



AVENUES EAST

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

Charity Registration Number: 1061241

Company Registration Number: 03326442

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BOARD MEMBERS AND MANAGEMENT PERSONNEL

FOR THE YEAR ENDED 31 MARCH 2024

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

Board Members

Chair: 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:

Evlynne Gilvarry	Member of the Audit, Risk and Digital & IT Committee
Alistair Brown	Chair of Audit and Risk Committee and member of Finance Committee
Lauren Stoner	Member of the QLE Committee
Jonathan Hardie	(From 01 November 2023) Member of the Finance and Integration Committees
	Termination of Appointment 22 Oct 2024

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 Director of Operations
Caroline Neal	Group Director of People and Organisational Development
Karina Hourd	Group Business Development Director
Lauren Osman	Company Secretary and Group Head of Governance

CHARITY REGISTRATION NUMBER 1061241

COMPANY REGISTRATION NUMBER 03326442

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BOARD MEMBERS AND MANAGEMENT PERSONNEL

FOR THE YEAR ENDED 31 MARCH 2024

Registered Office:

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

Advisors:

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

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

Solicitors: Trowers & Hamlin, 3 Bunhill Row, London EC1Y 8YZ.

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TRUSTEES' REPORT AND STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2024

The Board presents its Annual Report and the Audited Financial Statements of Avenues East for the year ended 31 March 2024. 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.

Introduction

The Avenues East accounts for 2024 and the 2023 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.

At the heart of our mission is a desire to empower individuals and communities, ensuring their well-being and fostering social equity. We firmly believe that every person deserves respect, dignity, and equal opportunities. Through our work we actively strive to uplift vulnerable people, promote inclusivity, and support the development of sustainable and resilient communities.

We recognise that, whilst delivering our mission, our actions today shape the world of tomorrow. As a dedicated and compassionate organisation, we believe in the power of Environmental, Social and Governance (ESG) principles to drive sustainable progress and create a lasting impact on our planet for the people that we support, our employees and the wider community. In the course of our work, we are already good at delivering against the social and governance aspects of these principles. We have made some progress against the environmental principles but are currently working on improving our impact in this area.

SOCIAL

Public Benefit

Avenues East provides community-based support to autistic people, and those with learning disabilities, acquired brain injuries and complex needs.

Most of our work is commissioned by local government and the NHS and delivered through Supported Living arrangements. This methodology is recognised to deliver better outcomes and significant savings to the public purse when compared to residential and clinical alternatives.

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FOR THE YEAR ENDED 31 MARCH 2024

Avenues East supports more than 83 people to enjoy community-based life and employs 300 staff.

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, and we work with a wide range of organisations and networks to achieve this, including Skills for Care, the British Institute of Learning Disabilities (BILD), The Restraint Reduction Network and the Voluntary Organisations Disability Group (VODG).

Quality is of paramount importance to Avenues, so we also work with the Tizard Centre at the University of Kent, which acts as a critical friend and audits our standards.

At a statutory level we are regulated by the Care Quality Commission.

Quality and 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 know that well-supported people support people well.

We take into account shared interests when matching staff to people they support. This means support is personalised and encourages retention and consistency. Staff take time to get to know people, working out what matters to them and what they enjoy, meaning they can live the lives they want to live.

Through our approach we can, over time, reduce people's support needs so they can live with increasing independence.

On 1st of November 2023, Autism Hampshire a registered charity, joined Avenues, bringing with it additional expertise in neurodiversity, and strong shared values. This will be used to advance our existing support for autistic people across all the Group's services.

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.

Our Employees

In line with the vision of The 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 also have an ongoing commitment to ensuring that our employees are competitively rewarded, especially in light of the most recent cost of living challenges.

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We value diversity and social inclusion across all of our activities and our recruitment process ensures that all applicants are recruited on a values basis, treated with respect and dignity and are screened to ensure that they are suitable to work with vulnerable people.

Our commitment to Equality, Diversity & Inclusion resulted in us retaining a place in the top 100 most inclusive employers in 2022 with the National Centre for Diversity.

We have a comprehensive wellbeing offering supporting mental, physical, social and financial wellbeing. It includes but is not limited to an Employee Assistance Programme, which includes free counselling to those that need it, weekly Mindfulness sessions, money management advice and Early Pay; a facility whereby employees can draw down their earned salary should they need it to prevent the need for expensive pay day loans.

We have in place an extensive training package that supports safe working practices and have a well embedded practice of risk assessment to ensure safe practice and equipment. Our supervision practice is robust and ensures that wellbeing action planning is front and centre of our discussions with the workforce.

In the event of a change in an employee's health, in accordance with our sickness absence policy, we work with occupational health and the individual to establish whether this constitutes a disability and in the event it did, we would continue to work with them to make every reasonable effort to sustain ongoing employment. We have good rehabilitation practices in place to support those with substantial health issues to return to employment as early as possible.

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 views and opinions on strategy and performance. As well as local mechanisms to get in touch, employees can contact the Executive Management Team direct via email or by joining one of our regular virtual meetings with EMT members.

Our learning and development programme meets the standards set by Skills for Care, the workforce development body for adult social care in England. The endorsement is a trusted quality mark awarded to the best learning and development providers within the social care sector. Avenues has held this accreditation for a number of years now and were most recently reaccredited in February 2024. All of our managers undergo a specially designed induction course at a Leadership and Management Academy that supports them to be effective leaders and managers. Training is free to our employees and freely available to them to attend through the publication of extensive quarterly training calendars.

Recognition of our workforce and their skilled and dedicated support to vulnerable people is key and is underpinned by our system of local monthly employee of the month awards which across the course of the year culminate in an annual awards ceremony.

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STATEMENT ON EMPLOYMENT OF DISABLED PERSONS

Commitment to Diversity and Inclusion

Avenues is committed to promoting diversity and inclusion across all areas of its work. We believe that a diverse workforce enriches our organisation and enhances our ability to serve the community effectively. In line with this commitment, we actively promote equality of opportunity for all, including those with disabilities.

Employment Practices

We ensure that our recruitment processes are inclusive and accessible to disabled candidates. We make reasonable adjustments throughout the recruitment process, ensuring that disabled applicants can compete on equal terms.

For existing employees who become disabled, Avenues is committed to supporting their continued employment by making reasonable adjustments to their work environment, duties, or role where necessary. This may include adjustments such as modified equipment, flexible working arrangements, or additional support.

Training and Development

Avenues provides training to all employees, including those with disabilities, to ensure they have the skills and opportunities to develop in their roles. We regularly review our training programs to ensure they meet the needs of our disabled employees and support their career progression within the organization.

Accessibility and Reasonable Adjustments

We regularly assess the accessibility of our workplace and the services we provide to ensure they meet the needs of our disabled employees and people we support. Reasonable adjustments are made as required to remove barriers to participation and employment, and we consult with employees on the adjustments they may need to succeed in their roles.

Monitoring and Reporting

We monitor the effectiveness of our policies and practices relating to the employment of disabled persons and regularly review our performance in this area. This includes tracking the number of disabled employees, the types of adjustments made, and employee satisfaction levels. The findings are reported to senior management and used to inform future improvements.

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Anti-Discrimination

Avenues is committed to preventing discrimination against disabled employees and job applicants. We have clear policies in place that prohibit discrimination, harassment, and victimization on the grounds of disability, and we take any such incidents seriously, ensuring they are investigated and addressed promptly.

ENVIRONMENTAL

We believe that safeguarding our environment is not just a responsibility but an urgent necessity. Avenues is committed to reducing our carbon footprint, promoting eco-friendly practices and supporting initiatives that protect and preserve our natural resources. By working with our partners and stakeholders, we are on a journey to implement sustainable strategies that contribute to a cleaner, greener and more resilient world.

We are working to reduce the harmful impact on the environment we work in. As a provider of care services much of what we do is through people working with other people but we are also an active user of resources:

- We use gas, electricity and water across our accommodation and offices
- We manage transport for the people we support, either via publicly available networks, or use of vehicles to provide mobility services
- Many of our colleagues travel to and from work
- We have to maintain records of our work

To minimise our carbon footprint we are committed to reducing the use of natural resources including our reliance on fossil fuels: we have already:

- Introduced new ways of working to reduce the need for many staff to travel to work every day. Offices are promoted as areas of collaboration rather than attendance.
- Introduced technology that reduces our use of paper & printing. Our Care & Support services use handheld devices to record activity, this not only means we no longer have to maintain and retain paper files, but also provides more responsive care to the people we support.
- Encouraged service activities to use public forms of transport wherever possible. We recognise that for some people their needs are such they will always need their own transport, and we will help them to find the least environmentally harmful ways of doing this.
- Actively taken part in recycling initiatives in our schemes and work places, as well as promoting energy consciousness across all of what we do.

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FOR THE YEAR ENDED 31 MARCH 2024

Over the next four years we will:

- Continue to invest in improvements to ensure the insulation and energy efficiency in our buildings

We continue to keep these measures under review, introducing new initiatives and building on the work we already do. In doing so we will reduce our carbon emissions and create more environmentally sustainable ways of working.

GOVERNANCE

Transparency is the cornerstone of our governance. We hold ourselves accountable to the highest standards of governance, adhering to ethical practices and ensuring the responsible allocation of resources. We embrace openness in our decision making processes, fostering trust and confidence among our stakeholders.

Legal 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. The Memorandum of Association was last reviewed and updated in May 2020. 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. The Avenues Trust Group is the sole member of Avenues East.

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

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FOR THE YEAR ENDED 31 MARCH 2024

Board Structure

The Avenues Group Boards operate an overlapping board governance structure. The overlapping board structure involves all the entities within the Group sharing a core group of trustees common to all 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.

The Board members are set out on Page 1.

The Group Board meets five to six 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 five committees which discuss the business of the whole Group. The committees are:

- Audit & Risk
- Finance
- People, Culture and Reward (PCR)
- Quality, Local Focus and Engagement (QLE) and
- Digital & IT (Established post year-end audit)

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 **People, Culture and Reward Committee (PCR)** provides assurance that the 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.

The **Quality, Local Focus and Engagement Committee (QLE)** provides assurance regarding the quality of our services and the engagement of the people we support across the

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organisation. This committee was introduced to provide assurance to the boards 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.

The **Digital & IT Committee** is still in its formation stage but has been established to bring a greater degree of engagement in our digital strategy, priorities, spend, delivery and direction so that digital interests are adequately represented at the Group Boards and to enable assurance on technology delivery and digital priorities.

In addition to our committees, we have also introduced Special Interest Groups for specific organisation wide projects. These are task and finish groups which oversee projects that are integral to the delivery of the strategic plan set by the board. Each Special Interest Group includes trustees as members. This year Special Interest Groups includes Integration (of Autism Hampshire into the Avenues Group), Community Services and Fundraising.

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.

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.

After the successful recruitment campaign in 2021 to improve the diversity of the Board, Avenues Trust Group has continued with the practice. We plan to recruit three new trustees in 2024/5 to expand our board diversity.

Our non-executive trustees serve a period of four years, with an option to extend for a further five 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 Head of Governance will work with the board or committee to carry out a skills audit before a recruitment campaign begins.

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FOR THE YEAR ENDED 31 MARCH 2024

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 organize training to meet that need and this can be delivered online, internally or through externally facilitated training sessions.

How we work with our stakeholders

Family Matters Group

Avenues are continually looking for ways to improve the support we provide and are keen to develop greater involvement in what we do from the families, carers and friends involved in the lives of the people we support. Last year we started our **Family Matters Group**.

The aim of the Family Matters Group is to provide a real voice for families, carers and friends in the work that we do, ensuring that our practices, policies, procedures and initiatives have their involvement.

The Family Matters Group has an independent chair and provides a forum which allows communication and transparency between us and the parents and advocates of the people we support.

The Group's role is to:

- Consider and comment on the support we provide and the way in which we provide it
- Help us develop this support so that family contribution becomes core to what we do
- Offer advice and guidance regarding specific initiatives and projects aimed at improving how we work with families, carers and friends
- Develop ways for families, carers and friends to have their voice heard by the Board of Avenues, the Executive Team and the Senior Leadership Group
- Provide a "safe space" for confidential discussion and sharing

Local Engagement Group

There is a local engagement group in the East subsidiary. It is made up of people we support and is supported by a member of the Quality Assurance and Practise team. The group is newly established, and members will chair the meetings.

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FOR THE YEAR ENDED 31 MARCH 2024

The purpose of the group is to:

- Provide a forum of discussion for groups of people we support
- Share community engagement opportunities within their local community
- Review policies, procedures, projects and communications
- Ensure that the views and suggestions of people we support with lived experience are clearly communicated to the Quality and Local Engagement Committee, Executive Management Teams and Board of Trustees.

The group is newly formed and one of the first tasks is recruiting Quality Checkers. These are people we support who use Avenues Services who will support our Quality Audit Team. Future work includes working with our Communications team to design the new website, reviewing easy read information, policies and procedures, Interviewing trustees and Senior Managers, becoming members of the co-production panel and becoming quality checkers. Regular agenda items include local community activities, checking easy read documents, having guest speakers and talking about what Avenues is doing.

Data Protection Compliance

We believe that everyone has rights with regard to how their personal information is handled. Complying with Data Protection Law ensures people can trust us to use their data fairly and responsibly.

Safety and providing quality services is at the heart of everything we do. It is very important to us that we keep all personal information that we hold safe.

The Avenues Group Boards have continued to oversee our compliance with UK General Data Protection Regulation (GDPR). 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. Data Protection compliance is reported directly to the Audit and Risk Committee.

Strategy

The strategic direction of Avenues East is set in the context of the overall Avenues Group strategy as a whole. 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.

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FOR THE YEAR ENDED 31 MARCH 2024

Risk Management

The Boards 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 the group Audit Committee, which, in turn, reports on risk to the Avenues Group Boards on a quarterly basis.

The key risks identified for 2023/24 were:

1. **Financial Sustainability:** Our financial margins continue to be scrutinised by our funders and remain under pressure. The failure to provide a solution or plan for Social Care, this raises risks for us around future funding from central and local government.
2. **Growth & Development:** We need to grow in order to remain financially sustainable and to flourish organisationally. Poor growth will lead to decline of the organisation in financial and operational terms, potentially making it unviable and our future sustainability will be threatened if we do not realise our growth plans.
3. **Reputational:** Our future relies heavily on our reputation with our stakeholders which include CQC, our employees, the people we support and their families and our commissioners. In order to maintain a good reputation we must continue to provide quality support and listen to what our stakeholders need.
4. **People:** Our people are our most important asset and internal in-efficiency, workforce development, pay and reward will impact on our future resilience. The external labour market for quality support workers is proving very challenging for all social care providers
5. **External:** External threats out of our control have the ability to effect other risks. This includes legislative rulings which will potentially impact on our financial or reputational position if we don't mitigate or comply.

All necessary measures have been taken to mitigate these risks and they are continually monitored by management, Committees and the Board.

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FOR THE YEAR ENDED 31 MARCH 2024 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 sixteen 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 monthly balanced scorecard which is used for reporting to management and trustees. Within this are 4 headline Key Performance Indicators which are as follows:

People

Infection prevention and control remain at the forefront of all service delivery. We have continued to maintain a good supply of required PPE and have updated guidance across the organisation as required and following Government alterations.

We continue to build upon close working relationships with relevant professionals and family members. These relationships have been essential in empowering the people we support to lead rewarding and fulfilling lives, maintain positive family contact, through the most challenging of times.

As with all providers across the sector, recruitment and retention of staff has been one of the main challenges over recent years, with a steady increase in vacancy rates across some services. Despite these challenges, we have maintained the highest standards across all services and work closely with our Recruitment colleagues to bring in new staff.

At March 2024 we had a vacancy rate of 25.9% against a target of 20%, although this is an improvement from 30.9% in April 2023.

Financial Sustainability

We have acquired a higher than usual number of voids across services in the last 12 months, with 6 voids in place at the end of March 2024. We continued to maintain close working relationships with the local authorities to identify suitable individuals where those voids occur and are hopeful of the number decreasing during the financial year 2024/25.

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Growth and Development

We have started a new service in Shropshire supporting 1 person in their own home and continue to seek opportunities for further growth and development in this expanding region.

Reputation

We have a 66% good rating (3 registrations in total) with CQC across the East, with the new service in Essex remaining as requires improvement, as it was when it transferred to Avenues in February 23.

Financial results for the year ended 31 March 2024

The financial activities of the year are set out in detail on the Statement of Financial Activities (SOFA). Total income increased by 9% to £7.6m, which was offset by an increase in expenditure of 10%. Therefore 2023/24 saw a deficit of £431k compared to a deficit of £358k in the prior year. Because of in year performance, the accumulated funds are now shown at a deficit of £377k (2023: surplus of £54k) which is a decrease of £431k. This comprised of a decrease in restricted fund of £12k and a decrease of unrestricted funds of £425k, netted off by reduction in pension liability of £5k. We had budgeted a deficit of £230k but saw a higher loss due to some loss in income from voids and higher than budgeted operational costs.

There are plans to improve on the income by reducing the void levels and targeted growth covering core cost with a fair contribution to cover a percentage of the central cost. There are also cost saving strategy plan throughout the year and beyond, monitoring financial performance and scrutiny on loss making services.

The budget for 2024/25 is set at loss making but we expect to see improved performance in 2025/26 with the view to attaining a positive reserve position by 2026/27.

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. Opportunities are being considered to grow Avenues East so that it can move to a surplus position and expand it's reserves.

The balance held as unrestricted fund is negative £556k (2023: (132)) and restricted £182k (2023: £194k), therefore there are no free reserves. There is plan to see Avenues East into a reduced loss in 2024/25 and breakeven or make a small surplus by the end of 2025/26.

The Group strategy is to maintain the reserve at £1.5m level. The plan is to do this through profitable growth and to continuously monitor financial performance across all entities within the Group.

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FOR THE YEAR ENDED 31 MARCH 2024

Reserves were as follows at March 2024:

	£000
- General	(556)
- Restricted funds	182
- Pension scheme	(3)
TOTAL	(377)

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. The charity currently holds no equity investments. The management of cash reserves are reviewed at a Group level.

Going Concern

The financial statements have been prepared on a going concern basis as the position on going concern ultimately rests with the Group. Avenues East has a deficit budget for 2024/25 and there is significant focus on cost control and exploring growth opportunities in Avenues East to increase scale and improve financial sustainability. In addition, East is reviewing premises requirements locally which should bring some saving on overhead cost. There is also a plan in place to save central costs and reduce spend on agency premium across the group during 24/25. Avenues East will be supported by the Group until plans to return to surplus are enacted.

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.

The Trustees believe it is appropriate to prepare the accounts on a going concern basis and that there are no material uncertainties around this.

AVENUES EAST

TRUSTEES' REPORT AND STRATEGIC REPORT

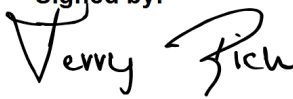
FOR THE YEAR ENDED 31 MARCH 2024

Future Plans

Avenues East operational priorities going forward are as follows:

- 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 minimise voids and work closely with referrers when a void placement occurs.
- To maximise opportunities for growth via suitable tender submission for framework as they become available.
- Further development of Shropshire packages of support, including the opportunity to develop suitable supported living services. Explore opportunities for further reach into new areas, focusing on the neighboring counties.
- Continue close work with the Avenues Recruitment Team to maintain staffing levels across all functions in the region and minimize agency expenditure.
- To continue to embed active support across all applicable services.
- To work closely with all funding bodies to ensure ongoing financial viability of all services and continuity of quality support provision.

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 and signed on its behalf by:

Signed by:

A47F8403F28949C...

Terry Rich
Chair
Date: 22 October 2024

AVENUES EAST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2024

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.

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the trustees. The trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

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.

AVENUES EAST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2024

Equality and diversity

Avenues East values and aims to support equality and diversity regardless of age, gender, race, disability, religion/belief, and sexual orientation. We recognise that our success depends upon our people. We further recognise that capitalising upon what is unique about individuals and drawing upon their different perspectives and experiences adds value to the way we deliver our services.

These aims are delivered through our Equal Opportunities, Equality & Diversity, Anti-Discrimination, Anti Bullying & Harassment, Recruitment and Training & Development Policies and Procedures. Where possible we shall strive to make appropriate adjustments to the workplace to support people to achieve their work potential.

The organisation is committed to ensuring that it continually develops and supports a culture of effective communication and that all staff have an equal opportunity to contribute. This is achieved through our internal communication policies and procedures.

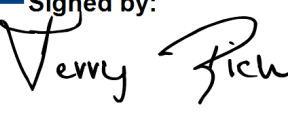
Small companies exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Auditor

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

By order of the Board

Signed by:

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Terry Rich, Chair

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 2024 which comprise the Statement of Financial Activities (including 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 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'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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AVENUES EAST

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 and Strategic 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 and Strategic 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 Directors' Report or the Strategic Report included within the Trustees' Report and Strategic 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 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 AVENUES EAST

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 framework that the charitable company operates in and how the charitable company is complying with the legal and regulatory framework;
- 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 and tax legislation. 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 and Strategic Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents and inspecting correspondence with tax authorities.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to the charitable companies operating licenses, the Care Act 2014, Care Quality Commission regulations, health and safety regulations and the UK General Data Protection Regulations (UK GDPR). We performed audit procedures to inquire of management and those charged with governance whether the group 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 and revenue recognition as the areas where the financial statements were most susceptible to material misstatement due to 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, challenging judgments and

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AVENUES EAST

estimates applied throughout the financial statements and testing of revenue cut off around the year end.

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.

Signed by:

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HANNAH CATCHPOOL (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London, EC4A 4AB

Date: 19 November 2024

AVENUES EAST
STATEMENT OF FINANCIAL ACTIVITIES
(Including Income and Expenditure Account)
FOR THE YEAR ENDED 31 MARCH 2024

	Notes	Unrestricted Funds	Restricted Funds	Total	Total
		£000s	£000s	2024	2023
INCOME				£000s	£000s
Donations and Grants					
Donations	2	-	9	9	1
		-	9	9	1
Charitable Activities:					
Services to Adults	2	7,636	-	7,636	7,006
		7,636	-	7,636	7,006
Total income		7,636	9	7,645	7,007
Expenditure on:					
Charitable activities:					
Services to Adults	3	8,076	-	8,076	7,365
Total expenditure		8,076	-	8,076	7,365
Net (expenditure)/income		(440)	9	(431)	(358)
Transfer between funds	10	21	(21)	-	-
Net movement in funds		(419)	(12)	(431)	(358)
Fund balances brought forward	10	(140)	194	54	412
Fund balances carried forward	10	(559)	182	(377)	54

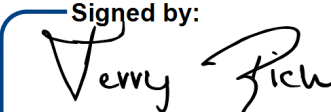
The notes on pages 26 to 41 form part of these financial statements

AVENUES EAST
BALANCE SHEET
as at 31 March 2024
COMPANY REGISTRATION NO : 03326442

	Notes	2024 £000s	2023 £000s
FIXED ASSETS			
Tangible assets	6	6	5
CURRENT ASSETS			
Debtors	7	1,399	968
Cash at bank and in hand		12	8
		<u>1,411</u>	<u>976</u>
CREDITORS falling due within one year	8	1,791	919
NET CURRENT ASSETS		(380)	57
Pension scheme liability	13	(3)	(8)
NET (LIABILITIES)/ASSETS		(377)	54
FUNDS			
Unrestricted funds:			
General funds	10	(556)	(132)
Restricted funds	10	182	194
Pension scheme reserve	10	(3)	(8)
TOTAL FUNDS		(377)	54

The notes on pages 26 to 41 form part of these financial statements

The financial statements were approved and authorised for issue by the Board of Trustees on 22 October 2024 and were signed on its behalf by:

Signed by:

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Terry Rich
Chair of the Board
Date: 22 October 2024

AVENUES EAST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

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 Standard applicable in the UK and Republic of Ireland (FRS 102) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

Avenues East meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

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 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 exemption in its individual financial statements:

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

The financial statements are prepared in sterling, which is the functional currency of the Charity. Monetary amounts shown in these financial statements are rounded to the nearest £'000.

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, along with other providers in the sector, have faced a number of significant issues over the last 12 months. This has included an increase in National Living Wage beyond available funding and an increase in delays from Commissioners to fill voids, both of which have had a significant financial impact. Robust response plans have been created and implemented and their positive impact is already evident.

AVENUES EAST
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024

Avenues East has a deficit budget for 2024/25 and there is significant focus on cost control and exploring growth opportunities in Avenues East to increase scale and improve financial sustainability. Additionally, East is reviewing local premises requirements and has a plan in place to save central costs and reduce agency premium spend across the group during 24/25.

Avenues East hold a number of long-term contracts and provide a high quality of service provision, which ensures continued success in securing new contracts and retaining existing ones.

Going into 2024/25, there continues to be focus on recruitment and retention and lower dependency on agency staff. To date, Avenues has restructured its recruitment and onboarding functions to better respond to the challenging environment and reduce the need for agency coverage, while developing a relationship with a neutral vendor of agencies to reduce the price per unit.

External cost pressures including insufficient Local Authority/ Integrated Care Boards (ICB) funding negatively impacts the financial sustainability of our services and the Group. Avenues has partnered with Access Social Care; a leading charity supporting organisations to receive a fair price for care and support services whilst routinely and proactively challenging funding packages that fall below a sustainable level. Where negotiations have not been successful, contracts have been exited. Financial action plans are in place for every service that doesn't achieve full cost recovery.

Avenues continuously monitors voids to enable prompt marketing and to take action to mitigate the financial impact. Strategic action includes investment in properties to ensure they are both desirable and fit for the future, together with robust marketing of our services and making full use of social and multimedia.

Fixed costs within Avenues East have been reduced through the sourcing of new, cost-effective office space. Our increased business development focus on Avenues East will ensure they benefit from the same economies of scale as other subsidiaries within the Group.

Avenues East exited its Growth Plan pension scheme post year end bringing to an end all associated liabilities and therefore this no longer has a bearing on the Trustees' going concern assessment for Avenues East.

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

Although this is a challenging landscape, the Trustees are assured that the issues Avenues East face are common among social care providers. Avenues has a wealth of skill and experience through its senior leadership teams, executive management team and its Trustees that enables the organisation to successfully navigate these challenges with agility as the Group has in the past. To this end, Trustees are confident of Avenues East's success into the future and have no material uncertainty over its going concern.

AVENUES EAST
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024

c) Income

Income is recognised when the Avenues East has entitlement to the resource and it can be measured with reasonable certainty. Income under care service agreements, rental income, management and consultancy fees are accounted for in the year in which the service is provided. Income received for specified future periods is deferred.

Income is recognised when the charity has entitlement to the funds, any performance 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' or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and not deferred.

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

d) Tangible Fixed Assets and Depreciation

Fixed assets are stated at cost. 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

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

The Charity's 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 are charged to the Statement of Financial Activities as they fall due.

The Social Housing Pension (SHPS) 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 defined benefit 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 consistent basis and therefore as required by Section 28 of FRS102 accounts for its share as if it is a defined contribution scheme.

The different pension schemes are looked at in more detail in Note 13.

AVENUES EAST
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024

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 Charity.

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. These costs have been allocated between cost of raising funds and expenditure on 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 charity 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 471 to 489 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 due.

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.

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

AVENUES EAST
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024

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 a basic financial instruments. Basic financial instruments are initially recognised at a 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, the Charity 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

	2024	2023
	£000s	£000s
Donations	9	1
	9	1

Included in grants and donations are £9k (2023: £1k) of which £1k is restricted donations.

Income from charitable activities was £7,636k (2023: £7,006k) of which £nil (2023: £nil) was restricted.

3. Expenditure

	2024	2023
	£000s	£000s
Net expenditure for the year is stated after charging		
Depreciation of owned tangible fixed assets	1	1
Operating lease charges for land and buildings	72	60
External Audit	11	10

AVENUES EAST
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024

	Direct costs	Support Costs	2024	2023
	£000s	£000s	£000s	£000s
Charitable Activities				
Provision of care to young people	-	-	-	-
Services to Adults	6,970	1,106	8,076	7,365
2024 Total	6,970	1,106	8,076	
2023 Total	6,391	974		7,365

Expenditure on charitable activities was £8,076k (2023: £7,365k)

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

	Services to Adults	Total
	£000s	£000s
Income	7,636	7,636
Costs	(8,076)	(8,076)
Deficit	(441)	(441)

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 in the year. Support costs are then allocated on a blended percentage rate which provides a fair allocation of costs. Refer to the table below for the analysis of support and governance costs.

	Services to Adults	2024 Total	2023 Total
	£000s	£000s	£000s
Support costs	1,095	1,095	964
Governance	11	11	10
	1,106	1,106	974

AVENUES EAST
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024

3. Expenditure (continued)

	General support £000s	Governance function £000s	2024 Total £000s	2023 Total £000s
EMT & Governance	249	-	249	201
Group Finance	361	11	372	316
Group HR	232	-	232	210
Group Office Management	157	-	157	154
Group Practice Development & Assurance	96	-	96	93
	1,095	11	1,106	974

4. Trustees' remuneration

The trustees are the directors of the company. During the year, 11 (2023: 6) member(s) of the Board have been reimbursed for expenses £4.6k (2023: £2.5k).

J Land, Chief Executive, is also a Trustee of Avenues East. During the 2023/24 financial year she received £155k (2023: £149k) in remuneration including £14k of pension contributions (2023: £12k) from The Avenues Trust 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 East. During the 2023/24 financial year she received £117k (2023: £111k) in remuneration including £9k of pension contributions (2023: £8k) from The Avenues Trust 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 (2023: £0.5k) which is a collective premium to cover Trustees Liability.

5. Staff costs and key management personnel

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

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

	2024 No.	2023 No.
£60k - £70k	1	1

AVENUES EAST
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024

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

	2024	2023	2024	2023
	No.	No.	FTE	FTE
Office staff	2	3	1	2
Care staff	76	67	75	66
Part time Support staff	163	154	134	116
Bank contract staff	59	58	-	-
Total	300	282	210	184

	2024	2023
	£000s	£000s
Staff costs		
Wages and salaries	5,235	4,716
Social security costs	331	318
Pension costs (Note 13)	116	113
Agencies	728	682
	6,410	5,829

Included in the costs above are the costs of staff on bank contracts. The contracts of employment for bank staff are held with The Avenues Trust Group and the costs are charged to Avenues East for work provided.

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 Director are shown below:

	2024	2023
	£000s	£000s
Wages and salaries	152	144
Social security costs	20	20
Pension costs	15	12
	187	176

AVENUES EAST
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024

6. Tangible fixed assets

	Furniture and Equipment £000s	Office equipment £000s	Total £000s
Cost			
At 1 April 2023	115	159	274
Additions	1	-	1
Costs as at 31 March 2024	116	159	275
Depreciation			
At 1 April 2023	109	159	268
Charge for year	1	-	1
At 31 MARCH 2024	110	159	269
Net book value			
At 31 MARCH 2024	6	-	6
<i>At 31 March 2023</i>	<i>5</i>	<i>-</i>	<i>5</i>

7. Debtors

	2024 £000s	2023 £000s
Contract fees receivable	1,041	396
Prepayments and accrued income	73	148
Other Debtors	1	21
Amounts due from group undertakings	284	403
	1,399	968

8. Creditors

	2024 £000s	2023 £000s
Trade creditors	455	122
Tax and social security	111	139
Other creditors	4	250
Accruals & deferred income	347	258
Amount due to group undertakings	874	150
	1,791	919

AVENUES EAST
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024

9. Movements in deferred income

	2024	2023
	£000s	£000s
Deferred income at the beginning of the year	25	34
Income recognised in the year	(25)	(34)
Income deferred in the current year	181	25
Income deferred at the year end	181	25

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

	Balance at 31 March 2023	Income	Expenditure	Transfer between funds	Balance at 31 March 2024
	£000s	£000s	£000s	£000s	£000s
Unrestricted funds					
General reserve	(132)	7,636	(8,076)	16	(556)
Pension reserve	(8)	-	-	5	(3)
Restricted funds					
1 Partnership Working	9	-	-	-	9
2 Disability Forum for Suffolk	4	-	-	-	4
3 Disability Involvement Day	11	-	-	-	11
4 Disability Sport Project	22	-	-	(1)	21
5 Hope House Holiday Fund	4	-	-	-	4
6 Leisure – RHS Games	3	-	-	-	3
7 Leisure - Swimming	35	-	-	-	35
8 Teaming Up	62	-	-	-	62
9 Big Lottery	12	-	-	-	12
10 Employment Service	15	-	-	-	15
11 CSU Donations	17	9	-	(20)	6
	194	9	0	(21)	182
Total Funds	54	7,645	(8,076)	-	(377)

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10. Analysis of movements in funds (continued)

Analysis of movements in funds (prior year)	Balance at 31 March 2022	Income	Expenditure	Transfer between funds	Balance at 31 March 2023
Unrestricted funds	£000s	£000s	£000s	£000s	£000s
General reserve	231	7,006	(7,365)	(4)	(132)
Pension Reserve	(12)	-	-	4	(8)
Restricted funds					
1 Partnership Working	9	-	-	-	9
2 Disability Forum for Suffolk	4	-	-	-	4
3 Disability Involvement Day	11	-	-	-	11
4 Disability Sport Project	22	-	-	-	22
5 Hope House Holiday Fund	4	-	-	-	4
6 Leisure – RHS Games	3	-	-	-	3
7 Leisure - Swimming	35	-	-	-	35
8 Teaming Up	62	-	-	-	62
9 Big Lottery	12	-	-	-	12
10 Employment Service	15	-	-	-	15
11 CSU Donations	16	1	-	-	17
	193	1	-	-	194
Total Funds	412	7,007	(7,365)	-	54

The CSU project brought in an additional £9k in the year. However, the overall project over spent by £20k which has been transferred in year.

Fund transfer in the year:

4. Disability Sports Project - Funds spent to provide sport days in accordance with the fund.

11. CSU Donations - Funds used to support the delivery of unfunded activities in the CSU project in Avenues East.

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.

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5) The Hope House Holiday fund represents 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 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.

10) The Employment Service fund is restricted to helping young people to gain work experience or volunteering enabling them to gain valuable life skills.

11) CSU Donations is community support donation restricted to helping disabled people to take part in social activities, for examples games and pub quiz.

11. Analysis of net assets between funds

	Restricted Funds £000s	Unrestricted Funds £000s	Unrestricted Pension Fund £000s	2024 Total £000s
Fund balances at 31 March 2024 are represented by:				
Tangible Assets	-	6	-	6
Net current assets / (liabilities)	182	(562)	-	(380)
Long Term Liabilities	-	-	(3)	(3)
Total	182	(556)	(3)	(377)

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

	Restricted Funds £000s	Unrestricted Funds £000s	Unrestricted Pension Fund £000s	2023 Total £000s
Fund balances at 31 March 2023 are represented by:				
Tangible Assets	-	5	-	5
Net current assets	194	(137)	-	57
Long Term Liabilities	-	-	(8)	(8)
Total	194	(132)	(8)	54

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12. Operating lease commitments

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

	2024	2023
	£000s	£000s
<u>Land and Buildings</u>		
Amounts due:		
Less than one year	72	60
Between one and five years	196	164
More than five years	538	415
Total	806	639

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 if required by FRS 102 Section 28 'Employee benefits'. The total cost to the charity for the year ended 31 March 2024 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;

	2023/24	2022/23	2023/24	2022/23
	£000s	£000s	No.	No.
Pensions Trust SHPS	113	109	141	141
Pensions Trust Closed scheme	3	4	4	4
Per Note 5	116	113		

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 950 non-associated employers. The scheme is a defined benefit scheme in the UK. It

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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.

Avenues East is aware that the Court of Appeal has recently upheld the decision in the Virgin Media vs NTL Pension Trustees II Limited case. The decision puts into question the validity of any amendments made in respect of the rules of a contracted-out pension scheme between 6 April 1997 and 5 April 2016. The judgment means that some historic amendments affecting s.9(2B) rights could be void if the necessary actuarial confirmation under s.37 of the Pension Schemes Act 1993 was not obtained. Until further investigations have been completed by the Social Housing Pension Scheme scheme trustees and/or any legislative action taken by the government, the potential impact if any, on the valuation of scheme liabilities remains unknown.

A full actuarial valuation for the scheme was carried out at 30 September 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m. 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 2022 to 31 January 2025	£3,312,000 per annum (payable monthly)
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 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 asked the participating employers to pay additional contributions to the scheme as follows:	
From 1 April 2019 to 30 September 2025:	£11,243,000 per annum (payable monthly and increasing by 3% each on 1st April)

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13. Pension costs (continued)

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.

Present values of provision	Mar-24	Mar-23
	£000s	£000s
Present value of provision	3	8

Reconciliation of opening and closing provisions

	Year ending Mar-24	Year ending Mar-23
	£	£
Provision at start of period	8	12
Deficit contribution paid	(5)	(4)
Provision at end of period	3	8

SOFA impact

	Year Ending Mar-24	Year Ending Mar-23
	£000s	£000s
Interest expense	-	-
Remeasurements – impact of any change in assumptions	-	-
Remeasurements – amendments to the contribution schedule	-	-

*includes defined contribution schemes and future service contributions (i.e. excluding any deficit reduction payments) to defined benefit schemes which are treated as defined contribution schemes.

<u>ASSUMPTIONS</u>	Mar-24	Mar-23	Mar-22	Mar-21
	% per annum	% per annum	% per annum	% per annum
Rate of discount	5.31	5.52	2.35	0.66

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.

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14. Investment policy and position

The banking activities for Avenues East are managed by The Avenues Trust 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 the central costs based ratio of the salary costs of Avenues East against the total salary costs of the group.

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.

	2024	2023
	£000s	£000s
Balance owed at brought forward	253	251
Payroll services provided by group undertakings	(4,522)	(4,373)
Receipts taken on behalf of group undertakings	7,048	7,047
Payments made by group undertakings	(2,262)	(1,698)
Recharges of head office costs	(1,105)	(974)
Balance owed at carried forward	<u>(588)</u>	<u>253</u>

16. Ultimate parent undertaking

The charity is consolidated into its ultimate parent undertaking, The Avenues 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.