is completed on a monthly basis. Within this are Key Performance Indicators for each strand of the Strategic plan as follows:

##### Better Lives

The challenges associated with the past 12 months cannot be underestimated and we have collectively learnt and adapted to maintain quality and safe services. Staff across the subsidiary have responded positively and worked hard to maintain the health and wellbeing of all of the people we support.

We have maintained a 100% good rating with CQC across the East.

##### Better jobs

The last 12 months has seen an increase in recruitment success across the subsidiary, which in turn, has enabled a decrease in agency usage and expenditure (18%).

We recognise the importance of retaining staff for over 12 months, with an 80% target being set by the group. The retention level for 20/21 was 82%.

##### Better Business

In spite of the restrictions, 3 substantial new services opened across the subsidiary in the past 12 months. Two of these services are in Shropshire, supporting 2 young men with complex needs. In Suffolk we have recently opened a new supported living service for 5 people.

At the end of the year we had actually started supporting 5 new People across the subsidiary and carried 3 supported living vacancies compared to 3 at March 2020.

## **AVENUES EAST**

### **TRUSTEES' REPORT AND STRATEGIC REPORT**

#### **FOR THE YEAR ENDED 31 MARCH 2021**

##### **Our Employees**

In line with the vision of Avenues Trust Group, we are committed to ensuring that all job applicants and employees are treated fairly in line with our equality of opportunities, diversity and fair treatment policy and procedure.

We value diversity and social inclusion across all of our activities and our recruitment process ensures that all applicants have equality of opportunity, are treated with respect and with dignity and that all potential new staff have sufficient references and DBS checks to ensure that they are fit and suitable to work with vulnerable people.

Employee communication and engagement is key to the success of the Group. Through good local management and our communications team, we ensure that all employees are kept informed about the charity's strategy, objectives and performance, as well as day-to-day news and events. Regular information about the organisation is available through newsletters, online resources, team meetings and management briefings.

All employees are encouraged to give their suggestions for improvement and views on both performance and on strategy.

##### **Financial results for the year ended 31 March 2021**

Excluding the debt equalisation adjustment in 2019/20 the total income increased by 7.7% to £6m which was partly offset with an increase in expenditure of 6.6%. Therefore 2020/21 saw a surplus of £79k compared to £18k in the prior year (excluding debt equalisation). As a consequence of in year performance, the accumulated funds are now shown at £0.27m.

##### **Reserves Policy**

The Reserves policy is established at a Group level and is used to ensure that Avenues Group reserves should be sufficient to mitigate against any significant organisational risks and as such the board have concluded a target for Group free reserves of £1.5m. Over the life of the 2021-25 strategic plan, Avenues East can expect to grow at a modest level and following the debt equalisation in 2019/20, Avenues East will now start to build its own reserve levels.

Reserves were as follows at March 2021:

	<b>£000</b>
- General	134
- Restricted funds	184
- Pension scheme	(45)
<b>TOTAL</b>	<b>273</b>

## **AVENUES EAST**

### **TRUSTEES' REPORT AND STRATEGIC REPORT**

#### **FOR THE YEAR ENDED 31 MARCH 2021**

##### **Investment Policy**

The Group's current investment policy is to place surplus cash requirements on the money market both overnight and for longer periods, earning interest at the money market rates at the time of placement.

##### **Going Concern**

The financial statements have been prepared on a going concern basis and the position on going concern ultimately rests with the Group. Avenues East continues to operate a small surplus, working capital requirements are covered at a Group level and the pension scheme deficit is for the long term and therefore has no significant bearing on the going concern assessment for Avenues East.

The Avenues Group operates within a cross guarantee arrangement and cash is pooled across the group to service working capital requirements.

As part of the going concern assessment, we have considered the ongoing financial impact of coronavirus in terms of operating performance and cashflow. We believe the funding support from Government coupled with the measures taken by the organisation in response to the coronavirus pandemic mean that the negative financial impact of the virus is mitigated and at this time does not represent a going concern risk. (See Principal Risks and uncertainties Page 7).

The impact of potential sleep-in payments on going concern has been considered following the Supreme Court decision in the Mencap case which clarifies there is no liability for any back pay relating to sleep-in payments.

The wider Group has embarked upon a transformation programme to focus improvement in the key areas of the organisation which puts Avenues East in a strong position to grow at a modest level and is now in a position to start building reserves.

##### **Future Plans**

Our operational priorities going forward are as follows:

To ensure that we continue to navigate through the coronavirus pandemic proactively and safely for the people we support and our teams.

To continue the development of support packages across the region, including new areas for Avenues East. Alongside the Avenues Business Development Team, continue to seek opportunities in Counties where we do not currently work to promote the work of Avenues

To submit a successful bid to the upcoming Suffolk Supported Living framework, via tender.

## **AVENUES EAST**

### **TRUSTEES' REPORT AND STRATEGIC REPORT**

#### **FOR THE YEAR ENDED 31 MARCH 2021**

Continue to develop Shropshire packages of support, including the opportunity to develop supported living services in the county following a successful framework submission.

Maintain adequate levels of staff across all functions in the region and minimize agency expenditure.

Explore the potential for assistive technology to enhance support across the subsidiary

Begin planning and implementation plan for the introduction of the resourcing function across Avenues East.

The Annual Report of the Trustees and Directors is approved by order of the Board as trustees and the Strategic Report (included therein) is approved by the Board of Trustees in their capacity as the directors at a meeting and signed on its behalf by



Terry Rich

**Chair**

Date: 12th October 2021

## **AVENUES EAST**

### **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

#### **FOR THE YEAR ENDED 31 MARCH 2021**

The trustees (who are also directors of Avenues East 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 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 judgments 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 in business.

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 to 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.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

#### **Auditor**

RSM UK AUDIT LLP has indicated its willingness to continue in office.



# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AVENUES EAST**

## **Opinion**

We have audited the financial statements of Avenues East (the 'charitable company') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet 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 FRS 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 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 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 Annual Report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AVENUES EAST**

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, which includes the Directors' Report and the Strategic 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 Directors' Report and the Strategic Report included within the Trustees' Report has 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 Directors' Report or the Strategic Report included within the Trustees' Report.

We have nothing to report in respect of the following matters where 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 Statement of Trustees' responsibilities set out on page 14, 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

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AVENUES EAST

be expected to influence the economic decisions of users taken on the basis of these financial statements.

### **The extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory frameworks that the charitable company operates in and how the charitable company is complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the charitable company's governing document, and Charities (Protection and Social Investment) Act 2016. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents and evaluating advice received from external advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to the Care Act 2014. We performed audit procedures to inquire of management and those charged with governance whether the charitable company is in compliance with these law and regulations and inspected correspondence with regulatory authorities.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AVENUES EAST

fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <http://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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

NICHOLAS SLADDEN (Senior Statutory Auditor)  
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor  
Chartered Accountants  
25 Farringdon Street, London, EC4A 4AB  
Date 20 October 2021

**AVENUES EAST**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**(Including Income and Expenditure Account)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

	Notes	Unrestricted General Funds	Unrestricted Pension reserve	Restricted Funds	<b>Total</b>	Total
		<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>2021</b> <b>£000s</b>	2020 £000s
<b>INCOME</b>						
<b>Donations and Grants</b>						
Donations	2	4	-	-	4	829
		4	-	0	4	829
<b>Charitable Activities:</b>						
Provision of care to young people	2	2	-	7	9	22
Services to Adults	2	5,971	-	56	6,027	5,587
		5,973	-	63	6,036	5,609
<b>Total income</b>		<b>5,977</b>	<b>-</b>	<b>63</b>	<b>6,040</b>	<b>6,438</b>
<b>Expenditure on:</b>						
<b>Charitable activities:</b>						
Provision of care to young people	3	14	-	-	14	32
Services to Adults	3	5,891	-	56	5,947	5,559
<b>Total expenditure</b>		<b>5,905</b>	<b>-</b>	<b>56</b>	<b>5,961</b>	<b>5,591</b>
<b>Net income</b>		<b>72</b>	<b>-</b>	<b>7</b>	<b>79</b>	<b>847</b>
Transfer between funds		(9)	9	-	-	-
<b>Net movement in funds</b>		<b>63</b>	<b>9</b>	<b>7</b>	<b>79</b>	<b>847</b>
Fund balances brought forward	10	71	(54)	177	194	(653)
<b>Fund balances carried forward</b>	10	<b>134</b>	<b>(45)</b>	<b>184</b>	<b>273</b>	<b>194</b>

The notes on pages 21 to 34 form part of these financial statements

**AVENUES EAST**  
**BALANCE SHEET**  
**as at 31 March 2021**  
**COMPANY REGISTRATION NO : 03326442**

	Notes	2021 £000s	2020 £000s
<b>FIXED ASSETS</b>			
Tangible assets	6	7	7
<b>CURRENT ASSETS</b>			
Debtors	7	675	524
Cash at bank and in hand		41	20
		<u>717</u>	<u>544</u>
<b>CREDITORS</b> falling due within one year	8	405	303
<b>NET CURRENT ASSETS</b>		<u>311</u>	<u>241</u>
Pension scheme liability	13	45	54
<b>NET ASSETS</b>		<u><u>273</u></u>	<u><u>194</u></u>
<b>FUNDS</b>			
Unrestricted funds:			
General funds	10	134	71
Restricted funds	10	184	177
Pension scheme reserve	10	(45)	(54)
<b>TOTAL FUNDS / DEFICIT</b>		<u><u>273</u></u>	<u><u>194</u></u>

The notes on pages 21 to 34 form part of these financial statements

The financial statements were approved and authorised for issue by the Board of Trustees on 12th October 2021 and were signed on its behalf by:



Terry Rich  
Chairman of the Board

**AVENUES EAST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 March 2021**

**1. Accounting Policies**

Avenues East is a Charitable Company limited by guarantee, incorporated in England and Wales. The registered office is River House, 1 Maidstone Road, Sidcup, Kent, DA14 5TA. The Charity's principal activities are disclosed in the Trustees' Report.

The principal accounting policies adopted, judgements and key sources of estimation and uncertainty in the preparation of the financial statements are as follows;

**a) Basis of preparation**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Avenues East meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost of transaction value unless otherwise stated in the relevant accounting policy notes. The reporting currency is pound sterling and the financial statements are presented to the nearest thousand pounds.

The charity is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepare a publicly available consolidated financial statements, including this charity, which are intended to give a true and fair view of the assets, liabilities, financial position and surplus or deficit of the group. The charity has therefore taken advantage from the following exemptions in its individual financial statements:

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures; and
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral; loan defaults or breaches; details of hedges; hedging fair value changes recognised in profit or loss and in other comprehensive income.

**b) Preparation of accounts on a going concern basis**

The financial statements have been prepared on a going concern basis and the position on going concern ultimately rests with the Group. Avenues East continues to operate a surplus, working capital requirements are covered at a Group level and the pension scheme deficit is for the long term, and therefore has no significant bearing on the going concern assessment for Avenues East. The Avenues Group operates within a cross guarantee arrangement and cash is pooled across the group to services working capital requirements.

The wider group has embarked upon a significant strategic review, linked to strong growth with strong margins, in areas of market strength. Within that, Avenues East can expect to grow at a modest level.

**AVENUES EAST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 March 2021**

As part of the going concern assessment, we have considered the ongoing financial impact of coronavirus in terms of operating performance and cashflow. We believe the funding support from Government coupled with the measures taken by the organisation in response to the coronavirus pandemic mean that the negative financial impact of the virus is mitigated and at this time does not represent a going concern risk. (See Principal Risks and uncertainties Page 7).

**c) Income**

Income is recognised when Avenues East has entitlement to the funds, any performance related conditions attached to the item(s) of income has been met, it is probable that the income will be received and the amount can be measured reliably.

Income from government and other grants, whether 'capital' (except capital grants relating to social housing properties) or 'revenue' grants, it is recognised when the charity has entitlement to the funds, any performance related conditions attached to the grant have been met, it is probable that the income will be received and the amount can be measured reliably.

Income received in advance of a service is deferred until the criteria for income recognition are met (Note 9). Income is measured at the fair value of the consideration receivable.

**d) Tangible Fixed Assets and Depreciation**

Fixed assets are stated at cost less accumulated depreciation. Depreciation is provided at the following annual rates in order to write off the assets over their estimated useful lives:

Office Equipment	15-25% per annum on cost
Furniture and Equipment	15-25% per annum on cost
Motor Vehicles	25% per annum on cost

Depreciation of an asset commences from the point the asset is brought into use.

The Groups' policy is to capitalise all assets over £500.

**e) Pension Costs**

Avenues East participates in a defined contribution pension scheme with Standard Life. The contributions paid to this scheme by the group are charged to the Statement of Financial Activities as they fall due.

The Social Housing Pension Scheme (SHPS), a defined contribution scheme (also referred to as 'Pensions Trust'), is an ongoing scheme. The contributions paid to this scheme are charged to the Statement of Financial Activities as they fall due.

The charity also contributes to the defined benefit Social Housing Pension Scheme (closed to future accrual), a multi-employer scheme for certain Avenues East employees. Contributions are charged to the Statement of Financial Activities in the period to which they relate. The charity is unable to identify its share of the underlying assets and liabilities of the scheme on a



**AVENUES EAST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 March 2021**

consistent basis and therefore as required by section 28 of FRS102, accounts for it as if it were a defined contribution scheme.

The different pension schemes are disclosed in Note 13.

**f) Operating leases**

Operating lease rental costs are charged to the Statement of Financial Activities on a straight-line basis over the period of the lease.

**g) Resources expended and the basis of apportioned costs**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. VAT which cannot be recovered is included as part of the expenditure to which it relates. A liability is recognised once a legal or constructive obligation has been entered into by the group.

**h) Allocation of support costs**

Support costs are those functions that assist the work of Avenues but does not directly undertake charitable activities. Support costs include back office costs, finance, human resources, payroll, IT and governance costs which supports Avenues charitable activities, please see note 3 for details on the basis of allocation.

**i) Fund accounting**

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

Restricted funds are subject to specific restrictions imposed by donors. These funds are accounted for separately and are only available to be used in line with donor's requirements.

**j) Taxation**

The Company is a registered charity and as such its income and gains falling within Sections 466 to 493 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 are exempt from corporation tax to the extent that they are applied to its charitable objectives.

**k) Debtors**

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

**l) Cash and cash equivalents**

Cash and cash equivalents includes cash at bank and in hand 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.

**AVENUES EAST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 March 2021**

**m) Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

**n) Financial Instruments policy**

The Charity only has financial assets and 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.

**o) Management estimates and judgements**

In the process of applying its accounting policies, Avenues East is required to make certain estimates, judgements and assumptions that it believes are reasonable based on the information available. These judgements, estimates and assumptions affect the amounts of assets and liabilities at the date of the financial statements and the amounts of revenues and expenses recognised during the reporting periods presented. There are no significant judgements or estimates made.

**2. Income**

**Grant and donations**

	<b>2021</b>	<b>2020</b>
	<b>£000s</b>	<b>£000s</b>
Other donations	4	829
	<b>4</b>	<b>829</b>

Income from charitable activities was £6,036k (2020: £5,609k) of which £63k(2020: £nil) was restricted. Included in charitable activities, £194k was COVID19 support grant of which £56k (2020: £nil) was restricted. Included in grants and donations are £4k (2020: £829k) of unrestricted donations.

Covid Support Grant received for the year was £195k of which £56k was restricted.

**AVENUES EAST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 March 2021**

**3. Expenditure**

	2021 £000s	2020 £000s
Net income for the year is stated after charging		
Depreciation of tangible fixed assets	2	2
Operating lease charges for land and buildings	60	51
External Audit	7	7

	Direct costs £000s	Support Costs £000s	2021 £000s	2020 £000s
<b>Charitable Activities</b>				
Provision of care to young people	12	2	14	32
Services to Adults	5,318	629	5,947	5,559
<b>2021 Total</b>	<b>5,330</b>	<b>631</b>	<b>5,961</b>	
<b>2020 Total</b>	<b>4,960</b>	<b>631</b>		<b>5,591</b>

Expenditure on charitable activities was £5,961k (2020: £5,591) of which £56k (£nil) was restricted Covid related support cost.

The charitable activities provided by Avenues East have been categorised to reflect the key services provided.

**Summary analysis of expenditure and related income for charitable activities**

	Provision of care to young people £000s	Services to Adults £000s	Services to Older People £000s	Total £000s
Income	9	6,027	-	6,036
Costs	(14)	(5,947)	-	(5,961)
<b>Surplus / (Deficit)</b>	<b>(5)</b>	<b>80</b>	<b>-</b>	<b>75</b>

**Analysis of governance and support costs**

Avenues initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function. Having identified its governance costs, the remaining support costs together with the governance costs are apportioned between the key charitable activities undertaken (see above) in the year. Support costs are allocated on a blended percentage rate which takes into account the key drivers of central costs including staff costs, FTE, number of locations, number of people supported and vacancy rates. Refer to the table below for the analysis of support and governance costs.

**AVENUES EAST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 March 2021**

**3. Expenditure (continued)**

	Provision of care to young people £000s	Services to Adults £000s	Services to Older People £000s	Total £000s
Support costs	1	623	-	624
Governance	0	7	-	7
	<b>1</b>	<b>630</b>	<b>-</b>	<b>631</b>

	General support £000s	Governance function £000s	Total £000s
EMT & Governance	126	-	126
Group Finance	197	7	204
Group HR	146	-	146
Group Office Management	111	-	111
Group Practice Development & Assurance	44	-	44
	<b>624</b>	<b>7</b>	<b>631</b>

**4. Trustees' remuneration**

The trustees are the directors of the company. During the year 1 trustee(s) (2020: 2) were reimbursed expenses of £50 (2020: £2k) for travel expenses in roles as trustees.

J Land, Chief Executive, is also a Trustee of Avenues Trust Group. During the 2020/21 financial year she received £147k (2020: £161k) in remuneration including £12k of pension contributions (2020: £12k) from The Group in respect of her role as Chief Executive. No remuneration or pension contributions were paid in relation to her role as a trustee.

N Ford, Group Director of Finance, is also a Trustee of Avenues Trust Group. During the 2020/21 financial year she received £110k (2020: £126k) in remuneration including £9k of pension contributions (2020: £9k) from The Group in respect of her role as Group Finance Director. No remuneration or pension contributions were paid in relation to her role as a trustee.

The Directors of the Charity are remunerated by the Avenues Trust Group only to the extent permitted by the Charity's Articles of Association. A further payment was made in the year of £0.5k (2020: £3k) which is a collective premium to cover Trustees Liability.

No other Trustees received remuneration or pension contributions in the current or preceding period.

**AVENUES EAST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 March 2021**

**5. Staff costs and key management personnel**

The Directors of the company are remunerated by Avenues Group and therefore not included in the disclosure below.

The number of employees whose emoluments exceeded £60k were:

	<b>2021</b>	<b>2020</b>
	<b>No.</b>	<b>No.</b>
£70k - £80k	-	1

The total number of staff employed by the charity as well as the full time equivalents are as follows:

	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>No.</b>	<b>No.</b>	<b>FTE</b>	<b>FTE</b>
Office staff	3	3	3	3
Care staff	75	75	74	74
Part time Support staff	140	138	112	101
Bank contract staff	58	58	-	-
<b>Total</b>	<b>276</b>	<b>274</b>	<b>189</b>	<b>178</b>

	<b>2021</b>	<b>2020</b>
	<b>£000s</b>	<b>£000s</b>
<b>Staff costs</b>		
Wages and salaries	3,852	3,602
Social security costs	292	250
Pension costs (Note 13)	102	107
Agencies	666	734
	<b>4,912</b>	<b>4,693</b>

The key management personnel of Avenues East comprise the trustees including; the Group Chief Executive, Group Deputy of Operations, Group Director of Finance, Group Director of People and Organisational Development, Group Director of Business Development, and Group Director of Housing and Development. The Avenues East share of these costs along with cost of the Regional Directors are shown below:

	<b>2021</b>	<b>2020</b>
	<b>£000s</b>	<b>£000s</b>
Wages and salaries	131	158
Social security costs	17	17
Pension costs	9	8
	<b>157</b>	<b>183</b>

**AVENUES EAST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 March 2021**

**6. Tangible fixed assets**

	Furniture and Equipment £000s	Office equipment £000s	Total £000s
<b>Cost</b>			
At 1 April 2020 as previously stated	98	137	235
Adjustment ( see note below)			
At 1 April 2020 restated	113	159	272
<b>Costs as at 1 April 2020 and 31 March 2021</b>	<b>113</b>	<b>159</b>	<b>272</b>
<b>Depreciation</b>			
At 1 April 2020 as previously stated	91	137	228
Adjustment ( see note below)			
At 1 April 2020 restated	105	159	264
Charge for year	2	-	2
<b>At 31 MARCH 2021</b>	<b>106</b>	<b>159</b>	<b>265</b>
<b>Net book value</b>			
<b>At 31 MARCH 2021</b>	<b>7</b>	<b>-</b>	<b>7</b>
<i>At 31 March 2020</i>	<i>7</i>	<i>-</i>	<i>7</i>

The opening balances of the cost and depreciation have been restated to reflect the charity's booked tangible assets with no impact on the NPV.

**7. Debtors**

	2021 £000s	2020 £000s
Contract fees receivable	37	296
Prepayments and accrued income	92	142
Amounts due from group undertaking	546	86
	<b>675</b>	<b>524</b>

**8. Creditors**

	2021 £000s	2020 £000s
Trade creditors	53	53
Tax and social security	43	76
Other creditors	28	1
Accruals & deferred income	207	150
Amount due to group undertaking	74	23
	<b>405</b>	<b>303</b>

Included in creditors are amounts totalling £0k (2020: £20k) in respect of outstanding pension contributions.

**AVENUES EAST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 March 2021

**9. Movements in deferred income**

	<b>2021</b>	<b>2020</b>
	<b>£000s</b>	<b>£000s</b>
Deferred income at the beginning of the year	49	117
Income recognised in the year	(49)	(117)
Income deferred in the current year	41	49
Income deferred at the year end	<b>41</b>	<b>49</b>

Deferred income comprises contract fee income which relates to services that will be provided in the future periods, and grants and donation where milestones and conditions for recognition are expected to be met in future periods.

**10. Analysis of movements in funds**

	<b>Balance at 31 March 2020 £000s</b>	<b>Income £000s</b>	<b>Expenditure £000s</b>	<b>Transfer between funds £000s</b>	<b>Balance at 31 March 2021 £000s</b>
<b>Unrestricted funds</b>					
General reserve	71	5,977	(5,905)	(9)	134
Pension reserve	(54)	-	-	9	(45)
<b>Restricted funds</b>					
Partnership Working	9	-	-	-	9
Disability Forum for Suffolk	4	-	-	-	4
Disability Focus Day	11	-	-	-	11
Disability Sport Project	22	-	-	-	22
Hope House Holiday Fund	4	-	-	-	4
Leisure – RHS Games	3	-	-	-	3
Leisure - Swimming	35	-	-	-	35
Teaming Up	62	-	-	-	62
Share	-	-	-	-	-
Big Lottery	12	-	-	-	12
Employment Service	15	-	-	-	15
CSU Donations	0	7	-	-	7
Covid Support Grant	0	56	(56)	-	0
	<b>177</b>	<b>63</b>	<b>(56)</b>	<b>0</b>	<b>184</b>
<b>Total Funds</b>	<b>194</b>	<b>6,040</b>	<b>(5,961)</b>	<b>-</b>	<b>273</b>

<b>Analysis of movements in funds (prior year)</b>	<b>Balance at 31 March 2019 £000s</b>	<b>Income £000s</b>	<b>Expenditure £000s</b>	<b>Transfer between funds £000s</b>	<b>Balance at 31 March 2020 £000s</b>
<b>Unrestricted funds</b>					
General reserve	(765)	6,438	(5,591)	(11)	71
Pension Reserve	(65)	-	0	11	(54)
<b>Restricted funds</b>					
Partnership Working	9	-	-	-	9
Disability Forum for Suffolk	4	-	-	-	4
Disability Involvement Day	11	-	-	-	11
Disability Sport Project	22	-	-	-	22
Hope House Holiday Fund	4	-	-	-	4
Leisure – RHS Games	3	-	-	-	3
Leisure - Swimming	35	-	-	-	35
Teaming Up	62	-	-	-	62
Share	0	-	-	-	0
Big Lottery	12	-	-	-	12
Employment Service	15	-	-	-	15
	<b>177</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>177</b>
<b>Total Funds</b>	<b>(653)</b>	<b>6,438</b>	<b>(5,591)</b>	<b>-</b>	<b>194</b>

**AVENUES EAST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 March 2021**

**10. Analysis of movements in funds (continued)**

**Designated Pension Reserve**

The pension reserve represents the movements in respect of the defined benefit pension schemes in which the charity participates.

**Restricted funds**

- 1) The Partnership Working fund is restricted to supporting the costs of user involvement in multi-agency working to promote the inclusion of disabled people in county and local initiatives.
- 2) Disability Forum for Suffolk fund is for work relating to representing and consulting with disabled people in Suffolk, as well as for organising events to bring disabled people in Suffolk together.
- 3) Disability Involvement Day fund is restricted to supporting the costs of organising the forum to meet representatives from disability organisations and statutory organisations across Suffolk.
- 4) Disability Sport Project is to provide sport and physical activities for young people and adults with disabilities.
- 5) The Hope House Holiday fund represents a fund raised towards the provision of an annual holiday for the residents.
- 6 +7) The "Leisure" funds are restricted to the various Leisure Activities services. The Learning through Leisure fund is restricted to this service.
- 8) The Teaming Up fund is restricted to various Teaming Up activities.
- 9) The Share fund is restricted to initiate Share events. These events are designed to encourage disabled people to take part in arts activities. £6k of funds were transferred from General Reserves to remove deficit from previous years.
- 10) The Big Lottery fund is restricted to supporting disabled people during the transitional period of their lives enabling them to access volunteer and work experience opportunities within their local community.
- 11) The Employment Service fund is restricted to helping young people to gain work experience or volunteering enabling them to gain valuable life skills.
- 12) CSU Donations is community support donation restricted to helping disabled people to take part in social activities, for examples games and pub quiz.
- 13) Covid Support Grant specific to cover support cost that is link to covid safety.



**AVENUES EAST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 March 2021**

**11. Analysis of net assets between funds**

	Restricted Funds	Unrestricted Funds	Unrestricted Pension Fund	2021 Total
	£000s	£000s	£000s	£000s
Fund balances at 31 March 2021 are represented by:				
Tangible Assets	-	7	-	7
Net current assets/(liabilities)	184	127	-	311
Long Term Liabilities	-	-	(45)	(45)
<b>Total</b>	<b>184</b>	<b>134</b>	<b>(45)</b>	<b>273</b>

**Analysis of net assets between  
funds - previous year**

	Restricted Funds	Unrestricted Funds	Unrestricted Pension Fund	2020 Total
	£000s	£000s	£000s	£000s
Fund balances at 31 March 2020 are represented by:				
Tangible Assets	-	7	-	7
Net current assets/(liabilities)	177	64	-	241
Long Term Liabilities			(54)	(54)
<b>Total</b>	<b>177</b>	<b>71</b>	<b>(54)</b>	<b>194</b>

**12. Operating lease commitments**

The total minimum lease payments under non-cancellable operating lease are as follows:

	2021 £000s	2020 £000s
<b><u>Land and Buildings</u></b>		
<b>Amounts due:</b>		
Less than 1 year	60	4
Between one and five years	215	-
More than five years	484	

**13. Pension costs**

Avenues East has contributed to both defined benefit and defined contribution schemes during the year and defined benefit schemes are accounted for as if they were defined contribution schemes as required by FRS 102 Section 28 'Employee benefits'. The total cost to the charity for the year ended 31 March 2021 in respect of pension contributions, which have been allocated between resources expended categories in proportion to staff costs and charged to the Statement of Financial Activities as appropriate, are as follows:

	2020/21 £000s	2019/20 £000s	2020/21 No.	2019/20 No.
Pensions Trust SHPS	97	53	164	155
Pensions Trust Closed scheme	4	3	7	8
Per Note 5	102	56		

**AVENUES EAST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 March 2021**

**13. Pension costs (continued)**

**Defined Contribution Schemes**

**The Social Housing Pension (SHPS)**

The Social Housing Pension (SHPS) defined contribution scheme (also referred to as 'Pensions Trust') is an ongoing scheme. The contributions paid to this scheme by the group are charged to the Statement of Financial Activities as they fall due.

**The Pension Trust – Social Housing Pension Scheme (Closed Scheme)**

Avenues East participates in the Social Housing Pension Scheme (the Scheme). The Scheme is funded and is contracted-out of the State Pension scheme.

The Trustee commissions an actuarial valuation of the Scheme every three years. The main purpose of the valuation is to determine the financial position of the Scheme in order to address the level of future contributions required so that the Scheme can meet its pension obligations as they fall due.

The company participates in the scheme, a multi-employer scheme which provides benefits to some 500 non-associated employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK. The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m.

To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

**Deficit contributions**

---

From 1 April 2019 to 31 January 2025

---

£11,243,000 per annum  
(payable monthly and increasing by 3%  
each on 1st April)

Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies. Note that the scheme's previous valuation was carried out with an effective date of 30

**AVENUES EAST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 March 2021**

**13. Pension costs (continued)**

September 2014. This valuation showed assets of £793.4m, liabilities of £969.9m and a deficit of £176.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

From 1 April 2016 to 30 September 2025:	£12,945,440 per annum (payable monthly and increasing by 3% each on 1st April)
From 1 April 2016 to 30 September 2028:	£54,560 per annum (payable monthly and increasing by 3% each on 1st April)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities. Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

<b>Present values of provision</b>	Mar-21 £000s	Mar-20 £000s
Present value of provision	45	53

**Reconciliation of opening and closing provisions**

	Year ending Mar-21 £	Year ending Mar-20 £
Provision at start of period	53	64
Unwinding of the discount factor (interest expense)	1	1
Deficit contribution paid	(11)	(11)
Remeasurements - impact of any change in assumptions	2	(1)
Remeasurements - amendments to the contribution schedule	-	-
Provision at end of period	45	53

**SOFA impact**

	Year Ending Mar-21 £000s	Year Ending Mar-20 £000s
Interest expense	1	1
Remeasurements – impact of any change in assumptions	2	(1)
Remeasurements – amendments to the contribution schedule	-	-

**AVENUES EAST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 March 2021**

**13. Pension Cost (continued)**

<u>ASSUMPTIONS</u>	Mar-21	Mar-20	Mar-19	Mar-18
	% per annum	% per annum	% per annum	% per annum
Rate of discount	0.66	2.53	1.39	1.71

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

**14. Investment policy and position**

The banking activities for Avenues East are managed by The Avenues Group.

**15. Related party transactions**

As a member of the Avenues Trust Group, Avenues East uses central services to carry out its operations. The group makes a charge for these central costs based on a blended ratio of group costs.

In addition, Avenues Group acts as the central banker for Avenues East, paying salary costs and creditors and receiving cash from customers. There were no write offs during the year.

	<b>2021</b>	<b>2020</b>
	<b>£000s</b>	<b>£000s</b>
Balance owed at brought forward	64	(735)
Payroll services provided by group companies	(4,186)	(3,939)
Receipts taken on behalf of group companies	6,238	5,943
Payments made by group companies	(1,020)	(1,319)
Debt equalisation - AG & Welmede	0	735
Recharges of head office costs	(624)	(621)
Balance owed at carried forward	<u>472</u>	<u>64</u>

**16. Ultimate parent undertaking**

The charity is consolidated into its ultimate parent undertaking, The Avenues Trust Group, a Charitable Company (Charity number 1130473, company number 03804617), limited by guarantee, incorporated in the UK. The consolidated financial statements of The Avenues Trust Group can be obtained by writing to The Avenues Trust Group, River House, 1 Maidstone Road, Sidcup, Kent, DA14 5TA.

The principal activity of The Avenues Trust Group is the provision of professional, high quality, not-for-profit support services to people with complex or challenging needs. The Parent exercises control through the power of appointment and removal of Trustees on Subsidiary Boards.