THE AVENUES TRUST GROUP

England & Wales · Charity number 1130473

Details

Other names	THE AVENUES TRUST GROUP LIMITED
Status	Registered
Legal form	Charitable company
Company number	03804617
Registered	2009-07-09
Register	View on the Charity Commission register

Contact

Address	The Avenues Trust River House 1 Maidstone Road Sidcup DA14 5TA
Phone	02035350500
Email	info@avenuesgroup.org.uk
Website	www.avenuesgroup.org.uk

Activities

Objects: THE OBJECTS FOR WHICH THE COMPANY IS ESTABLISHED ARE TO SUPPORT AND PROMOTE, AND TO ASSIST IN THE SUPPORT AND PROMOTION OF, THE INTELLECTUAL, EMOTIONAL, PHYSICAL ANDSPIRITUAL WELFARE OF CHILDREN, YOUNG PEOPLE, ELDERLY PEOPLE AND ADULTS WITH LEARNING DISABILITIES, COMPLEX NEEDS, PHYSICAL DISABILITIES, SENSORY IMPAIRMENTS, AUTISM, MENTAL ILLNESS, MENTAL HEALTH NEEDS, LONG TERM ILLNESS AND ACQUIRED BRAIN INJURY.

Activities: The Avenues Group pioneers specialist social care that supports individuals facing disadvantage through illness and disability so they can live full lives in their local communities. We support adults and children in their own homes or in a residential setting who have learning disabilities, autism, mental health issues, acquired brain injury or dementia.

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Classification

- **How:** Provides Services, Sponsors Or Undertakes Research, Acts As An Umbrella Or Resource Body, Other Charitable Activities
- **What:** General Charitable Purposes, Education/training, The Advancement Of Health Or Saving Of Lives, Disability
- **Who:** Children/young People, Elderly/old People, People With Disabilities, Other Charities Or Voluntary Bodies

Geography

- **Area of benefit:** UNDEFINED. IN PRACTICE, NATIONAL
- Throughout England

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£67,222,000	£67,148,000	£6,162,000	1945
2024-03-31	£60,363,150	£59,276,000	£5,953,000	378
2023-03-31	£49,884,897	£51,693,745	£5,122,128	1924
2022-03-31	£47,018,841	£45,631,225	£7,278,065	1944
2021-03-31	£46,718,000	£45,526,000	£5,308,000	1252

Trustees

Name	Role	Appointed
TERENCE RICH	Chair	2016-06-29
ALISTAIR BROWN		2021-03-23
EVLYNNE GILVARRY		2017-09-26
JO LAND		2013-04-12
Luis Hui		2025-11-27
Nicola Ford		2017-09-26
Rina Pandya		2023-03-28

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THE AVENUES TRUST GROUP

England & Wales - Charity number 1130473

Accounts

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The Avenues Trust Group Annual Report 2024-2025

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brighter futures, better lives

The Avenues Trust Group

Annual Report and Financial Statements
for the year ended 31 March 2025

Charity Registration Number: 1130473

Company Registration Number: 03804617

Docusign Envelope ID: 590D75C4-5215-4842-AEFC-60A7CF594271

The Avenues Trust Group Ltd

Index

	Page
Reference and Administrative details of the Charity, its Advisers and Trustees	1-2
Trustees' Report and Strategic Report	3-32
Statement of Trustees' Responsibilities	33
Independent Auditor's Report	34-38
Consolidated Statement of Financial Activities	39
Consolidated Balance Sheet	40
Company Balance Sheet	41
Consolidated Statement of Cash Flows	42
Notes to the Financial Statements	43-77

Docusign Envelope ID: 590D75C4-5215-4842-AEFC-60A7CF594271

The Avenues Trust Group Ltd
Reference and administrative details of the charity, its advisers and trustees

Chair - Terry Rich
Vice Chair - Evlynne Gilvarry - Member of the Audit and Risk Committee

Non-executive trustees:

Bruce Calderwood	Member of People, Culture and Reward Committee, Finance Committee and Quality Local Focus and Engagement Committee Resigned on 14 October 2025 (end of term)
Alistair Brown	Chair of Audit and Risk Committee and Member of the Finance Committee
Nicola Bannister	Member of People, Culture and Reward Committee and Audit and Risk Committee Resigned on 14 October 2025
Rina Pandya	Member of People, Culture and Reward Committee
Jonathan Hardie	Member of Finance Committee and Integration Committee Resigned on the 22nd October 2024
Luis Hui	Member of the Finance and Digital & IT Committee Appointed on the 27th November 2025

Executive trustees:

Joanne Land

Nicola Ford

Key management personnel:

Joanne Land	Group Chief Executive
Nicola Ford	Group Director of Finance
Steven Parker	Group Director of Housing and Development (until 31 Oct 2025)
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

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The Avenues Trust Group Ltd
Reference and administrative details of the charity, its advisers and trustees

Charity registration number	1130473
Company registration number	03804617

Principal and Registered Office:

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

Advisers:

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 and Hamlin, 3 Bunhill Row, London EC1Y 8YZ.

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The Avenues Trust Group Ltd
Trustees' Report and Strategic Report

The Board presents its Annual Report and the Audited Financial Statements of The Avenues Trust Group for the year ended 31 March 2025. This is the Trustees Report, which also incorporates the Directors Report, as well as the strategic report as required under Company Law.

The legal and administrative information set out on pages 1-2 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 the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard (FRS 102) applicable in the UK and in the Republic of Ireland.

"Avenues"/ "Avenues Group" means The Avenues Trust Group and its subsidiaries.

Introduction

The Avenues Trust Group accounts for 2025 and the 2024 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, in line with Charity Commission guidelines.

Environmental, Social and Governance (ESG)

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.

Our recent collaboration with Eastside Primetimers, utilising their ESG tool, has provided us with valuable insights into our progress in ESG. This tool benchmarked our performance against 78 participating organisations, representing a combined income of £870m, and serving 18 beneficiary groups, including adults, socially disadvantaged individuals, and children.

Docusign Envelope ID: 590D75C4-5215-4842-AEFC-60A7CF594271

We ranked in the 4th (top) quartile for disclosure, recognising our efforts to provide a high level of transparency. The report summarised the results of the ESG self-assessment survey for not-for-profit organisations, offering a comprehensive view of our ESG practices compared to our peers. It identified areas of progress and opportunities for improvement, leading to the establishment of an ESG focus group to drive these initiatives forward.

Social

Public Benefit

Avenues Group 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. It is delivered through Supported Living arrangements and small care homes which are registered under the Care Quality Commission (CQC). This methodology is recognised to deliver better outcomes and significant savings to the public purse when compared to residential and clinical alternatives.

Avenues Group supports more than 770 people to enjoy community-based life and employs more than 2,000 staff (including bank 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. 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 key at 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.

Docusign Envelope ID: 590D75C4-5215-4842-AEFC-60A7CF594271

Since joining with Autism Hampshire we have utilised the additional expertise in neurodiversity, strong shared values and specialised training team to enhance our existing support for autistic people across all the Group's services.

The trustees of Avenues Group 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.

We value diversity and social inclusion across all 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.

We have a comprehensive wellbeing offering supporting mental, physical, social and financial wellbeing. It includes an Employee Assistance Programme, which includes free counselling to those that need it, weekly Mindfulness sessions, money management advice and Early Pay which is a facility whereby employees can draw down their earned salary on a weekly basis 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

Docusign Envelope ID: 590D75C4-5215-4842-AEFC-60A7CF594271

performance. As well as local mechanisms to get in touch, employees can contact the Executive Management Team (EMT) direct via email or by joining one of our regular virtual meetings with an EMT member.

Our learning and development programme meets the standards and requirements set out by Skills for Care, the workforce development body for adult social care in England. The endorsement is a trusted quality mark only awarded to the best learning and development providers within the social care sector. Avenues has held this accreditation for a number of years now.

All of our managers undergo a specially designed induction 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.

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 organisation.

Docusign Envelope ID: 590D75C4-5215-4842-AEFC-60A7CF594271

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.

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 victimisation 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 its 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 either via public transport or personal vehicles.
- We have to maintain records of our work both electronic and paper based.

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

Docusign Envelope ID: 590D75C4-5215-4842-AEFC-60A7CF594271

- 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 and printing. Our care and 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 workplaces, as well as promoting energy consciousness across all of what we do.

Over the next five years we will:

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

- Continue to review these measures, introduce new initiatives, and build on our existing efforts. By doing so, we aim to further reduce our carbon footprint and adopt more environmentally sustainable ways of working.

Carbon and energy reporting

As a large qualifying group, The Avenues Group is required to report its energy use and carbon emissions in accordance with the Companies Regulations 2018 because it meets the thresholds for reporting. As the group subsidiaries do not meet reporting thresholds they are not required to report individually.

The energy use and carbon emissions for the Group for the year ended 31 March 2025 and 2024 comparatives are as follows:

Docusign Envelope ID: 590D75C4-5215-4842-AEFC-60A7CF594271

Energy Source	Consumption	Scope	Emissions calculation 2024/25	Emissions calculation 2023/24
Gas – total kWh (kilowatt-hours) used for the year taken from gas bills	3,994,499 kWh (gross CV (calorific value))	Scope 1	3,994,499 * 0.18 (2025 fuels, natural gas conversion factor gross CV to kg Co2e)= 719,010 kgCO2e = 719.01 tCO2e	4,307,763 * 0.18 (2024 fuels, natural gas conversion factor gross CV to kg Co2e)= 775,397 kgCO2e = 775.4 tCO2e
Electricity – total kWh used for the year, taken from the electricity bills	2,105,742 kWh	Scope 2	2,105,742 kWh * 0.17700 (2025 electricity conversion factor to kgCO2e) = 372,716 kgCO2e = 372.72 tCO2e	1,553,814 kWh * 0.20705 (2024 electricity conversion factor to kgCO2e) = 321,717 kgCO2e = 321.72 tCO2e
Transport – 3,247 miles in the year	3,247 miles * 1.10679 (2025 SECR kWh pass & delivery vehs, cars - average and unknown fuel)= 3,594 kWh	Scope 1	3,247 miles *0.26915 (2025 business travel land, average car conversion factor to kgCO2e)= 874 kgCO2e = 0.87 tCO2e	13,259miles *0.2686 (2024 business travel land, average car conversion factor to kgCO2e)= 3,561 kgCO2e = 3.56 tCO2e
Transport – People carriers/vans - 65,694 miles in the year	65,694 miles * 1.59 (2025 SECR kWh pass & delivery vehs, vans class 3 – used in lieu of passenger vehicles conversion)=104,453 kWh	Scope 1	65,694 miles *0.29016 (2025 business travel land MPV unknown)= 19,061.77 kgCO2e = 19.06 tCO2e	63,026 miles *0.28793 (2024 business travel land MPV unknown)= 18,147 kgCO2e = 18.15 tCO2e
Transport – total mileage reimbursed from staff claims = 295,469 miles	295,469 miles * 1.10679 (2025 SECR kWh pass & delivery vehs, cars - average and unknown fuel)=327,022 kWh	Scope 3	295,469 miles * 0.26915 (2025 business travel land, average car conversion factor to kgCO2e)= 79525.48 kgCO2e = 79.53 tCO2e	373,292 miles * 0.2686 (2024 business travel land, average car conversion factor to kgCO2e)= 100,266 kgCO2e = 100.3 tCO2e
Total	**6,535,310 kWh**		**1,191.19 tCO2e**	**1,219.13 tCO2e**
Intensity ratio	Emissions data (tCO2e) compared with an appropriate business activity (Average FTE)		1,191.19 tCO2e/1,790 FTE = 0.665 tCO2e per FTE	1219.13 tCO2e/1,568 FTE = 0.77 tCO2e per FTE

The decrease in the intensity ratio reflects the reduction in transport mileage. Whilst we continue to achieve growth in services we are working to reduce the mileage needed to achieve that.

Methodology

The data detailed in this table represents energy use and emissions for which the Avenues Group is responsible for the period 1 April 2024 to 31 March 2025.

It includes the metered electricity and gas used in our properties, and emissions from fuel used in vehicles on company business (both private and leased). For leased vehicles this has been estimated based on the contractual mileage where actuals were not available.

These are the energy use and emissions sources required by the regulations for large unquoted organisations. We have used the main requirements of the GHG Protocol Corporate Accounting and Reporting Standard as our emissions calculation methodology.

This methodology recommends that emissions are calculated by multiplying activity data (for example energy use in kWh) by an appropriate conversion factor. We have used the UK government GHG conversion factors for company reporting 2024 to calculate our emissions.

Docusign Envelope ID: 590D75C4-5215-4842-AEFC-60A7CF594271

Our emissions intensity is reported by full-time employee (FTE). This is because our employee numbers are directly related to our business activities, as increased business may result in higher FTE numbers. These intensity metrics allow comparison of our energy efficiency performance over time.

Looking forward we will continue to invest in more energy efficiency measures to reduce our consumption of fuel. These will include:

- Improvements to insulation in the buildings we own especially those with EPC ratings below a C. We are investigating into different funding options available in order to improve the roof insulation of properties where this is recommended within the EPC.

- Upgrading lighting systems with LED bulbs. All bulbs are now replaced with LEDs as standard whenever replacement bulbs are required.

- Scheduled replacement of windows and doors in the properties we own.

- Reviewing our office requirements with the aim of reducing the need to travel and secure more energy efficient sites:

  - More office staff work virtually from home therefore reducing the carbon footprint with staff travelling into the office daily.

  - The office is only open three days a week reducing the need to heat/light a large office unnecessarily on quieter days.

  - The Sidcup Office site will be reviewed in 2026/27 to establish if this provides the best value for money/meets the needs of the company/is sufficiently energy efficient for our requirements

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 Group is the trading name for The Avenues Trust Group and is constituted as a company limited by guarantee. The Avenues Group is a registered charity.

Docusign Envelope ID: 590D75C4-5215-4842-AEFC-60A7CF594271

The Avenues Trust Group Ltd
Trustees' Report and Strategic Report

The Avenues Trust Group is the ultimate holding company for Avenues South East, Avenues South, Avenues London, Avenues East, Autism Hampshire because it appoints the trustee board of the charities, and Avenues Management Services Limited as it owns the company's issued share capital.

All subsidiary companies bar Avenues South and Avenues Management Services Limited are registered charities and are constituted as companies limited by guarantee; Avenues South is a Community Benefit Society regulated by the FCA. Avenues Management Services Limited is a private limited company.

The names of the members of the Board of the Avenues Trust Group are listed on page 1. The members of the Board, who for the purposes of the charity/company law are the trustees/directors of the charitable company, are appointed by the Board.

Joanne Land, Group Chief Executive and Nicola Ford, Group Director of Finance are Executive trustees of the Avenues Trust.

Avenues Group has made qualifying third-party indemnity provisions for the benefit of its trustees. The cost for all Avenues Group ongoing Trustees is £6,084 and for ex-Trustees is £705 which will be apportioned across the subsidiaries, with each paying their share.

Our Board

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 only one of the 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.

All directors of all boards within the Group are members of the parent entity. Membership is automatic on appointment and resignation to any board within the Group.

The Group Boards meet around 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

Docusign Envelope ID: 590D75C4-5215-4842-AEFC-60A7CF594271

stakeholders.

The Avenues Group has five committees which discuss the business of the whole Group. The committees are:

- Audit and Risk
- Finance
- People, Culture and Reward (PCR)
- Quality, Local Focus and Engagement (QLE)
- Digital and IT

Committees report directly to all the Boards within the Avenues Group.
The Audit and Risk Committee, in line with good governance principles, is expected to bring a further degree of detachment from the Boards' responsibilities in discharging its distinctive duties. The committee leads on engagement with internal and external audit; and 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 organisation. This committee was introduced to provide assurance to the Board(s) regarding the operational delivery of quality support.

Our aspiration is that the support we provide enables people to maximise 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 and IT Committee has been put in place 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 Board level and to enable assurance on technology delivery and digital priorities.

In addition to our committees, we have also introduced Special Interest Groups for specific organization-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

Docusign Envelope ID: 590D75C4-5215-4842-AEFC-60A7CF594271

Special Interest Group includes trustees as members. This year Special Interest Groups includes Fundraising and Governance.

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.

This year, the Board of the Avenues Trust Group commissioned an independent governance review by the Centre for Charity Effectiveness (CCE). In doing so, our trustees have clearly signalled their deep commitment to good governance and their willingness to invest in strengthening the organisation's structures and practices.

The review highlighted a Board that is not only high performing against the Charity Governance Code but also deeply committed to the organisation, the people it supports and to their families. The organisation's values were found to be alive and evident throughout, from the Board to the executive and beyond. CCE said:

"Avenues are to be commended for undertaking an external governance review and we were delighted to work with them. Several recommendations were made to take their governance that step further, building on already solid and effective foundations."

Following the review, the Board formally accepted the recommendations and established a Governance Focus Group to oversee their implementation. This group will ensure that the proposed enhancements, many of which are about moving from 'good to great', are embedded effectively and sustainably across the organisation.

Trustee recruitment

All of our trustees are selected in a manner consistent with our recruitment, diversity and equality policies, ensuring that the selection process is both time and cost effective. Following the last successful recruitment campaign, we successfully improved the diversity of our Board by 20%.

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 works

Docusign Envelope ID: 590D75C4-5215-4842-AEFC-60A7CF594271

with the board and committees 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 and this can be delivered online, internally or through externally facilitated training sessions.

In 2024/25 we provided the following training:

- Active support
- Neurodivergent Employees
- CQC changes
- Safeguarding for Trustees
- Health and Safety Induction For Board Members

We have the following training planned for 2025:

- Eating and Drinking - which took place in October 2025
- Oliver McGowen - scheduled for November 2025

This year the Governance Focus Group reviewed and re-drafted our trustee recruitment and induction policy ahead of our plan to recruit four new trustees in 2025/26. This recruitment will strengthen our board and enhance our strategic direction when four of our longstanding trustees are due to stand down.

Our chair was also due to stand down in October 2025 but, following discussion, the board have agreed that it is in the best interests of Avenues to extend the Chair's term by one further year to provide continuity whilst we recruit and induct new trustees and develop our new strategic plan.

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, friends and support staff involved in the lives of the people we support. We continue to hold quarterly Family Matters Group meetings and members were given the opportunity to meet with Trustees to share their experiences and feedback.

The aim of the Family Matters Group is to provide a meaningful voice for families 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.

Docusign Envelope ID: 590D75C4-5215-4842-AEFC-60A7CF594271

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 Groups

Avenues has eight active Local Engagement Groups (including New Directions) across the Organisation. They are made up of people we support and are supported by our Coproduction Lead from the Quality Assurance and Practice team. The groups are well established, and members chair their meetings.

The purpose of the groups 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 communicated to the Quality and Local Engagement Committee, Executive Management Teams and Board of Trustees.

Coproduction Panel

The Coproduction Panel was newly established in 2024/25 to oversee the Local Engagement Groups has now met on four occasions. Membership includes people we support and family members. The local engagement groups nominate for representatives to sit on the panel. The panel receive regular business updates from members of EMT.

The Panel has completed the following work:

- Agreed Terms of Reference
- Role profile of group members
- Stakeholder Survey
- Review of co-production plans
- Agreed the new policy and procedure
- Quality Checker process

Docusign Envelope ID: 590D75C4-5215-4842-AEFC-60A7CF594271

Stakeholder Surveys

Three different surveys are sent out each September. In 2024 surveys were sent out to people we support, family and friends and external professionals who actively visit our services.

Feedback from the surveys was shared with the Quality and Local Engagement Committee (QLE) at the December 2024 meeting, and actions are taken to respond to any questions raised through the surveys.

Key findings included:

- It was the highest survey return rate in four years
- Areas for improvement included repairs, communication and support plans.
- Positive feedback said: Quality of support remains highly rated across all groups, with 80%+ of people we support reporting that staff are kind, listen and help when needed.

All subsidiaries have developed action plans, with progress tracked and reported to the QLE Committee. We also monitor several key performance indicators (KPIs) for stakeholder engagement, including:

- Survey Response Rates
- Satisfaction Metrics
- Quality of Life Indicators
- Repairs and Environment
- Support Plan Compliance

Examples of Actions Taken include:

- Communication: Easy-read minutes and updates are now sent to people we support and families. "Altogether" newsletter launched for ongoing updates.
- Repairs: Housing department now holds monthly meetings with providers to expedite outstanding repairs. A new online reporting tool is in development.
- Support Plans: Digital care planning system is being upgraded to improve tracking and family access.
- Training: Bespoke autism and trauma training rolled out in response to family feedback.
- Recruitment: Targeted recruitment for permanent staff and drivers to reduce agency reliance.
- Safeguarding: ID badges and easy-read guides reissued; safeguarding discussed at all tenant meetings.
- Quality of Life: Activity planners reviewed and expanded; new local engagement groups established.

Docusign Envelope ID: 590D75C4-5215-4842-AEFC-60A7CF594271

Legal compliance

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 Data Protection Laws and 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.

Docusign Envelope ID: 590D75C4-5215-4842-AEFC-60A7CF594271

Related parties

The Avenues Trust Group is made up of a group of wholly owned subsidiary entities, all limited by guarantee, with the exception of Avenues South which is a mutual society limited by Share Capital and regulated by the Financial Conduct Authority:

- Avenues South East (Company number 3923486)
- Avenues London (Company number 6858705)
- Avenues East (Company number 3326442)
- Avenues South (Registered Society number 26230R)
- Autism Hampshire (Company number 01710300)
- Avenues Management Services Limited (Company number 13890680)

The Group operates an overlapping board structure (also known as a common board) as outlined above in the board structure section. The table below identifies core trustees (who sit on each board within the Avenues Group) and independent trustees (who sit on only one subsidiary board). The independent trustees manage conflicts of interest across the group. There are minimal related parties, however registers are maintained, see note 18 for the breakdown of the balances owed at year end. The table below identifies core and independent trustees for each board.

	Core	Group Ind.	London Ind.	South East Ind.	East Ind.	South Ind.	Autism Hampshire Ind.	AMSL Directors
Alistair Brown	x							
Alistair Oag								x
Bruce Calderwood		x						
Cathryn Law			x					
Emma Keegan				x				
Evlynne Gilvarry	x							
Jayne Turnbull							x	
Jeff Boateng				x				
Jo Land (Exec)	x							
Lauren Stoner					x			
Nicola Bannister		x						
Nicola Ford (Exec)	x							x
Peter Hepburn						x		
Rich Hodgson			x					x
Rina Pandya		x						
Sireesh Nallanthighal						x		
Terry Rich	x							x

Docusign Envelope ID: 590D75C4-5215-4842-AEFC-60A7CF594271

Strategic report

Objectives and activities

The charitable objects of The Avenues Trust Group and its subsidiaries 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 services to people, supporting them to enjoy their lives within their communities.

The governing instruments for The Avenues Trust Group and the subsidiary entities are their respective Articles of Association, with the exception of Avenues South which is governed under its Model Rules.

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.

Strategy

2024/25 is the final year of our current strategy – Building Better Lives Together. We are proud of what we have achieved during the past four years, particularly given the challenging external environment of a pandemic, economic pressures (cost of living), global unrest plus pressures and uncertainty over national social care policies and plans.

We formally reviewed progress against the strategy in Autumn 2024 and shared this with trustees and the management team. We have made excellent progress across all five of our strategic ambitions.

Ambition 1 – Quality and Specialism

- We have substantially increased the number of autistic people we support and our autism specialism through the merger with Autism Hampshire.
- Active support and positive behaviour support has had considerable time invested and has been re-invigorated across the group.
- The quality framework has undergone extensive development and improvements, in part to align with CQC but also to reflect Avenues Group priorities.
- Families approval rating, remains positive in general (84% felt support was good or very good).

Docusign Envelope ID: 590D75C4-5215-4842-AEFC-60A7CF594271

Ambition 2 – Capacity and Resources

- Mobile digital technology has been successfully rolled out across the group and the Digital Phase 2 (Business Systems) is well under way.
- New hybrid working policies and procedures have been introduced, with a positive staff response.

Ambition 3 – Reputation and Reach

- We have had greater family engagement with the Family Matters Group established, a families section on the website and families co-producing case studies.
- Avenues is considered a great place to work with the biennial survey showing positive attitudes towards the organisation.
- We've built on existing strong partnerships with local authorities, for example completing a large-scale deregistration and property reconfiguration in Surrey.

Ambition 4 – Sustainability and Growth

- A new Business Development Directorate was introduced at the beginning of the strategy which has led to a professionalised, agile and responsive approach to growth and some significant growth, particularly into new geographies.
- The portfolio of purchasers has rebalanced with Kent and Surrey reducing their dominance.

Ambition 5 – Engagement and Co-production

- The Quality Checker team was introduced in 2024 and are finding their feet, already making an impact.
- The Family Matters Group and local engagement groups both have a route into the governance structure of the charity.

Reflecting on our achievement we recognise the strategy was very ambitious, both in scope and breadth; while not achieving everything we set out to do we have made significant progress.

Some areas where we didn't deliver as planned include the development of a social enterprise; diversification of service models and new income streams; impact measurement and technological advancements for the people we support. We also unfortunately have seen a drop in our CQC ratings from 94% in April 2021 to 80% in March 2025 as good or outstanding.

We are currently developing the 2026/29 strategy, which is scheduled for board approval in January 2026 ahead of implementation.

Section 172 (1) of the Companies Act 2006

Under Section 172 of the Companies Act 2006 the Board of Trustees, (who are also directors of The Avenues Trust Group for the purposes of company law), have a duty to promote the long term success of The Avenues Group.

They have done that during 2024/25 by duly considering the impact of the decisions they

Docusign Envelope ID: 590D75C4-5215-4842-AEFC-60A7CF594271

make on the future of the Group. All key decisions that will have an impact on the long-term future of the Group are discussed at the relevant sub-committees and Boards. They have taken account of the views of different stakeholder groups who will be affected by the decisions and have weighed and considered the different options that were available to the Group on each occasion. The Boards believe they have acted throughout the year in the best interests of the Group and in a manner which will bring about long-term success.

The trustees consider the key stakeholder groups for The Avenues Group to be the people it supports and their families, friends and advocates, its employees, its competitors, its funders and its suppliers. The methods for engaging with these stakeholders are outlined below:

Stakeholder	Oversight	Engagement
Employees	People, Culture and Reward Committee	- Biennial staff engagement survey which highlights both strengths and areas for potential improvement on employment matters and how these will be mitigated through specific actions.
People we support and their families, friends and advocates	Quality, Local Focus & Engagement Committee	- The Coproduction Panel and Local Engagement Groups are subgroups of this committee which include people we support and family members, who meet to review and discuss Avenues Group and give their ideas for its future. - The Family Matters Group is also a subgroup which is made of parents of the people that we support.
Business Relationships – competitors, funders, suppliers and other external partners.	Executive Management Team	- Face-to-face meetings and roundtable discussions.

Docusign Envelope ID: 590D75C4-5215-4842-AEFC-60A7CF594271

Avenues recognises the value of collaboration — not only for the people we support and our employees, but also for the wider adult social care sector. We have many examples where joint working projects have led to improved outcomes for those we support.

We have been working with Surrey County Council to develop a joint strategy that will not only see the modernisation of the housing provision but will offer a wider choice of support and accommodation solutions that will be fit for the future for adults with a learning disability. We can only achieve such great outcomes by bringing together the skills, knowledge, and experience of both parties.

The Avenues Group management team have also worked closely with Local Authorities to share lived experiences of services where we support people who can present behaviours of concern; to help shape tenders and ensure high quality service provision.

Avenues put the people we support at the centre of everything we do, ensuring individuals have meaningful plans, including communication needs, recorded in ways that are accessible for them.

All services have a Service User Guide which details the expectations of both parties and a copy of our Complaints Procedure, although we try to anticipate issues and challenges, taking steps to address them at the earliest opportunity, preventing issues becoming too problematic. High quality care and support exists where people using social care have informed choice and control, with as much involvement in decisions about their care and support as they want to have.

Senior Operations Managers are responsible for ensuring that user involvement is positively encouraged through genuine involvement in shaping and providing feedback. We hold regular forums to understand the experiences of the support staff and people who are in the individual's circle of support.

This enables us to develop the service in a meaningful and informed way. As with user involvement, it is important that stakeholders, such as families, friends and professionals, involved in individuals' lives are encouraged to be involved in decisions about the care and support provided.

We acknowledge that the wider public and mainstream services have a real part to play in the lives of the individual and we prepare the local community to accept the schemes as valued resources. For example, we encourage individuals to develop relationships with their neighbours and others within their local community and always reinforce the message that we intend to support them to be good and involved citizens.

The trustees and the Executive Management Team are working towards the next strategic plan for Avenues Group which will help to ensure the long-term success of the Avenues Group.

Docusign Envelope ID: 590D75C4-5215-4842-AEFC-60A7CF594271

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 and Risk Committee, which, in turn, reports on risk to the Avenues Group Boards on a quarterly basis. The key risks identified for 2024/25 were:

1. **Financial Sustainability**: The social care sector is facing significant financial pressures because of increasing costs, mainly in relation to the workforce, and insufficient funding and/or delays in payments from local government. As a result, our financial margins are under pressure and there is an increasing risk this will impact the viability of the organisation. With no national plan for social care, we must plan to mitigate this risk to ensure long term sustainability.

   We are mitigating this risk using the following strategies:
   - **Medium to long-term financial planning** to secure sustainability and unlock future investment.
   - **Monthly and quarterly scrutiny** of actuals vs budget with action plans to address variances.
   - **Savings and efficiencies plans** developed and monitored.
   - **Digital roadmap** to improve operational efficiency and reduce costs.
   - **Scenario planning** to anticipate and respond to funding challenges.

2. **Growth and Development**: Our sustainability will be threatened if we do not realise our growth plans. Avenues needs to grow to remain financially sustainable and to flourish organisationally.

   We are mitigating this risk using the following strategies:
   - **Active tendering** for new opportunities and contracts.
   - **Void management** with tracking and improvement efforts.
   - **Fundraising initiatives** gaining momentum (e.g. National Lottery grant, London Marathon).
   - **Monitoring of growth delivery** and exit plans where needed.
   - **Organisational redesign** to align structure with growth ambitions.

3. **Reputational**: Our future relies on our reputation with our stakeholders which include CQC, employees, the people we support and their families and our commissioners. To maintain our reputation, we must continue to provide quality support and listen to what our stakeholders need. Any dip in quality could result in consequences that affect our reputation and future business. However, since the last annual report we have not received any published CQC reports but have complied with all annual PIR requests and statutory notifications.

Docusign Envelope ID: 590D75C4-5215-4842-AEFC-60A7CF594271

We are mitigating this risk using the following strategies:

- **Co-Production and Safeguarding Manager** appointed to lead stakeholder engagement.
- **Family Matters meetings** with structured agendas to ensure stakeholder voices are heard.
- **Improved stakeholder engagement processes** and feedback loops.
- **Media monitoring improvements** and crisis management planning under review.
- **Registered Managers** or acting managers in post where legally required.

4. **People**: Our people are our most important asset and internal efficiency, workforce development, pay and reward will impact on our resilience. The labour market for quality support workers is challenging for care providers and as a result we must plan to mitigate any risk to our support and reputation. This risk is inflated during organisational change.

We are mitigating this risk using the following strategies:

- **Recruitment strategy** in place with centralised activity and bank staff utilisation.
- **Monitoring of attrition trends** and proactive planning to respond to market shifts.
- **Internal shift cover expansion** to maintain consistent support.
- **Pay and reward strategy** aligned with financial planning.

5. **External**: External threats out of our control can affect other risks. This includes legislative rulings, cyber-attacks, fraud and pandemics which will potentially impact on our financial or reputational position if we don't mitigate or comply.

   We are mitigating this risk using the following strategies:

   - **Fraud and bribery audits** completed with recommendations implemented.
   - **Anti-fraud policy and training** rolled out across the organisation.
   - **Cyber risk register** monitored by the Audit and Digital Committee.
   - **Business continuity plans** with annual stress testing.
   - **Legal & Regulatory risks** monitored and overseen by the Audit Committee.

6. **Digital:** Our reliance on a digital and IT infrastructure is critical for managing sensitive data, coordinating care delivery, and maintaining accountability to local government funders. It is also imperative that we utilise digital and IT solutions to improve efficiencies across our workforce. This reliance introduces significant risks, including operational disruption, regulatory non-compliance, cybersecurity threats, and reputational damage.

Docusign Envelope ID: 590D75C4-5215-4842-AEFC-60A7CF594271

We are mitigating this risk using the following strategies:

- **Digital roadmap** to improve efficiency and resilience.
- **Cybersecurity measures** and continuous monitoring by management and the Board.
- **Audit & Digital Committee oversight** of digital risks and fraud.
- **Training and awareness** to ensure safe and compliant use of digital tools.

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

Achievements and performance

As well as our ambition to support people for the long term, we continue to offer genuine career prospects to employees and positive succession planning.

Our commitment to quality has continued through our strategic partnership with the University of Kent, focusing on the promotion of positive behavioural support and active support - both approaches that are demonstratively effective in supporting the people that Avenues work with.

Over the past year we have continued to develop our services across our subsidiaries, proving once again that the people with support can enjoy better lives through tailored, community-based support.

Community Services

Alongside our regulated services we have a number of community-based services, including Serendipity Community Groups (Autism Hampshire and East); and Information Advice and Guidance; and Training and Consultancy services in Autism Hampshire.

Community Groups provide a place for autistic adults to find friendships, feel less isolated, and develop their skills, independence and confidence. The groups are invaluable in providing local autistic people access to a service capable of empowering them to achieve a bright future. Further details can be found in the Annual Reports of the Group's subsidiaries.

Fundraising

Avenue's Group has recognised over the past year, both as a result of the merger with Autism Hampshire and the general ambition of the charity, that there is an opportunity for growth through fundraising. Over the past year, the charity began work on researching and developing new income streams through fundraising. Work has included:

Docusign Envelope ID: 590D75C4-5215-4842-AEFC-60A7CF594271

- Identifying projects and opportunities to secure funding from charitable trusts and grant making organisations.
- The acquisition of London Marathon places for 2026.
- Research and acquisition of a fundraising Customers Relationship Management tool, initially for use at Autism Hampshire but with the foundations to expand to the wider charity.
- Research into a legacy giving platform.
- Working with colleagues and trustees to introduce a fundraising culture.

Key Performance Indicators

The Avenues Trust Group has a monthly balanced scorecard which is used for reporting to management and trustees. Within this are 4 headline Key Performance Indicators which are underpinned by a set range of Key Performance Indicators as follows:

Financial Sustainability

This is measured by our operational performance to budget. For financial year 2024/25 the total Group surplus was £74k (including the loss on sale of fixed assets (£2k), but excluding the remeasurement of defined benefit pensions) compared to a budgeted surplus of £24k. The small surplus included income less than budgeted due to more voids than predicted. This was more than offset by a saving on staff costs, which were less than budgeted.

Reputation

This is measured by the number of services under monitoring across the group. A target of less than three was set and we achieved a monthly average of four across the year. This is underpinned by a significant number of quality KPIs which are measured across all services.

The Quality Assurance and Practice team are dedicated to supporting the delivery of compassionate, person-centred care and support with a strong emphasis on dignity, respect, individual needs and inclusion within the local community.

With a proven track record of excellence, we prioritise the well-being and independence of those we support, supported by a team of highly trained and empathetic professionals. Our commitment to quality and continuous improvement ensures that we provide the highest standard of care, fostering a supportive and inclusive environment for all.

Docusign Envelope ID: 590D75C4-5215-4842-AEFC-60A7CF594271

People

This is measured as the percentage of job vacancy levels across the workforce with a target of less than 20%. We reduced our vacancy rate from 18.8% at the start of the year to 14.8% - we achieved this through robust and focused recruitment activities. We track a range of other people metrics including sickness absence and voluntary staff turnover both of which reduced throughout the year and are ahead of organisational KPIs. Accordingly, our usage of temporary agency staff has reduced by the end of the year from £2.5M in 2023/24 to £1.9M in 2024/25 across the group.

Growth and Development

This is measured by the full year growth income achieved compared to the budgeted target. The target was £1,851k and we achieved £1,704k (this was lower than target due to delays in new services being occupied and voids). This is supported by other KPI's around voids, tenders, and grants.

Financial Results for the Year Ended 31 March 2025

The financial activities of the year are set out in detail on the Statement of Financial Activities (SOFA). The income and expenditure performance of the Group in 2024/25, shows a surplus of £74k (compared to a deficit of £1m in 2023/24). This shows a much improved performance compared to the prior year, and a marginally favourable performance compared to the budgeted surplus of £24k.

Total income for the year increased by £6.9m (11%) and expenditure has increased by £7.4m (12%), excluding the loss on disposal of fixed assets of £2k in 2024/25 and gain on disposal of assets of £434k in 2023/24.

The consolidated balance sheet shows total group funds of £6.2m compared to £6.0m in March 2024. This includes the impact of the revaluation of the Social Housing Pension Scheme (SHPS) pension liability of £135k to a year-end balance of £961k.

The surplus in 2024/25 was achieved despite increases in voids which resulted in income lower than budget. This was mitigated through tight control and reductions in staff costs, which were under budget. The consolidated Group has gone into 2025/26 with a break-even budget, with a plan to achieve a small surplus by the end of financial year 2025/26. On this basis the Group has no free reserves. The group is seeking to generate future surpluses through the initiatives listed in the Going Concern Paragraph below.

Reserves Policy

As part of the 2021-25 strategic planning processes conducted in 2020/21, the Avenues Group Board carried out a thorough review of the reserves requirement and policy to ensure these are adequate to support the Group going forward.

Docusign Envelope ID: 590D75C4-5215-4842-AEFC-60A7CF594271

As a contract-based service provider, the Avenues Group Board has concluded that the Group does not need to carry significant levels of reserves. However, the free reserves available need to be sufficient to mitigate against any significant organisational risks as identified via the risk management procedures whilst enabling the group to capitalise on opportunities and deliver the five-year strategic plan ensuring sustainability for the future.

Based on this reserve policy, the Board has concluded that the target for free reserves should be £1.5m. This has been considered by the Audit and Risk Committee in June 2024 and deemed to be still appropriate. In addition, the Group Boards have recommended a minimum cash holding of £1m.
One of the aims of the 2021/25 strategic plan was financial sustainability and the creation of free reserves which was to be achieved by asset disposals and the consistent delivery of financial surpluses.

The free reserves held at the balance sheet date remain below the target set by the Board and reserves policy. Over the next two years (to year ended 31 March 2027) we expect to achieve sustainable surpluses of between 1.5-2% and realise assets to meet our reserves policy and create free reserves which will be used to build resilience to weather the social care sector storms and enable the Group to make strategic choices. During this period, we will keep the policy under review and will look to index the £1.5m in line with inflation and organisational growth if required.

Risks to Funding/Financial Climate

- Impact of geopolitical flux
- Social care sector pressures
- Staff pay requirements – NLW, employers' NI contributions
- Reliable funding sources with a relatively stable established base
- Scaling up and growth may require some upfront investment
- Cost of living/inflation

In the event of the sudden closure/liquidation of the group any outstanding commitments and liabilities would be funded by the sale of properties.

Reserves were as follows as at March 2025:	**£'000**
- General	6,766
- Designated	77
- Pension scheme	(961)
- Restricted	280
TOTAL RESERVES	**6,162**
Less unrestricted tangible fixed assets held for charities' own use	(9,175)
Add pension scheme	961

Docusign Envelope ID: 590D75C4-5215-4842-AEFC-60A7CF594271

Less restricted reserves	(280)
Less designated reserves	(77)
FREE RESERVES (Deficit)	**(2,409)**

The comparative Free Reserves (Deficit) value in 2024 was (£2,076k).

Tangible fixed assets are stated after netting off the capital grant liability.

Restricted funds do not form part of general reserves as these have been received from funders/donors for specific projects/purposes and are therefore not freely available for use by the group.

£77k of designated reserves relate to a legacy left to Avenues in relation to a person supported at Chelsham Lodge. The trustees have decided that the legacy should be used for this person, as such a designated fund has been set up.

£9,175k relates to amounts invested in fixed assets and these reserves can only be realised upon disposal.

Subsidiaries

This reserves policy is established at a Group level.

Liquidity and Working Capital

Whilst the reserves policy sets a target for free reserves it is recognised that this does not create liquidity within the group and the Board would also like to address this and have set a target for this of £1m which has not been met in 2024-25. The group will continue to work to improve its position to build sustainable services and grow charity funds.

The current net cash position at year end is £114k (2023/24 £380k).

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 primary objective for 2024/25 was to continue to improve the financial strength of the group to capitalise on future opportunities and build long term sustainability. In order to achieve this a number of initiatives have been undertaken during 2024/25:

- focus on recruitment and retention to lower dependency on agency staff

Docusign Envelope ID: 590D75C4-5215-4842-AEFC-60A7CF594271

- Increased scrutiny around void levels and loss-making services across the group
- Review of all costs, setting cost savings across central functions and agency spend
- Focus on growth opportunities
- Maximising income through fee negotiations and ensuring the group is paid appropriately for delivering support
- Increased focus on fundraising/grant opportunities
- Embedding of new business

The above measures and increased scrutiny around monthly financial results and deviation from budgets resulted in us setting a surplus budget for 2025/26 and as at August 2025 we are performing ahead of this.

As at March 2025, we held two properties which are no longer required and these were sold for £743k post year end to provide additional working capital for the group.

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

Avenues holds a significant number of long term contracts and provides a very high quality of service provision, which ensures continued success in securing new contracts and retaining existing ones. With this in mind, whilst there are challenges within the sector, Avenues is well placed for the future and the trustees consider the group to be a going concern and have prepared the financial statements on that basis.

On 24 April 2025, HMRC issued Revenue & Customs Brief 2 (2025): the use of VAT grouping within the care industry. The Brief addresses arrangements under which contracts with local authorities or other commissioners of care are entered into by an unregulated entity within a VAT group, which then subcontracts delivery back to a state-regulated provider. These structures have been used in the sector to improve VAT recovery in relation to otherwise exempt welfare services.

Avenues Management Services Limited has historically contracted with commissioners in this way. The contracts are subcontracted to other charities within the group, which are regulated care providers, with VAT grouping applied between the entities.

Following publication of the Brief, HMRC has confirmed that existing VAT groups may be subject to review, and HMRC may exercise its powers to remove entities from groups where it considers the arrangement prejudicial to the protection of the revenue.

We have carried out a full internal review and taken VAT advice and we plan to novate contracts out of Avenues Management Services Limited to other group entities

Docusign Envelope ID: 590D75C4-5215-4842-AEFC-60A7CF594271

by March 2026 to comply with this Brief. As a result, once this work is complete, Avenues Management Services Limited will no longer hold any contracts and a decision on its future use will be taken.

There is no impact on the 2024-25 financial statements.

The Trustees have considered these changes in VAT legislation in their assessment of Going Concern which will impact the activities of Avenues Management Services Limited from April 2026.

Future Developments

While 2024/25 marks the final formal year of our current strategy, 'Building Better Lives Together', we have decided to extend it by a year while we use 2025/26 to prepare our next Strategy which will guide us through the following three years, from 2026/27.

During 2025/26, we are engaging widely with stakeholders to seek feedback on their experience of working for or with Avenues and Autism Hampshire. We'll revisit our Mission, Vision, Values and Purpose Statement to ensure they encapsulate the work of the whole charity, including charities that join the Avenues Group.

We'll develop a clear set of organisational behaviours, define key strategic projects and develop a set of high-level Objectives and Key Results that can be monitored to ensure we are heading in the right direction.

Some of the questions we are asking ourselves and our stakeholders include: what are the greatest risks and opportunities, what is our offer to the market, what is the ideal form for the organisation, what is the right balance across service models, how do we achieve financial sustainability and strength?

Meanwhile we remain committed to our core purpose as outlined in the 2021-25 strategy to support more people with learning disabilities and/or who are autistic, while ensuring ongoing quality of services for those we already work with.

We continue to prioritise the quality of our support, with an ongoing focus on active support and positive behaviour support.
Recruitment and retention of high quality, values-led staff remains a key focus for Avenues and the whole social care sector as we continue to operate within a challenging labour market with the Health and Social Care Sector experiencing high rates of vacancies. Despite this we have managed to reduce our vacancy rate and reduce the need for agency coverage.

Financial resilience remains critical, particularly given the challenges of meeting the

Docusign Envelope ID: 590D75C4-5215-4842-AEFC-60A7CF594271

National Insurance and National Living Wage increases without the level of uplifts necessary from our purchasers.

Growth continues to be a focus during 2025/26. We were particularly pleased to be awarded three new contracts in Norfolk to deliver new services in Norwich, Swaffham and Kings Lynn.

We'll be working with colleagues in Norfolk County Council and Golden Lane (the housing provider) during 2025/26, with the plan for the first people to be moving to their new homes in Norwich early in 2026/27. We will continue to respond to viable tender opportunities and growth opportunities during the next year.

We begin the year with a high number of voids in our services. This has a significant financial impact and we'll continue our collective efforts to bring the level of voids down and to manage the portfolio of services, for example by considering service closures where persistent, ongoing voids contribute to poor financial performance.

We made positive progress in establishing our fundraising procedures and reviewing the potential for fundraising in Avenues during the year. Looking ahead we'll continue this work, and plan to establish a small fundraising team to extend the work already started.

The Trustees' Report 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 on 14th October 2025 and signed on its behalf by:

Signed by:
A47F8403F28949C...
Terry Rich, **Chair**
Date: 14th October 2025

Docusign Envelope ID: 590D75C4-5215-4842-AEFC-60A7CF594271

The Avenues Trust Group Ltd
Statement of Trustees' Responsibilities

The trustees (who are also directors of The Avenues Trust Group for the purposes of company law) are responsible for preparing the Trustees' Annual Report including the incorporated Strategic 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 the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable Group 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 Group 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 Group and 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 Group and 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 group'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.

Docusign Envelope ID: 590D75C4-5215-4842-AEFC-60A7CF594271

Independent Auditor's Report to the members of The Avenues Trust Group

Opinion

We have audited the financial statements of The Avenues Trust Group (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2025 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Cash Flow Statement 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 group's and the parent charitable company's affairs as at 31 March 2025 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We have been appointed auditors under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may

Docusign Envelope ID: 590D75C4-5215-4842-AEFC-60A7CF594271

cast significant doubt on the group's or parent 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. 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 group and the parent charitable company and their 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.

Docusign Envelope ID: 590D75C4-5215-4842-AEFC-60A7CF594271

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 by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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 22, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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.

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

Docusign Envelope ID: 590D75C4-5215-4842-AEFC-60A7CF594271

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 group audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory frameworks that the group and parent charitable company operates in and how the group and parent charitable company are 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 parent 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 and the group companies' operating licenses, the Care Act 2014, Care Quality Commission regulations, health and safety

Docusign Envelope ID: 590D75C4-5215-4842-AEFC-60A7CF594271

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 laws and regulations and inspected correspondence with regulatory authorities.

The group 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 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 provided 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.

HCatchpool

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 8th December 2025

Docusign Envelope ID: 590D75C4-5215-4842-AEFC-60A7CF594271

The Avenues Trust Group Ltd
Consolidated Statement of Financial Activities
(Including Consolidated Income and Expenditure Account)
For the Year Ended 31 March 2025

	Notes	Unrestricted General Funds £'000	Restricted Funds £'000	Total 2025 £'000	Total 2024 £'000
INCOME FROM:					
Donations, Grants and Legacies					
Donations		44	6	50	62
Autism Hampshire net assets		-	-	-	2,387
Grants		-	99	99	2
	3	44	105	149	2,451
Charitable Activities:					
Provision of care and housing services	3	18,750	-	18,750	16,999
Provision of care to young people	3	813	-	813	771
Services to Adults	3	38,315	-	38,315	35,211
Services to Older People	3	1,772	-	1,772	1,950
Regulated services	3	6,363		6,363	2,415
Community Partnerships	3	512	-	512	151
		66,525	-	66,525	57,497
Other trading activities	3	127	-	127	50
Investment Income		4	-	4	3
Other	3	417	-	417	363
TOTAL INCOME		**67,117**	**105**	**67,222**	**60,364**
EXPENDITURE ON:					
Raising funds		157	-	157	55
Charitable activities:					
Provision of care and housing services	4	17,985	-	17,985	17,725
Provision of care to young people	4	781	-	781	734
Services to Adults	4	39,088	-	39,088	36,103
Services to Older People	4	2,100	-	2,100	2,168
Regulated services	4	6,389	1	6,390	2,639
Community Partnerships	4	512	133	645	286
		66,855	134	66,989	59,655
Loss/(gain) on sale of assets		2		2	(434)
TOTAL EXPENDITURE		**67,014**	**134**	**67,148**	**59,276**
Net income / (expenditure)	5	**103**	**(29)**	**74**	**1,088**
Transfer between funds	13	10	(10)	-	-
Remeasurement of defined benefit pension schemes	16	135	-	135	(257)
Net movement in funds		**249**	**(40)**	**209**	**831**
Reconciliation of funds:					
Fund balance brought forward	14	5,633	320	5,953	5,122
Fund balances carried forward		**5,882**	**280**	**6,162**	**5,953**

The notes on pages 43 to 77 form part of these financial statements.

Docusign Envelope ID: 590D75C4-5215-4842-AEFC-60A7CF594271

The Avenues Trust Group Ltd
Consolidated Balance Sheet
As At 31 March 2025

	Notes	2025	2024
		£'000	£'000
FIXED ASSETS			
Tangible assets	8	12,593	12,904
Intangible assets	9	487	242
		13,080	**13,146**
CURRENT ASSETS			
Asset held for sale	8	570	-
Debtors	11	5,460	6,087
Cash at bank and in hand		402	1,104
		6,432	**7,191**
CREDITORS falling due within one year	12	(6,932)	(7,671)
NET CURRENT LIABILITIES		**(500)**	**(480)**
CREDITORS falling due in more than one year	12	(5,457)	(5,330)
NET ASSETS EXCLUDING PENSION LIABILITY		**7,123**	**7,336**
Pension scheme liability	16	(961)	(1,383)
NET ASSETS	14	**6,162**	**5,953**
FUNDS			
Unrestricted funds:			
General funds	13	6,766	6,939
Designated fund	13	77	77
Pension scheme funding reserve	13	(961)	(1,383)
		5,882	**5,633**
Restricted funds	13	280	320
TOTAL FUNDS	14	**6,162**	**5,953**

The notes on pages 43 to 77 form part of these financial statements.

The financial statements were approved and authorised for issue by the Board of Trustees on 14th October 2025 and were signed on its behalf by:

Signed by:
A47F8403F28949C...

Terry Rich, Chair

Docusign Envelope ID: 590D75C4-5215-4842-AEFC-60A7CF594271

The Avenues Trust Group Ltd
Company Balance Sheet
As At 31 March 2025

	Notes	2025 £'000	2024 £'000
FIXED ASSETS			
Tangible assets	8	254	239
Intangible assets	9	487	242
		741	481
CURRENT ASSETS			
Debtors	11	37,086	19,517
Cash		-	22
		37,086	**19,539**
CREDITORS falling due within one year	12	(37,466)	(19,933)
NET CURRENT LIABILITIES		**(380)**	**(394)**
CREDITORS falling due in more than one year	12	(42)	(92)
NET ASSETS / (LIABILITIES)	14	**319**	**(5)**
FUNDS			
Unrestricted funds:			
General reserve	13	306	(18)
Designated fund	13	2	2
		308	**(16)**
Restricted funds	13	11	11
SURPLUS / (DEFICIT) OF FUNDS	14	**319**	**(5)**

As permitted by section 408 of the Companies Act 2006, the parent charity's Statement of Financial Activities (including Income and Expenditure) has not been included in these financial statements. The parent charity's result for the year was a surplus of £324k (2024: surplus of £144k).

Included in the parent charity's result for the year is a profit of £352k (2024: £175k) gifted by Avenues Management services Limited (AMSL) to the parent under the Deed of Covenant.

The notes on pages 43 to 77 form part of these financial statements.

The financial statements were approved and authorised for issue by the Board of trustees on 14th October 2025 and were signed on its behalf by:

Signed by:
A47F8403F28949C...
Terry Rich
Chair

Docusign Envelope ID: 590D75C4-5215-4842-AEFC-60A7CF594271

The Avenues Trust Group Ltd
Consolidated Statement of Cash Flows
For The Year Ended 31 March 2025

Cash generated from operations	2025 £'000	2024 £'000
Profit for the period	74	1,088
Adjustments:		
Net interest per P&L	104	125
Depreciation of PPE	818	(341)
Amortisation of intangible fixed assets	90	(434)
Loss/(gain) on disposal of tangible fixed assets	2	738
Net defined benefit cost recognised in operating surplus / (deficit)	(287)	101
Operating cash flows before movements in working capital	**801**	**1,277**
Decrease in debtors	627	1,689
(Decrease) in creditors	(487)	(799)
Cash inflows generated from operations	**941**	**2,167**
Interest received	4	3
Interest paid	(108)	(58)
Net cash flow from operating activities	**837**	**2,112**
Investing Activities		
Purchase of intangibles/capitalised development costs	(335)	(35)
Purchase of tangible fixed assets	(1,377)	(703)
Proceeds on disposal of tangible fixed assets	318	881
Cash flow (used in) investing activities	**(1,394)**	**(1,177)**
Financing Activities		
Proceeds from bank loans	375	-
Repayment of bank loans	(90)	(63)
Cash flows (used in) / generated from financing activities	**285**	**(63)**
Net change in cash and cash equivalents	(272)	872
Cash and cash equivalents at beginning of period	380	(492)
Cash and cash equivalents at end of period	**108**	**380**
Analysis of cash and cash equivalents:		
Overdraft facility repayable on demand	(294)	(724)
Cash at bank and in hand	402	1,104
Total cash and cash equivalents	**108**	**380**

Analysis of changes in net debt	Brought forward £'000	Cash flows £'000	Carried forward £'000
Cash at bank and in hand	380	(272)	108
Bank overdrafts and loans	(5,393)	(139)	(5,532)
Net debt	(5,013)	(411)	(5,424)

Docusign Envelope ID: 590D75C4-5215-4842-AEFC-60A7CF594271

1) Accounting Policies

The Avenues Trust Group 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, except for the treatment of Avenues South social housing grants which would normally be shown through the Statement of Financial Activities.

The charity has departed from the Charities SORP (FRS 102) and maintained the accounting treatment set out in Housing SORP 2018 – (Statement of Recommended Practice for social housing providers) which is followed by Avenues South, where government grants are recognised in income using the accruals model and recognised over the life of the underlying asset when housing properties are measured at cost.

Grant amounts that are not recognised as income in the year are included in creditors as deferred capital grants. The trustees consider that this is the appropriate policy to use in the consolidated financial statements.

The Avenues Trust Group 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 parent 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 parent 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; and

Docusign Envelope ID: 590D75C4-5215-4842-AEFC-60A7CF594271

- Section 33 'Related Party Disclosures' – Compensation for company key management personnel.

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

b) Preparation of the accounts on a going concern basis
The group financial statements have been prepared on a going concern basis and the position on going concern for The Avenues Trust Group and its subsidiaries ultimately rests with the Group.

Avenues, along with other providers in the sector, have faced a number of challenges over recent years. There have been increases in the National Living Wage, the employers' NI rate, and a reduction in the contribution threshold—all of which exceeded available funding. Additionally, there have been more frequent delays from Commissioners in filling voids. Together, these factors have had a significant financial impact. Robust response plans have been created and implemented and their positive impact is already evident.

The Group has an operational surplus of £74k in 2024/25 compared to a loss of £1.3m in 2023/24. As at March 2025, reserves stood at £6.2m (2024: £6m), with net current liabilities of £1.1m (2024: £0.5m). As at March 2025, the group held two properties for resale which were sold post year end for a total of £743k.

Avenues maintains numerous long-term contracts and delivers high-quality services, ensuring continued success in securing new contracts and retaining existing ones.

Going into 2025/26, 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.

Docusign Envelope ID: 590D75C4-5215-4842-AEFC-60A7CF594271

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 the robust marketing of our services and making full use of social and multimedia.

Our increased business development focus on Avenues East and Autism Hampshire will ensure they benefit from the same economies of scale as other subsidiaries within the Group. This includes a significant tender win to mobilise in Avenues East in April 2026.

The merger between Avenues and Autism Hampshire in 2023, brought an area of specialism to the Group and future financial sustainability for Autism Hampshire.

Cash is carefully forecast, planned and managed along with focussed aged debt management and collection. Carefully planned property disposals, where surplus to existing requirements, have been part of our strategy to improve the cash position and property purchases have been funded by mortgages at negotiated rates.

Operational performance is closely monitored to ensure it is well managed in line with expected budgetary controls, with actions taken as necessary. All budget holders have contributed to a reduced spend against their budgets in 2024/25. We actively monitor all spend across the organisation and are undertaking a review in 2025/26 to achieve efficiencies and cost savings for 2026/27 onwards.

The Group is reliant on its overdraft facility of £1.5m which has been sufficient to cover for low cash months and we do not foresee an increased need beyond this in the 12 months post signing of the accounts. There is a longstanding and positive relationship with Barclays Bank plc, who provide the Group with its overdraft facility, which is subject to annual review and renewal, and although this facility is payable on demand, Barclays have been supportive of the Group and its operational cash needs and therefore this risk is not considered to pose a serious threat or concern.

The pension scheme deficit is a longer term liability, and the cash contribution elements are covered through the annual budgets and therefore this is considered to have no significant bearing on the going concern assessment for the Avenues Group.

Avenues Group operates within a cross-guarantee arrangement, pooling cash across the group to meet working capital requirements.

In making this assessment, the Trustees have considered the changes in VAT legislation referred to in the Post Balance Sheet Event note (Note 19), which will impact the activities in Avenues Management Services Limited from April 2026.

Docusign Envelope ID: 590D75C4-5215-4842-AEFC-60A7CF594271

Although this is a challenging landscape, the Trustees are assured that the issues Avenues 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' success into the future and to meet its debts as they fall due for a period of at least 12 months from the date of approval of these accounts, and therefore have no material uncertainty over its going concern.

c) Group financial statements

The financial statements consolidate the results of the charity and its subsidiaries on a line by line basis. Control is determined when the charity controls over 50% of the voting rights or has the ability to appoint or remove a majority of board members. A separate Statement of Financial Activities and Income and Expenditure account for the charity has not been presented because Avenues has taken advantage of the exemption afforded by Section 408 of the Companies Act 2006.

The results of all subsidiaries cover a full 12 month period up to the 31 March 2025. Comparators for Autism Hampshire represent the part year from 1 November 2023.

The cost of a business combination is the fair value at the acquisition date, of the assets given and liabilities incurred or assumed, plus directly attributable costs. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. Fair values recognised are considered for impairment in the period following the acquisition date.

d) Income

Income is recognised when the group 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 – see policy (e)) or 'revenue' grants, are 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 and not deferred.

Income received in advance of a service is deferred until the criteria for income recognition are met (Note 12). Income is measured at the fair value of the consideration receivable.

Docusign Envelope ID: 590D75C4-5215-4842-AEFC-60A7CF594271

Legacy income is recognised at the earlier of the charity being notified of a distribution or the receipt of a legacy, or when the receipt of the legacy is determined to be measurable and probable which includes consideration of when probate is granted.

e) Capital grants in respect of social housing properties
All Social Housing Capital grants are recognised under the accrual model. Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred it is recognised under creditors after more than one year separately as capital grant and not deducted from the carrying amount of the asset.

f) 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;

Tablets, laptops, and computers	33% per annum on cost
Office equipment	15-25% per annum on cost
Furniture and equipment	15-25% per annum on cost
Furniture and equipment (River House)	10% per annum on cost
Specialist equipment	15% per annum on cost
Motor vehicles	25% per annum on cost
Freehold Land	0%
Freehold Buildings and offices	2% per annum on cost
Leasehold properties	Over the term of the lease

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

The groups' policy is to capitalise all assets with a cost greater than £500.

Asset values and consideration of any impairments needed are reviewed on an annual basis.

Barclays Bank Plc holds a charge over the group's fixed assets as security for the Groups' overdraft.

g) Intangible assets and amortisation
Intangible assets are stated at cost less accumulated amortisation. Amortisation is provided at the following annual rates in order to write off the assets over their estimated useful lives:

Docusign Envelope ID: 590D75C4-5215-4842-AEFC-60A7CF594271

PeoplePlanner and Digitalisation Project	20% per annum on cost

Intangible assets under construction (IAC)

Intangible assets under construction (IAC) are costs directly attributable to creating, producing, or preparing internally generated intangible assets for their intended use and are recognised at cost where it is probable that the future economic benefits attributable to the asset will flow and the cost can be measured reliably. Expenditure after initial recognition is capitalised where directly attributable to the development of the asset to bring it to a working condition.

If the project is abandoned or its value becomes impaired during construction, the capitalised costs may need to be written down to their recoverable amount. The IAC are tested annually for impairment or whenever there is an indication that the asset might be impaired. If the carrying amount exceeds the recoverable amount, an impairment loss will be recognised.

h) Value added tax
Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

i) Employee benefits policy
The costs of short-term employee benefits are recognised as a liability and an expense. The best estimate of the expenditure required to settle obligations for termination of benefits is recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

j) Pension costs
The Avenues Trust Group has employees enrolled in The Social Housing Pension (SHPS) defined contribution scheme (also referred to as 'Pensions Trust') which is an ongoing scheme. The contributions paid to this scheme by the group are charged to the Consolidated Statement of Financial Activities as they fall due.

The Avenues Trust Group also participates in an unfunded pension scheme operated by the National Health Service. The contributions to this scheme, as advised by scheme administrator, are charged to the Consolidated Statement of Financial Activities as they fall due.

The group also contributes to the defined benefit Social Housing Pension Scheme (closed to future accrual). Contributions are charged to the Consolidated Statement of Financial Activities in the period to which they relate. As at 31 March

Docusign Envelope ID: 590D75C4-5215-4842-AEFC-60A7CF594271

2025 the schemes actuaries provided each employers organisation with its defined benefit liability together with comparative information as at 31 March 2024. The scheme is treated as a defined benefit scheme in accordance with FRS102.

The pension schemes are disclosed in Note 16.

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

l) 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.

m) Allocation of support costs
Support costs are those functions that assist the work of Avenues but do not directly undertake charitable activities. Support costs include back office costs, finance, human resources, payroll, IT and governance costs which supports Avenues charitable activities. All costs are allocated between the expense categories of the Statement of Financial Activities on the basis designed to reflect the use of the resources.

n) 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.

Designated funds are funds set aside formally by the trustees for a particular purpose.

o) 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.

Docusign Envelope ID: 590D75C4-5215-4842-AEFC-60A7CF594271

p) 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.

q) 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. In the cash flow statement, cash and cash equivalents are shown net of bank overdrafts, which are included as current borrowings in liabilities on the balance sheet.

r) 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.

s) Financial Instruments
The trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

t) Assets held for sale
Assets held for sale are classified as non-current assets when their carrying amount is expected to be recovered principally through a sale transaction rather than through continuing use. This classification is made only when the sale is highly probable, the asset is available for immediate sale in its present condition, and management is committed to a plan to sell within 12 months.

u) Management estimates and judgements
In the process of applying its accounting policies, The Avenues Trust Group 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.

Docusign Envelope ID: 590D75C4-5215-4842-AEFC-60A7CF594271

The assumptions applied to the pension schemes have the potential to materially impact the pension liability position and therefore have been reviewed with the Groups pension advisors and management consider they are reasonable. Upon acquisition of Avenues South in 2019/20, the properties were revalued and converted to Fair Value in the Group accounts.

Upon acquisition of Autism Hampshire, the properties were revalued and converted to Fair Value in the Group accounts.

These properties have been reviewed for indications of impairment and no adjustment to the carrying value of the properties is considered necessary at 31 March 2025.

2) Financial performance of the charity

The consolidated statement of financial activities includes the results of the charity's wholly owned subsidiaries (note 17).

The summary performance of the charity alone is:	**2025 £000s**	**2024 £000s**
Income from charitable activities	193	177
	193	177
Expenditure on charitable activities	(221)	(208)
Profit received from AMSL through deed of covenant	352	175
Net Income	**324**	**144**
Total funds brought forward	(5)	(149)
Total funds carried forward	**319**	**(5)**
Represented by:		
Restricted income funds	11	11
Unrestricted income funds	308	(16)
Total	**319**	**(5)**

Included in the unrestricted fund there is £352k (2024: £175k) relating to profit donated by the Avenues Management Services Ltd (AMSL) subsidiary to the parent under Deed of Covenant.

Docusign Envelope ID: 590D75C4-5215-4842-AEFC-60A7CF594271

3) Income

	2025 £000s	2024 £000s
Donations, grants and legacies		
Donations	50	62
Autism Hampshire net assets	-	2,387
Grants	99	2
	149	**2,451**
Other trading activities income		
Contribution towards training costs	9	6
Fundraising Events	6	-
Charity shop operations	111	-
Other Income	1	44
	127	**50**
Other		
AMSL trading company income	370	195
Forest Lane Service mobilisation	-	107
Other	47	61
	417	**363**

Income from Donations, grants and legacies was £149k (2024: £2,451k), of which £105k (2024: £130k) was restricted, including grants of £99k (2024: £2k).
Income from Charitable activities was £66,525k (2024: £57,497k) all of which was unrestricted in both years. Other trading activities income is broken down above.

4) Expenditure

	Direct Costs £000s	Support Costs £000s	2025 Total £000s	2024 Total £000s
Charitable Activities				
Provision of care and housing services	15,928	2,057	17,985	17,725
Provision of care to young people	693	88	781	734
Services to Adults	34,609	4,479	39,088	36,103
Services to Older People	1,876	224	2,100	2,168
Regulated services	5,457	933	6,390	2,639
Community Partnerships	551	94	645	286
2025 Totals	**59,114**	**7,875**	**66,989**	
2024 Totals	**52,549**	**7,106**		**59,655**

Docusign Envelope ID: 590D75C4-5215-4842-AEFC-60A7CF594271

Expenditure on charitable activities of £66,989k (2024; £59,655k) of which £134k relates to restricted funds (£2024: nil).

This balance does not include pension re-measurement adjustments of £135k (2024: (£257k)) and (gain)/loss on sales of assets, loss - £2k (2024; gain £434k).

Expenditure for fund raising was £157k (2024: £55k) which was all raised by Autism Hampshire and all attributed to unrestricted funds.

Analysis of governance and support costs

The 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 note 3) in the year. Support costs are allocated on the basis of salary costs for each activity.

	General support £000s	Governance function £000s	2025 Total £000s	2024 Total £000s
EMT and Governance	1,748	122	1,870	1,679
Group Finance	2,651	-	2,651	2,259
Group Human Resources	1,569	-	1,569	1,446
Group Office Management	1,142	-	1,142	1,071
Group Practice Development and Assurance	643	-	643	651
Total	**7,753**	**122**	**7,875**	**7,106**

5) Net income for the year is stated after charging:

	2025 £'000	2024 £'000
Depreciation of tangible fixed assets	818	735
Amortisation	90	101
External Audit	122	105
Internal Audit	1	15
Operating lease charges for motor vehicles and equipment	52	113
Operating lease charges for land and buildings	1,301	1,173
Interest paid	108	84
Loss/(gain) on disposal of assets	2	(434)

Docusign Envelope ID: 590D75C4-5215-4842-AEFC-60A7CF594271

6) Trustees' remuneration

The trustees are the directors of the company. During the year, 9 (2024: 11) member(s) of the Board have been reimbursed for expenses totalling £4.7k (2024: £4.6k).

J Land, Chief Executive, is also a Trustee of Avenues Group. During the 2024/25 financial year she received £167k (2024: £155k) in remuneration including £13k of pension contributions (2024: £14k) 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 (2024: none).

N Ford, Group Director of Finance, is also a Trustee of Avenues Group. During the 2024/25 financial year she received £130k (2024: £117k) in remuneration including £9k of pension contributions (2024: £9k) 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 (2024: none).

Remuneration noted above includes gross salary, benefits, employers' national insurance and employers' pension contributions.

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 £6.7k (2024: £6.4k) which is a collective premium to cover Trustees Liability insurance (including £0.7k relating to Autism Hampshire ex-Trustees; 2024 £0.7k).

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

7) Staff costs and key management personnel

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

	2025 No.	2024 No.
£60k - £70k	3	5
£70k - £80k	1	-
£100k - £110k	-	5
£110k - £120k	4	-
£130k - £140k	1	1
£140k - £150k	-	-
£150k - £160k	-	-
£160k - £170k	1	-

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

Docusign Envelope ID: 590D75C4-5215-4842-AEFC-60A7CF594271

	No. 2025	No. 2024	FTE 2025	FTE 2024
Office staff	165	132	154	124
Care staff	1,512	1,171	1,140	905
Bank contract staff	268	216	-	-
	1,945	**1,519**	**1,294**	**1,029**

The difference between the total number of staff and the FTEs is due to a number of staff being employed on "Bank" contracts, whereby they have an employment contract with Avenues but work irregular shifts as and when they are needed and are not included within FTE's.

Staff costs - Group	2025 £'000	2024 £'000
Wages and salaries	48,296	37,699
Social security costs	3,918	3,021
Pension costs (Per Note 16)	1,335	1,000
Agency staff costs	1,944	2,481
	55,493	**44,201**

The key management personnel of the Group comprise the trustees including; the Group Chief Executive, Group Director 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 total employee benefits of the key management personnel were as follows:

	2025 £'000	2024 £'000
Wages and salaries	671	601
Social security costs	87	80
Pension costs	57	66
	815	**747**

The exemption available for parent companies under FRS102 has been taken, therefore Charity only figures for key management personnel remuneration have not been disclosed.

Docusign Envelope ID: 590D75C4-5215-4842-AEFC-60A7CF594271

8) Tangible fixed assets – Group

	Freehold Housing Properties	Long leasehold properties	Furniture and Equipment	Motor Vehicles	Office Equipment	Assets Held for Sale	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation							
At 1 April 2024 - Group	11,792	1,466	4,679	34	264		**18,235**
Transfer from Fixed assets	(538)	(224)				762	**0**
Additions	592	183	616	-	6		**1,397**
Disposals	-	(297)	(46)	(17)	-		**(360)**
At 31 MARCH 2025	11,846	1,128	5,250	17	270	762	19,272
Depreciation							
At 1 April 2024 - Group	1,433	20	3,597	30	251		**5,331**
Transfer from Fixed assets	(146)	(46)		-	-	192	**0**
Charge for year	230	25	415	1	1		**672**
Charge for year - grant (Note 12)	146	-	-	-	-		**146**
Disposals	-	(25)	(1)	(14)	-		**(40)**
At 31 MARCH 2025	1,663	(26)	4,011	17	252	192	6,109
Net book value							
At 31 MARCH 2025	**10,183**	**1,154**	**1,239**	**-**	**18**	**570**	**13,163**
At 31 March 2024	10.359	1.446	1.082	4	13		12.904

Docusign Envelope ID: 590D75C4-5215-4842-AEFC-60A7CF594271

8) Tangible fixed assets – Charity

	Furniture and Equipment £'000	Total £'000
Cost		
At 1 April 2024	1,414	1,414
Additions	142	142
At 31 MARCH 2025	**1,556**	**1,556**
Depreciation		
At 1 April 2024	1,175	1,175
Charge for the year	127	127
At 31 MARCH 2025	**1,302**	**1,302**
Net book value		
At 31 MARCH 2025	**254**	**254**
At 31 March 2024	**239**	**239**

NHS Charge

The net book value of some of the Housing properties above are subject to an NHS charge.

The NHS transferred the freehold of 23 properties to Avenues South in 1995 resulting in a legal charge against them; which is registered at the land registry on the freeholds. Consequently, should Welmede chose to use the properties other than for care services, or sell the properties, Avenues South will have to pay back the current market value (or sale proceeds) to the NHS.

There is an offsetting capital grant creditor of £3,987k (2024 £4,133k). (See note 12).

Long Leasehold

All long leasehold properties have remaining leases of between 80 and 112 years.

Assets held for sale

Assets held for sale are presented separately in the statement of financial position. Freehold property in Autism Hampshire was sold on the 23rd July 2025 for £540k and another freehold property in Avenues South was sold on the 13th June 2025 for £194k.

Docusign Envelope ID: 590D75C4-5215-4842-AEFC-60A7CF594271

9) Intangible assets – Group and Charity

	People Planner	Digitalisation Project	Intangibles under Construction	Total 2025
	£'000	£'000	£'000	£'000
Cost				
At 1 April 2024	90	345	118	553
Additions	-	-	335	335
At 31 MARCH 2025	**90**	**345**	**453**	**888**
Amortisation				
At 1 April 2024	90	221	-	311
Charge for year	-	90	-	90
At 31 MARCH 2025	**90**	**311**	**-**	**401**
Net book value				
At 31 MARCH 2025	**-**	**34**	**453**	**487**
At 31 March 2024	-	124	118	242

Amortisation of software has been charged to central overheads which is then allocated across the charitable activities on a staff costs basis.

Intangible assets under construction represent our business system upgrade programme, which has been capitalised and shown separately without being amortised. Amortisation will begin when the asset is available for use, i.e. completed.

10) Investments in subsidiary undertakings

The group holds an investment in Avenues South of £8 (2024: £8) and Avenues Management services Limited of £1 (2024: £1) both of which are equivalent to the entire share capital of the subsidiaries. The other Avenues entities are considered to be subsidiaries due to common control by the board of Trustees.

11) Debtors

	Charity		Group	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Contract fees receivable	-	-	3,303	4,501
Other debtors	260	217	419	299
Prepayments and accrued income	386	526	1,738	1,287
Amounts due from subsidiary undertakings	36,440	18,774	-	-
	37,086	**19,517**	**5,460**	**6,087**

Included within group Other Debtors are amounts totalling £160k (2024: £160k) relating to a rental deposit falling due after more than one year.

Docusign Envelope ID: 590D75C4-5215-4842-AEFC-60A7CF594271

12) Creditors

	Charity		Group	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Bank overdraft	294	724	294	724
Trade creditors	125	156	1,759	1,878
Other taxation and social security	177	201	2,223	2,030
Other creditors	32	17	672	222
Deferred income	-	-	492	1,172
Accrued expenditure	55	122	1,417	1,582
Amount owed to Subsidiary companies	36,741	18,667	-	-
Loans falling due within one year	42	46	75	63
	37,466	**19,933**	**6,932**	**7,671**

The group's overdraft is secured by an unlimited guarantee provided by the entities in The Avenues Trust Group and by charges over certain of the group's properties.

Avenues Trust Group acts as a central bank for the group and collects receipts and makes supplier and salaries payments on behalf of other group entities. Cash is swept from other group entities to Avenues Trust Group as part of the cash pooling agreement. This group cash pooling arrangement creates intra-group debtors and creditors and these balances net off across the group.

Movements in deferred income:	**£'000**	**£'000**
Deferred income at the beginning of the year	1,172	386
Income recognised in the year	(1,172)	(386)
Income deferred in the current year	492	1,172
Income deferred at the year end	**492**	**1,172**

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

Docusign Envelope ID: 590D75C4-5215-4842-AEFC-60A7CF594271

Creditors falling due in more than one year - Group
Capital grants

	2025 £'000	2024 £'000
Capital Grant at 1 April	(4,133)	(4,277)
Additions	-	(2)
Grant release current year	146	146
Capital Grant at 31 March	**(3,987)**	**(4,133)**
Bank Loans:		
Due within 2 -5 years	(202)	(175)
Due over 5 years	(1,268)	(1,022)
	(1,470)	**(1,197)**
Total long term Creditors	**(5,457)**	**(5,330)**

A capital grant was received to purchase NHS properties in 1995. No further capital grants were received during the year.

The grants are amortised over the same period over which the housing properties are depreciated.

Bank loans relate to the purchases of 5 properties, Colman Stairs (2022), Beresford Gardens, Smock Acre and Westbrook (2023), and Hempstead (2024). The loans are secured on the properties.

The loans are repaid by monthly instalment of capital and interest over a period of 25 years.

Interest is payable on the loans at 3.15% above the Bank of England base rate which was 4.5% as at 31st March 2025.

Also included in the loan was the purchase of software licences over a period of 5 years. The amount falling due in more than one year is £42k (2024: £92k).

Docusign Envelope ID: 590D75C4-5215-4842-AEFC-60A7CF594271

13) Statement of Funds

Group:	2024	Income	Expenditure	Transfers	FRS 102 Pension Adj	2025
	£'000	£'000	£'000	£'000	£'000	£'000
Unrestricted funds:						
General reserve	6,939	67,117	(67,013)	(277)	-	**6,766**
Designated Fund	77	-	-	-	-	**77**
Pension reserve	(1,383)	-	-	287	135	**(961)**
Restricted funds:						
Active Communities Fund	11	-	-	-	-	**11**
Big Lottery	12	-	-	-	-	**12**
Disability Focus Day	11	-	-	-	-	**11**
Disability Sports Project	21	-	-	-	-	**21**
Employment Service	15	-	-	-	-	**15**
Leisure activities in Avenues East	38	-	-	-	-	**38**
Hope House holiday Fund	4	-	-	(4)	-	**-**
Partnership Working	9	-	-	-	-	**9**
Disability Forum for Suffolk	4	-	-	-	-	**4**
Teaming Up	62	-	-	-	-	**62**
Garden Fund	5	-	-	-	-	**5**
Copse Hill	64	-	-	-	-	**64**
CSU Donations	6	-	-	(6)	-	**-**
Furniture Fund - Squirrel Lodge	10	-	-	-	-	**10**
Caring Communities Grant	1	-	(1)	-	-	**-**
Spectra App	10	-	-	-	-	**10**
Childwick Trust	9	-	(9)	-	-	**-**
Get Going Again	1	-	(1)	-	-	**-**
Serendipity Lottery Grant	22	69	(91)	-	-	**-**
Solent Employment Grant	(2)	-	2	-	-	**-**
Serendipity Skills Group (Thomas Bailey)	-	10	(10)	-	-	**-**
HICWF	4	-	(4)	-	-	**-**
IAG Sensory SSB	1	-	(1)	-	-	**-**
Barratt Foundation	2	-	(1)	-	-	**1**
Southampton charitable trust	-	1	(1)	-	-	**-**
Baker Mill	-	1	(1)	-	-	**-**
Chalk Cliff Trust	-	5	-	-	-	**5**
EHDC Supporting Communites Fund	-	10	(10)	-	-	**-**
Ford Britain Trust	-	2	(0)	-	-	**2**
Souter	-	2	(2)	-	-	**-**
Virgin Unite	-	5	(5)	-	-	**-**
	320	**105**	**(135)**	**(10)**	**-**	**280**
Total funds	**5,953**	**67,222**	**(67,148)**	**-**	**135**	**6,162**

Docusign Envelope ID: 590D75C4-5215-4842-AEFC-60A7CF594271

The Avenues Trust Group Ltd
Notes to the Financial Statements

Previous year balances	2023	Income	Expenditure	Transfers	FRS 102 Pension Adj	2024
	£'000	£'000	£'000	£'000	£'000	£'000
Unrestricted funds:						
General reserve	5,142	60,234	(59,200)	763	-	**6,939**
Revaluation reserve		-	-	-	-	**0**
Designated Fund	77	-	-	-	-	**77**
Pension reserve	(1,397)	-	-	271	(257)	**(1,383)**
Restricted funds:						
Autism Hampshire - Donation transfer		116		(116)		**-**
Active Communities Fund	11	-	-	-	-	**11**
Big Lottery	12	-	-	-	-	**12**
Community Futures other restricted funds	176	-	-	(176)	-	**-**
Disability Focus Day	11	-	-	-	-	**11**
Disability Sports Project	22	-	-	(1)	-	**21**
Employment Service	15	-	-	-	-	**15**
Leisure activities in Avenues East	38	-	-	-	-	**38**
Hope House holiday Fund	4					**4**
Partnership Working	9	-	-	-	-	**9**
Disability Forum for Suffolk	4	-	-	-	-	**4**
Teaming Up	62	-	-	-	-	**62**
Garden Fund	10	-	-	(5)	-	**5**
Brighton road	730	-	-	(730)	-	**-**
Copse Hill	92	-	(3)	(25)	-	**64**
Other restricted projects	77	-	-	(77)	-	**-**
CSU Donations	17	9	-	(20)	-	**6**
Furniture Fund - Squirrel Lodge	10	-	-	-	-	**10**
Caring Communities Grant	-	-	-	1	-	**1**
Partnership Foundation	-	-	-	0	-	**0**
Spectra App	-	-	(1)	11	-	**10**
Autism & Nature	-	-	-	0	-	**0**
Childwick Trust	-	-	-	9	-	**9**
Get Going Again	-	-	(19)	20	-	**1**
John Lewis gardening	-	-	-	0	-	**0**
New Forest Serendipity Group	-	-	- 0.19	0	-	**0**
Serendipity Lottery Grant	-	2	(47.69)	68	-	**22**
Solent Employment Grant	-	-	-	(2)	-	**(2)**
Thomas Bailey Serendipity	-	-	-	0	-	**0**
Serendipity Skills Group (Will Charitable Trust)	-	-	(2)	2	-	**-**
HICWF	-	-	-	4	-	**4**
IAG Sensory SSB	-	-	-	1	-	**1**
Barratt Foundation	-	-	-	2	-	**2**
Percy Bilton	-	3	(3)	0	-	**-**
	1,300	**130**	**(76)**	**(1,034)**	**-**	**320**
Total funds	**5,122**	**60,364**	**(59,276)**	**-**	**(257)**	**5,953**

Fund transfers in 2024/25:

Hope House Holiday fund: funds spent to provide holidays in accordance with the fund (Avenues East).

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

Docusign Envelope ID: 590D75C4-5215-4842-AEFC-60A7CF594271

Fund transfers in 2023/24:
Community Futures other restricted funds - All funds were spent in accordance with the grant conditions and the charity was dissolved in 2022.
Disability Sports Project - Funds spent to provide sport days in accordance with the fund.

Garden Fund - Funds spent to renovate garden at Wilson Avenue

Brighton road - Funds spent in accordance with the legacy to support people in the service.

Copse Hill - Funds spent on people who used to live at the service for activities; furniture and holidays.

Other restricted projects - Funds spent on various activities across the Group.

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

The main funds are as follows:
The general reserve represents the unrestricted, designated and restricted funds of the group. The Pension reserve represents the deficit on the defined benefit pension schemes as calculated using FRS102 methodology. The restricted funds are monies received from funders for the specific projects/purposes described above.

Designated funds are funds set aside formally by the trustees for a particular purpose.

The restricted fund of the parent charitable company is represented by the Active Communities Fund.

1 The Active Communities Fund has been generated through a number of events and donations to support activities in the community.
2 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.
3 Disability Focus Day fund is restricted to supporting the costs of organising a forum for representatives from disability and statutory organisations across Suffolk.
4 Disability Sport Project which is set up to provide sport and physical activities for young people and adults with disabilities.

Docusign Envelope ID: 590D75C4-5215-4842-AEFC-60A7CF594271

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

6 The Leisure funds are restricted to the various leisure activities provided by Avenues East particularly swimming sessions.

7 The Hope House Holiday fund represents a fund raised towards the provision of an annual holiday for the residents. This fund has been fully utilised in year.

8 The Partnership Working fund is restricted to supporting initiatives for user involvement in multi-agency working to promote the inclusion of disabled people.

9 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.

10 The Teaming Up fund is restricted to various Teaming Up activities provided by Avenues East.

11 The Garden Fund provided by Santander is for the renovation of a Garden at Wilson Avenue.

12 Copse Hill is a fund set up by a specific legacy for use at this service to cover some support and running costs.

13 CSU Donations are community support donations restricted to helping disabled people to take part in social activities, for examples games and pub quizzes. This fund has been fully utilised in year.

14 Furniture Fund - Squirrel Lodge is used for furniture and fittings at Squirrel Lodge.

15 Caring Communities Grant is a Southampton City Council grant towards the costs of 12 trial sports sessions that focus on a range of sports and physical activities for adults on the autistic spectrum. This fund has been fully utilised in year.

16 Spectra App is the net proceeds of a fundraising event towards the development of technology to support people on the autism spectrum.

17 Childwick Trust is a grant from Childwick Trust to support the development and operation of serendipity social groups across Hampshire. This fund has been fully utilised in year.

18 Get Going Again is a grant from Hampshire County Council towards a project aimed at improving access to healthcare services. This fund has been fully utilised in year.

19 Serendipity Lottery Grant is a grant from the National Lottery Fund to support the development and operation of serendipity social groups across Hampshire. This fund has been fully utilised in year.

20 Solent Employment Grant is a grant from the European Social Fund for an employment project for which Autism Hampshire is partnering with Southampton City Council. This fund has been fully utilised in year.

21 Serendipity Skills Group is a grant towards skills based serendipity groups. This fund has been fully utilised in year.

Docusign Envelope ID: 590D75C4-5215-4842-AEFC-60A7CF594271

22 HICWF is a grant from Portsmouth City Community Fund and IoWCF to support the development and operation of serendipity social groups across Hampshire. This fund has been fully utilised in year.

23 IAG Sensory SSB is a grant towards a purchase of a range of sensory items from Skipton Charitable Trust. This fund has been fully utilised in year.

24 Barratt Foundation is a donation towards redecoration of Chelveston supporting living accommodation.

25 Southampton Charitable Trust is a grant to benefit people in Southampton. This fund has been fully utilised in year.

26 Baker Mill - Totton Serendipity Group- Previously known as the Peter Barker-Mill Memorial Charity, the Foundation makes donations to local charities, schools, organisations and individuals needing support, primarily in southwest Hampshire. This fund has been fully utilised in year.

27 Chalk Cliff Trust - Serendipity Wellbeing Choir for Adults in Hampshire - The Chalk Cliff Trust is a foundation set up to provide grants and donations to charities, action groups and benevolent organisations predominantly in the East Sussex area involved in activities for people with learning difficulties or disabilities.

28 EHDC Supporting Communities Fund - Bordon Serendipity Group is a grant from the East Hants District Council Supporting Communities Fund which was set up to support local community groups and organisations in the district. This fund has been fully utilised in year.

29 Ford Britain Trust - Southampton Art Group is a grant from Ford Britain Trust who pay special attention to projects focusing on education, environment, children, the disabled, youth activities and projects that provide clear benefits to the local communities close to their UK locations.

30 Souter Charitable Trust - Life Skills Through Drama group held at MAST Mayflower, Southampton - The Souter Charitable Trust support projects engaged in the relief of human suffering in all aspects in the UK and overseas. This fund has been fully utilised in year.

31 Virgin Unite - Serendipity Community Groups - award grants for the relief of those in need by reason of youth, ill-health, disability, financial hardship or other disadvantage. This fund has been fully utilised in year.

Docusign Envelope ID: 590D75C4-5215-4842-AEFC-60A7CF594271

Note 13 (continued) Statement of Funds – Parent Charity

Parent Charity :	1 April 2024	Income	Expenditure	Transfers	31 March 2025
	£'000	£'000	£'000	£'000	£'000
Designated fund	2	-	-	-	**2**
General reserve	(18)	545	(222)	-	**305**
	(16)	**545**	**(222)**	-	**307**
Restricted funds					
Active Communities funds	11	-	-	-	**11**
	11	-	-	-	**11**
Total funds	**(5)**	**545**	**(222)**	-	**318**

Parent Charity :	1 April 2023	Income	Expenditure	Transfers	31 March 2024
	£'000	£'000	£'000	£'000	£'000
Designated fund	2	-	-	-	**2**
General reserve	(1,068)	352	(208)	906	**(18)**
	(1,066)	**352**	**(208)**	**906**	**(16)**
Restricted funds					
Active Communities funds	11	-	-	-	**11**
Community Futures other restricted funds	32	-	-	(32)	**-**
Brighton Road	730	-	-	(730)	**-**
Other projects	144	-	-	(144)	**-**
	917	**-**	**-**	**(906)**	**11**
Total funds	**(149)**	**352**	**(208)**	**-**	**(5)**

Docusign Envelope ID: 590D75C4-5215-4842-AEFC-60A7CF594271

14) Analysis of net assets between funds

GROUP	Restricted Funds	Unrestricted Funds	Total
Fund balances at 31 March 2025 are represented by:	**£'000**	**£'000**	**£'000**
Tangible fixed assets	-	12,739	12,739
Intangible assets	-	487	487
Current assets	280	6,006	6,286
Current liabilities	-	(6,932)	(6,932)
Long term liabilities	-	(5,457)	(5,457)
TOTAL FUNDS BEFORE PENSION LIABILITY	**280**	**6,843**	**7,123**
Pension scheme liability	-	(961)	(961)
TOTAL FUNDS INCLUDING LIABILITY ON PENSION SCHEME RESERVE	**280**	**5,882**	**6,162**

Analysis of group net assets between funds - previous year			
Fund balances at 31 March 2024 are represented by:			
Tangible fixed assets	-	12,904	12,904
Intangible assets	-	242	242
Current assets	320	6,871	7,191
Current liabilities	-	(7,671)	(7,671)
Long term liabilities	-	(5,330)	(5,330)
TOTAL FUNDS BEFORE PENSION LIABILITY	**320**	**7,016**	**7,336**
Pension scheme liability	-	(1,383)	(1,383)
TOTAL FUNDS INCLUDING LIABILITY ON PENSION SCHEME RESERVE	**320**	**5,633**	**5,953**

PARENT	Restricted Funds	Unrestricted Funds	Total
Fund balances at 31 March 2025 are represented by:	**£'000**	**£'000**	**£'000**
Tangible fixed assets	-	254	254
Intangible assets	-	487	487
Current assets	11	37,074	37,086
Current liabilities	-	(37,466)	(37,466)
Long term liabilities	-	(42)	(42)
TOTAL FUNDS	**11**	**307**	**319**
Fund balances at 31 March 2024 are represented by:			
Tangible fixed assets	-	239	239
Intangible assets	-	242	242
Current assets	11	19,528	19,539
Current liabilities	-	(19,933)	(19,933)
Long term liabilities	-	(92)	(92)
TOTAL FUNDS	**11**	**(16)**	**(5)**

Docusign Envelope ID: 590D75C4-5215-4842-AEFC-60A7CF594271

15) Operating leases

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

	2025	2024
Land and Buildings	**£'000**	**£'000**
Amounts due:		
Within one year	1,214	786
Between two and five years	2,177	1,927
Beyond five years	1,321	1,308
	4,712	**4,021**

	2025	2024
Vehicles & equipments		
Amounts due:	**£'000**	**£'000**
Within one year	4	-
Between two and five years	10	-
	14	**0**

	2025	2024
Parent only		
Land and Buildings	**£'000**	**£'000**
Amounts due:		
Within one year	481	-
Between two and five years	801	-
	1,282	**-**

16) Pension obligations

The Avenues Trust Group has contributed to both defined benefit and defined contribution schemes during the year and defined benefit schemes (Social Housing Pension Scheme - SHPS) are accounted for as if they were defined contribution schemes if required by FRS 102 Section 28 'Employee benefits'.

The total cost to the group for the year ended 31 March in respect of pension contributions, which have been allocated between resources expended categories in proportion to staff costs and charged to the Consolidated Statement of Financial Activities as appropriate, are as follows;

	2025	2024	**2025**	2024
	£'000	£'000	**No.**	No.
Pensions Trust SHPS	1,326	977	1,470	1,095
NHS Pension	6	19	1	7
Pensions Trust - The Growth Plan	3	4	-	5
Per Note 7	1,335	1,000	1,471	1,107

Docusign Envelope ID: 590D75C4-5215-4842-AEFC-60A7CF594271

There are three main schemes remaining with the majority of staff contributing to the defined contribution scheme with The Pensions Trust. This is the Social Housing Pension Scheme (SHPS). In addition, there is a closed scheme, also within the SHPS and administered by The Pension Trust. The last scheme is the NHS Pension with details shown below.

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 Trustees are aware that the Court of Appeal has 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.

On the 5 June 2025, the Government announced its intention to introduce legislation to give affected pension schemes the ability to retrospectively obtain written confirmation that historical benefit changes met the necessary standards. However, details of the legislation have not been announced.

Until further investigations have been completed by the Social Housing Pension Scheme trustees and the TPT Retirement Solutions Growth Plan scheme trustees and any legislative action taken by the government, the potential impact if any, on the valuation of scheme liabilities remains unknown.

TPT have identified uncertainties over whether past amendments to a number of scheme benefit areas were valid. TPT have presented papers to Court in 2025 asserting that the amendments were valid and have been administered correctly. A decision by the Court is expected towards the end of 2025, but the timings could change. If the Court decides against the Trustee, this will result in additional liabilities for most TPT schemes. The SHPS actuary (Mercer) has estimated that this issue, at a scheme wide level, might be expected to result in potential additional liabilities of around 3.9% which based on Avenues' 2022 estimated funding liabilities would be in the region of £300k. In the event of an unfavourable ruling, the impact for Avenues will not be known for some time and would likely result in an extension to Avenues' existing liability payment schedule

Docusign Envelope ID: 590D75C4-5215-4842-AEFC-60A7CF594271

National Health Service (closed Scheme)
The NHS operates an unfunded defined benefit scheme for the nursing sector, in which The Avenues Trust Group participates. The Avenues Trust Group is granted permission by the Secretary of State to be able to contribute to the cost of the scheme as a 'Directed Employer' (an employer that can continue to have non NHS employed staff as members of the NHS pension scheme).

The cost represents the contributions advised by the NHS Pensions Agency. The Avenues Trust Group is not liable for past service costs beyond these contributions. Contributions increased to 14% from 1 April 2005.

The Pensions Trust - The Social Housing Pension Scheme
The Social Housing Pension (SHPS) auto enrolment 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. This scheme also includes a defined benefit obligation although all employees have been transferred to the defined contribution scheme since April 2023.

The Pensions Trust - The Growth Plan (closed scheme)
The group participates in the SHPS scheme, a multi-employer scheme which provides benefits to employees of some 521 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 group 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 2023. This valuation showed assets of £514.9m, liabilities of £531.0m and a deficit of £16.1m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Docusign Envelope ID: 590D75C4-5215-4842-AEFC-60A7CF594271

From 1 April 2025 to 31 March 2028	£2,100,000 per annum (payable monthly)

Note that the scheme's previous valuation was carried out with an effective date of 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 participating employers to pay additional contributions to the scheme as follows:

From 1 April 2022 to 31 January 2025:	£3,312,000 per annum (payable monthlyl)

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.

PRESENT VALUES OF PROVISION	**2025 £'000**	**2024 £'000**
Present value of provision - Avenues East	-	3
Total group provision	**-**	**3**

Avenues South East and Avenues South SHPS Pensions schemes are administered by TPT however the obligations for these schemes are now shown later in this note.

Reconciliation of opening and closing provisions

	2025 £'000	**2024 £'000**
Provision at start of period	3	7
Unwinding of the discount factor (interest expense)	-	-
Deficit contribution paid	(3)	(4)
Provision at end of period	-	3

ASSUMPTIONS	**2025**	**2024**	**2023**
	% per annum	% per annum	% per annum
Rate of discount The Pensions Trust - Growth Plan	4.84	5.31	5.52

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.

Avenues East is the only member of the Group that has employees in this closed scheme.

Docusign Envelope ID: 590D75C4-5215-4842-AEFC-60A7CF594271

The Pensions Trust - Social Housing Pension Scheme

Avenues Group participates in the scheme, a multi-employer scheme which provides benefits to some 500 non-associated employers. The scheme is a defined benefit scheme in the UK.

The scheme is subject to the funding legislation outlined in the 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.

Present Values of Defined Benefit Obligation, Fair Value of Assets and Defined Benefit (Liability)

	31 March 2025 £'000	31 March 2024 £'000
Fair Value of plan assets	5,904	5,907
Present value of defined benefit obligation	6,865	7,287
(Deficit) in plan	(961)	(1,380)
Defined Benefit (liability) to be recognised	(961)	(1,380)

Reconciliation of Opening and Closing Balances of the Defined Benefit Obligation

	Period ended 31st March 2025 £'000	Period ended 31st March 2024 £'000
Defined benefit obligation at start of period	7,287	7,740
Expenses	10	10
Interest expense	352	362
Actuarial losses (gains) due to scheme experience	339	(59)
Actuarial losses (gains) due to changes in demographic assumptions	-	(78)
Actuarial losses (gains) due to changes in financial assumptions	(905)	(46)
Benefits paid and expenses	(218)	(642)
Defined benefit obligation at end of period	**6,865**	**7,287**

Docusign Envelope ID: 590D75C4-5215-4842-AEFC-60A7CF594271

Reconciliation of Opening and Closing Balances of the Fair Value of Plan Assets

	Period ended 31st March 2025 £'000	Period ended 31st March 2024 £'000
Fair value of plan assets at start of period	5,907	6,350
Interest income	292	302
Experience on plan assets (excluding amounts included in interest income) - (loss)	(431)	(440)
Contributions by the employer	354	337
Benefits paid and expenses	(218)	(642)
Fair value of plan assets at end of period	**5,904**	**5,907**

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2025 was £121,000.

Defined Benefit Costs Recognised In Statement of Financial Activities (SOFA)

	Period ended 31st March 2025 £'000	Period ended 31st March 2024 £'000
Expenses	10	10
Net interest expense	60	60
Defined benefit costs recognised in Statement of Financial Activities(SOFA)	**70**	**70**

Defined Benefit Costs Recognised for year ended 31 March 2025

	Period ended 31st March 2025 £'000	Period ended 31st March 2024 £'000
Experience on plan assets (excluding amounts included in net interest cost) - (loss)	(431)	(440)
Experience gains and losses arising on the plan liabilities - (loss)/gain	(339)	59
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain	-	78
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain	905	46
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain/(loss)	135	(257)
Total amount recognised in other comprehensive income - gain/(loss)	**135**	**(257)**

Docusign Envelope ID: 590D75C4-5215-4842-AEFC-60A7CF594271

Assets	2025 £'000	2024 £'000
Global Equity	661	589
Absolute Return	-	230
Distressed Opportunities	-	208
Credit Relative Value	-	194
Alternative Risk Premia	-	187
Liquid Alternatives	1,095	-
Emerging Markets Debt	-	76
Risk Sharing	-	346
Insurance-Linked Securities	18	31
Property	296	237
Infrastructure	1	597
Private Equity	5	4
Real Assets	707	-
Private Debt	-	233
Opportunistic Illiquid Credit	-	231
Private Credit	722	-
Credit	226	-
Investment Grade Credit	182	-
High Yield	-	1
Cash	80	116
Long Lease Property	1	39
Secured Income	99	176
Liability Driven Investment	1,788	2,405
Currency Hedging	10	(3)
Net Current Assets	13	10
Total assets	**5,904**	**5,907**

Key Assumptions	31-Mar-25 % per annum	31-Mar-24 % per annum
Discount Rate	5.8	4.9
Inflation (RPI)	3.1	3.2
Inflation (CPI)	2.8	2.8
Salary Growth	3.8	3.8
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

Docusign Envelope ID: 590D75C4-5215-4842-AEFC-60A7CF594271

The mortality assumptions adopted at 31 March 2025 imply the following life expectancies:

	Life expectancy at age 65 2025	*Life expectancy at age 65 2024*
Male retiring	20.5	20.5
Female retiring	23	23
Male retiring	21.7	21.8
Female retiring	24.5	24.4

17) Active subsidiary undertakings

'The Avenues Trust Group controls Avenues South East (company number 03923486; charity number: 1079576), Avenues London (company number 06858705; charity number: 1130445), Avenues East (company number 03326442, charity number: 1061241) and Autism Hampshire (company number 01710300; charity number 288141); Avenues Management Services (AMSL) Ltd (Company number 13890680). All of the companies are limited by guarantee and registered in England except AMSL that is a private limited company with issued share capital.

The Avenues Trust Group also holds 100% control of Avenue South Limited formerly Welmede Housing Association Limited (company number R26230), a Charitable Housing Association incorporated under the Co-Operative and Community Benefit Societies Act 2014 and registered with the Registry of Friendly Societies which is administered by the Financial Conduct Authority in England.

All charities are controlled by The Avenues Trust Group who have the ability to appoint and remove all members of each subsidiary Board of Trustees.

All charities' registered address is River House, 1 Maidstone Road, Sidcup, Kent, DA14 5TA.

'All activities have been consolidated on a line by line basis in the Consolidated Statement of Financial Activities. A summary of the results of the subsidiaries are shown below:

	Avenues South East	Avenues London	Avenues East	Avenue s South	Autism Hampshire	Parent	Avenues Management Services	Intra-group movement	Total 2025	Total 2024
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income	13,964	19,324	7,476	18,751	7,144	193	18,307	(17,937)	**67,222**	60,364
Expenditure	(14,746)	(18,860)	(8,205)	(17,931)	(7,166)	(221)	(17,956)	17,937	**(67,148)**	(59,276)
Surplus/(deficit) on ordinary activities	**(782)**	**464**	**(729)**	**820**	**(22)**	**(28)**	**351**	**-**	**74**	**1,088**

Docusign Envelope ID: 590D75C4-5215-4842-AEFC-60A7CF594271

Previous year:

	Avenues South East	Avenues London	Avenues East	Avenues South	Autism Hampshire	Parent	Avenues Management Services	Intra-group movement	Donated on Acquisition	Total 2024	Total 2023
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income	14,923	15,392	7,645	17,000	2,646	177	9,971	(9,777)	2,387	**60,364**	49,885
Expenditure	(14,966)	(15,800)	(8,077)	(17,227)	(2,979)	(208)	(9,796)	9,777	-	**(59,276)**	(51,759)
Surplus/(deficit) on ordinary activities	**(43)**	**(408)**	**(432)**	**(227)**	**(333)**	**(31)**	**175**	**-**	**2,387**	**1,088**	**(1,874)**

The aggregate of the assets, liabilities and funds as at 31 March 2025 was :

	Avenues South East	Avenues London	Avenues East	Avenue s South	Autism Hampshire	Parent	Avenues Management Services	Intra-group movement	Donated on Acquisition	Total 2025	Total 2024
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Assets	15,553	24,314	1,009	26,187	2,049	37,046	26,150	(115,064)	1,954	**19,198**	20,337
Liabilities	(14,093)	(24,477)	(2,116)	(24,160)	(376)	(36,728)	(26,150)	115,064	-	**(13,036)**	(14,384)
Total funds	**1,460**	**(163)**	**(1,107)**	**2,027**	**1,673**	**318**	**-**	**-**	**1,954**	**6,162**	**5,953**

The aggregate of the assets, liabilities and funds as at 31 March 2024 was :

	Avenues South East	Avenues London	Avenues East	Avenue s South	Autism Hampshire	Parent	Aveneues Management Services	Intra-group movement	Donated on Acquisition	Total 2024	Total 2023
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Assets	10,934	12,599	1,417	18,810	2,597	20,019	11,130	(58,764)	1,595	20,337	17,445
Liabilities	(8,715)	(13,226)	(1,794)	(17,717)	(542)	(20,024)	(11,130)	58,764	-	(14,384)	(12,323)
Total funds	**2,219**	**(627)**	**(377)**	**1,093**	**2,055**	**(5)**	**-**	**-**	**1,595**	**5,953**	**5,122**

Docusign Envelope ID: 590D75C4-5215-4842-AEFC-60A7CF594271

18) Related party transactions

The Avenues Trust Group provides central support for each of its subsidiaries. The Group makes a charge for these central costs based on a blended ratio of group costs. In addition, The Avenues Trust Group acts as the central banker for the group, paying salary costs and creditors and receiving cash from customers.

PARENT	2025 £'000	2024 £'000
Balance due / (owed) at 1 April	106	(546)
Payroll services provided to subsidiary companies	39,540	25,755
Receipts taken on behalf of group companies	(28,751)	(31,392)
Payments made on behalf of group companies	16,724	8,694
Intercompany transfers	(36,021)	(8,903)
Recharges of head office costs	7,749	6,498
Gift Aid donation to parent of AMSL profit	352	-
Balance (owed)/due at 31 March	**(301)**	**106**

19) Post Balance Sheet Events

On 24 April 2025, HMRC issued Revenue & Customs Brief 2 (2025): the use of VAT grouping within the care industry. The Brief addresses arrangements under which contracts with local authorities or other commissioners of care are entered into by an unregulated entity within a VAT group, which then subcontracts delivery back to a state-regulated provider. These structures have been used in the sector to improve VAT recovery in relation to otherwise exempt welfare services.

Avenues Management Services Limited has historically contracted with commissioners in this way. The contracts are subcontracted to other charities within the group, which are regulated care providers, with VAT grouping applied between the entities.

Following publication of the Brief, HMRC has confirmed that existing VAT groups may be subject to review, and HMRC may exercise its powers to remove entities from groups where it considers the arrangement prejudicial to the protection of the revenue.

We have carried out a full internal review and taken VAT advice and we plan to novate contracts out of Avenues Management Services Limited to other group entities by March 2026 to comply with this Brief. As a result, once this work is complete, Avenues Management Services Limited will no longer hold any contracts and a decision on its future use will be taken.

There is no impact on the 2024-25 financial statements.

THE AVENUES TRUST GROUP

England & Wales - Charity number 1130473

Accounts

Docusign Envelope ID: 0C80570E-70D1-407F-9879-EB027428198C

THE AVENUES TRUST GROUP

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

Charity Registration Number: 1130473

Company Registration Number: 03804617

Docusign Envelope ID: 0C80570E-70D1-407F-9879-EB027428198C

THE AVENUES TRUST GROUP

Index	Page
Reference and Administrative details of the Charity, its Advisers and Trustees	1-2
Trustees' Report and Strategic Report	3 – 24
Statement of Trustees' Responsibilities	25
Independent Auditor's Report	26 - 30
Consolidated Statement of Financial Activities	31
Consolidated Balance Sheet	32
Company Balance Sheet	33
Consolidated Statement of Cash Flows	34
Notes to the Financial Statements	35 - 66

Docusign Envelope ID: 0C80570E-70D1-407F-9879-EB027428198C

THE AVENUES TRUST GROUP

BOARD MEMBERS AND MANAGEMENT PERSONNEL

FOR THE YEAR ENDED 31 MARCH 2024

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

Chair	Terry Rich
Vice Chair	Evlynne Gilvarry - Member of the Audit and Risk Committee, Member of the Digital & IT Committee

Non-Executive Trustees:

Bruce Calderwood	Member of People, Culture and Reward Committee, Finance Committee and Quality Local Focus and Engagement Committee
Alistair Brown	Chair of Audit and Risk Committee and Member of the Finance Committee
Nicola Bannister	Member of People, Culture and Reward Committee and Audit and Risk Committee
Rina Pandya	Member of People, Culture and Reward Committee
Jonathan Hardie	(From 01 Nov 2023) Member of Finance Committee and Integration Committee Termination of Appointment 22 Oct 2024

Executive Trustees:

Joanne Land
Nicola Ford

Key Management Personnel:

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 1130473

COMPANY REGISTRATION NUMBER 03804617

Docusign Envelope ID: 0C80570E-70D1-407F-9879-EB027428198C

THE AVENUES TRUST GROUP

BOARD MEMBERS AND MANAGEMENT PERSONNEL

FOR THE YEAR ENDED 31 MARCH 2024

Principal and Registered Office

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

Advisers

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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THE AVENUES TRUST GROUP

TRUSTEES' REPORT AND STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2024

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

The legal and administrative information set out on pages 1-2 forms part of this report. The Financial Statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard (FRS 102) applicable in the UK and in the Republic of Ireland (effective January 2019).

"Avenues"/" Avenues Group" means The Avenues Trust Group Limited and its subsidiaries.

Introduction

The Avenues Trust Group 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, in line with Charity Commission guidelines.

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 really 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 Group 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 and small sized care homes which are registered under the Care Quality Commission (CQC). This methodology is recognised to deliver better outcomes and significant savings to the public purse when

Docusign Envelope ID: 0C80570E-70D1-407F-9879-EB027428198C

compared to residential and clinical alternatives.

Avenues Group supports more than 630 people to enjoy community-based life and employs more than 2,000 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. 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 1 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 Group 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.

Docusign Envelope ID: 0C80570E-70D1-407F-9879-EB027428198C

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 which is a facility whereby employees can draw down their earned salary on a weekly basis 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 center 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 (EMT) direct via email or by joining one of our regular virtual meetings with EMT members.

Our learning and development programme meets the standards and requirements set out by Skills for Care, the workforce development body for adult social care in England. The endorsement is a trusted quality mark only 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 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

Docusign Envelope ID: 0C80570E-70D1-407F-9879-EB027428198C

month awards which across the course of the year culminate in an annual awards ceremony.

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.

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.

Docusign Envelope ID: 0C80570E-70D1-407F-9879-EB027428198C

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.

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 footprint and create more environmentally sustainable ways of working.

Carbon and Energy Reporting

As a large qualifying group, The Avenues Group is required to report its energy use and carbon emissions in accordance with the Companies Regulations 2018 because it meets the thresholds for reporting. Other subsidiaries in the Group do not meet the thresholds for reporting and are not required to report individually.

Docusign Envelope ID: 0C80570E-70D1-407F-9879-EB027428198C

The energy use and carbon emissions for the Group for the year ended 31 March 2024 and 2023 comparatives are as follows:

Energy Source	Consumption	Scope	Emissions calculation 2023/24	Emissions calculation 2022/23
Gas – total kWh (kilowatt-hours) used for the year taken from gas bills	4,307,763 kWh (gross CV (calorific value))	Scope 1	4,307,763 * 0.18 (2024 fuels, natural gas conversion factor gross CV to kg Co2e)= 775,397 kgCO2e = 775.4 tCO2e	3,138,227 * 0.18 (2023 fuels, natural gas conversion factor gross CV to kg Co2e)= 564,880 kgCO2e = 564.88 tCO2e
Electricity – total kWh used for the year, taken from the electricity bills	1,553,814 kWh	Scope 2	1,553,814 kWh * 0.20705 (2024 electricity conversion factor to kgCO2e) = 321,717 kgCO2e = 321.72 tCO2e	1,646,073 kWh * 0.20707 (2023 electricity conversion factor to kgCO2e) = 340,852 kgCO2e = 340.85 tCO2e
Transport – 13,259 miles in the year	13,259 miles * 1.11314 (2024 SECR kWh pass & delivery vehs, cars - average and unknown fuel)= 14,759 kWh	Scope 1	13,259miles *0.2686 (2024 business travel land, average car conversion factor to kgCO2e)= 3,561 kgCO2e = 3.56 tCO2e	8,740miles *0.2663 (2023 business travel land, average car conversion factor to kgCO2e)= 2,327 kgCO2e = 2.33 tCO2e
Transport – People carriers/vans - 63,026 miles in the year	63,026 miles * 1.74 (2024 SECR kWh pass & delivery vehs, vans class 3 – used in lieu of passenger vehicles conversion)=109,665	Scope 1	63,026 miles *0.28793 (2024 business travel land MPV unknown)= 18,147 kgCO2e = 18.15 tCO2e	58,617 miles *0.28750 (2023 business travel land MPV unknown)= 16,852 kgCO2e = 16.85 tCO2e
Transport – total mileage reimbursed from staff claims = 373,292 miles	373,292 miles * 1.11314 (2024 SECR kWh pass & delivery vehs, cars - average and unknown fuel)=415,526 kWh	Scope 3	373,292 miles * 0.2686 (2024 business travel land, average car conversion factor to kgCO2e)= 100,266 kgCO2e = 100.3 tCO2e	171,990 miles * 0.2663 (2023 business travel land, average car conversion factor to kgCO2e)= 45,800 kgCO2e = 45.8 tCO2e
Total	**6,401,527 kWh**		**1,219.13 tCO2e**	**970.71 tCO2e**
Intensity ratio	Emissions data (tCO2e) compared with an appropriate business activity (Average FTE)		1219.13 tCO2e/1,568 FTE = 0.77 tCO2e per FTE	970.71 tCO2e/1,289 FTE = 0.75 tCO2e per FTE

The increase in the intensity ratio reflects the changing nature of our work, as we have resumed more community-based activities following covid, and grown our services. Our Growth includes successful tendering for new services in and around London and our merger with Autism Hampshire. There was also a short-term significant increase in travel as a direct result of the integration activity related to the merger.

Methodology

The data detailed in this table represents energy use and emissions for which The Avenues Group is responsible for the period 1 April 2023 to 31 March 2024. It includes the metered electricity and gas used in our properties, and emissions from fuel used in vehicles on company business (both private and leased). For leased vehicles this has been estimated based on the contractual mileage where actuals were not available.

Docusign Envelope ID: 0C80570E-70D1-407F-9879-EB027428198C

These are the energy use and emissions sources required by the regulations for large unquoted organisations. We have used the main requirements of the GHG Protocol Corporate Accounting and Reporting Standard as our emissions calculation methodology. This methodology recommends that emissions are calculated by multiplying activity data (for example energy use in kWh) by an appropriate conversion factor. We have used the UK government GHG conversion factors for company reporting 2024 to calculate our emissions.

Our emissions intensity is reported by full-time employee (FTE). This is because our employee numbers are directly related to our business activities, as increased business may result in higher FTE numbers. These intensity metrics allow comparison of our energy efficiency performance over time.

Looking forward we will invest in more energy efficiency measures to reduce our consumption of fuel. These will include:

- Improvements to insulation in the buildings we own
- Upgrading lighting systems with LED
- Scheduled replacement of windows and door in the properties we own
- Reviewing our office requirements with the aim of reducing the need to travel and secure more energy efficient sites

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

The Avenues Group is the trading name for The Avenues Trust Group and is constituted as a company limited by guarantee. The Avenues Group is a registered charity.

The Avenues Trust Group is the ultimate holding company for Avenues South East, Avenues South, Avenues London, Avenues East, Autism Hampshire because it appoints the trustee board of the charities and Avenues Management Services Limited as it owns the company's issued share capital.

Docusign Envelope ID: 0C80570E-70D1-407F-9879-EB027428198C

All subsidiary companies bar Avenues South and Avenues Management Services Limited are registered charities and are constituted as companies limited by guarantee; Avenues South is a Community Benefit Society regulated by the FCA.

The names of the members of the Board of the Avenues Trust Group are listed on Page 1. The members of the Board, who for the purposes of the charity/company law are the trustees/directors of the charitable company, are appointed by the Board.

Joanne Land, Group Chief Executive and Nicola Ford, Group Director of Finance are Executive trustees of the Avenues Trust Group and all subsidiaries with the exception of Autism Hampshire.

Avenues Group has made qualifying third-party indemnity provisions for the benefit of its trustees. The cost for all Avenues Group ongoing Trustees is £5,712, which will be apportioned across the subsidiaries, with each paying their share.

Our Board

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 only one of the 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.

All directors of all boards within the Group are members of the parent entity. Membership is automatic on appointment and resignation to any board within the Group.

The Group Board meets around 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)
- Digital & IT (Established post year-end audit)

Docusign Envelope ID: 0C80570E-70D1-407F-9879-EB027428198C

Committees report directly to all the Boards with 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 organisation. 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.

The **Digital & IT Committee** is still in its formation stage but has been put in place 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 organisational 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.

Docusign Envelope ID: 0C80570E-70D1-407F-9879-EB027428198C

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. In 2021 we began a recruitment campaign where we worked with specialist advisors to help us successfully improve the diversity of our board. This was successful and will continue going forward.

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.

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 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** and members were given the opportunity to meet with Trustees to share their experiences and feedback.

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.

Docusign Envelope ID: 0C80570E-70D1-407F-9879-EB027428198C

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

New Directions

New Directions is a local engagement group. It is made up of people we support and is supported by one of our team from the Quality Assurance and Practice team. The group is well established, and members chair the meetings.

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.

Recently the group has developed its work on role profiles and report templates for the local engagement groups across the Group. It is also working with our Communications team to design the new website, joint facilitating the co-production training for all staff in the organisation, rewriting the role profiles for support workers and becoming quality checkers.

Docusign Envelope ID: 0C80570E-70D1-407F-9879-EB027428198C

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 are 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 data Protection Laws and 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.

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.

Related Parties

The Avenues Trust Group is made up of a group of wholly owned subsidiary entities, all limited by guarantee, with the exception of Avenues South which is a mutual society limited by Share Capital and regulated by the Financial Conduct Authority:

- Avenues South East (Company number 3923486)
- Avenues London (Company number 6858705)
- Avenues East (Company number 3326442)
- Avenues South (Registered Society number 26230R)
- Autism Hampshire (Company number 01710300)
- Avenues Management Services Limited (Company number 13890680)

The Group operates an overlapping board structure (also known as a common board) as outlined above in the board structure section. The table below identifies core trustees (who sit on each board within the Avenues Group) and independent trustees (who sit on only one subsidiary board). The independent trustees manage conflicts of interest across the group. There are minimal related parties, however registers are maintained (see note 18). The table below identifies core and independent trustees for each board.

Docusign Envelope ID: 0C80570E-70D1-407F-9879-EB027428198C

	Core	Group Ind	London Ind	South East Ind	East Ind	South Ind	Autism Hampshi	AMSL Directors
Alistair Brown	☐							
Alistair Oag								☐
Bruce Calderwood		☐						
Cathryn Law			☐					
Emma Keegan				☐				
Evlynne Gilvarry	☐							
Jayne Turnbull							☐	
Jeff Boateng				☐				
Jonathan Hardie	☐							
Jo Land (Exec)	☐							
Lauren Stoner					☐			
Nicola Bannister		☐						
Nicola Ford (Exec)	☐							☐
Peter Hepburn						☐		
Rich Hodgson			☐					☐
Rina Pandya		☐						
Sireesh						☐		
Terry Rich	☐							☐

Docusign Envelope ID: 0C80570E-70D1-407F-9879-EB027428198C

STRATEGIC REPORT

Objectives and Activities

The charitable objects of The Avenues Trust Group and its subsidiaries 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 services to people, supporting them to enjoy their lives within their communities.

The governing instruments for the Avenues Trust Group and the subsidiary entities are their respective Articles of Association, with the exception of Avenues South which is governed under its Model Rules. 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.

Strategy

Avenues has always gone the extra mile to provide the best support to people with profound and multiple learning disabilities, autism and acquired brain injury. 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.

Over the lifetime of this strategy, our digital journey and use of technology will afford us the opportunity to promote greater independence for the people we support whilst also improving our operations. We will continue to build a justified reputation for supporting even more people to flourish, regardless of the challenge.

Avenues is a community of people; those supported, their families, the people who work for us and others. All their voices must be heard. We will find new ways for everyone to appropriately influence how we make best use of the funding we have, and make sure people continue to smile, laugh, and grow.

By 2025 we will:-

- Be recognised as a high-quality specialist provider of social care services to people with a learning disability, with an exemplar offering for people living with autism.
- Have sufficient flexibility, capacity and resources so as to ensure organisational resilience, support for the long term and offer high levels of efficiency and effectiveness in the way we work.
- Be known to, and valued by, a broader group of potential purchasers and other

Docusign Envelope ID: 0C80570E-70D1-407F-9879-EB027428198C

key stakeholders, with new customers, funders and commissioners, diversifying our income streams.
- Offer a variety of models of support that will suit people's needs and which are capable of providing great support at different stages of their life journey.
- Be known for the strength and quality of our engagement and co-production. People who receive our services, their families and significant others in their lives will influence what we do, how we do it and will tell us what they want. We will continue to go the extra mile.

Section 172 (1) of the Companies Act 2006

Under Section 172 of the Companies Act 2006 the Board of Trustees, (who are also directors of The Avenues Trust Group for the purposes of company law), have a duty to promote the long term success of The Avenues Group. They have done that during 2023/24 by duly considering the impact of the decisions they make on the future of the Group. All key decisions that will have an impact on the long-term future of the Group are discussed at the relevant sub-committees and Boards. They have taken into account the view of different stakeholder groups who will be affected by the decisions and have weighed and considered the different options that were available to the Group on each occasion. The Boards believe they have acted throughout the year in the best interests of the Group and in a manner which will bring about long term success.

The trustees consider the key stakeholder groups for The Avenues Group to be the people it supports and their families, friends and advocates, its employees, its competitors, its funders and its suppliers.

The impact of major decisions on staff are discussed at the People, Culture and Reward Committee and the Boards who also received regular updates on staff pay, health and safety and safeguarding.

The Boards receive a summary of the biennial staff engagement survey which highlights both strengths and areas for potential improvement on employment matters and how these will be mitigated through specific actions.

The quality of our services and the engagement of the people we support across the organisation is our priority and so the Quality, Local Focus and Engagement committee was introduced to provide assurance to the Boards around the operational delivery of quality support. This committee engages with stakeholders at all levels and reviews and obtains assurance relating to complaints and compliments. This committee provides a mechanism to make sure that stakeholders are involved in the setting of the organisations goals, quality and culture. The committee is made up of trustees, parents of people we support and a qualified social worker. New Directions is a subgroup of this committee made up of people we support who meet to review and discuss Avenues Group and give their ideas for its future.

To develop and maintain strong business relationships, The Avenues Group

Docusign Envelope ID: 0C80570E-70D1-407F-9879-EB027428198C

collaborates regularly with Local Authorities and ICBs and other parties through face to face meetings and roundtable discussions. Avenues recognises the benefit of working together, not just for the people we support and our employees but the wider adult social care provision. We have many examples where through joint working projects we have achieved better outcomes for the people we support. We have been working with Surrey County Council to develop a joint strategy that will not only see the modernisation of the housing provision but will offer a wider choice of support and accommodation solutions that will be fit for the future for adults with a learning disability. We can only achieve such great outcomes by bringing together the skills, knowledge, and experience of both parties.

The Avenues Group management team have also worked closely with Local Authorities to share lived experiences of services where we support people who can present behaviors of concern; to help shape tenders and ensure high quality service provision.

Avenues put the people we support at the center of everything we do, ensuring individuals have meaningful plans, including communication needs, recorded in ways that are accessible for them. All services have a Service User Guide which details the expectations of both parties and a copy of our Complaints Procedure, although we try to anticipate issues and challenges, taking steps to address them at the earliest opportunity, preventing issues becoming too problematic. High quality care and support exists where people using social care have informed choice and control, with as much involvement in decisions about their care and support as they want to have.

Senior Operations Managers are responsible for ensuring that user involvement is positively encouraged through genuine involvement in shaping and providing feedback. We hold regular forums to understand the experiences of the support staff and people who are in the individual's circle of support. This enables us to develop the service in a meaningful and informed way. As with user involvement, it is important that stakeholders, such as families, friends and professionals, involved in individuals lives are encouraged to be involved in decisions about the care and support provided.

We acknowledge that the wider public and mainstream services have a real part to play in the lives of the individual and we prepare the local community to accepting the schemes as valued resources. For example, we encourage individuals to develop relationships with their neighbours and others within their local community and always reinforce the message that we intend to support them to be good and involved citizens.

The trustees and the Executive Management Team are working towards the 2021/25 strategic plan for Avenues Group which will help to ensure the long term success of the Avenues Group.

Docusign Envelope ID: 0C80570E-70D1-407F-9879-EB027428198C

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 & Risk Committee, which, in turn, reports on risk to the Avenues Group Boards on a quarterly basis.

The key risks identified for 2023/24 were the challenges in the underlying competitive labour market for quality operational staff and impact of this on delivery and agency spend and cost of living/inflationary pressures. All necessary measures have been taken to mitigate these risks going forward including changes to recruitment and resourcing processes, investment in employee pay, introduction of agency vendor, negotiations of 2024/25 fee uplifts and improved agency monitoring.

Achievements and Performance

As well as our ambition to support people for the long term, we continue to offer genuine career prospects to employees and positive succession planning.

Our commitment to quality has continued through our strategic partnership with the University of Kent, focusing on the promotion of positive behavioral support and active support - both approaches that are demonstratively effective in supporting the people that Avenues work with.

Over the past year we have continued to develop our services across our subsidiaries, proving once again that the people with support can enjoy better lives through tailored, community-based support.

The Avenues Trust Group has a monthly balanced scorecard which is used for reporting to management and trustees. Within this are 4 headline Key Performance Indicators which are underpinned by a set range of Key Performance Indicators as follows:

Financial Sustainability

This is measured by our operational performance to budget. For financial year 2023/24 the total deficit including Autism Hampshire was £1,546k (excluding sale of fixed assets and revaluation surplus on acquired properties) compared to a budgeted surplus of £506k. This deficit was driven by income less than was budgeted; delay in projected growth and more than budgeted voids in the period.

Reputational

This is measured by number of services under monitoring across the group. A target of less than 3 was set and we achieved a monthly average of 4 across the year. This is underpinned by a significant number of quality KPIs which are measured across all

Docusign Envelope ID: 0C80570E-70D1-407F-9879-EB027428198C

services.

The Quality Assurance and Practice team are dedicated to supporting the delivery of compassionate, person-centred care and support with a strong emphasis on dignity, respect, individual needs and inclusion within the local community. With a proven track record of excellence, we prioritise the well-being and independence of those we support, supported by a team of highly trained and empathetic professionals. Our commitment to quality and continuous improvement ensures that we provide the highest standard of care, fostering a supportive and inclusive environment for all.

This is measured by a significant number of quality KPIs which are measured across all services. Outcomes and impact is measured for the people support and supported by case studies and personal stories.

People

This is measured as the percentage of job vacancy levels across the workforce with a target of less than 20%. We reduced our vacancy rate from 29% at the start of the year to 19% - recruiting and retaining an additional 200 headcount- and we achieved this through robust and focused recruitment activities. We track a range of other people metrics including sickness absence and voluntary staff turnover both of which reduced throughout the year and are ahead of organisational KPIs. Accordingly, our usage of temporary agency staff has reduced by the end of the year from £2.8k in 2022/23 to £2.5k in 2023/24 across the group with the addition of an additional entity for half the year.

Growth and Development

This is measured by the full year growth income achieved compared to the budgeted target. The target was £5,225k and we achieved £6,779k (a significant tender win in Hertfordshire helped us to exceed the target). This is supported by other KPI's around voids, tenders, and grants.

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). The income and expenditure performance of the Group in 2023/24, shows a deficit of £1m (including Autism Hampshire's part year loss of £344k and net asset transfer of £2.3m) compared to a deficit of £1.9m in the prior year. This shows an improved performance compared to the prior year, but a less favourable performance compared to the 2023/24 budget surplus of £985k.

Total income for the year increased by £8.2m (13%) and expenditure has increased by £8m (15%), excluding gain on disposal of fixed assets of £0.4m and revaluation surplus of property assets £0.36m.

The consolidated balance sheet after the transfer of net assets from Autism

Docusign Envelope ID: 0C80570E-70D1-407F-9879-EB027428198C

Hampshire shows total group funds of £5.9m compared to £5.1m in March 2023. This includes the impact of the revaluation of the Social Housing Pension Scheme (SHPS) pension liability of £0.3m to a year end balance of £1.4m.

The deficit in 2023/24 was driven mainly by reduction in budgeted income; plan growth not realised in full and some unforeseen unfunded voids. The consolidated Group had gone into 2024/25 with a breakeven budget with a plan to realise a small surplus by the end of financial year 2024/25. On this basis the group has no free reserves. The group is seeking to generate future surpluses through the initiatives listed in the Going Concern Paragraph below.

Reserves Policy

As part of the 2021-25 strategic planning processes conducted in 2020/21, the Avenues Group Board carried out a thorough review of the reserves requirement and policy to ensure these are adequate to support the Group going forward.

As a contract based service provider, the Avenues Group Board have concluded that the Group does not need to carry significant levels of reserves. However, the free reserves available need to be sufficient to mitigate against any significant organisational risks as identified via the risk management procedures whilst enabling the group to capitalise on opportunities and deliver the 5 year strategic plan ensuring sustainability for the future. Based on this revised reserve policy the Board has concluded that the target for free reserves should be £1.5m. This has been considered by the Audit and Risk Committee in June 2024 and deemed to be still appropriate. In addition, the Group Boards have recommended a minimum cash holding of £1m.

One of the aims of the 2021/25 strategic plan was financial sustainability and the creation of free reserves which was to be achieved by asset disposals and the consistent delivery of financial surpluses.

The free reserves held at the balance sheet date remain below the target set by the Board and reserves policy. Over the next three years (to year ended 31 March 2027) we expect to achieve sustainable surpluses of between 1.5-2% and realised assets to meet our reserves policy and create free reserves which will be used to build resilience to weather the social care sector storms and enable the Group to make strategic choices. During this period, we will keep the policy under review and will look to index the £1.5m in line with inflation and organisational growth if required.

Risks to Funding/Financial Climate

- Impact of geopolitical flux
- Social care sector pressures
- Staff pay requirements – NLW and beyond
- Reliable funding sources with a relatively stable established base
- Scaling up and growth may require some upfront investment
- Cost of living/inflation

Docusign Envelope ID: 0C80570E-70D1-407F-9879-EB027428198C

In the event of the sudden closure/liquidation of the group any outstanding commitments and liabilities would be funded by the sale of properties.

Reserves were as follows as at March 2024:	**£'000**
- General	6,939
- Designated	77
- Pension scheme	(1,383)
- Restricted	320
TOTAL RESERVES	**5,953**
Less unrestricted tangible fixed assets held for charities' own use	(9,015)
Add pension scheme	1,383
Less restricted reserves	(320)
Less designated reserves	(77)
FREE RESERVES (Deficit)	**(2,076)**

Tangible fixed assets are stated after netting off capital grant liability.
Restricted funds do not form part of general reserves as these have been received from funders/donors for specific projects/purposes and are therefore not freely available for use by the group.

£77k of designated reserves relate to a legacy left to Avenues in relation to a person supported at Chelsham Lodge. The trustees have decided that the legacy should be used for this person, as such a designated fund has been set up.

£9,015k relates to amounts invested in fixed assets and these reserves can only be realised upon disposal.

Subsidiaries

This reserves policy is established at a Group level.

Liquidity and Working Capital

Whilst the reserves policy sets a target for free reserves it is recognised that this does not create liquidity within the group and the Board would also like to address this and have set a target for this of £1m which has not been met in 2023-24. The group will continue to work to improve its position to build sustainable services and grow charity.

The current working capital position of the group is:
(£0.5m) (2022/23 £0.6m)

Docusign Envelope ID: 0C80570E-70D1-407F-9879-EB027428198C

Going Concern

The primary objective for 2023/24 was to continue to improve the financial strength of the group to capitalise on future opportunities and build long term sustainability. In order to achieve this a number of initiatives have been undertaken during 2023/24:

- Increased focus on recruitment and retention to lower dependency on agency
- Improvement in pay packages offered to employees over and above funded levels in 23/24
- Increased scrutiny around void levels and loss making services across the group
- Focus on growth opportunities
- Maximising income though fee negotiations and ensuring paid appropriately for delivering support.
- Increased focus on fundraising/grant opportunities

The above measures and increased scrutiny around monthly financial results and deviation from budgets resulted in us setting a break-even budget for 2024/25.

Further to this, we have undertaken a review of all costs across the group and have set cost savings across the central functions and agency spend. This coupled with continued focus on filling voids and embedding of new business means that we expect the group to realise a surplus in 2024/25.

We have two properties which are no longer required within the group and are actively being sold to provide additional cash resources for the group and fund investment system upgrades which will in turn bring efficiencies to the group.

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

Avenues holds a significant number of long term contracts and provides a very high quality of service provision, which ensures continued success in securing new contracts and retaining existing ones. With this in mind, whilst there are significant challenges within the sector, particularly around recruitment of staff, Avenues is well placed for the future.

Future Developments

2023/24 is the third year of our strategy for 2021-25, 'Building Better Lives Together', which sets out our renewed ambition to ensure that we will continue to provide our

Docusign Envelope ID: 0C80570E-70D1-407F-9879-EB027428198C

unique support for the long term; and offer it to more people, in more places.

Our approach will remain centered on supporting more people with learning disabilities and/or who are autistic, while ensuring ongoing quality of services for those we already work with.

This commitment to quality will be supported by our renewed relationship with the University of Kent, particularly around training in positive behavioral support and active support. Getting these areas right is essential to our aspiration of delivering increasingly high-quality services for people with the most complex needs.

Recruitment and retention of a high quality workforce in the sector and for the Group remains an ongoing challenge. We are facing a highly competitive labour market across all sectors including social care and competition for good staff is high. Despite these challenges, following a renewed focus to drive up our workforce numbers we saw positive changes from October 2023 round to the end of the year with vacancy rates reducing from 29% to 19%, which is under our organisational target.

We anticipate these challenges will continue into 2024/25 and beyond but have retained our commitment to improving our workforce numbers. Early signs are good, and our vacancy rate has further reduced and associated agency spend is under budget. Avenues continues to raise the challenges of pay and recruitment with our commissioners and with central government.

Whilst core growth and void filling remain high on the agenda, we are also looking to extend our income through developing into new geographies and with new commissioners, including health. We continue to embed fundraising from trusts and foundations and exploring other income streams including retail, direct sales and expanding our fundraising.

Avenues provides high-quality, cost effective and successful community-based alternatives to institutional care. As well as hugely improving people's quality of life, we offer rewarding long-term employment and careers. People are at the centre of everything we do.

These are challenging times for society and the sector, but we are confident that we have the strategy and people in place to become even more resilient and deliver our vision to more people who need our unique support.

The Trustees' Report 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 on 22nd October 2024 and signed on its behalf by:

Signed by:
Terry Rich
A47F8403F28949C...
Terry Rich, **Chair**
Date: 22nd October 2024

Docusign Envelope ID: 0C80570E-70D1-407F-9879-EB027428198C

THE AVENUES TRUST GROUP

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also directors of The Avenues Trust Group for the purposes of company law) are responsible for preparing the Trustees' Annual Report including the incorporated Strategic 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 the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable Group 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 Group 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 Group and 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 Group and 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 group'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.

Docusign Envelope ID: 0C80570E-70D1-407F-9879-EB027428198C

THE AVENUES TRUST GROUP

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE AVENUES TRUST GROUP

Opinion

We have audited the financial statements of The Avenues Trust Group (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2024 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Cash Flow Statement 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 group's and the parent charitable company's affairs as at 31 March 2024 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We have been appointed auditors under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent 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.

Docusign Envelope ID: 0C80570E-70D1-407F-9879-EB027428198C

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. 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 group and the parent charitable company and their 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 by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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

Docusign Envelope ID: 0C80570E-70D1-407F-9879-EB027428198C

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE AVENUES TRUST GROUP

As explained more fully in the Statement of Trustees' responsibilities set out on page 22, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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.

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 group audit engagement team:

Docusign Envelope ID: 0C80570E-70D1-407F-9879-EB027428198C

- obtained an understanding of the nature of the sector, including the legal and regulatory frameworks that the group and parent charitable company operates in and how the group and parent charitable company are 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 parent 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 group 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 laws and regulations and inspected correspondence with regulatory authorities.

The group audit engagement team identified 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 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 provided 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

Docusign Envelope ID: 0C80570E-70D1-407F-9879-EB027428198C

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:

HCatchpool

6AD6382A8533474...

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

Docusign Envelope ID: 0C80570E-70D1-407F-9879-EB027428198C

THE AVENUES TRUST GROUP
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Including Consolidated Income & Expenditure Account)
FOR THE YEAR ENDED 31 MARCH 2024

	Notes	Unrestricted General Funds £'000	Restricted Funds £'000	Total 2024 £'000	Total 2023 £'000
INCOME FROM:					
Donations, grants and Legacies					
Donations	3	50	12	62	12
Autism Hampshire net assets	3	2,271	116	2,387	-
Grants	3	-	2	2	-
	3	2,321	130	2,451	12
Charitable Activities:					
Provision of care and housing services		16,999	-	16,999	11,504
Provision of care to young people		771	-	771	1,377
Services to Adults		35,211	-	35,211	34,643
Services to Older People		1,950	-	1,950	2,075
Regulated services		2,415		2,415	-
Community Partnerships		151	-	151	-
	3	57,497	-	57,497	49,599
Other trading activities	3	50	-	50	136
Investment Income	3	3	-	3	-
Other	3	363	-	363	138
Total Income		**60,234**	**130**	**60,364**	**49,885**
EXPENDITURE ON:					
Raising funds		55	-	55	-
Charitable activities:					
Provision of care and housing services	4	17,722	3	17,725	12,556
Provision of care to young people	4	734	-	734	1,422
Services to Adults	4	36,103	-	36,103	35,626
Services to Older People	4	2,168	-	2,168	2,090
Regulated services	4	2,639	-	2,639	-
Community Partnerships	4	213	73	286	-
		59,579	76	59,655	51,694
(Gain)/Loss on sale of assets		(434)		(434)	65
Total Expenditure		**59,200**	**76**	**59,276**	**51,759**
Net (expenditure)/income	5	**1,034**	**54**	**1,088**	**(1,874)**
Transfer between funds	13	1,034	(1,034)	-	-
Remeasurement of defined benefit pension schemes	16	(257)	-	(257)	(282)
Net movement in funds		**1,811**	**(980)**	**831**	**(2,156)**
Reconciliation of funds:					
Revised Fund balance brought forward	14	3,822	1,300	5,122	7,278
Fund balances carried forward		**5,633**	**320**	**5,953**	**5,122**

The notes on pages 35 to 66 form part of these financial statements.

Docusign Envelope ID: 0C80570E-70D1-407F-9879-EB027428198C

THE AVENUES TRUST GROUP
CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2024
COMPANY NO: 03804617

	Notes	2024	2023
		£'000	£'000
FIXED ASSETS			
Tangible assets	8	12,904	12,250
Intangible assets	9	242	308
		13,146	**12,558**
CURRENT ASSETS			
Debtors	11	6,087	4,611
Cash at bank and in hand		1,104	277
		7,191	**4,888**
CREDITORS falling due within one year	12	(7,671)	(5,445)
NET CURRENT LIABILITIES		**(480)**	**(556)**
CREDITORS falling due in more than one year	12	(5,330)	(5,482)
NET ASSETS EXCLUDING PENSION LIABILITY		**7,336**	**6,519**
Pension scheme liability	16	(1,383)	(1,397)
NET ASSETS	14	**5,953**	**5,122**
FUNDS			
Unrestricted funds:			
General funds	13	6,939	5,142
Designated fund	13	77	77
Pension scheme funding reserve	13	(1,383)	(1,397)
		5,633	**3,822**
Restricted funds	13	320	1,300
TOTAL FUNDS	14	**5,953**	**5,122**

The notes on pages 35 to 66 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:
Terry Rich
A47F8403F28949C...

Terry Rich
Chair

Docusign Envelope ID: 0C80570E-70D1-407F-9879-EB027428198C

THE AVENUES TRUST GROUP
COMPANY BALANCE SHEET
AS AT 31 MARCH 2024
COMPANY NO: 03804617

	Notes	2024 £'000	2023 £'000
FIXED ASSETS			
Tangible assets	8	239	272
Intangible assets	9	242	308
		481	580
CURRENT ASSETS			
Debtors	11	19,517	5,328
Cash		22	104
		19,539	**5,432**
CREDITORS falling due within one year	12	(19,932)	(6,023)
NET CURRENT LIABILITIES		**(393)**	**(591)**
CREDITORS falling due in more than one year	12	(92)	(138)
NET LIABILITIES		**(5)**	**(149)**
FUNDS			
Unrestricted funds:			
General reserve	13	(18)	(1,068)
Designated fund	13	2	2
		(16)	**(1,066)**
Restricted funds	13	11	917
DEFICIT	14	**(5)**	**(149)**

As permitted by section 408 of the Companies Act 2006, the parent charity's Statement of Financial Activities (including Income and Expenditure) has not been included in these financial statements. The parent charity's result for the year was a surplus of £144k (2023: deficit of £10k).

Included in the parent charity's result for the year is a profit of £175k (2023: £20k) gifted by Avenues Management services Limited (AMSL) to the parent under the Deed of Covenant.

The notes on pages 35 to 66 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:
Terry Rich
A47F840353894...

Terry Rich
Chair

Docusign Envelope ID: 0C80570E-70D1-407F-9879-EB027428198C

THE AVENUES TRUST GROUP
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2024

		2024	2023
Cashflow from operating activities		**£'000**	**£'000**
Net cash used in operating activities		(220)	(1,372)
Interest received		3	-
Interest paid		(58)	(50)
Net cash (used in)/generated from operating activities	**(a)**	(275)	(1,422)
Cashflow from investing activities:			
Purchase of intangible fixed assets		(35)	(279)
Purchase of tangible fixed assets		(703)	(2,246)
Purchase of business		1,067	-
Proceeds of sale of tangible fixed assets		881	46
Net cash provided by/(used in) investing activities		1,210	(2,479)
Financing:			
Repayments against unsecured loans		(63)	(59)
Proceeds of new bank loan		-	1,112
Net cash outflow from financing		(63)	1,053
(Decrease)/increase in cash in the year		**872**	**(2,848)**
Change in cash and cash equivalents in the reporting period		**872**	**(2,848)**
Cash and cash equivalents at the beginning of the reporting period		(492)	2,356
Cash and cash equivalents at the end of the reporting period	**(b)**	**380**	**(492)**

(a) Reconciliation of net income to net cash flow from operating activities:	2024	2023
	£'000	**£'000**
Net income	1,088	(1,874)
Finance costs	125	50
Net movement in pension provision	(341)	(283)
Loss on disposal of tangible fixed assets	(434)	65
Depreciation charges	738	653
Amortisation of intangible fixed assets	101	76
Net assets donated on merger with Autism Hampshire	(2,387)	-
Movement in debtors	1,689	(3,686)
Movement in creditors	(799)	3,627
Net cash used in operating activities	**(220)**	**(1,372)**

(b) Analysis of cash and cash equivalents:		
Overdraft facility repayable on demand	(724)	(769)
Cash at bank and in hand	1,104	277
Total cash and cash equivalents	**380**	**(492)**

(c) Analysis of changes in net debt	**Brought forward**	**Cash flows**	**Carried forward**
	£'000	**£'000**	**£'000**
Cash at bank and in hand	277	827	1,104
Bank overdrafts	(769)	45	(724)
Bank loans	(1,323)	63	(1,260)
Net debt	(1,815)	935	(880)

Docusign Envelope ID: 0C80570E-70D1-407F-9879-EB027428198C

1) Accounting Policies

The Avenues Trust Group 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, except for the treatment of Avenues South social housing grants which would normally be shown through the Statement of Financial Activities.

The charity has departed from the Charities SORP (FRS 102) and maintained the accounting treatment set out in Housing SORP 2018 – (Statement of Recommended Practice for social housing providers) which is followed by Avenues South, where government grants are recognised in income using the accruals model and recognised over the life of the underlying asset when housing properties are measured at cost.

Grant amounts that are not recognised as income in the year are included in creditors as deferred capital grants. The trustees consider that this is the appropriate policy to use in the consolidated financial statements.

The Avenues Trust Group 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 reporting currency is pound sterling and the financial statements are presented to the nearest thousand pounds.

The parent 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 parent charity has therefore taken advantage from the following exemption in its individual financial statements:

Docusign Envelope ID: 0C80570E-70D1-407F-9879-EB027428198C

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures; and
- Section 33 'Related Party Disclosures' – Compensation for company key management personnel.

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

b) Preparation of the accounts on a going concern basis

The group financial statements have been prepared on a going concern basis and the position on going concern for The Avenues Trust Group and its subsidiaries ultimately rests with the Group.

Avenues, 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.

The Group has an operational loss of £1.3m in 2023/24 and loss of £1.9m in 2022/23. As at March 2024, reserves stood at £5.9m, with net current liabilities of £0.5m. The 2023/24 results include a £434k gain on the sale of two properties (Cleve Court gain - £117k & Moor House gain - £317k).

Avenues maintains numerous long-term contracts and delivers high-quality services, ensuring 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.

Docusign Envelope ID: 0C80570E-70D1-407F-9879-EB027428198C

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 the robust marketing of our services and making full use of social and multimedia.

Fixed costs within Avenues East and Autism Hampshire have been reduced through the sourcing of new, cost-effective office spaces. There are increased income opportunities for Autism Hampshire through its community services team who, by way of an example, have been commissioned to deliver Oliver McGowan training. Our increased business development focus on Avenues East and Autism Hampshire will ensure they benefit from the same economies of scale as other subsidiaries within the Group.

The merger between Avenues and Autism Hampshire brought an area of specialism to the Group and future financial sustainability for Autism Hampshire. The integration of the organisations has been managed by way of a detailed plan overseen by a project group which is led by an EMT member and progress reported to Trustees. The planned integration spend of £455k has contributed to the Group's overall financial position. However, its spend is finite and well controlled, which will contribute to an improvement in Autism Hampshire's financial performance.

Cash is carefully forecast, planned and managed along with focussed aged debt management and collection. Carefully planned property disposals, where surplus to existing requirements, have been and will continue to be part of our strategy to improve the cash position. Operational performance is closely monitored to ensure it is well managed in line with expected budgetary controls, with actions taken as necessary. All budget holders have contributed to a reduced spend against their budgets in 2024/25.

The Group is reliant on its overdraft facility of £1.5m which has been sufficient to cover for low cash months. There is a longstanding and positive relationship with Barclays Bank plc, who provide the Group with its overdraft facility, which is subject to periodic review, and although this facility is payable on demand, Barclays have been supportive of the Group and its operational cash needs and therefore this risk is not considered to pose a serious threat or concern.

Working capital requirements are covered at a Group level. The Avenues Group operates within a cross-guarantee arrangement, pooling cash across the group to meet working capital requirements.

Although this is a challenging landscape, the Trustees are assured that the issues Avenues face are common among social care providers. Avenues has a wealth of skill and experience through its senior leadership teams, executive management

Docusign Envelope ID: 0C80570E-70D1-407F-9879-EB027428198C

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' success into the future and have no material uncertainty over its going concern.

c) Group financial statements

The financial statements consolidate the results of the charity and its subsidiaries on a line by line basis. Control is determined when the charity controls over 50% of the voting rights or has the ability to appoint or remove a majority of board members. A separate Statement of Financial Activities and Income and Expenditure account for the charity has not been presented because Avenues has taken advantage of the exemption afforded by Section 408 of the Companies Act 2006.

The results of all subsidiaries cover a full 12 month period up to the 31 March 2024 except Autism Hampshire which was acquired by the Group from 1 November 2023. All assets and liabilities have been accounted for the Group from that date. The consolidated Statement of Financial Activities incorporates the results of Autism Hampshire from the acquisition date of 1 November 2023.

The cost of a business combination is the fair value at the acquisition date, of the assets given and liabilities incurred or assumed, plus directly attributable costs. The excess of the cost of a business combination over the fair value of the identifiable

assets, liabilities and contingent liabilities acquired is recognised as goodwill. Fair values recognised are considered for impairment in the period following the acquisition date.

d) Income

Income is recognised when the group 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 – see policy (e)) or 'revenue' grants, are 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 and not deferred.

Income received in advance of a service is deferred until the criteria for income recognition are met (Note 12). Income is measured at the fair value of the consideration receivable.

Docusign Envelope ID: 0C80570E-70D1-407F-9879-EB027428198C

Legacy income is recognised at the earlier of the charity being notified of a distribution or the receipt of a legacy, or when the receipt of the legacy is determined to be measurable and probable which includes consideration of when probate is granted.

e) Capital grants in respect of social housing properties

All Social Housing Capital grants are recognised under the accrual model. Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred it is recognised under creditors after more than one year separately as capital grant and not deducted from the carrying amount of the asset.

f) 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;

Tablets, laptops, and computers	33% per annum on cost
Office equipment	15-25% per annum on cost
Furniture and equipment	15-25% per annum on cost
Furniture and equipment (River House)	10% per annum on cost
Specialist equipment	15% per annum on cost
Motor vehicles	25% per annum on cost
Freehold Land	0%
Freehold Buildings and offices	2% per annum on cost
Leasehold properties	Over the term of the lease

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

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

Asset values and consideration of any impairments needed are reviewed on an annual basis.

Barclays Bank Plc holds a charge over the group as security for the Groups' overdraft.

g) Intangible assets and amortisation

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

Software	20% per annum on cost

Docusign Envelope ID: 0C80570E-70D1-407F-9879-EB027428198C

Intangible assets under construction (IAC)

Intangible assets under construction (IAC) are costs directly attributable to creating, producing, or preparing the asset for its intended use and are recognised at cost where it is probable that the future economic benefits attributable to the asset will flow and the cost can be measured reliably. Expenditure after initial recognition is capitalised where directly attributable to the development of the asset to bring it to a working condition.

If the project is abandoned or its value becomes impaired during construction, the capitalised costs may need to be written down to their recoverable amount. The IAC test annually for impairment or whenever there is an indication that the asset might be impaired. If the carrying amount exceeds the recoverable amount, an impairment loss will be recognised.

h) Employee benefits policy

The costs of short-term employee benefits are recognised as a liability and an expense. The best estimate of the expenditure required to settle obligations for termination of benefits is recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

i) Pension costs

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

The Avenues Trust Group also participates in an unfunded pension scheme operated by the National Health Service. The contributions to this scheme, as advised by scheme administrator, are charged to the Consolidated Statement of Financial Activities as they fall due.

The group also contributes to the defined benefit Social Housing Pension Scheme (closed to future accrual). Contributions are charged to the Consolidated Statement of Financial Activities in the period to which they relate. As at 31 March 2024 the schemes actuaries provided each employers organisation with its defined benefit liability together with comparative information as at 31 March 2023. The scheme is treated as a defined benefit scheme in accordance with FRS102.

The pension schemes are disclosed in Note 16.

Docusign Envelope ID: 0C80570E-70D1-407F-9879-EB027428198C

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

k) 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.

l) Allocation of support costs
Support costs are those functions that assist the work of Avenues but do not directly undertake charitable activities. Support costs include back office costs, finance, human resources, payroll, IT and governance costs which supports Avenues charitable activities. All costs are allocated between the expense categories of the SOFA on the basis designed to reflect the use of the resources.

m) 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.

Designated funds are funds set aside formally by the trustees for a particular purpose.

n) 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.

o) 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.

Docusign Envelope ID: 0C80570E-70D1-407F-9879-EB027428198C

p) 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. In the cash flow statement, cash and cash equivalents are shown net of bank overdrafts, which are included as current borrowings in liabilities on the balance sheet.

q) 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.

r) Financial Instruments

The trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

s) Management estimates and judgements

In the process of applying its accounting policies, The Avenues Trust Group 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. The assumptions applied to the pension have the potential to materially impact the pension liability position and therefore have been reviewed with the Groups pension

advisors and management consider they are reasonable. Upon acquisition of Avenues South, the properties were revalued and held at Fair Value in the Group accounts and, as at March 2020, were assessed for impairment and as result an adjustment was made to ensure they are carried at an appropriate value.

Upon acquisition of Autism Hampshire, the properties have been revalued and held at Fair Value in the Group accounts. The properties have been reviewed for indications of impairment, no adjustment to the carrying value of the properties is considered necessary at 31 March 2024.

Autism Hampshire properties have been revalued at fair value in the Group accounts.

Docusign Envelope ID: 0C80570E-70D1-407F-9879-EB027428198C

2) Financial performance of the charity

The consolidated statement of financial activities includes the results of the charity's wholly owned subsidiaries (note 17).

The summary performance of the charity alone is:	2024 £000s	2023 £000s
Income from charitable activities	177	136
	177	136
Expenditure on charitable activities	(208)	(166)
Profit received from AMSL through deed of covenant	175	20
Net Income/(Expenditure)	**144**	**(10)**
Total funds brought forward	(149)	(139)
Total funds carried forward	**(5)**	**(149)**
Represented by:		
Restricted income funds	11	917
Unrestricted income funds	(16)	(1,066)
Total	**(5)**	**(149)**

Included in the unrestricted fund there is £175k (2023: £20k) relating to profit donated by the Avenues Management Services Ltd (AMSL) subsidiary to the parent under Deed of Covenant.

3) Income

	2024 £000s	2023 £000s
Donations, grants and legacies		
Donations	62	12
Autism Hampshire net assets	2,387	-
Grants	2	-
	2,451	**12**
Other trading activities income		
Contribution towards training costs	6	4
Other Income	44	132
	50	**136**
Other		
AMSL trading company gross income	195	42
Forest Lane Service mobilisation	107	-
Other	61	96
	363	**138**

Income from Donations, grants and legacies was £2,451k (2023: £12k), of which £130k (2023: nil) was restricted, including grants of £2k.

Docusign Envelope ID: 0C80570E-70D1-407F-9879-EB027428198C

Income from Charitable activities was £57,488k (2023: £49,599k) all of which was unrestricted in both years. Other trading activities income is broken down above.

Income relating to the mobilisation of Forest Lane Service in Avenues London has been expensed out to cover for the mobilisation project cost.

The Group's total income for the year is £60m which includes the results of Autism Hampshire for the period 1 November 2023 to 31 March 2024 and the donation of its net assets on joining the Group as at 1 November 2023

Acquisition - Business combination
On the 1st of November 2023, Avenues Board of Trustees, and Autism Hampshire Board jointly elected to combine operations. From that date, Autism Hampshire became an operating subsidiary of Avenues. The combination was a substance of gift to Avenues as the acquisition was at nil value.

The total net assets of Autism Hampshire up to the date of acquisition is therefore consolidated and shown within Donations, Legacies and Grant income on the SOFA (see table below).

Avenues Trust Group (Avenues) is the sole member of Autism Hampshire and holds 100% of the votes on any decision required by members. No general meeting is quorate without the parent representative present. Avenues also has the right to remove from and appoint all board members.

Autism Hampshire net assets at acquisition:

Docusign Envelope ID: 0C80570E-70D1-407F-9879-EB027428198C

	£'000
Fixed assets:	
Fixed assets (book value)	744
Fair value adjustment	358
Fixed assets (fair value)	1,102
Trade Debtors	359
Other Debtors	14
Accrued Income & Prepayments	304
Cash	1,067
Total assets	2,846
Creditors	
Trade Creditors	(59)
Other taxation and social security	(179)
Other Creditors	(96)
Accruals	(125)
Total Liabilities	(459)
NET ASSETS	**2,387**

Post acquisition results are disclosed in note 18.
Autism Hampshire contributed turnover of £2,646k and a deficit of £333k between 1 November 2023 to 31 March 2024

4) Expenditure

	Direct Costs £000s	Support Costs £000s	2024 Total £000s	2023 Total £000s
Charitable Activities				
Provision of care and housing services	15,668	2,057	17,725	12,556
Provision of care to young people	653	81	734	1,422
Services to Adults	31,850	4,253	36,103	35,626
Services to Older People	1,926	242	2,168	2,090
Regulated services	2,212	427	2,639	-
Community Partnerships	240	46	286	
2024 Totals	**52,549**	**7,106**	**59,655**	
2023 Totals	**45,918**	**5,776**		**51,694**

Expenditure on charitable activities of £59,655k (2023; £51,694k) was all attributed to unrestricted funds. This balance does not include pension re-measurement adjustments of (£257k) (2023: (£282k)) and (gain)/loss on sales of assets, gain - £434k (2023; loss £65k).

Docusign Envelope ID: 0C80570E-70D1-407F-9879-EB027428198C

Expenditure for fund raising was £55k (2023: nil) which was all raised by Autism Hampshire and are attributed to unrestricted funds.

Analysis of governance and support costs

The 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 note 3) in the year. Support costs is allocated on the basis of salary costs for each activity.

	General support £000s	Governance function £000s	2024 Total £000s	2023 Total £000s
EMT and Governance	1,533	146	1,679	1,227
Group Finance	2,259	-	2,259	1,861
Group Human Resources	1,446	-	1,446	1,237
Group Office Management	1,071	-	1,071	903
Group Practice Development and Assurance	651	-	651	548
Total	**6,960**	**146**	**7,106**	**5,776**

5) Net income for the year is stated after charging:

	2024 £'000	2023 £'000
Depreciation of tangible fixed assets	735	653
Amortisation	101	76
External Audit	105	100
Internal Audit	15	12
Operating lease charges for motor vehicles and equipment	113	69
Operating lease charges for land and buildings	1,173	1,284
Interest paid	84	51
Loss/(gain) on disposal of assets	(434)	65

6) 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 Group. 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

Docusign Envelope ID: 0C80570E-70D1-407F-9879-EB027428198C

Executive. No remuneration or pension contributions were paid in relation to her role as a trustee (2023: none).

N Ford, Group Director of Finance, is also a Trustee of Avenues Group. 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 (2023: none).

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 insurance.

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

7) Staff costs and key management personnel

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

	2024 No.	2023 No.
£60k - £70k	5	4
£80k - £90k	-	5
£100k - £110k	5	-
£110k - £120k	-	1
£130k - £140k	1	-

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

	No. 2024	No. 2023	FTE 2024	FTE 2023
Office staff	142	144	154	143
Care staff	812	750	818	757
Part-time support staff	539	474	433	389
Bank contract staff	513	556	-	-
	2,006	**1,924**	**1,405**	**1,289**

The difference between the total number of staff and the FTEs is due to a number of staff being employed on "Bank" contracts, whereby they have an employment contract with Avenues but work irregular shifts as and when they are needed and are not included within FTE's.

Docusign Envelope ID: 0C80570E-70D1-407F-9879-EB027428198C

Staff costs - Group	2024 £'000	2023 £'000
Wages and salaries	37,699	36,455
Social security costs	3,021	2,830
Pension costs (Per Note 16)	1,000	935
Agency staff costs	2,481	2,764
	44,201	**42,984**

The key management personnel of the Group comprise the trustees including; the Group Chief Executive, Group Director 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 total employee benefits of the key management personnel were as follows:

	2024 £'000	2023 £'000
Wages and salaries	601	570
Social security costs	80	81
Pension costs	66	58
	747	**709**

The exemption available for parent companies under FRS102 has been taken, therefore Charity only figures for key management personnel remuneration have not been disclosed.

8) Tangible fixed assets – Group

Docusign Envelope ID: 0C80570E-70D1-407F-9879-EB027428198C

	Freehold Housing Properties	Long leasehold properties	Furniture and Equipment	Motor Vehicles	Office Equipment	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 April 2023 - Group	11,119	1,507	4,090	29	262	**17,007**
Additions - acquisition	1,045	-	38	19	-	**1,102**
Additions	137	39	558	-	2	**736**
Disposals	(509)	(80)	(7)	(14)	-	**(610)**
At 31 MARCH 2024	11,792	1,466	4,679	34	264	18,235
Depreciation						
At 1 April 2023 - Group	1,229	18	3,233	29	248	**4,757**
Charge for year	200	16	369	1	3	**589**
Charge for year - grant (Note 12)	146	-	-	-	-	**146**
Disposals	(142)	(14)	(5)	-	-	**(161)**
At 31 MARCH 2024	1,433	20	3,597	30	251	5,331
Net book value						
At 31 MARCH 2024	**10,359**	**1,446**	**1,082**	**4**	**13**	**12,904**
At 31 March 2023	9,890	1,489	857	-	14	12,250

8) Tangible fixed assets – Charity

Docusign Envelope ID: 0C80570E-70D1-407F-9879-EB027428198C

	Furniture and Equipment £'000	Total £'000
Cost		
At 1 April 2023	1,321	1,321
Additions	93	93
At 31 MARCH 2024	**1,414**	**1,414**
Depreciation		
At 1 April 2023	1,049	1,049
Charge for the year	126	126
At 31 MARCH 2024	**1,175**	**1,175**
Net book value		
At 31 MARCH 2024	**239**	**239**
At 31 March 2023	**272**	**272**

NHS Charge

The NBV of some of the Housing properties above are subject to an NHS charge.

The NHS transferred the freehold of 23 properties to Avenues South in 1995 resulting in a legal charge against them; which is registered at the land registry on the freeholds. Consequently, should Welmede chose to use the properties other than for care services, or sell the properties, Avenues South will have to pay back the current market value (or sale proceeds) to the NHS.

There is an offsetting capital grant creditor of £4,131k (2023 £4,277k). (See note 12).

Long Leasehold

All long leasehold properties have remaining leases of between 81 and 113 years.

9) Intangible assets – Group and Charity

Docusign Envelope ID: 0C80570E-70D1-407F-9879-EB027428198C

	People Planner	Digitalisation Project	Intangibles under Construction	Total 2024
	£'000	£'000	£'000	£'000
Cost				
At 1 April 2023	90	358	70	518
Additions	-	(13)	48	35
At 31 MARCH 2024	**90**	**345**	**118**	**553**
Amortisation				
At 1 April 2023	90	120	-	210
Charge for year	-	101	-	101
At 31 MARCH 2024	**90**	**221**	**-**	**311**
Net book value				
At 31 MARCH 2024	**-**	**124**	**118**	**242**
At 31 March 2023	-	308	-	308

Amortisation of software has been charged to central overheads which is then allocated across the charitable activities on a staff costs basis.

Intangible assets under construction represent our business system upgrade programme, which has been capitalised and shown separately without being amortised. The cost for the assets will be held until time when it will be put into its intended use. The amortisation for these assets are nil.

10) Investments in subsidiary undertakings

The group holds an investment in Avenues South of £8 (2023: £8) and Avenues Management services Limited £1 (2023: £1) both of which are equivalent to the entire share capital of the subsidiaries.

11) Debtors

	Charity		Group	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Contract fees receivable	-	-	4,501	2,546
Other debtors	217	80	299	236
Prepayments and accrued income	526	550	1,287	1,829
Amounts due from subsidiary undertakings	18,774	4,698	-	-
	19,517	**5,328**	**6,087**	**4,611**

Included within group Other Debtors are amounts totalling £160k (2023: £160k) relating to a rental deposit falling due after more than one year.

12) Creditors

Docusign Envelope ID: 0C80570E-70D1-407F-9879-EB027428198C

	Charity		Group	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Bank overdraft	724	435	724	769
Trade creditors	157	-	1,878	1,341
Other taxation and social security	201	197	2,030	1,467
Other creditors	17	29	221	400
Deferred income	-	-	1,172	386
Accrued expenditure	120	72	1,582	964
Amount owed to Subsidairy companies	18,667	5,244	0	-
Loan falling due within one year	46	46	63	118
	19,932	**6,023**	**7,670**	**5,445**

Movements in deferred income:	£'000	£'000
Deferred income at the beginning of the year	386	853
Income recognised in the year	(386)	(853)
Income deferred in the current year	1,171	386
Income deferred at the year end	**1,171**	**386**

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

Creditors falling due in more than one year
Capital grants

	2024	2023
	£'000	£'000
Capital Grant at 1 April	(4,277)	(4,434)
Additions	(2)	0
Grant release current year	146	157
Capital Grant at 31 March	**(4,133)**	**(4,277)**
Bank Loan		
Due within 2 -5 years	(175)	(425)
Due over 5 years	(1,022)	(780)
	(1,197)	**(1,205)**
Total long term Creditors	**(5,330)**	**(5,482)**

A capital grant was received to purchase NHS properties in 1995. No further capital grants were received during the year.

Docusign Envelope ID: 0C80570E-70D1-407F-9879-EB027428198C

The grants are amortised over the same period over which the housing properties are depreciated.

Bank loan relates to:

The following properties (Colman Stairs, Beresford Garden, Smock Acre, and Westbrook) are under the loan agreement. The loans are secure to these properties. Included in the loan was the purchase of software licences over a period of 5 years.

The amount falling due for more than one year is £92k.

13) Statement of Funds

Group:	2023	Income	Expenditure	Transfers	FRS 102 Pension Adj	2024
	£'000	£'000	£'000	£'000	£'000	£'000
Unrestricted funds:						
General reserve	5,142	60,234	(59,200)	763	-	**6,939**
Designated Fund	77	-	-	-	-	**77**
Pension reserve	(1,397)	-	-	271	(257)	**(1,383)**
Restricted funds:						
Autism Hampshire - Donation transfer		116		(116)		**-**
Active Communities Fund	11	-	-	-	-	**11**
Big Lottery	12	-	-	-	-	**12**
Community Futures other restricted funds	176	-	-	(176)	-	**-**
Disability Focus Day	11	-	-	-	-	**11**
Disability Sports Project	22	-	-	(1)	-	**21**
Employment Service	15	-	-	-	-	**15**
Leisure activities in Avenues East	38	-	-	-	-	**38**
Hope House holiday Fund	4					**4**
Partnership Working	9	-	-	-	-	**9**
Disability Forum for Suffolk	4	-	-	-	-	**4**
Teaming Up	62	-	-	-	-	**62**
Garden Fund	10	-	-	(5)	-	**5**
Brighton road	730	-	-	(730)	-	**-**
Copse Hill	92	-	(3)	(25)	-	**64**
Other restricted projects	77	-	-	(77)	-	**-**
CSU Donations	17	9	-	(20)	-	**6**
Furniture Fund - Squirrel Lodge	10	-	-	-	-	**10**
Caring Communities Grant	-	-	-	1	-	**1**
Spectra App	-	-	(1)	11	-	**10**
Childwick Trust	-	-	-	9	-	**9**
Get Going Again	-	-	(19)	20	-	**1**
Serendipity Lottery Grant	-	2	(47.69)	68	-	**22**
Solent Employment Grant	-	-	-	(2)	-	**(2)**
Serendipity Skills Group (Will Charitable Trust)	-	-	(2)	2	-	**-**
HICWF	-	-	-	4	-	**4**
IAG Sensory SSB	-	-	-	1	-	**1**
Barratt Foundation	-	-	-	2	-	**2**
Percy Bilton	-	3	(3)	0	-	**-**
	1,300	**130**	**(76)**	**(1,034)**	**-**	**320**
Total funds	**5,122**	**60,364**	**(59,276)**	**-**	**(257)**	**5,953**

Docusign Envelope ID: 0C80570E-70D1-407F-9879-EB027428198C

	Previous year balances	2022	Income	Expenditure	Transfers	FRS 102 Pension Adj	2023
	General reserve	7,300	49,884	(51,759)	(283)	-	**5,142**
	Designated reserve	77					**77**
	Pension reserve	(1,398)	-	-	283	(282)	**(1,397)**
	Restricted funds:						
1	Active Communities Fund	11	-	-	-	-	**11**
2	Big Lottery	12	-	-	-	-	**12**
3	Community Futures other restricted funds	176	-	-	-	-	**176**
4	Dementia Services	-	-	-	-	-	**-**
5	Disability Focus Day	11	-	-	-	-	**11**
6	Disability Sports Project	22	-	-	-	-	**22**
7	Employment Service	15	-	-	-	-	**15**
8	Leisure activities in Avenues East	38	-	-	-	-	**38**
9	Hope House holiday Fund	4	-	-	-	-	**4**
10	Partnership Working	9	-	-	-	-	**9**
11	Disability Forum for Suffolk	4	-	-	-	-	**4**
12	Teaming Up	62	-	-	-	-	**62**
13	Garden Fund	10	-	-	-	-	**10**
14	Brighton road	730	-	-	-	-	**730**
15	Copse Hill	92	-	-	-	-	**92**
16	Other restricted projects	77	-	-	-	-	**77**
17	CSU Donations	16	1	-	-	-	**17**
18	Furniture Fund - Squirrel Lodge	10					**10**
		1,299	**1**	**-**	**-**	**-**	**1,300**
	Total funds	**7,278**	**49,885**	**(51,759)**	**-**	**(282)**	**5,122**

The restricted reserves numbered 19 to 29 have been transferred into the Group as a result of the acquisition of Autism Hampshire.

The following transfers have been made in the year:

3 Community Futures other restricted funds - All funds were spent in accordance with the grant conditions and the charity was dissolved in 2022.

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

13 Garden Fund - Funds spent to renovate garden at Wilson Avenue

14 Brighton road - Funds spent in accordance with the legacy to support people in the service

15 Copse Hill - Funds spent on people who used to live at the service for activities; furniture and holidays.

16 Other restricted projects - Funds spent on various activities across the Group.

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

The main funds are as follows:

The general reserve represents the unrestricted, designated and restricted funds of the group. The Pension reserve represents the deficit on the defined benefit pension schemes as calculated using FRS102 methodology. The restricted funds are monies received from funders for the specific projects/purposes described above. Designated funds are funds set aside formally by the trustees for a particular purpose.

Docusign Envelope ID: 0C80570E-70D1-407F-9879-EB027428198C

From the 1 November all Autism Hampshire net funds were transferred to The Avenues Group, and Autism Hampshire became an operating subsidiary from that date onward. The combination was a substance of gift to Avenues as the acquisition was at nil value. The total net funds of Autism Hampshire up to the date of acquisition is therefore consolidated and shown in the respective funds.

The restricted fund of the parent charitable company is represented by the Active Communities Fund.

1 The Active Communities Fund has been generated through a number of events and donations to support activities in the community.

2 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.

3 The Community Futures other restricted funds is a grouping of smaller grants for the provision of support for community opportunities and activities.

4 Disability Focus Day fund is restricted to supporting the costs of organising a forum for representatives from disability and statutory organisations across Suffolk.

5 Disability Sport Project. The funds is to provide sport and physical activities for young people and adults with disabilities.

6 The Employment Service Fund is restricted to helping young people to gain work experience or volunteering enabling them to gain valuable life skills

7 The Leisure funds are restricted to the various leisure activities provides by Avenues East particularly swimming sessions.

8 The Hope House Holiday fund represents a fund raised towards the provision of an annual holiday for the residents.

9 The Partnership Working fund is restricted to supporting initiatives for user involvement in multi-agency working to promote the inclusion of disabled people.

10 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.

11 The Teaming Up fund is restricted to various Teaming Up activities provided by Avenues East.

12 The Garden Fund provided by Santander is for the renovation of a Garden at Wilson Avenue.

13 Brighton road. This fund is a specific legacy settled on this service. The fund is to be applied to the service and cover all support and running costs

14 Copse Hill. This fund is a specific legacy to this service. The fund is to be used by the service to cover some support and running costs.

Docusign Envelope ID: 0C80570E-70D1-407F-9879-EB027428198C

15 Other restricted grants are comprised of a number of individually immaterial funds.

16 Other restricted grants are comprised of a number of individually immaterial funds.

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

18 Furniture Fund - Squirrel Lodge to use for furniture and fitting at Squirrel Lodge

19 Caring Communities Grant is Southampton City Council grant towards the costs of 12 trial sports sessions that focus on a range of sports and physical activities for adults on the autistic spectrum

20 Spectra App is net proceeds of a fundraising event towards the development of technology to support people on the autism spectrum

21 Childwick Trust is a grant from Childwick Trust to support the development and operation of serendipity social groups across Hampshire

22 Get Going Again is a grant from Hampshire County Council towards a project aimed at improving access to healthcare services

23 Serendipity Lottery Grant is a grant from the National Lottery Fund to support the development and operation of serendipity social groups across Hampshire

24 Solent Employment Grant is Grant from European Social Fund for an employment project for which Autism Hampshire is partnering with Southampton city council

25 Serendipity Skills Group is a grant towards skills based serendipity groups.

26 HICWF is a grant from Portsmouth City Community Fund and IoWCF to support the development and operation of serendipity social groups across Hampshire

27 IAG Sensory SSB is a grant towards a purchase of a range of sensory items from Skipton Charitable Trust

28 Barratt Foundation is a donation towards redecoration of Chelveston supporting living accommodation

29 Percy Bilton is a donation towards a purchase of a range of sensory items.

Docusign Envelope ID: 0C80570E-70D1-407F-9879-EB027428198C

Parent Charity :	1 April 2023	Income	Expenditure	Transfers	31 March 2024
	£'000	£'000	£'000	£'000	£'000
Designated fund	2	-	-	-	**2**
General reserve	(1,068)	352	(208)	906	**(18)**
	(1,066)	**352**	**(208)**	**906**	**(16)**
Restricted funds					
Active Communities funds	11	-	-	-	**11**
Community Futures other restricted funds	32	-	-	(32)	**-**
Brighton Road	730	-	-	(730)	**-**
Other projects	144	-	-	(144)	**-**
	917	**-**	**-**	**(906)**	**11**
Total funds	**(149)**	**352**	**(208)**	**-**	**(5)**

Parent Charity :	1 April 2022	Income	Expenditure	Transfers	31 March 2023
	£'000	£'000	£'000	£'000	£'000
Designated fund	**2**	**-**	**-**	**-**	**2**
General reserve	(1,058)	136	(166)		**(1,088)**
Profit gift aided by subsidiary	-	20	-	-	**20**
	(1,058)	**156**	**(166)**	**-**	**(1,068)**
Restricted funds					
Active Communities funds	11	-	-	-	**11**
Community Futures other restricted funds	32	-	-	-	**32**
Brighton Road	730	-	-	-	**730**
Other projects	144	-	-	-	**144**
	917	**-**	**-**	**-**	**917**
Total funds	**(139)**	**156**	**(166)**	**-**	**(149)**

The following transfers have been made in the year:

3 Community Futures other restricted funds - All funds were spent in accordance with the grant conditions and the charity was dissolved in 2022.

14 Brighton road - Funds spent in accordance with the legacy to support people in the service

16 Other restricted projects - Funds spent on various activities across the Group.

Docusign Envelope ID: 0C80570E-70D1-407F-9879-EB027428198C

14) Analysis of net assets between funds

Analysis of parent charity net assets between funds:

GROUP	Restricted Funds	Unrestricted Funds	2024 Total
Fund balances at 31 March 2024 are represented by:	**£'000**	**£'000**	**£'000**
Tangible fixed assets	-	12,904	12,904
Intangible assets	-	242	242
Current assets	320	6,871	7,191
Current liabilities	-	(7,671)	(7,671)
Long term liabilities	-	(5,330)	(5,330)
TOTAL FUNDS BEFORE PENSION LIABILITY	**320**	**7,016**	**7,336**
Pension scheme liability	-	(1,383)	(1,383)
TOTAL FUNDS INCLUDING LIABILITY ON PENSION SCHEME RESERVE	**320**	**5,633**	**5,953**
Analysis of group net assets between funds - previous year			
Fund balances at 31 March 2023 are represented by:			
Tangible fixed assets	-	12,250	12,250
Intangible assets	-	308	308
Current assets	1,300	3,588	4,888
Current liabilities	-	(5,445)	(5,445)
Long term liabilities	-	(5,482)	(5,482)
TOTAL FUNDS BEFORE PENSION LIABILITY	**1,300**	**5,219**	**6,519**
Pension scheme liability	-	(1,397)	(1,397)
TOTAL FUNDS INCLUDING LIABILITY ON PENSION SCHEME RESERVE	**1,300**	**3,822**	**5,122**

Docusign Envelope ID: 0C80570E-70D1-407F-9879-EB027428198C

ANALYSIS OF PARENT CHARITY NET ASSETS BETWEEN FUNDS:

	Restricted Funds	Unrestricted Funds	Total
Fund balances at 31 March 2024 are represented by:	**£'000**	**£'000**	**£'000**
Tangible fixed assets	-	239	239
Intangible assets	-	242	242
Current assets	11	19,528	19,539
Current liabilities	-	(19,933)	(19,933)
Long term liabilities	-	(92)	(92)
TOTAL FUNDS	**11**	**(16)**	**(5)**
Fund balances at 31 March 2023 are represented by:			
Tangible fixed assets	-	272	272
Intangible assets	-	308	308
Current assets	917	4,515	5,432
Current liabilities	-	(6,023)	(6,023)
Long term liabilities	-	(138)	(138)
TOTAL FUNDS	**917**	**(1,066)**	**(149)**

15) Operating leases

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

	2024	2023
Land and Buildings	**£'000**	**£'000**
Amounts due:		
Within one year	786	655
Between two and five years	1,927	1,702
Beyond five years	1,308	415
	4,021	**2,772**

Vehicles & equipments	**2024**	**2023**
Amounts due:	**£'000**	**£'000**
Within one year	-	10
	-	**10**

Docusign Envelope ID: 0C80570E-70D1-407F-9879-EB027428198C

16) Pension obligations

The Avenues Trust Group has contributed to both defined benefit and defined contribution schemes during the year and defined benefit schemes (Social Housing Pension Scheme - SHPS) are accounted for as if they were defined contribution schemes if required by FRS 102 Section 28 'Employee benefits'. The total cost to the group for the year ended 31 March in respect of pension contributions, which have been allocated between resources expended categories in proportion to staff costs and charged to the Consolidated Statement of Financial Activities as appropriate, are as follows;

	2024	2023	**2024**	2023
	£'000	£'000	**No.**	No.
Pensions Trust SHPS	977	912	1,095	1,095
NHS Pension	19	19	7	7
Pensions Trust - The Growth Plan	4	4	5	5
Per Note 7	1,000	935	1,107	1,107

There are three main schemes remaining with the majority of staff contributing to the defined contribution scheme with The Pensions Trust. This is the Social Housing Pension Scheme (SHPS). In addition, there is a closed scheme, also within the SHPS and administered by The Pension Trust. The last scheme is the NHS Pension with details shown below.

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 Avenues Trust Group 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 trustees and the TPT Retirement Solutions Growth Plan scheme trustees and/or any legislative action taken by the government, the potential impact if any, on the valuation of scheme liabilities remains unknown.

Docusign Envelope ID: 0C80570E-70D1-407F-9879-EB027428198C

National Health Service (closed Scheme)

The NHS operates an unfunded defined benefit scheme for the nursing sector, in which The Avenues Trust Group participates. The Avenues Trust Group is granted permission by the Secretary of State to be able to contribute to the cost of the scheme as a 'Directed Employer'
(an employer that can continue to have non NHS employed staff as members of the NHS pension scheme).
The cost represents the contributions advised by the NHS Pensions Agency. The Avenues Trust Group is not liable for past service costs beyond these contributions. Contributions increased to 14% from 1 April 2005.

The Pensions Trust - The Social Housing Pension Scheme

The Social Housing Pension (SHPS) auto enrolment 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. This scheme also includes a defined benefit obligation although all employees have been transferred to the defined contribution scheme since April 2023.

The Pensions Trust - The Growth Plan (closed scheme)

The group participates in the SHPS scheme, a multi-employer scheme which provides benefits to employees of some 900 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 group 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 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:

Docusign Envelope ID: 0C80570E-70D1-407F-9879-EB027428198C

From 1 April 2022 to 31 January 2025	£3,312,000 per annum (payable monthly)

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 £926m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee has asked participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2019 to 30 September 2025:	£11,243,000 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.

PRESENT VALUES OF PROVISION	2024	2023
	£'000	£'000
Present value of provision - Avenues East	4	7
Total group provision	**4**	**7**

Avenues South East and Avenues South SHPS Pensions schemes are administered by TPT however the obligations for these schemes are now shown later in Note 17.

Reconciliation of opening and closing provisions

	2024	2023
	£'000	£'000
Provision at start of period	7	12
Deficit contribution paid	(4)	(5)
Provision at end of period	3	7

ASSUMPTIONS

	2024	2023	2022
	% per annum	% per annum	% per annum
Rate of discount The Pensions Trust - Growth Plan	5.31	5.52	2.35

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.
Avenues East is the only member of the Group that has employees in this closed scheme.

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The Pensions Trust - Social Housing Pension Scheme

Avenues Group participates in the scheme, a multi-employer scheme which provides benefits to some 500 non-associated employers. The scheme is a defined benefit scheme in the UK.

The scheme is subject to the funding legislation outlined in the 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.

Present Values of Defined Benefit Obligation, Fair Value of Assets and Defined Benefit Asset (Liability)

	31 March 2024	31 March 2023
	£'000	£'000
Fair Value of plan assets	5,907	6,350
Present value of defined benefit obligation	7,287	7,740
Surplus (deficit) in plan	(1,380)	(1,390)
Defined Benefit asset (liability) to be recognised	(1,380)	(1,390)

Reconciliation of Opening and Closing Balances of the Defined Benefit Obligation

	Period ended 31st March 2024	Period ended 31st March 2023
	£'000	£'000
Defined benefit obligation at start of period	7,740	11,210
Expenses	10	9
Interest expense	362	310
Actuarial losses (gains) due to scheme experience	(59)	(110)
Actuarial losses (gains) due to changes in demographic assumptions	(78)	(18)
Actuarial losses (gains) due to changes in financial assumptions	(46)	(3,460)
Benefits paid and expenses	(642)	(201)
Defined benefit obligation at end of period	**7,287**	**7,740**

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Reconciliation of Opening and Closing Balances of the Fair Value of Plan Assets

Reconciliation Of Opening And Closing Balances Of The Fair Value of Plan Assets

	Period ended 31st March 2024	Period ended 31st March 2023
	£'000's	£'000's
Fair value of plan assets at start of period	6,350	9,824
Interest income	302	276
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	(440)	(3,870)
Contributions by the employer	337	321
Benefits paid and expenses	(642)	(201)
Fair value of plan assets at end of period	**5,907**	**6,350**

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2024 was £70,000.

Defined Benefit Costs Recognised In Statement of Financial Activities (SOFA)

	Period ended 31st March 2024	Period ended 31st March 2023
	£'000's	£'000's
Expenses	10	9
Net interest expense	60	34
Defined benefit costs recognised in statement of Financial Activities(SOFA)	**70**	**43**

Defined Benefit Costs Recognised In net movement in funds

	Period ended 31st March 2024	Period ended 31st March 2023
	£'000's	£'000's
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	(440)	(3,870)
Experience gains and losses arising on the plan liabilities - gain (loss)	59	110
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	78	18
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	46	3,460
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	(257)	(282)
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) - gain (loss)	-	-
Total amount recognised in other comprehensive income - gain (loss)	**(257)**	**(282)**

Docusign Envelope ID: 0C80570E-70D1-407F-9879-EB027428198C

Assets	**31-Mar-24**	**31-Mar-23**
	£'000	**£'000**
Global Equity	589	119
Absolute Return	230	69
Distressed Opportunities	208	193
Credit Relative Value	194	240
Alternative Risk Premia	187	12
Emerging Markets Debt	76	34
Risk Sharing	346	468
Insurance-Linked Securities	31	160
Property	237	274
Infrastructure	597	725
Private Equity	4	-
Private Debt	233	283
Opportunistic Illiquid Credit	231	271
High Yield	1	22
Cash	116	46
Long Lease Property	39	191
Secured Income	176	291
Liability Driven Investment	2,405	2,924
Currency Hedging	(3)	12
Net Current Assets	10	16
Total assets	**5,907**	**6,350**

Key Assumptions	**31-Mar-24**	**31-Mar-23**
	% per annum	**% per annum**
Discount Rate	4.9	4.9
Inflation (RPI)	3.2	3.2
Inflation (CPI)	2.8	2.8
Salary Growth	3.8	4.0
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted at 31 March 2024 imply the following life expectancies:

	Life expectancy at age 65 (2024)	***Life expectancy at age 65 (2023)***
Male retiring in 2024 (2023)	20.5	21
Female retiring in 2024 (2023)	23	23.4
Male retiring in 2044 (2043)	21.8	22.2
Female retiring in 2044 (2043)	24.4	24.9

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17) Active subsidiary undertakings

The Avenues Trust Group controls Avenues South East (company number 03923486; charity number: 1079576), Avenues London (company number 06858705; charity number: 1130445), and Avenues East (company number 03326442, charity number: 1061241); Avenues Management Services (AMSL) Ltd (Company number 13890680), Autism Hampshire (company number 01710300). Five of the companies are limited by guarantee and registered in England except AMSL that is a private limited company with issued share capital.

The Avenues Trust Group also holds 100% control of Avenue South Limited formerly Welmede Housing Association Limited (company number R26230), a Charitable Housing Association incorporated under the Co-Operative and Community Benefit Societies Act 2014 and registered with the Registry of Friendly Societies which is administered by the Financial Conduct Authority in England.

All charities are controlled by Avenues Trust Group who have the ability to appoint and remove all members of each subsidiary Board of Trustees.

All charities' registered address is River House, 1 Maidstone Road, Sidcup, Kent, DA14 5TA.

All activities have been consolidated on a line by line basis in the Consolidated Statement of Financial Activities with the exception of Autism Hampshire for which only a part year (from 1 November) was consolidated and net funds brought forward gifted to Avenues as income. A summary of the results of the subsidiaries are shown below.

	Avenues South East	Avenues London	Avenues East	Avenues South	Autism Hampshire	Parent	Avenues Management Services	Intra-group movement	Donated on Acquisition	Total 2024	Total 2023
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income	14,923	15,392	7,645	17,000	2,646	177	9,971	(9,776)	2,387	**60,365**	49,885
Expenditure	(14,966)	(15,800)	(8,077)	(17,227)	(2,979)	(208)	(9,796)	9,776	-	**(59,277)**	(51,759)
Surplus/(deficit) on ordinary activities	**(43)**	**(408)**	**(432)**	**(227)**	**(333)**	**(31)**	**175**	**-**	**2,387**	**1,088**	**(1,874)**

Previous year:

	Avenues South East	Avenues London	Avenues East	Avenues South	Parent	Avenues Management Services	Intra-group movement	Total 2023	Total 2022
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income	18,307	12,886	7,007	11,507	136	2,119	(2,077)	**49,885**	47,019
Expenditure	(18,369)	(13,345)	(7,365)	(12,492)	(166)	(2,099)	2,077	**(51,759)**	(45,632)
Surplus/(deficit) on ordinary activities	**(62)**	**(459)**	**(358)**	**(985)**	**(30)**	**20**	**-**	**(1,874)**	**1,387**

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The aggregate of the assets, liabilities and funds as at 31 March 2024 was :	Avenues South East	Avenues London	Avenues East	Avenues South	Autism Hampshire	Parent	Avenues Management Services	Intra-group movement	Donated on Acquisition	Total 2024	Total 2023
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Assets	10,934	12,599	1,417	18,810	2,597	20,019	11,130	(58,764)	1,595	20,337	17,445
Liabilities	(8,715)	(13,226)	(1,794)	(17,717)	(542)	(20,024)	(11,130)	58,764	-	(14,384)	(12,323)
Total funds	**2,219**	**(627)**	**(377)**	**1,093**	**2,054**	**(5)**	**-**	**-**	**1,595**	**5,953**	**5,122**

The aggregate of the assets, liabilities and funds as at 31 March 2023 was :	Avenues South East	Avenues London	Avenues East	Avenues South	Autism Hampshire	Parent	Aveneues Management Services	Intra-group movement	Donated on Acquisition	Total 2023	Total 2022
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Assets	4,876	4,784	981	14,245	-	6,012	1,335	(16,383)	1,595	17,445	17,682
Liabilities	(2,540)	(5,002)	(927)	(12,741)	-	(6,161)	(1,335)	16,383	-	(12,323)	(10,404)
Total funds	**2,336**	**(218)**	**54**	**1,504**	**-**	**(149)**	**-**	**-**	**1,595**	**5,122**	**7,278**

18) Related party transactions

The Avenues Trust Group provides central support for each of its subsidiaries. The Group makes a charge for these central costs based on a blended ratio of group costs. In addition, The Avenues Trust Group acts as the central banker for the group, paying salary costs and creditors and receiving cash from customers.

	2024	2023
PARENT	**£'000**	**£'000**
Balance owed at 1 April	(546)	(2,281)
Payroll services provided to subsidiary companies	25,755	31,800
Receipts taken on behalf of group companies	(31,392)	(34,739)
Payments made on behalf of group companies	8,694	7,963
Intercompany transfer from Avenues South	(8,903)	(9,018)
Recharges of head office costs	6,498	5,730
Balance due at 31 March	**106**	**(546)**

THE AVENUES TRUST GROUP

England & Wales - Charity number 1130473

Accounts

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THE AVENUES TRUST GROUP

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

Charity Registration Number: 1130473

Company Registration Number: 03804617

DocuSign Envelope ID: 5D2C8A96-A0A6-4A92-A003-343870CD43F3

THE AVENUES TRUST GROUP

Index	Page
Reference and administrative details of the charity, its advisers and trustees	1-2
Trustees' report and strategic report	3 – 13
Strategic Report	14 - 21
Statement of trustees' responsibilities	22
Independent auditor's report	23 - 26
Consolidated statement of financial activities	27
Consolidated balance sheet	28
Company balance sheet	29
Consolidated statement of cash flows	30
Notes to the financial statements	31 - 55

DocuSign Envelope ID: 5D2C8A96-A0A6-4A92-A003-343870CD43F3

THE AVENUES TRUST GROUP
BOARD MEMBERS AND MANAGEMENT PERSONNEL

FOR THE YEAR ENDED 31 MARCH 2023

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

Chairman:	Terry Rich
Vice Chair:	Evlynne Gilvarry -Member of the Audit and Risk Committee

Non-Executive Trustees:

Andrew Bruce Calderwood	Member of People, Culture and Reward Committee, Finance Committee and Quality Committee
Alistair Oag	(To May 2022) Chair of the Audit and Risk Committee and Finance Committee
Alistair Brown	Chair of Audit and Risk Committee and Member of the Finance Committee
Nicola Bannister	Member of People, Culture and Reward Committee and Audit and Risk Committee
Rina Pandya	(From March 2023) Member of People, Culture and Reward Committee

Note - Rich Hodgson is Chair of Finance Committee (from June 2022), Trustee of Avenues London only

Executive Trustees:
Joanne Land
Nicola Ford

Key Management Personnel:

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

Company Secretary
Lauren Osman

CHARITY REGISTRATION NUMBER 1130473

COMPANY REGISTRATION NUMBER 03804617

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THE AVENUES TRUST GROUP

BOARD MEMBERS AND MANAGEMENT PERSONNEL

FOR THE YEAR ENDED 31 MARCH 2023

Principal and Registered Office
River House, 1 Maidstone Road, Sidcup, Kent, DA14 5TA

Advisers

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

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THE AVENUES TRUST GROUP

TRUSTEES' REPORT AND STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The Board presents its Annual Report and the Audited Financial Statements of The Avenues Trust Group for the year ended 31 March 2023.

The legal and administrative information set out on pages 1-2 forms part of this report. The Financial Statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice (SORP second edition – October 2019) 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).

"Avenues"/" Avenues Group" means the Avenues Trust Group Limited and its subsidiaries.

Introduction

The Avenues Trust Group ("Avenues") accounts for 2023 and the 2022 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, in line with Charity Commission guidelines.

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 word 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 really 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

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 recognized to deliver better outcomes and significant savings to the public purse when compared to traditional

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residential and clinical alternatives.

The Avenues Group supports more than 600 people to enjoy community-based life, and employs more than 1,600 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.

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 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 reduces people's support needs over time.

The trustees of the Avenues Group 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.

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 fit and 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 which is a facility whereby employees can draw down

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their earned salary on a weekly basis 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 center 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 (EMT) direct via email of by joining one of our regular virtual meetings with EMT members.

Our learning and development programme meets the standards and requirements set out by Skills for Care, the workforce development body for adult social care in England. The endorsement is a trusted quality mark only 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 January 2023. All of our managers undergo a specially designed induction and 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.

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 word.

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;

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- We manage transport for the people we support, either via publicly available networks, or use of vehicles to provide mobility services;
- Many of our colleges travel to and from work; and
- 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:

- Over the next five years we will invest £500,000 in improvements to ensure the insulation and energy efficiency in our buildings;
- Through our participation in the Energy Savings Opportunities Scheme we will identify further improvements for property management which will be rolled out from December 2023;
- We have 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;
- We have 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;
- We encourage service activities to use public forms of transport where ever 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; and
- We actively take part in recycling initiatives in our schemes and work places, as well as promoting energy consciousness across all of what we do.

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 use of carbon reduction and create more environmentally sustainable ways of working.

Carbon and Energy Reporting

As a large qualifying group, The Avenues Group is required to report its energy use and carbon emissions in accordance with the Companies Regulations 2018 because it meets the thresholds for reporting. Other subsidiaries in the Group do not meet the thresholds for reporting and are not required to report individually.

The energy use and carbon emissions for the Group for the year ended 31 March 2023 and 2022 comparatives are as follows:

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Energy Source	Consumption	Scope	Emissions calculation 2022/23	Emissions calculation 2021/22
Gas – total kWh (kilowatt-hours) used for the year taken from gas bills	3,138,227 kWh (gross CV (calorific value))	Scope 1	3,138,227 * 0.18 (2023 fuels, natural gas conversion factor gross CV to kg Co2e)= 564,880 kgCO2e **= 564.88 tCO2e**	4,752,060 kWh * 0.18 (2022 fuels, natural gas conversion factor gross CV to kg Co2e)= 855,371 kgCO2e = 855.37 tCO2e
Electricity – total kWh used for the year, taken from the electricity bills	1,646,073 kWh	Scope 2	1,646,073 kWh * 0.20707(2023 electricity conversion factor to kgCO2e) = 340,852 kgCO2e **= 340.85 tCO2e**	1,612,563 kWh * 0.19338 (2022 electricity conversion factor to kgCO2e) = 311,837 kgCO2e = 311.84 tCO2e
Transport – 8,740 miles in the year	8,740 miles * 1.10608 (2023 SECR kWh pass & delivery vehs, cars - average and unknown fuel)= 9,627 kWh	Scope 1	8,740miles *0.2663 (2023 business travel land, average car conversion factor to kgCO2e)= 2,327 kgCO2e **= 2.33 tCO2e**	4,944miles *0.27465 (2022 business travel land, average car conversion factor to kgCO2e)= 1,357 kgCO2e = 1.36 tCO2e
Transport – People carriers/vans - 58,617 miles in the year	58,617 miles * 1.47 (2023 SECR kWh pass & delivery vehs, vans class 3 – used in lieu of passenger vehicles conversion)=86,167 kWh	Scope 1	58,617 miles *0.28750 (2023 business travel land MPV unknown)= 16,852 kgCO2e **= 16.85 tCO2e**	64,905 miles *0.29203 (2022 business travel land MPV unknown)= 14,992 kgCO2e = 15.00 tCO2e
Transport – total mileage reimbursed from staff claims = 171,990 miles	171,990 miles* 1.10608 (2023 SECR kWh pass & delivery vehs, cars - average and unknown fuel)=190,235 kWh	Scope 3	171,990 miles*0.2663 (2023 business travel land, average car conversion factor to kgCO2e)= 45,800 kgCO2e **= 45.8 tCO2e**	334,456 miles * 0.27465 (2022 business travel land, average car conversion factor to kgCO2e)= 91,858 kgCO2e = 91.6 tCO2e
Total	**5,070,329**		**970.71 tCO2e**	**1275.17 tCO2e**
Intensity ratio	Emissions data (tCO2e) compared with an appropriate business activity (Average FTE)		970.71 tCO2e/1,289 FTE **= 0.75 tCO2e per FTE**	1275.17 tCO2e/1,232 FTE = 1.04 tCO2e per FTE

The 2021/22 gas/electricity usage has been restated to include all services.

Methodology

The data detailed in this table represents energy use and emissions for which The Avenues Group is responsible for the period 1 April 2022 to 31 March 2023. It includes the metered electricity and gas used in our properties, and emissions from fuel used in vehicles on company business (both private and leased). For leased vehicles this has been estimated based on the contractual mileage where actuals were not available. These are the energy use and emissions sources required by the regulations for large unquoted organisations. We have used the main requirements of the GHG Protocol Corporate Accounting and Reporting Standard as our emissions calculation methodology. This methodology recommends that emissions are calculated by multiplying activity data (for example energy use in kWh) by an appropriate conversion factor. We have used the UK government GHG conversion factors for company reporting 2023 to calculate our emissions.

Our emissions intensity is reported by full-time employee (FTE). This is because our employee numbers are directly related to our business activities, as increased business may result in higher FTE numbers. These intensity metrics allow comparison of our energy efficiency performance over time.

The Streamlined Energy and Carbon Reporting (SECR) regulations apply to company financial years starting on or after 1 April 2019.

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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

The Avenues Group is the trading name for The Avenues Trust Group and is constituted as a company limited by guarantee. The Avenues Group is also a registered charity.

The Avenues Trust Group is the ultimate holding company for Avenues South East, Avenues South, Avenues London, Avenues East and Avenues Management Services Limited.

All subsidiary companies bar Avenues South are registered charities and are constituted as companies limited by guarantee; Avenues South is a Community Benefit Society regulated by the FCA.

The names of the members of the Board of the Avenues Trust Group are listed on Page 1.

The members of the Board, who for the purposes of the charity/company law are the trustees/directors of the charitable company, are appointed by the Board.

Jo Land, Group Chief Executive and Nicola Ford, Group Director of Finance are executive trustees of the Avenues Trust Group and all subsidiaries.

Our Board

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.

All directors of all boards within the Group are members of the parent entity. Membership is automatic on appointment and resignation to any board within the Group.

The Group Board meets around 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 four committees which discuss the business of the whole Group. The committees are:

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- Audit & Risk;
- Finance;
- People, Culture and Reward (PCR); and
- Quality, Local Focus and Engagement.

Committees report directly to all the Boards with 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 organisation. 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 Group has made qualifying third-party indemnity provisions for the benefit of its trustees.

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The Charity Governance Code

The Avenues Group places high the importance on 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. In In 2021 we began a recruitment campaign where we worked with specialist advisors to help us successfully improve the diversity of our board. This has been successful and will continue going forward.

Our 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.

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 training to meet that need, and this can be delivered online, internally or through externally facilitated training sessions. In 2022/23 the following training sessions were externally facilitated:

- The benefits and risks of partnership working, mergers or dissolution of services
- Finance and Risk Management
- Safeguarding
- Reserves
- Charity Regulation and Compliance

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** and members were given the opportunity to meet with Trustees to share their experiences and feedback.

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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; and
- Provide a "safe space" for confidential discussion and sharing.

New Directions

New Directions is a local engagement group. It is made up of people we support and is supported by one of our team from the Quality Assurance and Practice team. The group is well established, and members chair the meetings.

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; and
- 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.

This year the group has coproduced videos on Annual Health checks and the effect of Covid 19, reviewed the annual stakeholder survey, interviewed trustees and agreed the terms of reference, role profiles and report templates for the local engagement groups that are going to be set up throughout the Group.

Future work includes working with our Communications team to design the new website, joint facilitating the co-production training for all staff in the organisation, rewriting the role profiles for support workers and becoming quality checkers.

DocuSign Envelope ID: 5D2C8A96-A0A6-4A92-A003-343870CD43F3

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 are 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 data Protection Laws. 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.

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.

Related Parties

The Avenues Trust Group is made up of a group of wholly owned subsidiary entities, all limited by guarantee, with the exception of Avenues South which is a mutual society limited by Share Capital and regulated by the Financial Conduct Authority:

- Avenues South East (Company number 3923486)
- Avenues London (Company number 6858705)
- Avenues East (Company number 3326442)
- Avenues South (Registered Society number 26230R)
- Avenues Management Services Limited (Company number 13890680)

The Group operates an overlapping board structure (also known as a common board) as outlined above in the board structure. The table below identifies core trustees (who sit on each board within the Avenues Group) and independent trustees (who sit on only one subsidiary board). The independent trustees manage conflicts of interest across the group. There are minimal related parties, however registers are maintained see note 18. The table below identifies core and independent trustees for each board.

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Trustee	Core	Group Ind.	London Ind.	South East Ind.	East Ind.	South Ind.	AMSL Directors
Alistair Brown	✔						
Alistair Oag							✔
Bruce Calderwood		✔					
Cathryn Law			✔				
Emma Keegan				✔			
Evlynne Gilvarry	✔						
Jeff Boateng				✔			
Jo Land (Exec)	✔						
Lauren Stoner					✔		
Nicola Bannister		✔					
Nicola Ford (Exec)	✔						✔
Peter Hepburn						✔	
Rich Hodgson			✔				✔
Rina Pandya		✔					
Sireesh Nallanthighal						✔	
Terry Rich	✔						✔

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STRATEGIC REPORT

Objectives and Activities

The charitable objects of The Avenues Trust Group and its subsidiaries 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 services to people, supporting them to enjoy their lives within their communities.

The governing instruments for the Avenues Trust Group and the subsidiary entities are their respective Articles of Association, with the exception of Avenues South which is governed under its Model Rules.

Strategy

Avenues has always gone the extra mile to provide the best support to people with profound and multiple learning disabilities, autism and acquired brain injury. 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.

Over the lifetime of this strategy, our digital journey and use of technology will afford us the opportunity to promote greater independence for the people we support whilst also improving our operations. We will continue to build a justified reputation for supporting even more people to flourish, regardless of the challenge.

Avenues is a community of people; those supported, their families, the people who work for us and others. All their voices must be heard. We will find new ways for everyone to appropriately influence how we make best use of the funding we have, and make sure people continue to smile, laugh, and grow.

By 2025 we will …

- Be recognised as a high-quality specialist provider of social care services to people with a learning disability, with an exemplar offering for people living with autism.
- Have sufficient flexibility, capacity and resources so as to ensure organisational resilience, support for the long term and offer high levels of efficiency and effectiveness in the way we work.
- Be known to, and valued by, a broader group of potential purchasers and other key stakeholders, with new customers, funders and commissioners, diversifying our income streams.
- Offer a variety of models of support that will suit people's needs and which are capable of providing great support at different stages of their life journey.
- Be known for the strength and quality of our engagement and co-production. People who receive our services, their families and significant others in their lives will influence what we do, how we do it and will tell us what they want.

We will continue to go the extra mile.

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Section 172 (1) of the Companies Act 2006

Under Section 172 of the Companies Act 2006 the Board of Trustees, (who are also directors of The Avenues Trust Group for the purposes of company law), have a duty to promote the long term success of The Avenues Group. They have done that during 2022/23 by duly considering the impact of the decisions they make on the future of the Group. All key decisions that will have an impact on the long-term future of the Group are discussed at the relevant sub-committees and Boards. They have taken into account the view of different stakeholder groups who will be affected by the decisions and have weighed and considered the different options that were available to the Group on each occasion. The Boards believe they have acted throughout the year in the best interests of the Group and in a manner, which will bring about long term success.

The trustees consider the key stakeholder groups for The Avenues Group to be the people it supports and their families, friends and advocates, its employees, its competitors, its funders and its suppliers.

The impact of major decisions on staff are discussed at the People, Culture and Reward Committee and the Boards who also received regular updates on staff pay, health and safety and safeguarding.

The Boards receive a summary of the biennial staff engagement survey which highlights both strengths and areas for potential improvement on employment matters and how these will be mitigated through specific actions.

The quality of our services and the engagement of the people we support across the organisation is our priority and so the Quality, Local Focus and Engagement committee was introduced to provide assurance to the Boards around the operational delivery of quality support. This committee engages with stakeholders at all levels and reviews and obtains assurance relating to complaints and compliments. This committee provides a mechanism to make sure that stakeholders are involved in the setting of the organisations goals, quality and culture. The committee is made up of trustees, parents of people we support and a qualified social worker. New Directions is a subgroup of this committee made up of people we support who meet to review and discuss Avenues Group and give their ideas for its future.

To develop and maintain strong business relationships, The Avenues Group collaborates regularly with Local Authorities and ICBs and other parties through face to face meetings and roundtable discussions. Avenues recognises the benefit of working together, not just for the people we support and our employees but the wider adult social care provision. We have many examples where through joint working projects we have achieved better outcomes for the people we support. We have been working with Surrey County Council to develop a joint strategy that will not only see the modernisation of the housing provision but will offer a wider choice of support and accommodation solutions that will be fit for the future for adults with a learning disability. We can only achieve such great outcomes by bringing together the skills, knowledge, and experience of both parties. The Avenues Group management team have also worked closely with Local Authorities to share lived experiences of services where we support people with challenging behaviour to help shape tenders and ensure high quality service provision.

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Avenues put the people we support at the center of everything we do, ensuring individuals have meaningful plans, including communication needs, recorded in ways that are accessible for them. All individuals have a Service User Guide which details the expectations of both parties and a copy of our Complaints Procedure, although we try to anticipate issues and challenges, taking steps to address them at the earliest opportunity, preventing issues becoming too problematic. High quality care and support exists where people using social care have informed choice and control, with as much involvement in decisions about their care and support as they want to have.

Senior Operations Managers are responsible for ensuring that user involvement is positively encouraged through genuine involvement in shaping and providing feedback. We hold regular forums to understand the experiences of the carers and people who are in the individual's circle of support. This enables us to develop the service in a meaningful and informed way. As with user involvement, it is important that stakeholders, such as families, friends and professionals, involved in individuals lives are encouraged to be involved in decisions about the care and support provided.

We acknowledge that the wider public and mainstream services have a real part to play in the lives of the individual and we prepare the local community to accepting the schemes as valued resources. For example, we encourage individuals to develop relationships with their neighbours and others within their local community and always reinforce the message that we intend to support them to be good and involved citizens.

The trustees and the Executive Management Team are working towards the 2021/25 strategic plan for Avenues Group which will help to ensure the long term success of the Avenues Group.

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 2022/23 were the challenges in the underlying competitive labour market for quality operational staff and impact of this on delivery and agency spend and cost of living/inflationary pressures. All necessary measures have been taken to mitigate these risks going forward including changes to recruitment and resourcing processes, investment in employee pay, introduction of agency vendor, negotiations of 2023/24 fee uplifts and improved agency monitoring.

Achievements and Performance

Avenues' reputation for delivering high-quality services established us as a key player in the Transforming Care programme and strengthened our relationship with NHS England.

This means all Avenues subsidiaries are well positioned to deliver new complex services which move people from secure locations back into their home communities, alongside the continuation of the outstanding support provided to existing service users, fulfilling the Group's vision.

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As well as our ambition to support people for the long term, we continue to offer genuine career prospects to employees and positive succession planning.

Our commitment to quality has continued through our strategic partnership with the University of Kent, focusing on the promotion of positive behavioural support and active support - both approaches that are demonstratively effective in supporting the people that Avenues work with.

Over the past year we have continued to develop our services across our subsidiaries, proving once again that people with the highest support needs, and most challenging behaviour, can enjoy better lives through tailored, community-based support that brings significant savings to the public purse.

The Avenues Trust Group has a monthly balanced scorecard which is used for reporting to management and trustees. Within this are 4 headline Key Performance Indicators which are underpinned by a set range of Key Performance Indicators as follows:

Financial Sustainability
This is measured by our operational performance to budget. For financial year 2022/23 the deficit was £1,808k (excluding sale of fixed assets) compared to a budgeted surplus of £530k which was driven by a decision to invest in staff pay beyond funded and budgeted levels and an unexpected overspend on agency staff costs. Underneath this we set KPIs for the level of central cost spend, services making a deficit contribution, agency spend and debtor days.

Reputational
This is measured by number of services under monitoring across the group. A target of less than 3 was set and we achieved a monthly average of 4 across the year. This is underpinned a significant number of quality KPIs which are measured across all services.

People
This is measured as the percentage of job vacancy levels across the workforce with a target of less than 20% - we achieved an average of 29.9% so behind the target which was the impact of well documented recruitment challenges for the Adult Social Care sector. In addition to this we track and closely monitor sickness absence and retention rates

Growth and Development
This is measured by the full year growth income achieved compared to the budgeted target. The target was £4,187k and we achieved £5,059k. This is supported by other KPI's around voids, tenders, and grants.

Financial Results for the Year Ended 31 March 2023
The income and expenditure performance of the Group in 2022/23, shows income of £50m and a deficit of £1.9m (compared to a surplus of £1.4m in the prior year).

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Total income for the year increased by £3m (6%) and expenditure has increased by £6m (13%), excluding loss on sale of fixed assets of £0.06m.

The consolidated balance sheet shows total group funds of £5.1m compared to £7.3m as at March 2022. This includes the impact of the revaluation of the Social Housing Pension Scheme (SHPS) pension asset, a reduction of £0.3m.

The deficit in 2022/23 was driven by a decision to invest in staff pay beyond funded and budgeted levels and an unexpected overspend on agency staff costs. The consolidated Group had gone into 2023/24 with a surplus budget. This is a key deliverable of the 2021/25 strategic plan and the Executive Management Team.

Reserves Policy

As part of the 2021-25 strategic planning processes conducted in 2020/21, the Avenues Group Board carried out a thorough review of the reserves requirement and policy to ensure these are adequate to support the Group going forward.

As a contract based service provider, the Avenues Group Board have concluded that the Group does not need to carry significant levels of reserves. However, the free reserves available need to be sufficient to mitigate against any significant organisational risks as identified via the risk management procedures whilst enabling the group to capitalise on opportunities and deliver the 4 year strategic plan ensuring sustainability for the future. Based on this revised reserve policy the Board has concluded that the target for free reserves should be £1.5m. This has been considered by the Audit and Risk Committee in June 2023 and deemed to be still appropriate. In additional the Group Boards have recommended a minimum cash holding of £1m.

One of the aims of the 2021/25 strategic plan is financial sustainability and the creation of free reserves which will be achieved by asset disposals and the consistent delivery of financial surpluses.

The free reserves held at the balance sheet date remain below the target set by the Board and reserves policy. Over the next three years (to year ended 31 March 2026) we expect to achieve sustainable surpluses of between 1.5-2% and realised assets to meet our reserves policy and create free reserves which will be used to build resilience to weather the social care sector storms and enable the Group to make strategic choices. During this period, we will keep the policy under review and will look to index the £1.5m in line with inflation if required.

Risks to Funding/Financial Climate

- Social care sector pressures
- Staff pay requirements – NMW and beyond
- Reliable funding sources with a relatively stable established base
- Scaling up and growth may require some upfront investment
- Cost of living/inflation

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In the event of the sudden closure/liquidation of the group any outstanding commitments and liabilities would be funded by the sale of properties.

Reserves were as follows at March 2023:	**£'000**
- General	5,142
- Designated	77
- Pension scheme	(1,397)
- Restricted	1,300
TOTAL RESERVES	**5,122**
Less unrestricted tangible fixed assets held for charities' own use	(8,281)
Add pension scheme	1,397
Less restricted reserves	(1,300)
Less designated reserves	(77)
FREE RESERVES (Deficit)	**(3,139)**

Free reserves are therefore NIL.

Tangible fixed assets are stated after netting off capital grant liability.

Restricted funds do not form part of general reserves as these have been received from funders/donors for specific projects/purposes and are therefore not freely available for use by the group.

£77k of designated reserves relate to a legacy left to Avenues in relation to a person supported at Chelsham Lodge. The trustees have decided that the legacy should be used for this person, as such a designated fund has been set up.

£8,281k related to amounts invested in fixed assets and these reserves can only be realised on disposal.

Subsidiaries
This reserves policy is established at a Group level.

Liquidity and Working Capital
Whilst the reserves policy sets a target for free reserves it is recognised that this does not create liquidity within the group and the Board would also like to address this and have set a target for this of £1m which has not been met in 2022-23. The group will continue to work to improve its position to build sustainable services and grow the charity.

The current working capital position of the group is:
(£0.6m) (2021/22 £2.5m)

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Going Concern

The primary objective for 2022/23 was to continue to improve the financial strength of the group to capitalise on future opportunities and build long term sustainability. In order to achieve this a number of initiatives have been undertaken during 2022/23:

- Increased focus on recruitment and retention to lower dependency on agency
- Improvement in pay packages offered to employees over and above funded levels
- Increased scrutiny around void levels and loss making services across the group
- Focus on growth opportunities

The above measures and increased scrutiny around monthly financial results and deviation from budgets mean that we expect to return to a surplus in 2023/24.

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

Avenues holds a significant number of long term contracts and provides a very high quality of service provision, which ensures continued success in securing new contracts and retaining existing ones. With this in mind, whilst there are significant challenges within the sector, particularly around recruitment of staff, Avenues is well placed for the future.

Future Developments

2023/24 is the third year of our strategy for 2021-25, 'Building Better Lives Together', which sets out our renewed ambition to ensure that we will continue to provide our unique support for the long term; and offer it to more people, in more places.

Our approach will remain centred on supporting more people with learning disabilities and/or autism whose behaviour challenges, while ensuring ongoing quality of services for those we already work with.

This commitment to quality will be supported by our renewed relationship with the University of Kent, particularly around training in positive behavioural support and active support. Getting these areas right is essential to our aspiration of delivering increasingly high-quality services for people with the most complex needs.

Recruitment and retention of a high quality workforce in the sector and for the Group remains an ongoing challenge. We are facing a highly competitive labour market across all sectors including social care and competition for good staff is high. Despite 2 pay awards during 2022/23 and an increase in National Minimum wage from April 23 recruitment is extremely challenging and vacancy rates remain high and as a result we have seen an increased spend in agency costs in 2022/23.

We anticipate these challenges will continue into 2023/24 and beyond. Avenues continues to raise the challenges of pay and recruitment with our commissioners and with central government.

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Whilst core growth and void filling remain high on the agenda, we are also looking to generate other income streams through grants, fundraising and legacies. 2023/24 will see us expand into new geographies and strengthen our connection with the health sector.
In addition, we will continue to explore all cost saving initiatives to ensure efficiencies across all functions. We are increasing the use of digital solutions and the aspiration of operating paperless offices as far as practicable. We have completed our front line digital roll out programme giving digital access to all services to provide more efficient support. Our workforce have embraced this change and are excited for future changes. In 2023/24 we are embarking on a programme of work to upgrade our central core systems to further improve processes and drive efficiencies.

Avenues provides high-quality, cost effective and successful community-based alternatives to institutional care. As well as hugely improving people's quality of life, we offer rewarding long-term employment and careers. People are at the centre of everything we do.

These are challenging times for society and the sector, but we are confident that we have the strategy and people in place to become even more resilient and deliver our vision to more people who need our unique support.

The Trustees' Report 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 on 17th October 2023 and signed on its behalf by:

DocuSigned by:
Terry Rich
A47F8403F28949C...
Terry Rich
Chair
Date: 17th October 2023

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THE AVENUES TRUST GROUP

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2023

The trustees (who are also directors of The Avenues Trust Group for the purposes of company law) are responsible for preparing the Trustees' Annual Report including the incorporated Strategic 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 the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable Group 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 Group 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 Group and 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 Group and 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 group'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.

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THE AVENUES TRUST GROUP

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE AVENUES TRUST GROUP

Opinion

We have audited the financial statements of The Avenues Trust Group (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Cash Flow Statements 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 group's and the parent charitable company's affairs as at 31 March 2023 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We have been appointed auditors under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent 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.

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Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report, 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 group and the parent charitable company and their 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 by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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 22, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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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.

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 group audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory frameworks that the group and parent charitable company operate in and how the group and parent charitable company are 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 parent 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.

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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 group is in compliance with these law and regulations and inspected correspondence with regulatory authorities.

The group 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 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 estimates.

A further description of our responsibilities for the audit of the financial statements is provided 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 27 October 2023

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THE AVENUES TRUST GROUP
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Including Consolidated Income & Expenditure Account)
FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Unrestricted General Funds £'000	Unrestricted Pensions £'000	Restricted Funds £'000	Total 2023 £'000	Total 2022 £'000
INCOME FROM:						
Donations and Legacies						
Donations	3	11	-	1	12	20
Charitable Activities:						
Provision of care and housing services		11,504	-	-	11,504	9,904
Provision of care to young people		1,377	-	-	1,377	1,303
Services to Adults		34,643	-	-	34,643	32,634
Services to Older People		2,075	-	-	2,075	1,874
		49,599	-	-	49,599	45,715
Other trading activities	3	136	-	-	136	115
Other		138		-	138	1,169
Total Income		**49,884**	**-**	**1**	**49,885**	**47,019**
EXPENDITURE ON:						
Charitable activities:						
Provision of care and housing services	4	12,556	-	-	12,556	10,343
Provision of care to young people	4	1,422	-	-	1,422	1,200
Services to Adults	4	35,626	-	-	35,626	32,314
Services to Older People	4	2,090	-	-	2,090	1,791
		51,694	-	-	51,694	45,648
Loss/(gain) on sale of assets		65			65	(17)
Total Expenditure		**51,759**	**-**	**-**	**51,759**	**45,631**
Net (expenditure)/income	5	**(1,875)**	**-**	**1**	**(1,874)**	**1,388**
Transfer between funds	13	(283)	283		-	-
Remeasurement of defined benefit pension schemes	16	-	(282)	-	(282)	582
Net movement in funds		**(2,158)**	**1**	**1**	**(2,156)**	**1,970**
Reconciliation of funds:						
Fund balances brought forward	14	7,377	(1,398)	1,299	7,278	5,308
Fund balances carried forward		**5,219**	**(1,397)**	**1,300**	**5,122**	**7,278**

The notes on pages 31 to 55 form part of these financial statements.

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THE AVENUES TRUST GROUP
CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2023
COMPANY NO: 03804617

	Notes	2023	2022
		£'000	£'000
FIXED ASSETS			
Tangible assets	8	12,250	10,757
Intangible assets	9	308	116
		12,558	**10,873**
CURRENT ASSETS			
Debtors	11	4,611	4,453
Cash at bank and in hand		277	2,356
		4,888	**6,809**
CREDITORS falling due within one year	12	(5,445)	(4,319)
NET CURRENT ASSETS		**(557)**	**2,490**
CREDITORS falling due in more than one year	12	(5,482)	(4,687)
NET ASSETS EXCLUDING PENSION LIABILITY		**6,519**	**8,676**
Pension scheme liability	16	(1,397)	(1,398)
NET ASSETS	14	**5,122**	**7,278**
FUNDS			
Unrestricted funds:			
General funds	13	5,142	7,300
Designated fund	13	77	77
Pension scheme funding reserve	13	(1,397)	(1,398)
		3,822	**5,979**
Restricted funds	13	1,300	1,299
TOTAL FUNDS	14	**5,122**	**7,278**

The notes on pages 31 to 55 form part of these financial statements.

The financial statements were approved and authorised for issue by the Board of Trustees on 17th October 2023 and were signed on its behalf by:

Terry Rich
Chair

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Terry Rich
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THE AVENUES TRUST GROUP
COMPANY BALANCE SHEET
AS AT 31 MARCH 2023
COMPANY NO: 03804617

	Notes	2023 £'000	2022 £'000
FIXED ASSETS			
Tangible assets	8	272	236
Intangible assets	9	308	116
		580	352
CURRENT ASSETS			
Debtors	11	5,328	1,643
Cash		104	1,550
		5,432	**3,193**
CREDITORS falling due within one year	12	(6,023)	(3,684)
NET CURRENT LIABILITIES		**(591)**	**(491)**
CREDITORS falling due in more than one year			
		(138)	-
NET LIABILITIES		**(149)**	**(139)**
FUNDS			
Unrestricted funds:			
General reserve	13	(1,068)	(1,058)
Designated fund	13	2	2
		(1,066)	**(1,056)**
Restricted funds	13	917	917
DEFICIT	14	**(149)**	**(139)**

As permitted by section 408 of the Companies Act 2006, the parent charity's Statement of Financial Activities (including Income and Expenditure) has not been included in these financial statements. The parent charity's result for the year was a deficit of £10k (2022: deficit of £26k).
Included in the parent charity's result for the year is a profit of £20k gift aided by Avenues Management services Limited (AMSL) to the Trust under the deed of covenant.

The notes on pages 31 to 55 form part of these financial statements.

The financial statements were approved and authorised for issue by the Board of trustees on 17th October 2023 and were signed on its behalf by:

Terry Rich
Chair

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Terry Rich
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THE AVENUES TRUST GROUP
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

		2023	2022
Cashflow from operating activities		**£'000**	**£'000**
Net cash used in operating activities		(1,372)	-
Interest paid		(50)	-
Net cash (used in)/generated from operating activities	**(a)**	(1,422)	1,145
Cashflow from investing activities:			
Purchase of intangible fixed assets		(279)	(88)
Purchase of tangible fixed assets		(2,246)	(1,441)
Sale of tangible fixed assets		46	223
Net cash provided by/(used in) investing activities		(2,479)	(1,306)
Financing:			
Repayments against unsecured loans		(59)	(3)
Payment of KCC loan		-	(33)
Proceeds of new bank loan		1,112	273
Net cash outflow from financing		1,053	237
(Decrease)/increase in cash in the year		**(2,848)**	**76**
Change in cash and cash equivalents in the reporting period		**(2,848)**	**76**
Cash and cash equivalents at the beginning of the reporting period		2,356	2,280
Cash and cash equivalents at the end of the reporting period	**(b)**	**(492)**	**2,356**

(a) Reconciliation of net income to net cash flow from operating activities:	2023 **£'000**	2022 **£'000**
Net income	(1,874)	1,388
Finance costs	50	
Net movement in pension provision	(283)	(314)
Loss on disposal of tangible fixed assets	65	(17)
Depreciation charges	653	567
Amortisation of intangible fixed assets	76	42
Net movement in creditors (less debtors)	(59)	(523)
Net cash used in operating activities	**(1,372)**	**1,143**

(b) Analysis of cash and cash equivalents:		
Overdraft facility repayable on demand	(769)	-
Cash at bank and in hand	277	2,356
Total cash and cash equivalents	**(492)**	**2,356**

(c) Analysis of changes in net debt	**Brought forward £'000**	**Cash flows £'000**	**Carried forward £'000**
Cash at bank and in hand	2,356	(2,079)	277
Bank overdrafts	-	(769)	(769)
Borrowings excluding overdrafts	(270)	(1,053)	(1,323)

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1) Accounting Policies

The Avenues Trust Group 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 second edition October 2019)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006, except for the treatment of Avenues South social housing grants which would normally be shown through the Statement of Financial Activities. The group has departed from the Charities SORP (FRS 102) and maintained the accounting treatment set out in Housing SORP 2018 (Statement of Recommended Practice for social housing providers) which is followed by Avenues South, where government grants are recognised in income using the accruals model and recognised over the life of the underlying asset when housing properties are measured at cost.

Amounts not recognised in income are shown as creditors as deferred capital grants. The trustees consider that this is the appropriate policy to use in the consolidated financial statements.

The Avenues Trust Group 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 parent 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 parent 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 33 'Related Party Disclosures' – Compensation for company key management personnel.

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

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b) Preparation of the accounts on a going concern basis

The Avenues Trust Group has had operational surplus of £1.4m in 2021/22 and loss of £1.9m in 2022/2023. As at March 2023, reserves stood at £5.1m, with negative net working capital of £0.56m. The 2022/23 results include a £65k loss on disposal on sale of an NHS property (37 Brookside).

Going into 2023/24, there is continuous focus on recruitment and retention to lower dependency on agency; Improvement in pay packages offered to employees over and above the funded levels, increased scrutiny around void levels and loss-making services across the group.
These measures and coupled with the increased scrutiny around monthly financial results and targeted growth across the Group will continue to build a sustainable future.

Avenues holds a significant number of long term contracts and provides a very high quality of service provision, which ensures continued success in securing new contracts and retaining existing ones. Whilst there are significant challenges within the sector, particularly around recruitment of staff, Avenues is well placed for the future.

The Group is considered to be going concern because of the aforementioned and in addition, the Group has an overdraft facility of £1.5m. There is a longstanding and positive relationship with Barclays and although this facility could be withdrawn at any time, this risk does not pose any serious threat or concern.

c) Group financial statements

The financial statements consolidate the results of the charity and its subsidiaries on a line by line basis. Control is determined when the charity controls over 50% of the voting rights, or has the ability to appoint or remove a majority of board members. A separate Statement of Financial Activities and Income and Expenditure account for the charity has not been presented because Avenues has taken advantage of the exemption afforded by Section 408 of the Companies Act 2006.
The result of all subsidiaries covers a full 12 month period up to 31 March 2023.

d) Income

Income is recognised when the group 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 – see policy (e)) or 'revenue' grants, are 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 and not deferred.

Income received in advance of a service is deferred until the criteria for income recognition are met (Note 12). Income is measured at the fair value of the consideration receivable.
Legacy income is recognised at the earlier of the charity being notified of a distribution or the receipt of a legacy, or when the receipt of the legacy is determined to be measurable and probable.

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e) Capital grants in respect of social housing properties

All Social Housing Capital grants are recognised under the accrual model. Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred it is recognised under creditors after more than one year separately as capital grant and not deducted from the carrying amount of the asset.

f) 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;

Tablets, laptops, and computers	33% per annum on cost
Office equipment	15-25% per annum on cost
Furniture and equipment	15-25% per annum on cost
Furniture and equipment (River House)	10% per annum on cost
Specialist equipment	15% per annum on cost
Motor vehicles	25% per annum on cost
Freehold Land	0%
Freehold Buildings and offices	2% per annum on cost
Leasehold properties	Over the term of the lease

Depreciation of an asset commences from the point the asset is brought into use.
The groups' policy is to capitalise all assets over £500.
Asset values and consideration of any impairments needed are reviewed on an annual basis.

Barclays Bank Plc holds a charge over the group as security for the Groups' overdraft.

g) Intangible assets and amortisation

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

Software	20% per annum on cost

h) Employee benefits policy

The costs of short-term employee benefits are recognised as a liability and an expense. The best estimate of the expenditure required to settle obligation for termination of benefits is recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

i) Pension costs

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

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The Avenues Trust Group also participates in an unfunded pension scheme operated by the National Health Service. The contributions to this scheme, as advised by the scheme administrator, are charged to the Consolidated Statement of Financial Activities as they fall due.

The group also contributes to the defined benefit Social Housing Pension Scheme (closed to future accrual). Contributions are charged to the Consolidated Statement of Financial Activities in the period to which they relate. As at 31 March 2020 the schemes actuaries provided each employers organisation with its defined benefit liability together with comparative information as at 31 March 2019. The scheme treated as a defined benefit scheme in accordance with FRS102.

The Avenues Trust Group previously has employees who were members of the Kent County Council defined benefit pension scheme. The assets of the scheme are held separately from those of the group. Avenues South East officially withdrew from the scheme on 1 April 2015 and as such no further contributions are being made. The withdrawal from the scheme resulted in the crystallisation of a liability of £231k. It was agreed to pay this over a period of seven years, attracting interest of £23k. The interest has now been fully paid and was recognised in the statement of financial activities evenly over a seven year period.

The pension schemes are disclosed in Note 16.

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

k) 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.

l) 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.

m) 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.

n) 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

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Act 1992 are exempt from corporation tax to the extent that they are applied to its charitable objectives.

o) 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.

p) 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. In the cash flow statement, cash and cash equivalents are shown net of bank overdrafts, which are included as current borrowings in liabilities on the balance sheet.

q) 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.

r) Financial Instruments

The trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

s) Management estimates and judgements

In the process of applying its accounting policies, The Avenues Trust Group 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. The assumptions applied to the pension have the potential to materially impact the pension liability position and therefore have been reviewed with the Groups pension advisors and management consider they are reasonable. Upon acquisition of Avenues South, the properties were revalued and held at Fair Value in the Group accounts and, as at March 2020, were assessed for impairment and as result an adjustment was made to ensure they are carried at an appropriate value. The properties are reviewed annually for indications of impairment, no adjustment to the carrying value of the properties is considered necessary at 31 March 2023.

DocuSign Envelope ID: 5D2C8A96-A0A6-4A92-A003-343870CD43F3

2) Financial performance of the charity

The consolidated statement of financial activities includes the results of the charity's wholly owned subsidiaries (note 17)

The summary performance of the charity alone is:	2023 £000s	2022 £000s
Income from donations and Legacies	-	115
Income from charitable activities	136	-
	136	115
Expenditure on charitable activities	(166)	(141)
Profit received from AMSL through deed of covenant	20	-
Net (Expenditure)	**(10)**	**(26)**
Total funds brought forward	(139)	(113)
Total funds carried forward	**(149)**	**(139)**
Represented by:		
Restricted income funds	917	917
Unrestricted income funds	(1,086)	(1,056)
Profit received from AMSL through deed of covenant	20	-
Total	**(149)**	**(139)**

Included in the fund balance there is £20k relating to profit gift aided by the AMSL subsidiary to the trust under the deed of covenant.

3) Income

	2023 £000s	2022 £000s
Donations and Legacies		
Other Donations	12	20
	12	**20**
Other trading income		
Contribution towards training costs	4	15
Other Income	132	100
	136	**115**

Income from Donations and legacies was £12k (2022: £20k), of which £1k was restricted in 2023 and all the rest unrestricted. Income from Charitable activities was £49,599k (2022: £45,715k) all of which was unrestricted in both years.

Covid Support Grant received £nil, (2022: £1,247k).

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4) Expenditure

	Direct Costs £000s	Support Costs £000s	2023 Total £000s	2022 Total £000s
Charitable Activities				
Provision of care and housing services	11,289	1,332	12,621	10,326
Provision of care to young people	1,274	148	1,422	1,200
Services to Adults	31,556	4,070	35,626	32,314
Services to Older People	1,864	226	2,090	1,791
2023 Totals	**45,983**	**5,776**	**51,759**	
2022 Totals	**40,434**	**5,197**		**45,631**

Expenditure on charitable activities of £51,694k (2022; £45,648k) was all attributed to unrestricted funds. This balance does not include pension re-measurement adjustments of (£282k) (2022: £582k) and loss on sales of assets of £65k (2022; profit £17k).

Analysis of governance and support costs

The Avenues Trust Group 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.

	General support £000s	Governance function £000s	2023 Total £000s	2022 Total £000s
EMT and Governance	1,116	111	1,227	1,249
Group Finance	1,861	-	1,861	1,521
Group Human Resources	1,237	-	1,237	1,197
Group Office Management	903	-	903	789
Group Practice Development and Assurance	548	-	548	441
Total	**5,665**	**111**	**5,776**	**5,197**

5) Net income for the year is stated after charging:

	2023 £'000	2022 £'000
Depreciation of tangible fixed assets	653	568
Amortisation	76	43
External Audit	100	84
Internal Audit	12	8
Operating lease charges for motor vehicles and equipment	69	107
Operating lease charges for land and buildings	1,284	1,303
Interest paid	51	21
Loss/(gain) on disposal of assets	65	(17)

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6) Trustees' remuneration

The trustees are the directors of the company. During the year, 6 (2022: 4) member(s) of the Board have been reimbursed for expenses £2.5k (2022: £3k).

J Land, Chief Executive, is also a Trustee of Avenues Trust Group. During the 2022/23 financial year she received £149k (2022: £148k) in remuneration including £12k of pension contributions (2022: £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 2022/23 financial year she received £111k (2022: £110k) in remuneration including £8k of pension contributions (2022: £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 (2022: £0.5k) which is a collective premium to cover Trustees Liability and insurance.

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

7) Staff costs and key management personnel

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

	2023 No.	2022 No.
£60k - £70k	4	4
£80k - £90k	5	5
£110k - £120k	1	1

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

	No. 2023	No. 2022	FTE 2023	FTE 2022
Office staff	144	154	143	144
Care staff	750	719	757	724
Part-time support staff	474	444	389	364
Bank contract staff	556	627	-	-
	1,924	**1,944**	**1,289**	**1,232**

The difference between the total number of staff and the FTEs is due to a number of staff being employed on "Bank" contracts, whereby they have an employment contract with Avenues but work irregular shifts as and when they are needed and are not included within FTE's.

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Staff costs - Group	2023 £'000	2022 £'000
Wages and salaries	36,455	33,514
Social security costs	2,830	2,617
Pension costs (Per Note 16)	935	921
Agency staff costs	2,764	1,236
	42,984	**38,288**

The key management personnel of the Group comprise the trustees including the Group Chief Executive, Group Director 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 total employee benefits of the key management personnel were as follows:

	2023 £'000	2022 £'000
Wages and salaries	570	607
Social security costs	81	80
Pension costs	58	53
	709	**740**

The exemption available for parent companies under FRS102 has been taken, therefore Charity only figures for key management personnel remuneration have not been disclosed.

8) Tangible fixed assets – Group

	Freehold Housing Properties £'000	Freehold Offices £'000	Long leasehold properties £'000	Furniture and Equipment £'000	Motor Vehicles £'000	Office Equipment £'000	Total £'000
Cost							
At 1 April 2022	9,485	-	1,385	3,862	29	166	**14,927**
Additions	1,804	-	122	235	-	96	**2,257**
Disposals	(170)	-	-	(7)	-	-	**(177)**
At 31 MARCH 2023	11,119	-	1,507	4,090	29	262	**17,007**
Depreciation							
At 1 April 2022	964	-	-	3,011	29	166	**4,170**
Charge for year	168	-	18	228	-	82	**496**
Charge for year - grant (Note 12)	157	-	-	-	-	-	**157**
Disposals	(60)	-	-	(6)	-	-	**(66)**
At 31 MARCH 2023	1,229	-	18	3,233	29	248	**4,757**
Net book value							
At 31 MARCH 2023	**9,890**	**-**	**1,489**	**857**	**-**	**14**	**12,250**
At 31 March 2022	8,521	-	1,385	851	-	-	10,757

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8) Tangible fixed assets – Charity

	Furniture and Equipment £'000	Total £'000
Cost		
At 1 April 2022 as previously stated	1,188	**1,188**
Adjustment (see note below)	11	**11**
	1,199	1,199
Additions	122	**122**
At 31 MARCH 2023	**1,321**	**1,321**
Depreciation		
At 1 April 2022	952	**952**
Charge for the year	97	**97**
At 31 MARCH 2023	**1,049**	**1,049**
Net book value		
At 31 MARCH 2023	**272**	**272**
At 31 March 2022	**236**	**236**

The cost of furniture and equipment has been restated to transfer cost of equipment relating to the digitalisation project from intangible assets

NHS Charge

The NBV of some of the Housing properties above are subject to an NHS charge.
The NHS transferred the freehold of 23 properties to Avenues South in 1995 resulting in a legal charge against them; which is registered at the land registry on the freeholds. Consequently, should Avenues South choose to use the properties other than for care services, or sell the properties, Avenues South will have to pay back the current market value (or sale proceeds) to the NHS.

There is an offsetting capital grant creditor of £4,277k (2022 £4,434k). (See note 12).

Long Leasehold

All long leasehold properties have remaining leases of between 82 and 114 years.

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9) Intangible assets – Group and Charity

	People Planner	Digitalisation Project	Total
	£'000	£'000	£'000
Cost			
At 1 April 2022 as previously stated	90	160	250
Adjustment (see below)	-	(11)	(11)
At 1 April 2022 - revised	90	149	239
Additions	-	279	279
At 31 MARCH 2023	**90**	**428**	**518**
Amortisation			
At 1 April 2022	90	44	134
Charge for year	-	76	76
At 31 MARCH 2023	**90**	**120**	**210**
Net book value			
At 31 MARCH 2023	**-**	**308**	**308**
At 31 March 2022	-	116	116

Amortisation of software has been charged to central overheads which is then allocated across the charitable activities on a staff costs basis.

The cost of the digitalisation project has been restated to transfer cost of equipment relating to the project to tangible assets.

10) Investments in subsidiary undertakings

The group holds an investment in Avenues South of £8 (2022: £8) and Avenues Management services Limited £1(2022: £1) both of which are equivalent to the entire share capital of the subsidiaries.

11) Debtors

	Charity		Group	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Contract fees receivable	-	-	2,546	3,003
Other debtors	80	332	236	383
Prepayments and accrued income	550	281	1,829	1,067
Amounts due from subsidiary undertakings	4,698	1,030	-	-
	5,328	**1,643**	**4,611**	**4,453**

Included within Other Debtors are amounts totalling £160k (2022: £160k) relating to a rental deposit falling due after more than one year.

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12) Creditors

	Charity		Group	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Bank overdraft	435	-	769	-
Trade creditors	-	-	1,341	438
Other taxation and social security	197	227	1,467	1,203
Other creditors	29	34	400	256
Deferred income	-	-	386	853
Accrued expenditure	72	112	964	1,552
Intercompany	5,244	3,311	-	-
Loan falling due within one year	46	-	118	17
	6,023	**3,684**	**5,445**	**4,319**

Movements in deferred income:	£'000	£'000
Deferred income at the beginning of the year	853	1,064
Income recognised in the year	(853)	(1,064)
Income deferred in the current year	386	853
Income deferred at the year end	**386**	**853**

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

Creditors falling due in more than one year
Capital grants

	2023	2022
	£'000	£'000
Capital Grant at 1 April	(4,434)	(4,598)
Opening Grant Adjustment	-	16
Grant release current year	157	148
Capital Grant at 31 March	**(4,277)**	**(4,434)**
Bank Loan		
Due within 2 -5 years	(425)	(68)
Due over 5 years	(780)	(185)
	(1,205)	**(253)**
Total long term Creditors	**(5,482)**	**(4,687)**

A capital grant was received to purchase NHS properties in 1995. No further capital grants were received during the year.
The grants are amortised over the same period over which the housing properties are depreciated.
Bank loan relates to:
The purchase of 3 new properties (Beresford Garden, Smock Acre, Westbrook) in addition to Colman Stairs that were previously under a lease agreement. The loans are secure to these properties.
The purchase of software licences over a period of 5 years.

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13) Statement of Funds

Group:	2022	Income	Expenditure	Transfers	FRS 102 Pension Adj	2023
	£'000	£'000	£'000	£'000	£'000	£'000
Unrestricted funds:						
General reserve	7,377	49,884	(51,759)	(283)	-	**5,219**
Pension reserve	(1,398)	-	-	283	(282)	**(1,397)**
Restricted funds:						
Active Communities Fund	11	-	-	-	-	**11**
Big Lottery	12	-	-	-	-	**12**
Community Futures other restricted funds	176	-	-	-	-	**176**
Dementia Services	-	-	-	-	-	**-**
Disability Focus Day	11	-	-	-	-	**11**
Disability Sports Project	22	-	-	-	-	**22**
Employment Service	15	-	-	-	-	**15**
Leisure activities in Avenues East	38	-	-	-	-	**38**
Hope House holiday Fund	4					**4**
Partnership Working	9	-	-	-	-	**9**
Disability Forum for Suffolk	4	-	-	-	-	**4**
Teaming Up	62	-	-	-	-	**62**
Garden Fund	10	-	-	-	-	**10**
Brighton road	730	-	-	-	-	**730**
Copse Hill	92	-	-	-	-	**92**
Other restricted projects	77	-	-	-	-	**77**
CSU Donations	16	1	-	-	-	**17**
Furniture Fund - Squirrel Lodge	10					**10**
	1,299	**1**	**-**	**-**	**-**	**1,300**
Total funds	**7,278**	**49,885**	**(51,759)**	**-**	**(282)**	**5,122**

Previous year balances	2021	Income	Expenditure	Transfers	FRS 102 Pension Adj	2022
General reserve	6,306	45,928	(44,559)	(298)	-	**7,377**
Pension reserve	(2,294)	-	-	314	582	**(1,398)**
Restricted funds:						
Active Communities Fund	11	-	-	-	-	**11**
Big Lottery	12	-	-	-	-	**12**
Community Futures other restricted funds	218	-	-	(42)	-	**176**
Dementia Services	2	-	-	(2)	-	**-**
Disability Focus Day	11	-	-	-	-	**11**
Disability Sports Project	23	-	-	(1)	-	**22**
Employment Service	10	-	-	5	-	**15**
Leisure activities in Avenues East	35	-	-	3	-	**38**
Hope House holiday Fund	-	-	-	4	-	**4**
Partnership Working	9	-	-	-	-	**9**
Disability Forum for Suffolk	-	-	-	4	-	**4**
Teaming Up	63	-	-	(1)	-	**62**
Garden Fund	5	-	-	5	-	**10**
Brighton road	730	-	-	-	-	**730**
Copse Hill	92	-	-	-	-	**92**
Other restricted projects	75	-	-	2	-	**77**
CSU Donations	-	9	-	7	-	**16**
Furniture Fund - Squirrel Lodge	-	10	-	-	-	**10**
Covid19 Support Grant	-	1,072	(1,072)	-	-	**-**
	1,296	**1,091**	**(1,072)**	**(16)**	**-**	**1,299**
Total funds	**5,308**	**47,019**	**(45,631)**	**-**	**582**	**7,278**

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13) Statement of funds (continued)

The main funds are as follows:
The general reserve represents the unrestricted, designated and restricted funds of the group.
The Pension reserve represents the deficit on the defined benefit pension schemes as calculated using FRS102 methodology. The restricted funds are monies received from funders for the specific projects/purposes described above.
The restricted fund of the parent charitable company is represented by the Active Communities Fund.

1 The Active Communities Fund has been generated through a number of events and donations to support activities in the community.
2 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.
3 The Community Futures other restricted funds is a grouping of smaller grants for the provision of support for community opportunities and activities.
4 The Dementia services restricted fund relates to the remaining balance of a grant from the London Borough of Sutton to fund equipment in a library for people with dementia.
5 Disability Focus Day fund is restricted to supporting the costs of organising a forum for representatives from disability and statutory organisations across Suffolk.
6 Disability Sports Project. The funds is to provide sport and physical activities for young people and adults with disabilities.
7 The Employment Service Fund is restricted to helping young people to gain work experience or volunteering enabling them to gain valuable life skills
8 The Leisure funds are restricted to the various leisure activities provides by Avenues East particularly swimming sessions.
9 The Hope House Holiday fund represents a fund raised towards the provision of an annual holiday for the residents.
10 The Partnership Working fund is restricted to supporting initiatives for user involvement in multi-agency working to promote the inclusion of disabled people.
11 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.
12 The Teaming Up fund is restricted to various Teaming Up activities provided by Avenues East.
13 The Garden Fund provided by Santander is for the renovation of a Garden at Wilson Avenue.
14 Brighton road. This fund is a specific legacy settled on this service. The fund is to be applied to the service and cover all support and running costs
15 Copse Hill; this fund is a specific legacy to this service. The fund is to be used by the service to cover some support and running costs
16 Other restricted grants are comprised of a number of individually immaterial funds.
17 CSU Donations is community support donation restricted to helping disabled people to take part in social activities, for examples games and pub quiz.
18 Furniture Fund - Squirrel Lodge to use for furniture and fitting at Squirrel Lodge
19 Covid19 Support Grant specific to cover support cost that is linked to covid safety

DocuSign Envelope ID: 5D2C8A96-A0A6-4A92-A003-343870CD43F3

13) Statement of funds (continued)

Parent Charity :	1 April 2022 £'000	Income £'000	Expenditure £'000	Transfers £'000	31 March 2023 £'000
Designated fund	**2**	**-**	**-**	**-**	**2**
General reserve	(1,058)	136	(166)		**(1,088)**
Profit gift aided by subsidiary	-	20	-	-	**20**
	(1,058)	**156**	**(166)**	**-**	**(1,068)**
Restricted funds					
Active Communities funds	11	-	-	-	**11**
Community Futures other restricted funds	32	-	-	-	**32**
Brighton Road	730	-	-	-	**730**
Other projects	144	-	-	-	**144**
	917	**-**	**-**	**-**	**917**
Total funds	**(139)**	**156**	**(166)**	**-**	**(149)**

Parent Charity :	1 April 2021 £'000	Income £'000	Expenditure £'000	Gains/ Losses & Transfers £'000	31 March 2022 £'000
Designated fund	2	-	-	-	**2**
General reserve	(1,021)	(11)	115	(141)	**(1,058)**
Restricted funds					
Active Communities funds	11	-	-	-	**11**
Community Futures other restricted funds	32	-	-	-	**32**
Brighton Road	730	-	-	-	**730**
Other projects	133	11	-	-	**144**
	906	11	**-**	**-**	**917**
	(113)	**-**	**115**	**(141)**	**(139)**

Negative reserve in both years, if there continue to be more negative reserve in 2023/24, intra-group debt equalisation will be considered.

DocuSign Envelope ID: 5D2C8A96-A0A6-4A92-A003-343870CD43F3

14) Analysis of net assets between funds

GROUP	Restricted Funds	Unrestricted Funds	2023 Total
Fund balances at 31 March 2023 are represented by:	**£'000**	**£'000**	**£'000**
Tangible fixed assets	-	12,250	12,250
Intangible assets	-	308	308
Current assets	1,300	3,588	4,888
Current liabilities	-	(5,445)	(5,445)
Long term liabilities	-	(5,482)	(5,482)
TOTAL FUNDS BEFORE PENSION LIABILITY	**1,300**	**5,219**	**6,519**
Pension scheme liability	-	(1,397)	(1,397)
TOTAL FUNDS INCLUDING LIABILITY ON PENSION SCHEME RESERVE	**1,300**	**3,822**	**5,122**

Analysis of group net assets between funds - previous year

Fund balances at 31 March 2022 are represented by:			
Tangible fixed assets	-	10,757	10,757
Intangible assets	-	116	116
Current assets	1,299	5,510	6,809
Current liabilities	-	(4,319)	(4,319)
Long term liabilities	-	(4,687)	(4,687)
TOTAL FUNDS BEFORE PENSION LIABILITY	**1,299**	**7,377**	**8,676**
Pension scheme liability	-	(1,398)	(1,398)
TOTAL FUNDS INCLUDING LIABILITY ON PENSION SCHEME RESERVE	**1,299**	**5,979**	**7,278**

Analysis of parent charity net assets between funds

	Restricted Funds	Unrestricted Funds	Total
Fund balances at 31 March 2023 are represented by:	**£'000**	**£'000**	**£'000**
Tangible fixed assets	-	272	272
Intangible assets	-	308	308
Current assets	917	3,752	4,669
Current liabilities	-	(5,260)	(5,260)
Long term liabilities	-	(138)	(138)
TOTAL FUNDS	**917**	**(1,066)**	**(149)**
Fund balances at 31 March 2022 are represented by:			
Tangible fixed assets	-	236	236
Intangible assets	-	116	116
Current assets	917	2,276	3,193
Current liabilities	-	(3,684)	(3,684)
TOTAL FUNDS	**917**	**(1,056)**	**(139)**

DocuSign Envelope ID: 5D2C8A96-A0A6-4A92-A003-343870CD43F3

15) Operating leases

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

	2023	2022
Land and Buildings	**£'000**	**£'000**
Amounts due:		
Within one year	655	664
Between two and five years	1,702	1,356
Beyond five years	415	487
	2,772	**2,507**

Vehicles & equipments	**2023**	**2022**
Amounts due:	**£'000**	**£'000**
Within one year	10	49
Between two and five years	-	10
	10	**59**

Parent only	**2023**	**2022**
Land and Buildings	**£'000**	**£'000**
Amounts due:		
Within one year	-	-
Between two and five years	-	-
	-	**-**

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16) Pension obligations

The Avenues Trust Group 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 group for the year ended 31 March 2023 in respect of pension contributions, which have been allocated between resources expended categories in proportion to staff costs and charged to the Consolidated Statement of Financial Activities as appropriate, are as follows;

	2023	2022	**2023**	2022
	£'000	£'000	**No.**	No.
Pensions Trust SHPS	912	896	1,095	1,217
NHS Pension	19	20	7	8
Pensions Trust - The Growth Plan	4	5	5	7
Per Note 7	935	921	1,107	1,232

There are three main schemes remaining with the majority of staff contributing to the defined contribution scheme with The Pensions Trust. This is the Social Housing Pension Scheme (SHPS). In addition, there is a closed scheme, also within the SHPS and administered by The Pension Trust. The last scheme is the NHS Pension with details shown below.

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.

National Health Service (closed Scheme)

The NHS operates an unfunded defined benefit scheme for the nursing sector, in which The Avenues Trust Group participates. The Avenues Trust Group is granted permission by the Secretary of State to be able to contribute to the cost of the scheme as a 'Directed Employer' (an employer that can continue to have non NHS employed staff as members of the NHS pension scheme).

The cost represents the contributions advised by the NHS Pensions Agency. The Avenues Trust Group is not liable for past service costs beyond these contributions. Contributions increased to 14% from 1 April 2005.

The Pensions Trust - The Social Housing Pension Scheme

The Social Housing Pension (SHPS) auto enrolment 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. This scheme also includes a defined benefit obligation although all employees have been transferred to the defined contribution scheme.

The Pensions Trust - The Growth Plan (closed scheme)

The group participates in the SHPS scheme, a multi-employer scheme which provides benefits to employees of some 900 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

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16) Pension obligations (continued)

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 group 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 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:

From 1 April 2022 to 31 January 2025	£3,312,000 per annum (payable monthly)

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 £926m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee has asked participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

Deficit contributions	
From 1 April 2019 to 30 September 2025:	£11,243,000 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.

PRESENT VALUES OF PROVISION	**2023**	**2022**
	£'000	**£'000**
Present value of provision - Avenues East	7	12
Total group provision	**7**	**12**

Avenues South East and Avenues South SHPS Pensions schemes are administered by TPT however the obligations for these schemes are now shown later in Note 16.

DocuSign Envelope ID: 5D2C8A96-A0A6-4A92-A003-343870CD43F3

16) Pension obligations (continued)

Reconciliation of opening and closing provisions

	2023 £'000	2022 £'000
Provision at start of period	12	45
Unwinding of the discount factor (interest expense)	-	-
Deficit contribution paid	(5)	(11)
Remeasurements:		
- impact of any change in assumptions	-	-
- amendments to the contribution schedule	-	(22)
Provision at end of period	7	12

Income and expenditure impact

	2023 £'000	2022 £'000
Interest expense	-	-
Remeasurements:		
– impact of any change in assumptions	-	(22)

ASSUMPTIONS

	2023	2022	2021
	% per annum	% per annum	% per annum
Rate of discount The Pensions Trust - Growth Plan	2.35	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.

Avenues East is the only member of the Group that has employees in this closed scheme.

The Pensions Trust - Social Housing Pension Scheme

Avenues Group participates in the scheme, a multi-employer scheme which provides benefits to some 500 non-associated employers. The scheme is a defined benefit scheme in the UK.

The scheme is subject to the funding legislation outlined in the 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.

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16) Pension obligations (continued)

Present Values of Defined Benefit Obligation, Fair Value of Assets and Defined Benefit Asset (Liability)

	31 March 2023	31 March 2022
	£'000	£'000
Fair Value of plan assets	6,350	9,824
Present value of defined benefit obligation	7,740	11,210
Surplus (deficit) in plan	-1,390	-1,386
Defined Benefit asset (liability) to be recognised	-1,390	-1,386

Reconciliation of Opening and Closing Balances of the Defined Benefit Obligation

	Period ended 31st March 2023	Period ended 31st March 2022
	£'000	£'000
Defined benefit obligation at start of period	11,210	11,334
Expenses	9	9
Interest expense	310	246
Actuarial losses (gains) due to scheme experience	(110)	844
Actuarial losses (gains) due to changes in demographic assumptions	(18)	(172)
Actuarial losses (gains) due to changes in financial assumptions	(3,460)	(882)
Benefits paid and expenses	(201)	(169)
Losses (gains) due to benefit changes	-	-
Defined benefit obligation at end of period	**7,740**	**11,210**

Reconciliation of Opening and Closing Balances of the Fair Value of Plan Assets

	Period ended 31st March 2023	Period ended 31st March 2022
	£'000's	£'000's
Fair value of plan assets at start of period	9,824	9,085
Interest income	276	201
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	(3,870)	372
Contributions by the employer	321	335
Contributions by plan participants	-	-
Benefits paid and expenses	(201)	(169)
Fair value of plan assets at end of period	**6,350**	**9,824**

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16) Pension obligations (continued)

Defined Benefit Costs Recognised In Statement of Financial Activities (SOFA)

	Period ended 31st March 2023	Period ended 31st March 2022
	£'000's	£'000's
Current service cost	-	-
Expenses	9	9
Net interest expense	34	45
Defined benefit costs recognised in statement of Financial Activities(SOFA)	**43**	**54**

Defined Benefit Costs Recognised In net movement in funds

	Period ended 31st March 2023	Period ended 31st March 2022
	£'000's	£'000's
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	(3,870)	372
Experience gains and losses arising on the plan liabilities - gain (loss)	110	(844)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	18	172
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	3,460	882
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	(282)	582
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) - gain (loss)	-	-
Total amount recognised in other comprehensive income - gain (loss)	**(282)**	**582**

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16) Pension obligations (continued)

Assets	**31-Mar-23**	**31-Mar-22**
	£'000	**£'000**
Global Equity	119	1,885
Absolute Return	69	394
Distressed Opportunities	193	351
Credit Relative Value	240	326
Alternative Risk Premia	12	324
Fund of Hedge Funds	-	-
Emerging Markets Debt	34	285
Risk Sharing	468	323
Insurance-Linked Securities	160	229
Property	274	266
Infrastructure	725	700
Private Debt	283	252
Opportunistic Illiquid Credit	271	330
High Yield	22	84
Opportunistic Credit	-	35
Cash	46	33
Corporate Bond Fund	-	656
Liquid Credit	-	-
Long Lease Property	191	253
Secured Income	291	366
Currency Hedging	12	(38)
Index Linked All Stock Gilts	-	-
Liability Driven Investment	2,924	2,742
Net Current Assets	16	28
Total assets	**6,350**	**9,824**

Key Assumptions	**31-Mar-23**	**31-Mar-22**
	% per annum	**% per annum**
Discount Rate	4.9	2.8
Inflation (RPI)	3.2	3.6
Inflation (CPI)	2.8	3.2
Salary Growth	4.0	4.2
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted at 31 March 2023 imply the following life expectancies:

	Life expectancy at age 65 (Years)
Male retiring in 2023	21.1
Female retiring in 2023	23.4
Male retiring in 2043	22.2
Female retiring in 2043	24.9

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17) Active subsidiary undertakings

The Avenues Trust Group control Avenues South East (company number 03923486; charity number: 1079576), Avenues London (company number 06858705; charity number: 1130445), and Avenues East (company number 03326442, charity number: 1061241) All three companies are limited by guarantee and registered in England.

The Avenues Trust Group also holds 100% control of Avenues South formerly Welmede Housing Association Limited (company number R26230), a Charitable Housing Association incorporated under the Co-Operative and Community Benefit Societies Act 2014 and registered with the Registry of Friendly Societies which is administered by the Financial Conduct Authority in England.

The Avenues Trust Group also holds 100% control of Avenues Management Services Limited (AMSL), a trading subsidiary within the Group.

All charities are controlled by Avenues Trust Group who have the ability to appoint and remove all members of each subsidiary Board of Trustees.

All charities' registered address is River House, 1 Maidstone Road, Sidcup, Kent, DA14 5TA.
All activities have been consolidated on a line by line basis in the Consolidated Statement of Financial Activities. A summary of the results of the subsidiaries is shown below.

	Avenues South East	Avenues London	Avenues East	Avenues South	Parent	Avenues Management Services	Intra-group movement	Total 2023	Total 2022
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income	18,307	12,886	7,007	11,507	136	2,119	(2,077)	**49,885**	47,019
Expenditure	(18,369)	(13,345)	(7,365)	(12,492)	(166)	(2,099)	2,077	**(51,759)**	(45,632)
Surplus/(deficit) on ordinary activities	**(62)**	**(459)**	**(358)**	**(985)**	**(30)**	**20**	**-**	**(1,874)**	**1,387**

The aggregate of the assets, liabilities and funds as at 31 March 2023 was :	Avenues South East	Avenues London	Avenues East	Avenues South	Parent	Avenues Management Services	Intra-group movement	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Assets	4,876	4,784	981	14,243	6,012	1,335	(16,383)	15,848
Liabilities	(2,540)	(5,002)	(927)	(12,741)	(6,161)	(1,335)	16,383	(12,323)
Total funds	**2,336**	**(218)**	**54**	**1,502**	**(149)**	**-**	**-**	**3,525**

The aggregate of the assets, liabilities and funds as at 31 March 2022 was :	Avenues South East	Avenues London	Avenues East	Avenues South	Parent	Aveneues Management Services	Intra-group movement	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Assets	4,568	2,481	898	10,219	3,545	-	-	21,711
Liabilities	(2,125)	(2,239)	(486)	(7,242)	(3,684)	-	-	(15,776)
Total funds	**2,443**	**242**	**412**	**2,977**	**(139)**	**-**	**-**	**5,935**

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18) Related party transactions

The Avenues Trust Group provides central support for each of its subsidiaries. The Group makes a charge for these central costs based on a blended ratio of group costs. In addition, The Avenues Trust Group acts as the central banker for the group, paying salary costs and creditors and receiving cash from customers.

	2023	2022
PARENT	**£'000**	**£'000**
Balance owed at 1 April	(2,281)	(1,224)
Payroll services provided to subsidiary companies	31,800	28,708
Receipts taken on behalf of group companies	(34,739)	(38,322)
Payments made on behalf of group companies	7,962	9,486
Intercompany transfer from Avenues South	(9,018)	(5,946)
Recharges of head office costs	5,730	5,017
Balance due at 31 March	**(546)**	**(2,281)**

19) Post balance sheet event

On 4th September the Avenues Group Boards agreed to a merger with Autism Hampshire with a legal merger target date of 1st November 2023. Following a robust due-diligence process both boards have agreed that they will come together within a group structure and believe that the merits of doing so will provide:

- better outcomes for the people both organisations support;
- increased reach and improved focus for community projects;
- a financially sustainable future and greater efficiencies through economies of scale;
- a strong employee offer;
- career development opportunities for employees;
- a strong presence and employer brand in the local labour market enabling an enhanced focus on and delivery of community projects, with a particular focus on those people who are not eligible for statutory services; and
- enhanced negotiating strength with commissioners.

THE AVENUES TRUST GROUP

England & Wales - Charity number 1130473

Accounts

THE AVENUES TRUST GROUP

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

Charity Registration Number: 1130473

Company Registration Number: 03804617

THE AVENUES TRUST GROUP

Index	Page
Reference and administrative details of the charity, its advisers and trustees	1-2
Trustees' report and strategic report	3 – 10
Strategic Report	11 - 22
Statement of trustees' responsibilities	23
Independent auditor's report	24 - 27
Consolidated statement of financial activities	28
Consolidated balance sheet	29
Company balance sheet	30
Consolidated statement of cash flows	31
Notes to the financial statements	32 - 57

THE AVENUES TRUST GROUP
BOARD MEMBERS AND MANAGEMENT PERSONNEL

FOR THE YEAR ENDED 31 MARCH 2022

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

Chairman:	Terry Rich
Vice Chair:	Evlynne Gilvarry (Member of the Audit and Risk Committee)

Non-Executive Trustees:

Andrew Bruce Calderwood	Member of People, Culture and Reward Committee, Finance Committee and Quality Committee
Alistair Oag	(To May 2022) Chair of the Audit and Risk Committee and Finance Committee
Mark Pittaway	(To October 2021) Member of the Finance Committee
Alistair Brown	(Member of Audit and Risk Committee) (From May 2022) Chair of Audit and Risk Committee
Nicola Bannister	Member of People, Culture and Reward Committee and Audit and Risk Committee

Executive Trustees:
Joanne Land
Nicola Ford

Key Management Personnel:

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

Company Secretary
Lauren Osman

CHARITY REGISTRATION NUMBER 1130473
COMPANY REGISTRATION NUMBER 03804617

THE AVENUES TRUST GROUP

BOARD MEMBERS AND MANAGEMENT PERSONNEL

FOR THE YEAR ENDED 31 MARCH 2022

Principal and Registered Office
River House, 1 Maidstone Road, Sidcup, Kent, DA14 5TA

Advisers

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

THE AVENUES TRUST GROUP

TRUSTEES' REPORT AND STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2022

The Board presents herewith its Annual Report and the Audited Financial Statements of The Avenues Trust Group for the year ended 31 March 2022. The legal and administrative information set out on pages 1-2 forms part of this report. The Financial Statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice (SORP second edition – October 2019) 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).

"Avenues"/"Avenues Group" means the Avenues Trust Group Limited and its subsidiaries.

Introduction

The Avenues Trust Group ("Avenues") accounts for 2022 and the 2021 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, in line with Charity Commission guidelines.

Structure, Governance and Management

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.

Structure

The Avenues Group is the trading name for The Avenues Trust Group and is constituted as a company limited by guarantee. The Avenues Group is also a registered charity.

The Avenues Trust Group is the ultimate holding company for Avenues South East, Avenues South, Avenues London and Avenues East. All subsidiary companies bar Avenues South are registered charities and are constituted as companies limited by guarantee; Avenues South is a Community Benefit Society regulated by the FCA.

The names of the members of the Board of the Avenues Trust Group are listed on Page 1. The members of the Board, who for the purposes of the charity/company law are the trustees/directors of the charitable company, are appointed by the Board.

Jo Land, Group Chief Executive and Nicola Ford, Group Director of Finance are executive trustees of the Avenues Trust Group and all subsidiaries.

Membership

All directors of all boards within the Group are members of the parent entity. Membership is automatic on appointment and resignation to any board within the Group.

Governance

The Group Board meets around 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 four committees which discuss the business of the whole Group. The committees are Audit & Risk, Finance, People, Culture and Reward (PCR) and Quality, Local Focus and Engagement (QLE). 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.

Governance (Continued)

The People, Culture and Reward committee provides assurance to the Avenues Group Boards that it 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 Group has made qualifying third-party indemnity provisions for the benefit of its trustees.

The Charity Governance Code

The Avenues Group places high the importance on 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. In 2021 we began a recruitment campaign to help diversify our board. This work continues and is a focus into 2022 when we plan to work with specialist advisors to help improve the diversity of our board.

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

The Charity Governance Code (continued)

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 2021 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.

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 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 are checked properly and screened to ensure that they are fit and suitable to work with vulnerable people.

In the event of a change in an employee's health, in accordance with our sickness absence policy, we would 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.

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.

The Equality and Diversity steering group is comprised of staff and people we support from across the organisation. This allows for two way communication and the chair has direct access to the CEO. This has led to an increased profile for E&D in the organisation, linking with the People, Culture and Reward committee, raising the profile of the steering group and leading to an express focus on progressive Equality, Diversity &Inclusion. Disability and Transgender special interest groups have led to the development of Neurodiversity and Trans ally toolkits to support our workforce and, in particular, our managers to feel confident.

Our Employees (Continued)

and skilled when fostering diverse teams. The Trustee Recruitment special interest group has supported the diversification of our Trustee group and will continue to do so on an ongoing basis. To complement our commitment to E,D&I Avenues is pursuing Investors in Diversity accreditation having placed in the top 100 most inclusive workplaces in 2021.

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

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.

The Avenues Group supports more than 600 people to enjoy community-based life, and employs more than 1,600 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.

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 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.

Public Benefit (continued)

The trustees of the Avenues Group 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.

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.

Related Parties

The Avenues Trust Group has the following wholly owned subsidiary entities, all limited by guarantee, with the exception of Avenues South which is limited by Share Capital:

- Avenues South East (Company number 3923486)
- Avenues London (Company number 6858705)
- Avenues East (Company number 3326442)
- Avenues South (Registered Society number 26230R)

The Group works on the basis of an overlapping board structure as outlined above in the board structure. The table below identifies core trustees (who sit on each board within the Avenues Group) and independent trustees (who sit on only one subsidiary board). The independent trustees manage conflicts of interest across the group. There are minimal related parties however registers are maintained see note 18. The table below identifies core and independent trustees for each board.

Trustee	Core	Group Independent	London Independent	South East Independent	East Independent	South Independent
Alistair Brown	✔					
Bruce Calderwood		✔				
Cathryn Law			✔			
Emma Keegan				✔		
Evlynne Gilvarry	✔					
Jo Land (Exec)	✔					
Lauren Stoner					✔	
Martin Owen					✔	
Nicola Bannister		✔				
Nicola Ford (Exec)	✔					
Peter Hepburn						✔
Rich Hodgson			✔			
Terry Rich	✔					

Carbon and Energy Reporting

As a large qualifying group, The Avenues Group is required to report its energy use and carbon emissions in accordance with the Companies Regulations 2018 because it meets the thresholds for reporting. Other subsidiaries in the Group do not meet the thresholds for reporting and are not required to report individually.

The energy use and carbon emissions for the Group for the year ended 31 March 2022 and 2021 comparatives are as follows:

Energy Source	Consumption	Scope	Emissions calculation 2021/22	Emissions calculation 2020/21
Gas – total kWh (kilowatt-hours) used for the year taken from gas bills	1,141,732 kWh (gross CV (calorific value))	Scope 1	1,141,732 kWh * 0.18 (2022 fuels, natural gas conversion factor gross CV to kg Co2e)= 205,512 kgCO2e = **205.51 tCO2e**	1,299,357 kWh * 0.18316 (2021 fuels, natural gas conversion factor gross CV to kg Co2e)=237,117 kgCO2e = **237.12 tCO2e**
Electricity – total kWh used for the year, taken from the electricity bills	1,403,966 kWh	Scope 2	1,403,966 kWh * 0.19338 (2022 electricity conversion factor to kgCO2e) = 271,498 kgCO2e = **271.50 tCO2e**	919,988kWh * 0.21233 (2021 electricity conversion factor to kgCO2e) = 195,341 kgCO2e = **195.34 tCO2e**
Transport – 6,170 miles in the year	4,944 miles * 1.1132 (2022 SECR kWh pass & delivery vehs, cars - average and unknown fuel)= 5,504 kWh	Scope 1	4,944miles *0.27465 (2022 business travel land, average car conversion factor to kgCO2e)= 1,357 kgCO2e = **1.36 tCO2e**	6,170 miles *0.27596 (2021 managed assets vehicles, average car conversion factor to kgCO2e)= 1,703 kgCO2e = **1.70 tCO2e**
Transport – People carriers/vans - 51,336 miles in the year	64,905 miles * 1.49 (2022 SECR kWh pass & delivery vehs, vans class 3 – used in lieu of passenger vehicles conversion)=96,776 kWh	Scope 1	64,905 miles *0.29203 (2022 business travel land MPV unknown)= 14,992 kgCO2e = **15.00 tCO2e**	51,336 miles = 82,617km 82,617km *0.26529 (2021 managed assets vehicles, vans class 3 – used in lieu of passenger vehicles conversion)= 21,917 kgCO2e = **21.92 tCO2e**
Transport – total mileage reimbursed from staff claims = 99,639 miles	334,456 miles * 1.1132 (2022 SECR kWh pass & delivery vehs, cars - average and unknown fuel)=372,316 kWh	Scope 3	334,456 miles * 0.27465 (2022 business travel land, average car conversion factor to kgCO2e)= 91,858 kgCO2e = **91.6 tCO2e**	99,639 miles * 0.27596 (2021 managed assets vehicles, average car conversion factor to kgCO2e)= 27,496 kgCO2e = **27.50 tCO2e**
Total	**3,020,294 kWh**		**584.97 tCO2e**	**483.58 tCO2e**
Intensity ratio	Emissions data (tCO2e) compared with an appropriate business activity (Average FTE)		584.97 tCO2e/1,232 FTE = **0.47 tCO2e per FTE**	483.58 tCO2e/1,252 FTE = **0.39 tCO2e per FTE**

Methodology

The data detailed in this table represents energy use and emissions for which The Avenues Group is responsible for the period 1 April 2021 to 31 March 2022. It includes the metered electricity and gas used in our properties, and emissions from fuel used in vehicles on company business (both private and leased). For leased vehicles this has been estimated based on the contractual mileage where actuals were not available. These are the energy use and emissions sources required by the regulations for large unquoted organisations. We have used the main requirements of the GHG Protocol

Carbon and Energy Reporting (continued)

Corporate Accounting and Reporting Standard as our emissions calculation methodology. This methodology recommends that emissions are calculated by multiplying activity data (for example energy use in kWh) by an appropriate conversion factor.
We have used the UK government GHG conversion factors for company reporting 2022 to calculate our emissions.

Our emissions intensity is reported by full-time employee (FTE). This is because our employee numbers are directly related to our business activities, as increased business may result in higher FTE numbers. These intensity metrics allow comparison of our energy efficiency performance over time.

The Streamlined Energy and Carbon Reporting (SECR) regulations apply to company financial years starting on or after 1 April 2019.

STRATEGIC REPORT

Objectives and Activities

The charitable objects of The Avenues Trust Group and its subsidiaries 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 services to people, supporting them to enjoy their lives within their communities.

The governing instruments for the Avenues Trust Group and the subsidiary entities are their respective Articles of Association, with the exception of Avenues South which is governed under its Model Rules.

Strategy

Avenues has always gone the extra mile to provide the best support to people with profound and multiple learning disabilities, autism and acquired brain injury. 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.
Over the lifetime of this strategy, our digital journey and use of technology will afford us the opportunity to promote greater independence for the people we support whilst also improving our operations. We will continue to build a justified reputation for supporting even more people to flourish, regardless of the challenge.

Avenues is a community of people; those supported, their families, the people who work for us and others. All their voices must be heard. We will find new ways for everyone to appropriately influence how we make best use of the funding we have, and make sure people continue to smile, laugh and grow.
By 2025 we will …

- Be recognised as a high-quality specialist provider of social care services to people with a learning disability, with an exemplar offering for people living with autism.
- Have sufficient flexibility, capacity and resources so as to ensure organisational resilience, support for the long term and offer high levels of efficiency and effectiveness in the way we work.
- Be known to, and valued by, a broader group of potential purchasers and other key stakeholders, with new customers, funders and commissioners, diversifying our income streams.
- Offer a variety of models of support that will suit people's needs and which are capable of providing great support at different stages of their life journey.
- Be known for the strength and quality of our engagement and co-production. People who receive our services, their families and significant others in their lives will influence what we do, how we do it and will tell us what they want.

We will continue to go the extra mile.

Section 172 (1) of the Companies Act 2006

Under Section 172 of the Companies Act 2006 the Board of Trustees, (who are also directors of The Avenues Trust Group for the purposes of company law), have a duty to promote the long term success of The Avenues Group. They have done that during 2021/22 by duly considering the impact of the decisions they make on the future of the Group. All key decisions that will have an impact on the long-term future of the Group are discussed at the relevant sub-committees and Boards. They have taken into account the view of different stakeholder groups who will be affected by the decisions and have weighed and considered the different options that were available to the Group on each occasion. The Boards believe they have acted throughout the year in the best interests of the Group and in a manner, which will bring about long term success.

The trustees consider the key stakeholder groups for The Avenues Group to be the people it supports and their families, friends and advocates, its employees, its competitors, its funders and its suppliers.

The impact of major decisions on staff are discussed at the HR & Nominations committee and the Boards who also received regular updates on staff pay, health and safety and safeguarding.

The Boards receive a summary of the biennial staff engagement survey which highlights both strengths and areas for potential improvement on employment matters and how these will be mitigated through specific actions.

The quality of our services and the engagement of the people we support across the organisation is our priority and so the Quality, Local Focus and Engagement committee was introduced to provide assurance to the Boards around the operational delivery of quality support. This committee engages with stakeholders at all levels and reviews and obtains assurance relating to complaints and compliments. This committee provides a mechanism to make sure that stakeholders are involved in the setting of the organisations goals, quality and culture. The committee is made up of trustees, parents of people we support and a qualified social worker. New Directions is a subgroup of this committee made up of people we support who meet to review and discuss Avenues Group and give their ideas for its future. As part of this they have recommended a similar group per subsidiary which is being reviewed.

To develop and maintain strong business relationships, The Avenues Group collaborates regularly with Local Authorities and CCGs and its competitors through face to face meetings and roundtable discussions. Avenues recognises the benefit of working together, not just for the people we support and our employees but the wider adult social care provision. We have many examples where through joint working projects we have achieved better outcomes for the people we support. We have been working with Surrey County Council to develop a joint strategy that will not only see the modernisation of the housing provision but will offer a wider choice of support and accommodation solutions that will be fit for the future for adults with a learning

disability. We can only achieve such great outcomes by bringing together the skills, knowledge, and experience of both parties. The Avenues Group management team have also worked closely with Local Authorities to share lived experiences of services where we support people with challenging behaviour to help shape tenders and ensure high quality service provision.

Avenues put the people we support at the centre of everything we do, ensuring individuals have meaningful plans, including communication needs, recorded in ways that are accessible for them. All individuals have a Service User Guide which details the expectations of both parties and a copy of our Complaints Procedure, although we try to anticipate issues and challenges, taking steps to address them at the earliest opportunity, preventing issues becoming too problematic. High quality care and support exists where people using social care have informed choice and control, with as much involvement in decisions about their care and support as they want to have.

Senior Operations Managers are responsible for ensuring that user involvement is positively encouraged through genuine involvement in shaping and providing feedback. We hold regular forums to understand the experiences of the carers and people who are in the individual's circle of support. This enables us to develop the service in a meaningful and informed way. As with user involvement, it is important that stakeholders, such as families, friends and professionals, involved in individuals lives are encouraged to be involved in decisions about the care and support provided.

We acknowledge that the wider public and mainstream services have a real part to play in the lives of the individual and we prepare the local community to accepting the schemes as valued resources. For example, we encourage individuals to develop relationships with their neighbours and others within their local community and always reinforce the message that we intend to support them to be good and involved citizens.

The trustees and the Executive Management Team have now published the 2021/25 strategic plan for Avenues group. The year one plan is operational, and the overall plan will help to ensure the long term success of the Avenues group via the New Directions.

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 2021/22 are the coronavirus pandemic impact and the challenges in the underlying competitive labour market for quality operational staff. All necessary measures have been taken to mitigate these risks going forward, which

included the setting up of a specific working party for the coronavirus pandemic and reviewing all guidance provided by the government and other bodies.

Principal Risks and Uncertainties - Coronavirus

As the financial year started our sector, the nation and indeed world were still in the pandemic with continued uncertainty. We continued to navigate our way through the changing guidance for the UK and Adult Social Care. The continued impact of coronavirus has been far reaching and has affected the people we support, their families, our staff teams in many ways.

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 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. The group continued to meet weekly throughout the financial year with additional ad-hoc meetings as required.

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 continue to work with and seek support from 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

A separate CV19 risk register was maintained 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.

Principal Risks and Uncertainties – Coronavirus (continued)

Policies and procedures were reviewed in light of coronavirus pandemic 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 a minimum levels. All registered locations made full use of the governments' supply chain.

A key part to successful management of the coronavirus 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. In December 2021 as a new strain of the virus was being detected, we requested daily testing of all staff ahead of the Government advice 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 communicated to Service Managers and copies saved to the CV19 Intranet for use.

Principal Risks and Uncertainties – Coronavirus (continued)
Finally, as we exit the financial year the Government issued guidance detailing how, as a nation, we will be living with COVID-19 and this prompted addition guidance for Adult Social Care. Our overarching principle of keeping the people we support and our staff teams as safe as possible remains our top priority whilst the whole organisation adapts to the living with COVID-19.

The Oversight group reviewed each and every action taken over the past two years and agree the most appropriate next steps. Policies and Procedures were reviewed in line with guidance and decision and we, once again, increased communication with our workforce.

We recognise and understand, that after two years of COVID-19 restrictions that moving to "Living with COVID-19" would be a worrying time for the people we support, their family members and our staff teams. We therefore have written to each person we support, their family members and staff detailing the organisations approach to "Living with COVID".

Whilst keeping people as safe as possible we knew going forward we wouldn't be just **living with Covid,** we will be supporting people to once again **enjoy their lives, live the lives they want and be active citizens** once again**.** Going forward we will be returning to **"enabling people"** and not just **"caring for"** people but doing things **"with"** and not **"for"**; in short, together we will progress from surviving to thriving once again.

See Going Concern on page 20 for financial risk assessment.

Achievements and Performance
Avenues' reputation for delivering high-quality services established us as a key player in the Transforming Care programme and strengthened our relationship with NHS England.

This means all Avenues subsidiaries are well positioned to deliver new complex services which move people from secure locations back into their home communities, alongside the continuation of the outstanding support provided to existing service users, fulfilling the Group's vision.

As well as our ambition to support people for the long term, we continue to offer genuine career prospects to employees and positive succession planning.

Our commitment to quality has continued through our strategic partnership with the University of Kent, focusing on the promotion of positive behavioural support and active support - both approaches that are demonstratively effective in supporting the people that Avenues work with. During the year this work has been delayed due to Covid restrictions and access to services but is in our plans for 22/23 and beyond.

Achievements and Performance (Continued)

Over the past year we have continued to develop our services across our subsidiaries, proving once again that people with the highest support needs, and most challenging behaviour, can enjoy better lives through tailored, community-based support that brings significant savings to the public purse.

The Avenues Trust Group has a monthly balanced scorecard which is used for reporting to management and trustees. Within this are 4 headline Key Performance Indicators which are underpinned by a set range of Key Performance Indicators as follows:

Financial Sustainability

This is measured by our operational performance to budget. For financial year 2021/22 the Surplus was £1,369k compared to a budgeted surplus of £18k. Underneath this we set KPIs for the level of central cost spend, services making a deficit contribution, agency spend and debtor days.

Reputational

This is measured by the percentage of services which have met their monthly quality KPI thresholds. A target of 90% was set and we achieved a monthly average of 93%. This is underpinned a significant number of quality KPIS which are measured across all services.

People

This is measured as the percentage of job vacancy levels across the workforce with a target of less than 20% - we achieved an average of 25% so behind the target which was the impact of well documented recruitment challenges for the Adult Social Care sector, in the second half of the year. In addition to this we track and closely monitor sickness absence and retention rates

Growth and Development

Having established the Business Development function in the previous year, this was our first year of considering the potential whilst the team was still being recruited.
We determined that this be measured by the full year growth achieved compared to the budgeted target. As a result of Covid restrictions and recruitment challenges we finished the year behind target but are confident with the bedding in of the Business Development team we can achieve the targets set for 22/23.

Financial Results for the Year Ended 31 March 2022

The income and expenditure performance of the Group in 2021/22, shows income of £47m and a surplus of £1.4m (compared to a surplus of £1.2m in the prior year).
Total income for the year increased by £0.3m (1%) and expenditure has increased by £0.2m (0.34%), excluding gain on sale of fixed assets.

The consolidated balance sheet shows total group funds of £7.3m compared to £5.3m as at March 2021. This includes the impact of the revaluation of the Social Housing Pension Scheme (SHPS) pension asset of £0.6m.

The consolidated Group had gone into 2021/22 with a small surplus budget. This is a key deliverable of the 2021/25 strategic plan and the Executive Management Team.

As a result of the 2020/21 transformation plan, we have seen improvements in legacy void levels, agency spend and deficit contribution services which have all contributed towards an improved operating performance.

Reserves Policy

As part of the 2021-25 strategic planning processes conducted in 2020/21, the Avenues Group Board carried out a thorough review of the reserves requirement and policy to ensure these are adequate to support the Group going forward.

As a contract based service provider, the Avenues Group Board have concluded that the Group does not need to carry significant levels of reserves. However, the free reserves available need to be sufficient to mitigate against any significant organisational risks as identified via the risk management procedures whilst enabling the group to capitalise on opportunities and deliver the 4 year strategic plan ensuring sustainability for the future. Based on this revised reserve policy the Board has concluded that the target for free reserves should be £1.5m. This has been considered by the Audit and Risk Committee in June 2022 and deemed to be still appropriate. In additional the Group Boards have recommended a minimum cash holding of £1m.

Subsidiaries

This reserves policy is established at a Group level.

Reserves were as follows at March 2022:	**£'000**
- General	7,300
- Designated	77
- Pension scheme	(1,398)
- Restricted	1,299
TOTAL RESERVES	**7,278**
Less unrestricted tangible fixed assets held for charities' own use	(6,185)
Less restricted reserves	(1,299)
Less designated reserves	(77)
FREE RESERVES (Deficit)	**(283)**

Free reserves are therefore NIL.

Tangible fixed assets are stated after netting off capital grant liability.

Reserves Policy (continued)
Restricted funds do not form part of general reserves as these have been received from funders/donors for specific projects/purposes and are therefore not freely available for use by the group.

£77k of Designated reserves relate to a legacy left to Avenues in relation to a person supported at Chelsham Lodge. The trustees have decided that the legacy should be used for this person, as such a designated fund has been set up.

£6,185k related to amounts invested in fixed assets and these reserves can only be realised on disposal.

One of the aims of the 2021/25 strategic plan is financial sustainability and the creation of free reserves which will be achieved by asset disposals and the consistent delivery of financial surpluses. Over the life of this plan we expect to achieve sustainable surpluses to create free reserves will be used to weather the social care sector storms and enable the Group to make strategic choices.

The free reserves held at the balance sheet date remain below the target set by the Board and reserves policy.

Risks to Funding/Financial Climate
- Social care sector pressures
- Reliable funding sources with a relatively stable established base
- Scaling up and growth may require some upfront investment

In the event of the sudden closure/liquidation of the group any outstanding commitments and liabilities would be funded by the sale of properties.

Liquidity and Working Capital
Whilst the reserves policy sets a target for free reserves it is recognised that this does not create liquidity within the group and the Board would also like to address this and have set a target for this of £1m which have now been met in 2020-21. The group will continue to work to improve its position to build sustainable services and grow the charity.

The current working capital position of the group is:
2021/22 £2.5m (2020/21 £2.0m)

Going Concern

The primary objective for 2021/22 was to continue to improve financial strength of the group to capitalise on future opportunities and build long term sustainability. In order to achieve this a number of initiatives have been undertaken during 2021/22:

- Increased focus on recruitment and retention to lower dependency on agency
- Improvement in pay packages offered to employees
- Full review of loss making services across the group
- Increased scrutiny around void levels and agency spend
- Focus on growth opportunities

The above measures and increased scrutiny around monthly financial results and deviation from budgets mean that a small surplus is expected in 2022/23.

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 financial or going concern risk.

We have sufficient contingency funds in place to cover existing coronavirus related voids and should there be another wave we believe we are well placed to deal with it and minimise the overall impact on the Group and as a result the financial position of the Group.

Avenues holds a significant number of long term contracts and provides a very high quality of service provision, which ensures continued success in securing new contracts and retaining existing ones. With this in mind, whilst there are significant challenges within the sector, particularly around recruitment of staff, Avenues is well placed for the future.

Future Developments

2021/22 is the first year of our strategy for 2021-25, Building Better Lives Together', which sets out our renewed ambition to ensure that we will continue to provide our unique support for the long term; and offer it to more people, in more places.
Our approach will remain centred on supporting more people with learning disabilities and/or autism whose behaviour challenges, while ensuring ongoing quality of services for those we already work with.

This commitment to quality will be supported by our renewed relationship with the University of Kent, particularly around training in positive behavioural support and active support. Getting these areas right is essential to our aspiration of delivering increasingly high-quality services for people with the most complex needs.

Recruitment and retention of a high quality workforce in the sector and for the Group remains an ongoing challenge. Post pandemic, as conditions have changed and other sectors have reopened, we are facing a highly competitive labour market across all sectors including social care and competition for good staff is high. Despite 2 pay awards during 2021/22 and an increase in National Minimum wage from April 22 recruitment is extremely challenging and vacancy rates remain high and as a result we have seen an increased spend in agency costs in the second half of 2021/22.
We anticipate these challenges will continue into 22/23 and beyond. Avenues continues to raise the challenges of pay and recruitment with our commissioners and with central government 2020/21 saw the establishment of a business development function led by a Director of Business Development and given the successes in 2021/22 this will be an area of continued focus and investment. Whilst core growth and void filling remain high on the agenda.

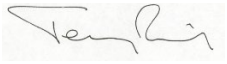
We are also looking to generate other income streams through grants, fundraising and legacies. 2022/23 will see us expand into new geographies and strengthen our connection with the health sector.

In addition, we will continue to explore all cost saving initiatives to ensure efficiencies across all functions. This includes a review of office space and working patterns including hybrid working following the pandemic.
We are increasing the use of digital solutions and the aspiration of operating paperless offices as far as practicable. We are half way through our front line digital roll out programme giving digital access to all services to provide more efficient support. Our workforce have embraced this change and are excited for future changes. In 22/23 we are embarking on a programme of work to upgrade our central core systems to further improve processes and drive efficiencies.

Avenues provides high-quality, cost effective and successful community-based alternatives to institutional care. As well as hugely improving people's quality of life, we offer rewarding long-term employment and careers. People are at the centre of everything we do.

These are challenging times for society and the sector, but we are confident that we have the strategy and people in place to become even more resilient and deliver our vision to more people who need our unique support.

The Trustees' Report 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 on 18th October 2022 and signed on its behalf by



Terry Rich
Chair
Date: 18th October 2022

THE AVENUES TRUST GROUP

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2022

The trustees (who are also directors of The Avenues Trust Group for the purposes of company law) are responsible for preparing the Trustees' Annual Report including the incorporated Strategic 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 the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable Group 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 Group 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 Group and 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 Group and 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 group'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.

THE AVENUES TRUST GROUP

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE AVENUES TRUST GROUP

Opinion

We have audited the financial statements of The Avenues Trust Group (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated and Charity Cash Flow Statements 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 group's and the parent charitable company's affairs as at 31 March 2022 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We have been appointed auditors under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent 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. 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 group and the parent charitable company and their 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 by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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 23, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE AVENUES TRUST GROUP

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.

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 group audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory frameworks that the group and parent charitable company operate in and how the group and parent charitable company are 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 parent 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE AVENUES TRUST GROUP

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 group is in compliance with these law and regulations and inspected correspondence with regulatory authorities.

The group 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 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 estimates.

A further description of our responsibilities for the audit of the financial statements is provided 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.

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

THE AVENUES TRUST GROUP
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Including Consolidated Income & Expenditure Account)
FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Unrestricted General Funds £'000	Unrestricted Pensions £'000	Restricted Funds £'000	Total 2022 £'000	Total 2021 £'000
INCOME FROM:						
Donations and Legacies						
Donations	3	1	-	19	20	6
Grants	3	-	-	-	-	3
		1	-	19	20	9
Charitable Activities:						
Provision of care and housing services		9,904	-	-	9,904	10,781
Provision of care to young people		1,303	-	-	1,303	1,611
Services to Adults		32,634	-	-	32,634	30,450
Services to Older People		1,874	-	-	1,874	1,657
		45,715	-	-	45,715	44,499
Other trading activities	3	115	-	-	115	25
Investment Income		-	-	-	-	-
Other		97	-	1,072	1,169	2,185
Total Income		**45,928**	**-**	**1,091**	**47,019**	**46,718**
EXPENDITURE ON:						
Raising funds		-	-	-	-	-
Charitable activities:						
Provision of care and housing services	4	10,343	-	-	10,343	11,913
Provision of care to young people	4	1,200	-	-	1,200	1,434
Services to Adults	4	31,242	-	1,072	32,314	30,432
Services to Older People	4	1,791	-	-	1,791	1,713
		44,576	-	1,072	45,648	45,492
Loss/(gain) on sale of assets		(17)			(17)	34
Total Expenditure	4	**44,559**	**-**	**1,072**	**45,631**	**45,526**
Net Income/(expenditure)	5	**1,369**	**-**	**18**	**1,388**	**1,192**
Transfer between funds		(298)	314	(16)	-	-
Remeasurement of defined benefit pension schemes	16	-	582	-	582	(1,517)
Net movement in funds		**1,071**	**896**	**2**	**1,970**	**(325)**
Reconciliation of funds:						
Fund balances brought forward	13	6,306	(2,294)	1,296	5,308	5,633
Fund balances carried forward		**7,377**	**(1,398)**	**1,299**	**7,278**	**5,308**

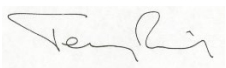
The notes on pages 32 to 57 form part of these financial statements.

THE AVENUES TRUST GROUP
CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2022
COMPANY NO: 03804617

	Notes	2022	2021
		£'000	£'000
FIXED ASSETS			
Tangible assets	8	10,757	10,090
Intangible assets	9	116	71
		10,873	**10,161**
CURRENT ASSETS			
Debtors	11	4,453	4,274
Cash at bank and in hand		2,356	2,455
		6,809	**6,729**
CREDITORS falling due within one year	12	(4,319)	(4,690)
NET CURRENT ASSETS		**2,490**	**2,038**
CREDITORS falling due in more than one year	12	(4,687)	(4,598)
NET ASSETS EXCLUDING PENSION LIABILITY		**8,676**	**7,602**
Pension scheme liability	16	(1,398)	(2,294)
NET ASSETS	14	**7,278**	**5,308**
FUNDS			
Unrestricted funds:			
General funds	13	7,300	6,231
Designated fund	13	77	75
Pension scheme funding reserve	13	(1,398)	(2,294)
		5,979	**4,012**
Restricted funds	13	1,299	1,296
TOTAL FUNDS	14	**7,278**	**5,308**

The notes on pages 32 to 57 form part of these financial statements.

The financial statements were approved and authorised for issue by the Board of Trustees on 18th October 2022 and were signed on its behalf by:



Terry Rich, Chair

THE AVENUES TRUST GROUP
COMPANY BALANCE SHEET
AS AT 31 MARCH 2022
COMPANY NO: 03804617

	Notes	2022	2021
FIXED ASSETS		**£'000**	**£'000**
Tangible assets	8	236	147
Intangible assets	9	116	71
		352	218
CURRENT ASSETS			
Debtors	11	1,643	573
Cash		1,550	999
		3,193	**1,572**
CREDITORS falling due within one year	12	(3,684)	(1,903)
NET CURRENT LIABILITIES		**(491)**	**(331)**
NET LIABILITIES		**(139)**	**(113)**
FUNDS			
Unrestricted funds:			
General reserve	13	(1,058)	(1,021)
Designated Fund	13	2	2
		(1,056)	**(1,019)**
Restricted funds	13	917	906
DEFICIT	14	**(139)**	**(113)**

As permitted by section 408 of the Companies Act 2006, the parent charity's Statement of Financial Activities (including Income and Expenditure) has not been included in these financial statements. The parent charity's result for the year was a deficit of £26k (2021: deficit of £13k).

The notes on pages 32 to 57 form part of these financial statements.

The financial statements were approved and authorised for issue by the Board of trustees on 18th October 2022 and were signed on its behalf by:

Terry Rich
Chair

THE AVENUES TRUST GROUP
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

		2022	2021
Cashflow from operating activities		**£'000**	**£'000**
Net cash generated from operating activities	**(a)**	1,145	2,162
Cashflow from investing activities:			
Purchase of intangible fixed assets		(88)	(451)
Purchase of tangible fixed assets		(1,441)	(74)
Sale of tangible fixed assets		223	156
Net cash provided by/(used in) investing activities		(1,306)	(369)
Financing:			
Repayments of bank loans		(3)	-
Payment of KCC loan		(33)	(33)
Proceeds of new bank Loan		273	-
Net cash inflow/(outflow) from financing		237	(33)
Increase in cash in the year		**76**	**1,760**
Change in cash and cash equivalents in the reporting period		**76**	**1,760**
Cash and cash equivalents at the beginning of the reporting period		2,280	520
Cash and cash equivalents at the end of the reporting period	**(b)**	**2,356**	**2,280**

(a) Reconciliation of net income to net cash flow from operating activities:	2022 **£'000**	2021 **£'000**
Net income	1,388	1,192
Net movement in pension provision	(314)	(307)
Loss on disposal of tangible fixed assets	(17)	34
Depreciation charges	567	526
Amortisation of intangible fixed assets	42	30
Net movement in creditors (less debtors)	(523)	687
Net cash generated from operating activities	**1,143**	**2,162**

(b) Analysis of cash and cash equivalents:		
Overdraft facility repayable on demand	-	(175)
Cash at bank and in hand	2,356	2,455
Total cash and cash equivalents	**2,356**	**2,280**
Borrowings excluding overdrafts	-	(33)
Total cash, cash equivalents and borrowings	**2,356**	**2,247**

1) Accounting Policies

The Avenues Trust Group 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 Board Members' 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 second edition October 2019)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006, except for the treatment of Avenues South social housing grants which would normally be shown through the Statement of Financial Activities. The group has departed from the Charities SORP (FRS 102) and maintained the accounting treatment set out in Housing SORP 2014 (Statement of Recommended Practice for social housing providers) which is followed by Avenues South, where government grants are recognised in income using the accruals model and recognised over the life of the underlying asset when housing properties are measured at cost.

Amounts not recognised in income are shown as creditors as deferred capital grants. The trustees consider that this is the appropriate policy to use in the consolidated financial statements.

The Avenues Trust Group 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 parent 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 parent 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 33 'Related Party Disclosures' – Compensation for company key management personnel.

b) Preparation of the accounts on a going concern basis

The Avenues Trust Group has had operational surplus of £1.2m in 2020/21 and surplus of £1.4m in 2021/2022. As at March 2022, reserves stood at £7.3m, with positive net working capital of £2.5m. The sale of 26 Courtyard realised cash of £195K which added to the liquidity position of the Group. The 2021/22 results include a £17k gain on disposal.

Going into 2021/22, we have continued to focus on the recruitment and retention to lower dependency on agency, full review of loss-making services across the group and increased scrutiny around void levels. These measures coupled with the targeted growth across the Group will continue to build a sustainable future. The increased scrutiny around monthly financial results and the continuous funding support due to covid19 have resulted in a surplus position for 2021/22.

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 financial or going concern risk.

We recognised early on that regular testing was required, not only to ensure our operational teams were not spreading the virus but also enable us to manage any outbreaks. We continued to request weekly testing of all staff ahead of the Government advice where such facilities were available. In addition to the use of PPE and deep cleans as required, the level of cleaning has increased, and visitors stopped as per government guidelines. Staff movement is being minimised and steps were taken to ensure that the same staff work with each other where possible. This combined with our relatively small individual services means that we can work to reduce the spread and mitigate the impact of the virus across the organisation. We have sufficient contingency funds in place to cover existing coronavirus related voids for the full year and staff sickness is still being paid for by the Infection Prevention Grant. Should there be another wave we believe we are well placed to deal with it and minimise the overall impact on the Group and as a result the financial position of the Group.

Avenues holds a significant number of long term contracts and provides a very high quality of service provision, which ensures continued success in securing new contracts and retaining existing ones. With this in mind, whilst there are significant challenges within the sector, particularly around recruitment of staff, Avenues is well placed for the future.

The Group has an overdraft facility of £1.5m. There is a longstanding and positive relationship with Barclays and although this facility could be withdrawn at any time, this risk does not pose any serious threat or concern.

c) Group financial statements

The financial statements consolidate the results of the charity and its subsidiaries on a line by line basis. Control is determined when the charity controls over 50% of the voting rights, or has the ability to appoint or remove a majority of board members. A separate Statement of Financial Activities and Income and Expenditure account for the charity has not been presented because Avenues has taken advantage of the exemption afforded by Section 408 of the Companies Act 2006.

The result of all subsidiaries cover a full 12 month period up to 31 March 2022.

d) Income

Income is recognised when the group 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 – see policy (e)) or 'revenue' grants, are 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 and not deferred.

Income received in advance of a service is deferred until the criteria for income recognition are met (Note 12). Income is measured at the fair value of the consideration receivable.
Legacy income is recognised at the earlier of the charity being notified of a distribution or the receipt of a legacy, or when the receipt of the legacy is determined to be measurable and probable.

e) Capital grants in respect of social housing properties

All Social Housing Capital grants are recognised under the accrual model. Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred it is recognised under creditors after more than one year separately as capital grant and not deducted from the carrying amount of the asset.

f) 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;

Tablets, laptops and computers	33% per annum on cost
Office equipment	15-25% per annum on cost
Furniture and equipment	15-25% per annum on cost
Furniture and equipment (River House)	10% per annum on cost
Specialist equipment	15% per annum on cost
Motor vehicles	25% per annum on cost
Freehold Land	0%
Freehold Buildings and offices	2% per annum on cost
Leasehold properties	Over the term of the lease

Depreciation of an asset commences from the point the asset is brought into use.
The groups' policy is to capitalise all assets over £500.
Asset values and consideration of any impairments needed are reviewed on an annual basis.

Barclays Bank Plc holds a charge over the group as security for the Groups' overdraft.

g) Intangible assets and amortisation
Intangible assets are stated at cost less accumulated amortisation. Amortisation is provided at the following annual rates in order to write off the assets over their estimated useful lives:

Software	20% per annum on cost

h) Employee benefits policy
The costs of short-term employee benefits are recognised as a liability and an expense. The best estimate of the expenditure required to settle obligation for termination of benefits is recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

i) Pension costs
The Avenues Trust Group has employees enrolled in The Social Housing Pension Scheme (SHPS) defined contribution scheme (also referred to as 'Pensions Trust') which 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 Avenues Trust Group also participates in an unfunded pension scheme operated by the National Health Service. The contributions to this scheme, as advised by the scheme administrator, are charged to the Statement of Financial Activities as they fall due.

The group also contributes to the defined benefit Social Housing Pension Scheme (closed to future accrual). Contributions are charged to the Statement of Financial Activities in the period to which they relate. As at 31 March 2020 the schemes actuaries provided each employers organisation with its defined benefit liability together with comparative information as at 31 March 2019. The scheme treated as a defined benefit scheme in accordance with FRS102.

The Avenues Trust Group previously has employees who were members of the Kent County Council defined benefit pension scheme. The assets of the scheme are held separately from those of the group. Avenues South East officially withdrew from the scheme on 1 April 2015 and as such no further contributions are being made. The withdrawal from the scheme resulted in the crystallisation of a liability of £231k. It was agreed to pay this over a period of seven years, attracting interest of £23k. This cost is being recognised in the statement of financial activities evenly over a seven year period.

The pension schemes are disclosed in Note 16.

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

k) 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.

l) 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.

m) 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.

n) 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.

o) 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.

p) 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. In the cash flow statement, cash and cash equivalents are shown net of bank overdrafts, which are included as current borrowings in liabilities on the balance sheet.

q) 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.

r) Financial Instruments
The trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

s) Management estimates and judgements
In the process of applying its accounting policies, The Avenues Trust Group 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. The assumptions applied to the pension have the potential to materially impact the pension liability position and therefore have been reviewed with the Groups pension advisors and management consider they are reasonable. Upon acquisition of Avenues South the properties were revalued and held at Fair Value in the Group accounts and, as at March 2020, were assessed for impairment and as result an adjustment was made to ensure they are carried at an appropriate value. The properties are reviewed annually for indications of impairment, no adjustment to the carrying value of the properties is considered necessary at 31 March 2022.

2) Financial performance of the charity

The consolidated statement of financial activities includes the results of the charity's wholly owned subsidiaries (note 17)

The summary performance of the charity alone is:	**2022 £000s**	**2021 £000s**
Income from donations and Legacies	115	26
Income from other subsidiaries	-	-
	115	26
Expenditure on charitable activities	(141)	(39)
Net (Expenditure)	**(26)**	**(13)**
Total funds brought forward	(113)	(100)
Total funds carried forward	(139)	(113)
Represented by:		
Restricted income funds	917	906
Unrestricted income funds	(1,056)	(1,019)
Total	(139)	(113)

3) Income

	2022 £000s	**2021 £000s**
Donations and Legacies		
Other Donations	20	9
	20	**9**
Other trading income		
Contribution towards training costs	15	13
Other Income	100	12
	115	**25**

Income from Donations was £20k (2021: £9k), of which £1k (2021: £9k) was unrestricted and £19k (2021: (nil) restricted.
Income from Charitable activities was £45,715k (2021: £44,499k) all of which was unrestricted in both years.

Covid Support Grant received £1,247k (2021; £2,517k) of which £1,072k (2021: £1,087k) was restricted.

4) Expenditure

	Direct Costs £000s	Support Costs £000s	2022 Total £000s	2021 Total £000s
Charitable Activities				
Provision of care and housing services	8,988	1,338	10,326	11,947
Provision of care to young people	1,077	123	1,200	1,434
Services to Adults	28,770	3,544	32,314	30,432
Services to Older People	1,599	192	1,791	1,713
2022 Totals	**40,434**	**5,197**	**45,631**	
2021 Totals	**40,635**	**4,891**		**45,526**

Expenditure on charitable activities was £45,647k (2021; £45,492k) all of which was attributed to unrestricted funds. This balance does not include pension re-measurement adjustments of a gain £582k (2021: loss £1,517k) and gain on sales of assets £17k (2021: loss 34k).

Analysis of governance and support costs

The Avenues Trust Group 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.

	General support £000s	Governance function £000s	Total £000s
EMT and Governance	1,069	95	1,164
Group Finance	1,521	-	1,521
Group Human Resources	1,197	-	1,197
Group Office Management	789	-	789
Group Practice Development and Assurance	441	-	441
Total	**5,017**	**95**	**5,112**

5) Net income for the year is stated after charging:

	2022 £'000	2021 £'000
Depreciation of tangible fixed assets	568	526
Amortisation	43	30
External Audit	84	73
Internal Audit	8	10
Operating lease charges for motor vehicles and equipment	107	80
Operating lease charges for land and buildings	1,303	998
Interest paid	21	58
Loss(Gain) on disposal of assets	17	(34)

6) Trustees' remuneration

The trustees are the directors of the company. During the year 4 (2021: 1) member(s) of the Board have been reimbursed for travelling expenses £3k (2021: £50).

J Land, Chief Executive, is also a Trustee of Avenues Trust Group. During the 2021/22 financial year she received £148k (2021: £147k) in remuneration including £12k of pension contributions (2021: £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 Trust Group. During the 2021/22 financial year she received £110k (2021: £110k) in remuneration including £8k of pension contributions (2021: £9k) 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 (2021: £0.5k) which is a collective premium to cover Trustees Liability.

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

7) Staff costs and key management personnel

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

	2022 No.	2021 No.
£60k - £70k	4	4
£70k - £80k	-	-
£80k - £90k	5	5
£110k - £120k	1	1
£120k - £130k	-	-
£160k - £170k	-	-

The 2021 employee numbers have been restated to exclude pension and employer NI.

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

	No. 2022	No. 2021	FTE 2022	FTE 2021
Office staff	154	149	144	138
Care staff	719	737	724	743
Part-time support staff	444	453	364	371
Bank contract staff	627	654	-	-
	1,944	**1,993**	**1,232**	**1,252**

The difference between the total number of staff and the FTEs is due to a number of staff being employed on "Bank" contracts, whereby they have an employment contract with Avenues but work irregular shifts as and when they are needed and are not included within FTE's.

Staff costs - Group	2022 £'000	2021 £'000
Wages and salaries	33,514	30,748
Social security costs	2,617	2,505
Pension costs (Per Note 16)	921	950
Agency staff costs	1,236	2,991
	38,288	**37,194**

The key management personnel of the Group comprise the trustees including; the Group Chief Executive, Group Director 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 total employee benefits of the key management personnel were as follows:

	2022 £'000	2021 £'000
Wages and salaries	607	549
Social security costs	80	72
Pension costs	53	44
	740	**665**

The exemption available for parent companies under FRS102 has been taken, therefore Charity only figures for key management personnel remuneration have not been disclosed.

8) Tangible fixed assets – Group

	Freehold Housing Properties	Freehold Offices	Long leasehold properties	Furniture and Equipment	Motor Vehicles	Office Equipment	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost							
At 1 April 2021 as previously stated	8,595	-	1,414	4,049	59	166	**14,283**
Adjustment (see below)	-	-	-	(435)	-	-	**(435)**
	8,595	-	1,414	3,614	59	166	13,848
Additions	890	-	189	362	-	-	**1,441**
Disposals	-	-	(218)	(114)	(30)	-	**(362)**
At 31 MARCH 2022	9,485	-	1,385	3,862	29	166	14,927
Depreciation							
At 1 April 2021 as previously stated	709	-	6	3,256	59	163	**4,193**
Adjustment (see below)	-	-	-	(435)	-	-	**(435)**
	709	-	6	2,821	59	163	3,758
Charge for year	107	-	14	296	-	3	**420**
Charge for year - grant (Note 12)	148	-	-	-	-	-	**148**
Disposals	-	-	(20)	(106)	(30)	-	**(156)**
At 31 MARCH 2022	964	-	-	3,010	29	166	4,170
Net book value							
At 31 MARCH 2022	**8,521**	-	**1,385**	**852**	-	-	**10,757**
At 31 March 2021	7,886	-	1,408	793	-	3	10,090

The opening balance has been restated to accommodate the net book value of furniture and equipment in freehold offices that were disposed of but not fully written down in 2019/20.

8) Tangible fixed assets – Charity

	Furniture and Equipment £'000	Total £'000
Cost		
At 1 April 2021	1,012	**1,012**
Additions	176	**176**
At 31 MARCH 2022	**1,188**	**1,188**
Depreciation		
At 1 April 2021	865	**865**
Charge for the year	87	**87**
At 31 MARCH 2022	**952**	**952**
Net book value		
At 31 MARCH 2022	**236**	**236**
At 31 March 2021	147	147

NHS Charge

The NBV of some of the Housing properties above are subject to an NHS charge.
The NHS transferred the freehold of 23 properties to Avenues South in 1995 resulting in a legal charge against them; which is registered at the land registry on the freeholds. Consequently, should Avenues South choose to use the properties other than for care services, or sell the properties, Avenues South will have to pay back the current market value (or sale proceeds) to the NHS.

There is an offsetting capital grant creditor of £4,434k (2021 £4,598k). (See note 12).

Long Leasehold

All long leasehold properties have remaining leases of between 83 and 115 years.

9) Intangible assets – Group and Charity

	People Planner	Digitalisation Project	Website	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 April 2021	90	72	24	186
Additions	-	88	-	88
Disposal	-	-	(24)	(24)
At 31 MARCH 2022	**90**	**160**	**-**	**250**
Amortisation				
At 1 April 2021	77	14	24	115
Charge for year	13	30	-	43
Disposal	-	-	(24)	(24)
At 31 MARCH 2022	**90**	**44**	**-**	**134**
Net book value				
At 31 MARCH 2022	**0**	**116**	**-**	**116**
At 31 March 2021	13	58	-	71

10) Investments in subsidiary undertakings

The group holds an investment in Welmede Housing Association of £6 (2021: £6) which is equivalent to the entire share capital of the subsidiary.
A new entity has been formed, Avenues Management Services Limited with a share capital of £1 and the group owns the entire share of the subsidiary.

11) Debtors

	Charity		Group	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Contract fees receivable	-	-	3,003	2,182
Other debtors	332	229	383	941
Prepayments and accrued income	281	344	1,067	1,151
Amounts due from subsidiary undertakings	1,030	-	-	-
	1,643	**573**	**4,453**	**4,274**

Included within Other Debtors are amounts totalling £160k (2021: £160k) relating to a rental deposit falling due after more than one year.

12) Creditors

	Charity		Group	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Bank overdraft	-	175	-	175
Trade creditors	-	9	438	406
KCC Pension creditor	-	-	-	33
Other taxation and social security	227	231	1,203	876
Other creditors	34	148	256	1,198
Deferred income	-	-	853	1,064
Accrued expenditure	112	145	1,552	938
Intercompany	3,311	1,195	-	-
Loan falling due within one year	-	-	17	-
	3,684	**1,903**	**4,319**	**4,690**

Movements in deferred income:	£'000	£'000
Deferred income at the beginning of the year	1,064	978
Income recognised in the year	(1,064)	(978)
Income deferred in the current year	853	1,064
Income deferred at the year end	**853**	**1,064**

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

Long term creditors are repayable as follows:	2022 £'000	2021 £'000
Due within one year	-	33
Between two and five years	-	-
Total amount due	**-**	**33**
Less: due within one year	-	(33)
Amount due after one year	**-**	**-**

12) Creditors (continued)

Creditors falling dues in more than one year
Capital grants

	2022	2021
Capital Grant	**£'000**	**£'000**
Capital Grant at 1 April	(4,598)	(4,730)
Grant Charge adjustment	16	-
Additional Grant		(15)
Grant release current year	148	147
Capital Grant at 31 March	**(4,434)**	**(4,598)**
Bank Loan		
Due within 2 -5 years	(68)	-
Due over 5 years	(185)	-
Total Bank Loan	**(253)**	**-**
Total Long term Creditors	**(4,687)**	**(4,598)**

A capital grant was received to purchase NHS properties in 1995. No further capital grants were received during the year.
The grants are amortised over the same period over which the housing properties are depreciated.

The bank loan relates to the purchase of 6 Colman Stairs and the loan is secure to the property.

13) Statement of Funds

Group:	2021 As previously Stated	Income	Expenditure	Transfers	FRS 102 Pension Adj	2022
	£'000	£'000	£'000	£'000	£'000	£'000
Unrestricted funds:						
General reserve	6,306	45,928	(44,559)	(298)	-	**7,377**
Pension reserve	(2,294)	-	-	314	582	**(1,398)**
Restricted funds:						
Active Communities Fund	11	-	-	-	-	**11**
Big Lottery	12	-	-	-	-	**12**
Community Futures other restricted funds	218	-	-	(42)	-	**176**
Dementia Services	2	-	-	(2)	-	**0**
Disability Focus Day	11	-	-	-	-	**11**
Disability Sports Project	23	-	-	(1)	-	**22**
Employment Service	10	-	-	5	-	**15**
Leisure activities in Avenues East	35	-	-	3	-	**38**
Hope House holiday Fund	-	-	-	4	-	**4**
Partnership Working	9	-	-	-	-	**9**
Disability Forum for Suffolk	-	-	-	4	-	**4**
Teaming Up	63	-	-	(1)	-	**62**
Garden Fund	5	-	-	5	-	**10**
Brighton road	730	-	-	-	-	**730**
Copse Hill	92	-	-	-	-	**92**
Other restricted projects	75	-	-	2	-	**77**
CSU Donations	-	9	-	7	-	**16**
Furniture Fund - Squirrel Lodge	-	10	-	-	-	**10**
Covid19 Support Grant	-	1,072	(1,072)	-	-	**-**
	1,296	**1,091**	**(1,072)**	**(15)**	**-**	**1,300**
Total funds	**5,308**	**47,019**	**(45,631)**	**-**	**582**	**7,278**

Previous year balances	2020	Income	Expenditure	Transfers	FRS 102 Pension Adj	2021
Unrestricted funds:	£'000	£'000	£'000	£'000	£'000	£'000
General reserve	5,421	45,631	(44,439)	(307)	-	6,306
Pension reserve	(1,084)	-	-	307	(1,517)	(2,294)
Restricted funds:						
Active Communities Fund	11	-	-	-	-	11
Big Lottery	12	-	-	-	-	12
Community Futures other restricted funds	218	-	-	-	-	218
Dementia Services	2	-	-	-	-	2
Disability Focus Day	11	-	-	-	-	11
Disability Sports Project	23	-	-	-	-	23
Employment Service	10	-	-	-	-	10
Leisure activities in Avenues East	35	-	-	-	-	35
Partnership Working	9	-	-	-	-	9
Teaming Up	63	-	-	-	-	63
Garden Fund	5	-	-	-	-	5
Brighton road	730	-	-	-	-	730
Copse Hill	92	-	-	-	-	92
Other restricted projects	75	-	-	-	-	75
Covid19 Support Grant	-	1,087	(1,087)	-	-	-
	1,296	**1,087**	**(1,087)**	**-**	**-**	**1,296**
Total funds	**5,633**	**46,718**	**(45,526)**	**-**	**(1,517)**	**5,308**

Funds balances have been transferred to show the actual balance of each fund type.

13) Statement of funds (continued)

The main funds are as follows:
The general reserve represents the unrestricted, designated and restricted funds of the group.
The Pension reserve represents the deficit on the defined benefit pension schemes as calculated using FRS102 methodology. The restricted funds are monies received from funders for the specific projects/purposes described above.
The restricted fund of the parent charitable company is represented by the Active Communities Fund.

1 The Active Communities Fund has been generated through a number of events and donations to support activities in the community.
2 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.
3 The Community Futures other restricted funds is a grouping of smaller grants for the provision of support for community opportunities and activities.
4 The Dementia services restricted fund relates to the remaining balance of a grant from the London Borough of Sutton to fund equipment in a library for people with dementia.
5 Disability Focus Day fund is restricted to supporting the costs of organising a forum for representatives from disability and statutory organisations across Suffolk.
6 Disability Sports Project. The funds is to provide sport and physical activities for young people and adults with disabilities.
7 The Employment Service Fund is restricted to helping young people to gain work experience or volunteering enabling them to gain valuable life skills
8 The Leisure funds are restricted to the various leisure activities provides by Avenues East particularly swimming sessions.
9 The Hope House Holiday fund represents a fund raised towards the provision of an annual holiday for the residents.
10 The Partnership Working fund is restricted to supporting initiatives for user involvement in multi-agency working to promote the inclusion of disabled people.
11 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.
12 The Teaming Up fund is restricted to various Teaming Up activities provided by Avenues East.
13 The Garden Fund provided by Santander is for the renovation of a Garden at Wilson Avenue.
14 Brighton road. This fund is a specific legacy settled on this service. The fund is to be applied to the service and cover all support and running costs
15 Copse Hill; this fund is a specific legacy to this service. The fund is to be used by the service to cover some support and running costs
16 Other restricted grants are comprised of a number of individually immaterial funds.
17 CSU Donations is community support donation restricted to helping disabled people to take part in social activities, for examples games and pub quiz.
18 Furniture Fund - Squirrel Lodge to use for furniture and fitting at Squirrel Lodge
19 Covid19 Support Grant specific to cover support cost that is linked to covid safety

13) Statement of funds (continued)

Parent Charity :	1 April 2021	Fund Transfer	Income	Expenditure	31 March 2022
	£'000		£'000	£'000	£'000
General reserve	(1,019)	(11)	115	(141)	**(1,056)**
Restricted funds					
Active Communities funds	11		-	-	**11**
Community Futures other restricted funds	32		-	-	**32**
Brighton Road	730		-	-	**730**
Other projects	133	11	-	-	**144**
	906	**11**	**-**	**-**	**917**
Total funds	**(113)**	**-**	**115**	**(141)**	**(139)**

Parent Charity :	1 April 2020	Income	Expenditure	31 March 2021
	£'000	£'000	£'000	£'000
General reserve	(1,006)	26	(39)	**(1,019)**
Restricted funds				
Active Communities funds	11	-	-	**11**
Community Futures other restricted funds	32	-	-	**32**
Brighton Road	730	-	-	**730**
Other projects	133	-	-	**133**
	906	-	-	**906**
	(100)	**26**	**(39)**	**(113)**

Negative reserve in both years, if there continue to be more negative reserve in 2022/23, intra-group debt equalisation will be considered.

14) Analysis of net assets between funds

GROUP	Restricted Funds	Unrestricted Funds	2022 Total
Fund balances at 31 March 2022 are represented by:	**£'000**	**£'000**	**£'000**
Tangible fixed assets	-	10,758	10,758
Intangible assets	-	116	116
Current assets	1,299	5,510	6,809
Current liabilities	-	(4,319)	(4,319)
Long term liabilities	-	(4,687)	(4,687)
TOTAL FUNDS BEFORE PENSION LIABILITY	**1,299**	**7,377**	**8,676**
Pension scheme liability	-	(1,398)	(1,398)
TOTAL FUNDS INCLUDING LIABILITY ON PENSION SCHEME RESERVE	**1,299**	**5,979**	**7,278**

14) Analysis of net assets between funds (continued)

Analysis of group net assets between funds - previous year			
Fund balances at 31 March 2021 are represented by:			
Tangible fixed assets	-	10,090	10,090
Intangible assets	-	71	71
Current assets	1,296	5,433	6,729
Current liabilities	-	(4,690)	(4,690)
Long term liabilities	-	(4,598)	(4,598)
TOTAL FUNDS BEFORE PENSION LIABILITY	**1,296**	**6,306**	**7,602**
Pension scheme liability	-	(2,294)	(2,294)
TOTAL FUNDS INCLUDING LIABILITY ON PENSION SCHEME RESERVE	**1,296**	**4,012**	**5,308**

Analysis of parent charity net assets between funds

	Restricted Funds	**Unrestricted Funds**	**Total**
Fund balances at 31 March 2022 are represented by:	**£'000**	**£'000**	**£'000**
Tangible fixed assets	-	236	236
Intangible assets	-	116	116
Current assets	917	2,276	3,193
Current liabilities	-	(3,684)	(3,684)
TOTAL FUNDS	**917**	**(1,056)**	**(139)**
Fund balances at 31 March 2021 are represented by:			
Tangible fixed assets	-	147	147
Intangible assets	-	71	71
Current assets	906	666	1,572
Current liabilities	-	(1,903)	(1,903)
TOTAL FUNDS	**906**	**(1,019)**	**(113)**

15) Operating leases

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

	2022	**2021**
Land and Buildings	**£'000**	**£'000**
Amounts due:		
Within one year	664	998
Between two and five years	1,356	1,288
Beyond five years	487	671
	2,507	**2,957**

Vehicles & equipments	**2022**	**2021**
Amounts due:	**£'000**	**£'000**
Within one year	49	80
Between two and five years	10	59
	59	**139**

Parent only	**2022**	**2021**
Land and Buildings	**£'000**	**£'000**
Amounts due:		
Within one year	-	225
Between two and five years	-	-
	-	**225**

16) Pension obligations

The Avenues Trust Group 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 group for the year ended 31 March 2022 in respect of pension contributions, which have been allocated between resources expended categories in proportion to staff costs and charged to the Consolidated Statement of Financial Activities as appropriate, are as follows;

	2022	2021	**2022**	2021
	£'000	£'000	**No.**	No.
Pensions Trust SHPS	896	925	1,217	1,260
NHS Pension	20	20	8	8
Pensions Trust - The Growth Plan	5	5	7	7
Per Note 7	921	950	1,232	1,275

There are three main schemes remaining with the majority of staff contributing to the defined contribution scheme with The Pensions Trust. This is the Social Housing Pension Scheme (SHPS). In addition there is a closed scheme, also within the SHPS and administered by The Pension Trust. The last scheme is the NHS Pension with details shown below.

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.

National Health Service (closed Scheme)

The NHS operates an unfunded defined benefit scheme for the nursing sector, in which The Avenues Trust Group participates. The Avenues Trust Group is granted permission by the Secretary of State to be able to contribute to the cost of the scheme as a 'Directed Employer' (an employer that can continue to have non NHS employed staff as members of the NHS pension scheme).

16) Pension obligations (continued)

The cost represents the contributions advised by the NHS Pensions Agency. The Avenues Trust Group is not liable for past service costs beyond these contributions. Contributions increased to 14% from 1 April 2005.

The Pensions Trust - The Social Housing Pension Scheme

The Social Housing Pension (SHPS) auto enrolment 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. This scheme also includes a defined benefit obligation although all employees have been transferred to the defined contribution scheme.

The Pensions Trust - The Growth Plan (closed scheme)

The group participates in the SHPS scheme, a multi-employer scheme which provides benefits to employees of some 900 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 group 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 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:

From 1 April 2022 to 31 January 2025	£3,312,000 per annum (payable monthly)

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 £926m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee has asked participating employers to pay additional contributions to the scheme as follows:

16) Pension obligations (continued)

Deficit contributions

From 1 April 2019 to 30 September 2025:	£11,243,000 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.

PRESENT VALUES OF PROVISION	2022 £'000	2021 £'000
Present value of provision - Avenues East	12	45
Total group provision	**12**	**45**

Avenues South East and Avenues South SHPS Pensions schemes are administered by TPT however the obligations for these schemes are now shown later in Note 16

Reconciliation of opening and closing provisions

	2022 £'000	2021 £'000
Provision at start of period	45	54
Unwinding of the discount factor (interest expense)	-	1
Deficit contribution paid	(11)	(12)
Remeasurements:		
- impact of any change in assumptions	-	2
- amendments to the contribution schedule	(22)	-
Provision at end of period	12	45

Income and expenditure impact

	£'000	£'000
Interest expense	-	1
Remeasurements:		
– impact of any change in assumptions	(22)	2

ASSUMPTIONS

	2022	2021	2020
	% per annum	% per annum	% per annum
Rate of discount The Pensions Trust - Growth Plan	2.35	0.66	2.53

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.

Avenues East is the only member of the Group that has employees in this closed scheme.

16) Pension obligations (continued)

The Pensions Trust - Social Housing Pension Scheme

Avenues Group participates in the scheme, a multi-employer scheme which provides benefits to some 500 non-associated employers. The scheme is a defined benefit scheme in the UK.

The scheme is subject to the funding legislation outlined in the 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.

Present Values of Defined Benefit Obligation, Fair Value of Assets and Defined Benefit Asset (Liability)

	31 March 2022	31 March 2021
	£'000	£'000
Fair Value of plan assets	9,824	9,085
Present value of defined benefit obligation	11,210	11,334
Surplus (deficit) in plan	-1,386	-2,249
Defined Benefit asset (liability) to be recognised	-1,386	-2,249

Reconciliation of Opening and Closing Balances of the Defined Benefit Obligation

	Period ended 31st March 2022
	£'000
Defined benefit obligation at start of period	11,334
Expenses	9
Interest expense	246
Actuarial losses (gains) due to scheme experience	844
Actuarial losses (gains) due to changes in demographic assumptions	(172)
Actuarial losses (gains) due to changes in financial assumptions	(882)
Benefits paid and expenses	(169)
Losses (gains) due to benefit changes	-
Defined benefit obligation at end of period	**11,210**

16) Pension obligations (continued)

Reconciliation of Opening and Closing Balances of the Fair Value of Plan Assets

	Period ended 31st March 2022
	£'000's
Fair value of plan assets at start of period	9,085
Interest income	201
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	372
Contributions by the employer	335
Benefits paid and expenses	(169)
Fair value of plan assets at end of period	**9,824**

Defined Benefit Costs Recognised In Statement of Financial Activities (SOFA)

	Period ended 31st March 2022
	£'000's
Current service cost	-
Expenses	9
Net interest expense	45
comprehensive income (SoCI)	**54**

Defined Benefit Costs Recognised In net movement in funds

	Period ended 31st March 2022
	£'000's
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	372
Experience gains and losses arising on the plan liabilities - gain (loss)	(844)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	172
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	882
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	582
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) - gain (loss)	-
Total amount recognised in other comprehensive income - gain (loss)	**582**

16) Pension obligations (continued)

Assets	**31-Mar-22 £'000**	**31-Mar-21 £'000**
Global Equity	1,885	1,448
Absolute Return	394	502
Distressed Opportunities	351	262
Credit Relative Value	326	286
Alternative Risk Premia	324	342
Fund of Hedge Funds	-	1
Emerging Markets Debt	285	366
Risk Sharing	323	331
Insurance-Linked Securities	229	219
Property	266	189
Infrastructure	700	606
Private Debt	252	217
Opportunistic Illiquid Credit	330	231
High Yield	84	272
Opportunistic Credit	35	249
Cash	33	-
Corporate Bond Fund	656	537
Liquid Credit	-	108
Long Lease Property	253	178
Secured Income	366	377
Currency Hedging	(38)	-
Index Linked All Stock Gilts	-	-
Liability Driven Investment	2,742	2,309
Net Current Assets	28	55
Total assets	**9,824**	**9,085**

Key Assumptions	**31-Mar-22 % per annum**	**31-Mar-21 % per annum**
Discount Rate	2.8	2.2
Inflation (RPI)	3.6	3.3
Inflation (CPI)	3.2	2.9
Salary Growth	4.2	3.9
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted at 31 March 2022 imply the following life expectancies:

	Life expectancy at age 65 (Years)
Male retiring in 2022	21.1
Female retiring in 2022	23.7
Male retiring in 2042	22.4
Female retiring in 2042	25.2

17) Active subsidiary undertakings

The Avenues Trust Group control Avenues South East (company number 03923486; charity number: 1079576), Avenues London (company number 06858705; charity number: 1130445), and Avenues East (company number 03326442, charity number: 1061241). All four companies are limited by guarantee and registered in England.

The Avenues Trust Group also holds 100% control of Avenues South formerly Welmede Housing Association Limited (company number R26230), a Charitable Housing Association incorporated under the Co-Operative and Community Benefit Societies Act 2014 and registered with the Registry of Friendly Societies which is administered by the Financial Conduct Authority in England.

All charities are controlled by Avenues Trust Group who have the ability to appoint and remove all members of each subsidiary Board of Trustees.

All charities' registered address is River House, 1 Maidstone Road, Sidcup, Kent, DA14 5TA.
All activities have been consolidated on a line by line basis in the Consolidated Statement of Financial Activities. A summary of the results of the subsidiaries is shown below.

	Avenues South East	Avenues London	Avenues East	Avenues South	Parent	Total 2022	Total 2021
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income	17,419	12,401	6,565	10,519	115	**47,019**	46,717
Expenditure	(16,305)	(12,467)	(6,426)	(10,291)	(142)	**(45,632)**	(45,525)
Surplus/(deficit) on ordinary activities excluding debt equalisation	**1,114**	**(66)**	**139**	**228**	**(27)**	**1,387**	**1,192**

The aggregate of the assets, liabilities and funds as at 31 March 2022 was :	Avenues South East	Avenues London	Avenues East	Parent	Avenues South	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Assets	4,568	2,481	898	3,545	10,219	21,711
Liabilities	(2,125)	(2,239)	(486)	(3,684)	(7,242)	(15,776)
Total funds	**2,443**	**242**	**412**	**(139)**	**2,977**	**5,935**

The aggregate of the assets, liabilities and funds as at 31 March 2021 was :	Avenues South East	Avenues London	Avenues East	Parent	Welmede	Total
	£'000	£'000	£'000	£'001	£'000	£'000
Assets	3,218	1,277	723	1,790	9,551	16,559
Liabilities	(1,838)	(969)	(450)	(1,903)	(7,688)	(12,848)
Total funds	**1,380**	**308**	**273**	**(113)**	**1,863**	**3,711**

18) Related party transactions

The Avenues Trust Group provides central support for each of its subsidiaries. The Group makes a charge for these central costs based on a blended ratio of group costs. In addition, The Avenues Trust Group acts as the central banker for the group, paying salary costs and creditors and receiving cash from customers.

	2022	2021
PARENT	**£'000**	**£'000**
Balance owed at 1 April	(1,224)	(277)
Payroll services provided to subsidiary companies	28,708	27,586
Receipts taken on behalf of group companies	(38,322)	(37,811)
Payments made on behalf of group companies	9,486	8,859
Intercompany transfer from Welmede	(5,946)	(4,385)
Recharges of head office costs	5,017	4,804
Balance due at 31 March	**(2,281)**	**(1,224)**

THE AVENUES TRUST GROUP

England & Wales - Charity number 1130473

Accounts

THE AVENUES TRUST GROUP

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

Charity Registration Number: 1130473

Company Registration Number: 03804617

THE AVENUES TRUST GROUP

Index

	Page
Reference and administrative details of the charity, its advisers and trustees	1-2
Trustees' report and strategic report	3 – 11
Strategic Report	12 - 24
Statement of trustees' responsibilities	25
Independent auditor's report	26 - 29
Consolidated statement of financial activities	30
Consolidated balance sheet	31
Company balance sheet	32
Consolidated statement of cash flows	33
Notes to the financial statements	34 - 58

THE AVENUES TRUST GROUP
BOARD MEMBERS AND MANAGEMENT PERSONNEL

FOR THE YEAR ENDED 31 MARCH 2021

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

Chairman:	Terry Rich
Vice Chair:	Evlynne Gilvarry (Member of the Audit Committee and Risk Committee)

Non-Executive Trustees:

Andrew Bruce Calderwood	Member of HR and Nominations Committee and Quality 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
Nicola Bannister	(From March 2021) Member of HR & Nominations Committee

Executive Trustees:
Joanne Land
Nicola Ford

Key Management Personnel:

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)

Company Secretary
Lauren Osman

CHARITY REGISTRATION NUMBER 1130473
COMPANY REGISTRATION NUMBER 03804617

THE AVENUES TRUST GROUP

BOARD MEMBERS AND MANAGEMENT PERSONNEL

FOR THE YEAR ENDED 31 MARCH 2021

Principal and Registered Office River House, 1 Maidstone Road, Sidcup, Kent, DA14 5TA

Advisers

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

THE AVENUES TRUST GROUP

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 The Avenues Trust Group for the year ended 31 March 2021. The legal and administrative information set out on pages 1-2 forms part of this report. The Financial Statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice (SORP second edition – October 2019) 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).

"Avenues"/"Avenues Group" means the Avenues Trust Group Limited and its subsidiaries.

Introduction

The Avenues Trust Group ("Avenues") 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, in line with Charity Commission guidelines.

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

The Avenues Group is the trading name for The Avenues Trust Group and is constituted as a company limited by guarantee. The Avenues Group is also a registered charity.

The Avenues Trust Group is the ultimate holding company for Avenues South East, Avenues South (formerly Welmede Housing Association Limited) Avenues London and Avenues East. All subsidiary companies bar Avenues South are registered charities and are constituted as companies limited by guarantee; Avenues South is a Charitable Housing Association.

The names of the members of the Board of the Avenues Trust Group are listed on Page 1. The members of the Board, who for the purposes of the charity/company law are the trustees/directors of the charitable company, are appointed by the Board.

Jo Land, Group Chief Executive and Nicola Ford, Group Director of Finance are executive trustees of the Avenues Trust Group and all subsidiaries.

Membership

All directors of all boards within the Group are members of the parent entity. Membership is automatic on appointment and resignation to any board within the Group.

Governance

The Group Board meets around 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 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

Governance (Continued)

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 Group 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.

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

The Charity Governance Code (continued)

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 and Finance and Risk 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.

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 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 are checked properly and screened to ensure that they are fit and suitable to work with vulnerable people.

In the event of a change in an employee's health, in accordance with our sickness absence policy, we would 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.

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.

The Equality and Diversity ("E&D") steering group is comprised of staff and people we support from across the organisation. This allows for two way communication and the chair has direct access to the CEO. During 2020/21 this has led to an increased profile for E&D in

Our Employees (Continued)

the organisation, linking with HR and Nominations committee, raising the profile of the steering group and leading to an express focus on progressive Equality,
Diversity &Inclusion. This has led to the creation of special interest subgroups including a trustee recruitment special interest group.

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

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.

The Avenues Group supports more than 600 people to enjoy community-based life, and employs more than 1,600 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.

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.

Public Benefit (Continued)

Avenues 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 the Avenues Group 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.

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.

Related Parties

The Avenues Trust Group has the following wholly owned subsidiary entities, all limited by guarantee, with the exception of Avenues South which is limited by Share Capital:

- Avenues South East Limited (Company number 3923486)
- Avenues London Limited (Company number 6858705)
- Avenues East Limited (Company number 3326442)
- Avenues South (Registered Society number 26230R)

The Group works on the basis of an overlapping board structure as outlined above in the board structure. The table below identified core trustees (who sit on each board within the Avenues Group) and independent trustees (who sit on only one subsidiary board). The independent trustees manage conflicts of interest across the group. There are minimal related parties however registers are maintained see note 18. The table below identifies core and independent trustees for each board.

Related Parties (continued)

Trustee	Core	Group Independent	London Independent	South East Independent	East Independent	South Independent
Alistair Brown	✔					
Alistair Oag	✔					
Bruce Calderwood		✔				
Cathryn Law			✔			
Emma Keegan				✔		
Evlynne Gilvarry	✔					
Jo Land (Exec)	✔					
Mark Pittaway	✔					
Martin Owen					✔	
Myles Kaplan						✔
Nicola Bannister		✔				
Nicola Ford (Exec)	✔					
Peter Hepburn						✔
Rich Hodgson			✔			
Terry Rich	✔					

Carbon and Energy Reporting

As a large qualifying group, The Avenues Group is required to report its energy use and carbon emissions in accordance with the Companies Regulations 2018 because it meets the thresholds for reporting. Other subsidiaries in the Group do not meet the thresholds for reporting and are not required to report individually.

The energy use and carbon emissions for the Group for the year ended 31 March 2021 and 2020 comparatives are as follows:

Energy Source	Consumption	Scope	Emissions calculation 2020/21	Emissions calculation 2019/20
Gas – total kWh (kilowatt-hours) used for the year taken from gas bills	180,808 kWh (gross CV (calorific value))	Scope 1	180,808 kWh * 0.18316 (2021 fuels, natural gas conversion factor gross CV to kg Co2e)= 33,117 kgCO2e **= 33.12 tCO2e**	1,487,227 kWh * 0.18387 (2020 fuels, natural gas conversion factor gross CV to kg Co2e)= 273,456 kgCO2e **= 273.46 tCO2e**
Electricity – total kWh used for the year, taken from the electricity bills	779,310 kWh	Scope 2	779,310 kWh * 0.21233 (2021 electricity conversion factor to kgCO2e) = 165,471 kgCO2e **= 165.47 tCO2e**	840,085 kWh * 0.23314 (2020 electricity conversion factor to kgCO2e) = 195,857 kgCO2e **= 195.86 tCO2e**
Transport – 6,170 miles in the year	6,170 miles * 1.1217 (2021 SECR kWh pass & delivery vehs, cars - average and unknown fuel)= 6,920 kWh	Scope 1	6,170 miles *0.27596 (2021 managed assets vehicles, average car conversion factor to kgCO2e)= 1,703 kgCO2e **= 1.70 tCO2e**	81,000 miles * 0.27584 (2020 managed assets vehicles, average car conversion factor to kgCO2e)= 22,343 kgCO2e **= 22.34 tCO2e**
Transport – People carriers/vans - 51,336 miles in the year	51,336 miles * 1.71004 (2021 SECR kWh pass & delivery vehs, vans class 3 – used in lieu of passenger vehicles conversion)= 87,786 kWh	Scope 1	51,336 miles = 82,617km 82,617km *0.26529 (2021 managed assets vehicles, vans class 3 – used in lieu of passenger vehicles conversion)= 21,917 kgCO2e **= 21.92 tCO2e**	239,000 miles = 384,633 km 384,633 km * 0.27171 (2020 managed assets vehicles, vans class 3 – used in lieu of passenger vehicles conversion)= 104,509 kgCO2e **= 104.51 tCO2e**
Transport – total mileage reimbursed from staff claims = 99,639 miles	99,639 miles * 1.1217 (2021 SECR kWh pass & delivery vehs, average car conversion factor to kWh)=111,765 kWh	Scope 3	99,639 miles * 0.27596 (2021 managed assets vehicles, average car conversion factor to kgCO2e)= 27,496 kgCO2e **= 27.50 tCO2e**	310,933 miles * 0.27584 (2020 managed assets vehicles, average car conversion factor to kgCO2e)= 85,768 kgCO2e **= 85.77 tCO2e**
Total	**1,116,589 kWh**		**249.71 tCO2e**	**3,175,057 kWh 681.94 tCO2e**
Intensity ratio	Emissions data (tCO2e) compared with an appropriate business activity (Average FTE)		249.71 tCO2e/1,029 FTE **= 0.24 tCO2e per FTE**	681.94 tCO2e/1,210 FTE **= 0.56 tCO2e per FTE**

Methodology

The data detailed in this table represents energy use and emissions for which The Avenues Group is responsible for the period 1 April 2020 to 31 March 2021. It includes the metered electricity and gas used in our properties, and emissions from fuel used in vehicles on company business (both private and leased). For leased vehicles this has been estimated based on the contractual mileage where actuals were not available. These are the energy use and emissions sources required by the regulations for large unquoted organisations. We have used the main requirements of the GHG Protocol Corporate Accounting and Reporting Standard as our emissions calculation methodology. This methodology recommends that emissions are calculated by multiplying activity data (for example energy use in kWh) by an appropriate conversion factor.

Carbon and Energy Reporting (Continued)

We have used the UK government GHG conversion factors for company reporting 2021 to calculate our emissions.

Our emissions intensity is reported by full-time employee (FTE). This is because our employee numbers are directly related to our business activities, as increased business may result in higher FTE numbers. These intensity metrics allow comparison of our energy efficiency performance over time.

The Streamlined Energy and Carbon Reporting (SECR) regulations apply to company financial years starting on or after 1 April 2019.

STRATEGIC REPORT

Objectives and Activities

The charitable objects of The Avenues Trust Group and its subsidiaries 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 services to people, supporting them to enjoy their lives within their communities.

The governing instruments for the Avenues Trust Group and the subsidiary entities are their respective Articles of Association, with the exception of Avenues South which is governed under its Model Rules.

Strategy

Avenues has always gone the extra mile to provide the best support to people with profound and multiple learning disabilities, autism and acquired brain injury. 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.

Over the lifetime of this strategy, our digital journey and use of technology will afford us the opportunity to promote greater independence for the people we support whilst also improving our operations. We will continue to build a justified reputation for supporting even more people to flourish, regardless of the challenge.

Avenues is a community of people; those supported, their families, the people who work for us and others. All their voices must be heard. We will find new ways for everyone to appropriately influence how we make best use of the funding we have, and make sure people continue to smile, laugh and grow.

By 2025 we will …

- Be recognised as a high-quality specialist provider of social care services to people with a learning disability, with an exemplar offering for people living with autism.
- Have sufficient flexibility, capacity and resources so as to ensure organisational resilience, support for the long term and offer high levels of efficiency and effectiveness in the way we work.
- Be known to, and valued by, a broader group of potential purchasers and other key stakeholders, with new customers, funders and commissioners, diversifying our income streams.

Strategy (Continued)

- Offer a variety of models of support that will suit people's needs and which are capable of providing great support at different stages of their life journey.
- Be known for the strength and quality of our engagement and co-production. People who receive our services, their families and significant others in their lives will influence what we do, how we do it and will tell us what they want.

We will continue to go the extra mile.

Section 172 (1) of the Companies Act 2006

Under Section 172 of the Companies Act 2006 the Board of Trustees, (who are also directors of The Avenues Trust Group for the purposes of company law), have a duty to promote the long term success of The Avenues Group. They have done that during 2020/21 by duly considering the impact of the decisions they make on the future of the Group. All key decisions that will have an impact on the long-term future of the Group are discussed at the relevant sub-committees and Boards. They have taken into account the view of different stakeholder groups who will be affected by the decisions and have weighed and considered the different options that were available to the Group on each occasion. The Boards believe they have acted throughout the year in the best interests of the Group and in a manner, which will bring about long term success.

The trustees consider the key stakeholder groups for The Avenues Group to be the people it supports and their families, friends and advocates, its employees, its competitors, its funders and its suppliers.

The impact of major decisions on staff are discussed at the HR & Nominations committee and the Boards who also received regular updates on staff pay, health and safety and safeguarding.

The Boards receive a summary of the biennial staff engagement survey which highlights both strengths and areas for potential improvement on employment matters and how these will be mitigated through specific actions.

The quality of our services and the engagement of the people we support across the organisation is our priority and so the Quality, Local Focus and Engagement committee was introduced to provide assurance to the Boards) around the operational delivery of quality support. This committee engages with stakeholders at all levels and reviews and obtains assurance relating to complaints and compliments. This committee provides a mechanism to make sure that stakeholders are involved in

the setting of the organisations goals, quality and culture. The committee is made up of trustees, parents of people we support and a qualified social worker. New Directions is a subgroup of this committee made up of people we support who meet to review and discuss Avenues Group and give their ideas for its future. As part of this they have recommended a similar group per subsidiary which is being reviewed.

To develop and maintain strong business relationships, The Avenues Group collaborates regularly with Local Authorities and CCGs and its competitors through face to face meetings and roundtable discussions. Avenues recognises the benefit of working together, not just for the people we support and our employees but the wider adult social care provision. We have many examples where through joint working projects we have achieved better outcomes for the people we support. We have been working with Surrey County Council to develop a joint strategy that will not only see the modernisation of the housing provision but will offer a wider choice of support and accommodation solutions that will be fit for the future for adults with a learning disability. We can only achieve such great outcomes by bringing together the skills, knowledge and experience of both parties. The Avenues Group management team have also worked closely with Local Authorities to share lived experiences of services where we support people with challenging behaviour to help shape tenders and ensure high quality service provision.

Avenues put the people we support at the centre of everything we do, ensuring individuals have meaningful plans, including communication needs, recorded in ways that are accessible for them. All individuals have a Service User Guide which details the expectations of both parties and a copy of our Complaints Procedure, although we try to anticipate issues and challenges, taking steps to address them at the earliest opportunity, preventing issues becoming too problematic. High quality care and support exists where people using social care have informed choice and control, with as much involvement in decisions about their care and support as they want to have.

Senior Operations Managers are responsible for ensuring that user involvement is positively encouraged through genuine involvement in shaping and providing feedback. We hold regular forums to understand the experiences of the carers and people who are in the individual's circle of support. This enables us to develop the service in a meaningful and informed way. As with user involvement, it is important that stakeholders, such as families, friends and professionals, involved in individuals lives are encouraged to be involved in decisions about the care and support provided.

We acknowledge that the wider public and mainstream services have a real part to play in the lives of the individual and we prepare the local community to accepting the schemes as valued resources. For example, we encourage individuals to develop

relationships with their neighbours and others within their local community and always reinforce the message that we intend to support them to be good and involved citizens.

The trustees and the Executive Management Team have now published the 2021/25 strategic plan for Avenues group. The year one plan is operational and the overall plan will help to ensure the long term success of the Avenues group via the New Directions.

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 2020/21 were Brexit and the coronavirus pandemic impact. All necessary measures have been taken to mitigate these risks going forward, which included the setting up of specific working parties for both Brexit and the coronavirus pandemic and reviewing all guidance provided by the government and other bodies. 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.

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

Principal Risks and Uncertainties – Coronavirus (Continued)

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

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 pandemic 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

Principal Risks and Uncertainties – Coronavirus (Continued)

required to maintain a minimum levels. All registered locations made full use of the governments' supply chain.

A key part to successful management of the coronavirus 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.

Finally, whilst we were all learning as we navigated through the pandemic the CV19

Principal Risks and Uncertainties – Coronavirus (Continued)

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 22 for financial risk assessment.

Achievements and Performance

Avenues' reputation for delivering high-quality services established us as a key player in the Transforming Care programme, and strengthened our relationship with NHS England.

This means all Avenues subsidiaries are well positioned to deliver new complex services which move people from secure locations back into their home communities, alongside the continuation of the outstanding support provided to existing service users, fulfilling the Group's vision,

As well as our ambition to support people for the long term, we continue to offer genuine career prospects to employees and positive succession planning.

Our commitment to quality has continued through our strategic partnership with the University of Kent, focusing on the promotion of positive behavioural support and active support - both approaches that are demonstratively effective in supporting the people that Avenues work with.

During the year we were successful in winning a contract to provide Positive Behaviour Services to four people in the London Borough of Haringey, opening the service in August 2020. The individuals living there have a variety of complex support needs, with some having spent significant amounts of time in Assessment and Treatment Units. The individuals have, at their own pace, been becoming part of their local community, and participating in ordinary activities. This is the type of provision we aim to provide more of in the future.

Over the past year we have continued to develop our other services of this type across our subsidiaries, proving once again that people with the highest support needs, and most challenging behaviour, can enjoy better lives through tailored, community-based support that brings significant savings to the public purse.

Achievements and Performance (Continued)

The Avenues Trust Group has a monthly balanced scorecard which is used for reporting to management and trustees. Within this are Key Performance Indicators for each strand of the Strategic plan as follows;

Better Lives/Quality

The first priority of the plan is to ensure that the lives of the people we support continually improve. A good indicator of this is percentage of employees trained in Active support. The 2019/20 target was 30% for the year ended 31 March 2020 we achieved 24%. This was still a priority for 2020/21 however delivery was significantly impacted by coronavirus. Our aim for 2021/22 is to review and improve the Quality of Life for each individual we support. We aim to achieve a completed evaluation of all services by the end of 21/22. To support this target we are working through an extensive Positive Behaviour Support Project which enables us to collect baseline data. This data will be comparably reviewed for the years ahead and allow Avenues to provide and demonstrate significant improvements in the lives of the people we support.

Better Jobs

Our second priority is to continually improve the experience of working for us. We have a target of 80% of experienced employees to be retained. For the year ended 31 March 2021 this stood at 80% (March 2019: 77%).

Better Business

The final strand of our strategic plan is Better Business. This is being measured by the percentage of services that are making a loss before central costs. The target for this is less than 5%, however at 31 March 2021, 9.3% of services were making a loss before central costs (reduced from 13% at March 2020). This includes services under review together with newly established services which are expected to make a surplus going forward.

Financial Results for the Year Ended 31 March 2021

The income and expenditure performance of the Group in 2020/21, shows income of £46.7m and a surplus of £1.2m (compared to a deficit of £1.2m in the prior year).

Total income for the year increased by £3.1m (7%) and expenditure has increased by £1m (2.3%), excluding loss on sale of fixed assets.

Financial Results for the Year Ended 31 March 2021 (Continued)

The consolidated balance sheet shows total group funds of £5.3m compared to £5.6m as at March 2020. This includes the impact of the revaluation of the Social Housing Pension Scheme (SHPS) pension liability of £1.5m.

The consolidated Group had gone into 2020/21 with a small surplus budget. This is a key deliverable of the 2021/25 strategic plan and the Executive Management Team.

Reserves Policy

As part of the 2021-25 strategic planning processes conducted in 2020/21, the Avenues Group Board carried out a thorough review of the reserves requirement and policy to ensure these are adequate to support the Group going forward.

As a contract based service provider, the Avenues Group Board have concluded that the Group does not need to carry significant levels of reserves. However, the free reserves available need to be sufficient to mitigate against any significant organisational risks as identified via the risk management procedures whilst enabling the group to capitalise on opportunities and deliver the 4 year strategic plan ensuring sustainability for the future. Based on this revised reserve policy the Board has concluded that the target for free reserves should be £1.5m. This has been considered by the Audit and Risk Committee in June 2021 and deemed to be still appropriate.

Subsidiaries

This reserves policy is established at a Group level.

Reserves were as follows at March 2021:	**£'000**
- General	6,231
- Designated	75
- Pension scheme	(2,294)
- Restricted	1,296
TOTAL RESERVES	**5,308**
Less unrestricted tangible fixed assets held for charities own use	(5,563)
Less restricted reserves	(1,296)
Less designated reserves	(75)
FREE RESERVES (Deficit)	**(1,626)**

Free reserves are therefore NIL.

Tangible fixed assets are stated after netting off capital grant liability.

Reserves Policy (Continued)

Restricted funds do not form part of general reserves as these have been received from funders/donors for specific projects/purposes and are therefore not freely available for use by the group.

Designated reserves of £75k relate to a legacy left to Avenues in relation to a person supported at Chelsham Lodge. The trustees have decided that the legacy should be used for this person, as such a designated fund has been set up.

£5,563k related to amounts invested in fixed assets and these reserves can only be realised on disposal.

One of the aims of the 2021/25 strategic plan is financial sustainability and the creation of free reserves which will be achieved by asset disposals and the consistent delivery of financial surpluses. Over the life of this plan we expect to achieve sustainable surpluses to create free reserves will be used to weather the social care sector storms and enable the Group to make strategic choices.

The free reserves held at the balance sheet date remain below the target set by the Board and reserves policy.

Risks to Funding/Financial Climate

- Social care sector pressures
- Reliable funding sources with a relatively stable established base
- Scaling up and growth may require some upfront investment

In the event of the sudden closure/liquidation of the group any outstanding commitments and liabilities would be funded by the sale of properties.

Liquidity and Working Capital

Whilst the reserves policy sets a target for free reserves it is recognised that this does not create liquidity within the group and the Board would also like to address this and have set a target for this of £1m which have now been met in 2020-21. The group will continue to work to improve its position to build sustainable services and grow the charity.

The current working capital position of the group is:

2020/21 £2.0m (2019/20 £1.1m)

Going Concern

The primary objective for 2020/21 was to eliminate the annual deficit in line with the strategic plan 2018-21 and to consolidate the financial strength of the group to capitalise on future opportunities and build long term sustainability. In order to achieve this a number of initiatives have been undertaken during 2020/21:

- Increased focus on recruitment and retention to lower dependency on agency
- Full review of loss making services across the group
- Increased scrutiny around void levels and agency spend
- Focus on financial turnaround plan in London

The above measures and increased scrutiny around monthly financial results and deviation from budgets mean that a small surplus is expected in 2021/22.

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 financial or going concern risk.

We have sufficient contingency funds in place to cover existing coronavirus related voids and should there be another wave we believe we are well placed to deal with it and minimise the overall impact on the Group and as a result the financial position of the Group.

Avenues holds a significant number of long term contracts and provides a very high quality of service provision, which ensures continued success in securing new contracts and retaining existing ones. With this in mind, whilst there are significant challenges within the sector, particularly around recruitment of staff, Avenues is well placed for the future.

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.

Future Developments

2020/21 is the last year of the three year Strategic Plan for the Group. 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.

Our approach will remain centred on supporting more people with learning disabilities and/or autism whose behaviour challenges, while ensuring ongoing quality of services for those we already work with.

This commitment to quality will be supported by our renewed relationship with the University of Kent, particularly around training in positive behavioural support and active support. Getting these areas right is essential to our aspiration of delivering increasingly high-quality services for people with the most complex needs.

Recruitment and retention of a high quality workforce in the sector and for the Group remains an ongoing challenge. Despite the challenges brought about by the pandemic, Avenues was able to make an investment to improve the salaries of our employees and differentiate ourselves in the employment market. As a result of this investment, and the benefits of working in social care in the context of the pandemic and its associated restrictions, we have seen a material upturn in interest in the opportunities that we offer and have been successful in converting that interest into meaningful employment for people. As conditions change and other sectors reopen we anticipate some difficulties in sustaining some of the positive impacts we have achieved in the longer term and we are developing strategies that build on our experiences and learning from 2020/21 to enable us to maintain and further develop our successes where possible.

2020/21 saw the establishment of a business development function led by a Director of Business Development, appointed with significant sector experience of business development. During the coming year we anticipate a busy year of development opportunities which we will be well placed to respond to.

We will continue to address the agency spend and level of voids across the group via focus groups. To date this had a positive impact on both quality and costs which we expect to continue.

We are looking to increase use of digital solutions and the aspiration of operating paperless offices as far as practicable. We will work to ensure that use of technology allows us to compete effectively in current business environment and to invest time saved from more efficient administrative processes in continuous improvement of our services.

AVENUES TRUST GROUP

TRUSTEES' REPORT AND STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2021

Avenues provides high-quality, cost effective and successful community-based alternatives to institutional care. As well as hugely improving people's quality of life, we offer rewarding long-term employment and careers. People are at the centre of everything we do.

These are challenging times for society and the sector, but we are confident that we have the strategy and people in place to become even more resilient, and deliver our vision to more people who need our unique support.

The Trustees' Report 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 on 12th October 2021and signed on its behalf by

Terry Rich
Chair
Date: 12th October 2021

THE AVENUES TRUST GROUP

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2021

The trustees (who are also directors of The Avenues Trust Group for the purposes of company law) are responsible for preparing the Trustees' Annual Report including the incorporated Strategic 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 the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable Group 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 Group 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 Group and 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 Group and 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 group'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.

THE AVENUES TRUST GROUP

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE AVENUES TRUST GROUP

Opinion

We have audited the financial statements of The Avenues Trust Group (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated and Charity Cash Flow Statements 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 group's and the parent charitable company's affairs as at 31 March 2021 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We have been appointed auditors under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent 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. 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 group and the parent charitable company and their 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 by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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 25, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE AVENUES TRUST GROUP

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.

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 group audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory frameworks that the group and parent charitable company operate in and how the group and parent charitable company are 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 parent 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE AVENUES TRUST GROUP

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 group is in compliance with these law and regulations and inspected correspondence with regulatory authorities.

The group 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 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 estimates.

A further description of our responsibilities for the audit of the financial statements is provided 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

THE AVENUES TRUST GROUP
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Including Consolidated Income & Expenditure Account)
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted General Funds £'000	Unrestricted Pensions £'000	Restricted Funds £'000	Total 2021 £'000	Total 2020 £'000
INCOME FROM:						
Donations and Legacies						
Donations	3	6	-	-	6	2
Grants	3	3	-	-	3	-
		9	-	-	9	2
Charitable Activities:						
Provision of care and housing services		10,781	-	-	10,781	11,941
Provision of care to young people		1,611	-	-	1,611	1,379
Services to Adults		30,450	-	-	30,450	28,541
Services to Older People		1,657	-	-	1,657	1,640
		44,499	-	-	44,499	43,501
Other trading activities	3	25	-	-	25	21
Investment Income		-	-	-	-	3
Other		1,098	-	1,087	2,185	106
Total Income		**45,632**	**-**	**1,087**	**46,718**	**43,633**
EXPENDITURE ON:						
Raising funds		-	-	-	-	-
Charitable activities:						
Provision of care and housing services	4	11,913	-	-	11,913	12,304
Provision of care to young people	4	1,434	-	-	1,434	1,295
Services to Adults	4	29,345	-	1,087	30,432	29,299
Services to Older People	4	1,713	-	-	1,713	1,587
YourTime - Leisure activities	4	-	-	-	-	1
		44,405	-	1,087	45,492	44,486
Loss/(gain) on sale of assets		34			34	300
Total Expenditure		**44,439**	**-**	**1,087**	**45,526**	**44,786**
Net Income/(expenditure)	5	**1,192**	**-**	**-**	**1,192**	**(1,153)**
Transfer between funds		(307)	307		-	-
Reduction in fair value adjustment		-	-	-	-	(301)
Remeasurement of defined benefit pension schemes	16	-	(1,517)	-	(1,517)	1,516
Net movement in funds		**885**	**(1,210)**	**-**	**(325)**	**62**
Reconciliation of funds:						
Fund balances brought forward	14	5,421	(1,084)	1,296	5,633	5,571
Fund balances carried forward		**6,306**	**(2,294)**	**1,296**	**5,308**	**5,633**

The notes on pages 34 to 58 form part of these financial statements.

THE AVENUES TRUST GROUP
CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2021
COMPANY NO: 03804617

	Notes	2021	2020
		£'000	£'000
FIXED ASSETS			
Tangible assets	8	10,090	10,355
Intangible assets	9	71	27
		10,161	**10,382**
CURRENT ASSETS			
Debtors	11	4,274	4,853
Cash at bank and in hand		2,455	923
		6,729	**5,776**
CREDITORS falling due within one year	12	(4,690)	(4,678)
NET CURRENT ASSETS		**2,039**	**1,098**
CREDITORS falling due in more than one year	12	(4,598)	(4,763)
NET ASSETS EXCLUDING PENSION LIABILITY		**7,602**	**6,717**
Pension scheme liability	16	(2,294)	(1,084)
NET ASSETS	14	**5,308**	**5,633**
FUNDS			
Unrestricted funds:			
General funds	13	6,231	5,346
Designated fund	13	75	75
Pension scheme funding reserve	13	(2,294)	(1,084)
		4,012	**4,337**
Restricted funds	13	1,296	1,296
TOTAL FUNDS	14	**5,308**	**5,633**

The notes on pages 34 to 58 form part of these financial statements.

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

Terry Rich
Chair

THE AVENUES TRUST GROUP
COMPANY BALANCE SHEET
AS AT 31 MARCH 2021
COMPANY NO: 03804617

	Notes	2021	2020
FIXED ASSETS		**£'000**	**£'000**
Tangible assets	8	147	143
Intangible assets	9	71	27
		218	170
CURRENT ASSETS			
Debtors	11	573	921
Cash		999	-
		1,572	**921**
CREDITORS falling due within one year	12	(1,903)	(1,191)
NET CURRENT LIABILITIES		**(331)**	**(270)**
NET LIABILITIES		**(113)**	**(100)**
FUNDS			
Unrestricted funds:			
General reserve	13	(1,019)	(1,006)
		(1,019)	**(1,006)**
Restricted funds	13	906	906
DEFICIT	14	**(113)**	**(100)**

As permitted by section 408 of the Companies Act 2006, the parent charity's Statement of Financial Activities (including Income and Expenditure) has not been included in these financial statements. The parent charity's result for the year was a deficit of £13k (2020: deficit of £1,087k).

The notes on pages 34 to 58 form part of these financial statements.

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

Terry Rich
Chair

THE AVENUES TRUST GROUP
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

		2021	2020
Cashflow from operating activities		**£'000**	**£'000**
Net cash generated from /(used in) operating activities	**(a)**	2,162	(452)
Cashflow from investing activities:			
Purchase of intangible fixed assets		(451)	(626)
Purchase of tangible fixed assets		(74)	(22)
Sale of tangible fixed assets		156	2,653
Net cash provided by/(used in) investing activities		(369)	2,005
Financing:			
Payment of KCC loan		(33)	(36)
Net cash outflow from financing		(33)	(36)
Increase/(Decrease) in cash in the year		**1,760**	**1,518**
Change in cash and cash equivalents in the reporting period		**1,760**	**1,518**
Cash and cash equivalents at the beginning of the reporting period		520	(998)
Cash and cash equivalents at the end of the reporting period	**(b)**	**2,280**	**520**

(a) Reconciliation of net income to net cash flow from operating activities:	**2021**	**2020**
	£'000	**£'000**
Net income	1,192	(1,153)
Net movement in pension provision	(307)	(259)
Loss on disposal of tangible fixed assets	34	300
Depreciation charges	526	647
Amortisation of intangible fixed assets	30	16
Net movement in creditors (less debtors)	687	(2)
Net cash used in operating activities	**2,162**	**(452)**

(b) Analysis of cash and cash equivalents:		
Overdraft facility repayable on demand	(175)	(403)
Cash at bank and in hand	2,455	923
Total cash and cash equivalents	**2,280**	**520**
Borrowings excluding overdrafts	(33)	(66)
Total cash, cash equivalents and borrowings	**2,247**	**454**

1) Accounting Policies

The Avenues Trust Group 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 Board Members' 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 second edition October 2019)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006, except for the treatment of Welmede Housing Association social housing grants which would normally be shown through the Statement of Financial Activities. The group has departed from the Charities SORP (FRS 102) and maintained the accounting treatment set out in Housing SORP 2014 (Statement of Recommended Practice for social housing providers) which is followed by Welmede Housing Association, where government grants are recognised in income using the accruals model and recognised over the life of the underlying asset when housing properties are measured at cost.

Amounts not recognised in income are shown as creditors as deferred capital grants. The trustees consider that this is the appropriate policy to use in the consolidated financial statements.

The Avenues Trust Group 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 parent 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 parent 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 33 'Related Party Disclosures' – Compensation for company key management personnel.

b) Preparation of the accounts on a going concern basis

The Avenues Trust Group has had operational loss of £1.2m in 2019/20 and surplus of £1.2m in 2020/2021. As at March 2021, reserves stood at £5.3m, with positive net working capital of £2.0m. The sale of 20 Faraday realised cash of £246K which added to the liquidity position of the Group. The 2020/21 results includes a £34k loss on disposal on this property.

Going into 2020/21, there is continuous focus on recruitment and retention to lower dependency on agency; full review of loss making services across the group and increased scrutiny around void levels. These measures coupled with the targeted growth across the Group will continue to build a sustainable future. The increased scrutiny around monthly financial results and the increased funding support due to covid19 have resulted in a surplus position for 2020/21.

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 financial or going concern risk.

We recognised early on that regular testing was required, not only to ensure our operational teams were not spreading the virus but also enable us to manage any outbreaks. We requested weekly testing of all staff ahead of the Government advice where such facilities were available and this will continue. In addition to the use of PPE and deep cleans as required, the level of cleaning has increased and visitors stopped as per government guidelines. Staff movement is being minimised and steps were taken to ensure that the same staff work with each other where possible. This combined with our relatively small individual services means that we can work to reduce the spread and mitigate the impact of the virus across the organisation. We have sufficient contingency funds in place to cover existing coronavirus related voids for the full year and staff sickness is still being paid for by the Infection Prevention Grant. Should there be another wave we believe we are well placed to deal with it and minimise the overall impact on the Group and as a result the financial position of the Group.

Avenues holds a significant number of long term contracts and provides a very high quality of service provision, which ensures continued success in securing new contracts and retaining existing ones. With this in mind, whilst there are significant challenges within the sector, particularly around recruitment of staff, Avenues is well placed for the future.

The Group has an overdraft facility of £1.5m. There is a longstanding and positive relationship with Barclays and although this facility could be withdrawn at any time, this risk does not pose any serious threat or concern.

c) Group financial statements

The financial statements consolidate the results of the charity and its subsidiaries on a line by line basis. Control is determined when the charity controls over 50% of the voting rights, or has the ability to appoint or remove a majority of board members. A separate Statement of Financial Activities and Income and Expenditure account for the charity has not been presented because Avenues has taken advantage of the exemption afforded by Section 408 of the Companies Act 2006.

The result of all subsidiaries cover a full 12 month period up to 31 March 2021.

d) Income

Income is recognised when the group 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 – see policy (e)) or 'revenue' grants, are 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 and not deferred.

Income received in advance of a service is deferred until the criteria for income recognition are met (Note 12). Income is measured at the fair value of the consideration receivable.
Legacy income is recognised at the earlier of the charity being notified of a distribution or the receipt of a legacy, or when the receipt of the legacy is determined to be measurable and probable.

e) Capital grants in respect of social housing properties

All Social Housing Capital grants are recognised under the accrual model. Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred it is recognised under creditors after more than one year separately as capital grant and not deducted from the carrying amount of the asset.

f) 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;

Tablets, laptops and computers	33% per annum on cost
Office equipment	15-25% per annum on cost
Furniture and equipment	15-25% per annum on cost
Furniture and equipment (River House)	10% per annum on cost
Specialist equipment	15% per annum on cost
Motor vehicles	25% per annum on cost
Freehold Land	0%
Freehold Buildings and offices	2% per annum on cost
Leasehold properties	Over the term of the lease

Depreciation of an asset commences from the point the asset is brought into use.
The groups' policy is to capitalise all assets over £500.
Asset values and consideration of any impairments needed are reviewed on an annual basis.

Barclays Bank Plc holds a charge over the group as security for the Groups' overdraft.

g) Intangible assets and amortisation
Intangible assets are stated at cost less accumulated amortisation. Amortisation is provided at the following annual rates in order to write off the assets over their estimated useful lives:

Software	20% per annum on cost

h) Employee benefits policy
The costs of short-term employee benefits are recognised as a liability and an expense. The best estimate of the expenditure required to settle obligation for termination of benefits is recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

i) Pension costs
The Avenues Trust Group has employees enrolled in The Social Housing Pension Scheme (SHPS) defined contribution scheme (also referred to as 'Pensions Trust') which 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 Avenues Trust Group also participates in an unfunded pension scheme operated by the National Health Service. The contributions to this scheme, as advised by the scheme administrator, are charged to the Statement of Financial Activities as they fall due.

The group also contributes to the defined benefit Social Housing Pension Scheme (closed to future accrual). Contributions are charged to the Statement of Financial Activities in the period to which they relate. As at 31 March 2020 the schemes actuaries provided each employers organisation with its defined benefit liability together with comparative information as at 31 March 2019. The scheme treated as a defined benefit scheme in accordance with FRS102.

The Avenues Trust Group previously has employees who were members of the Kent County Council defined benefit pension scheme. The assets of the scheme are held separately from those of the group. Avenues South East officially withdrew from the scheme on 1 April 2015 and as such no further contributions are being made. The withdrawal from the scheme resulted in the crystallisation of a liability of £231k. It was agreed to pay this over a period of seven years, attracting interest of £23k. This cost is being recognised in the statement of financial activities evenly over a seven year period.

The pension schemes are disclosed in Note 16.

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

k) 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.

l) 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.

m) 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.

n) 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.

o) 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.

p) 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. In the cash flow statement, cash and cash equivalents are shown net of bank overdrafts, which are included as current borrowings in liabilities on the balance sheet.

q) 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.

r) Financial Instruments

The trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

s) Management estimates and judgements

In the process of applying its accounting policies, The Avenues Trust Group 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. The assumptions applied to the pension have the potential to materially impact the pension liability position and therefore have been reviewed with the Groups pension advisors and management consider they are reasonable. Upon acquisition of Avenues South the properties were revalued and held at Fair Value in the Group accounts and, as at March 2020, were assessed for impairment and as result an adjustment was made to ensure they are carried at an appropriate value. The properties are reviewed annually for indications of impairment, no adjustment to the carrying value of the properties is considered necessary at 31 March 2021.

2) Financial performance of the charity

The consolidated statement of financial activities includes the results of the charity's wholly owned subsidiaries (note 17)

The summary performance of the charity alone is:	**2021 £000s**	**2020 £000s**
Income from donations and Legacies	26	2,617
	26	2,617
Expenditure on charitable activities	(39)	(3,704)
Net (Expenditure)	**(13)**	**(1,087)**
Total funds brought forward	(100)	987
Total funds carried forward	(113)	(100)
Represented by:		
Restricted income funds	906	906
Unrestricted income funds	(1,019)	(1,006)
Total	(113)	(100)

3) Income

	2021 £000s	**2020 £000s**
Donations and Legacies		
Other Donations	9	2
	9	**2**
Other trading income		
Contribution towards training costs	13	1
Other Income	12	16
Proceeds from sale of confectionary	-	4
	25	**21**

Income from Donations was £9k (2020: £2k), all of which was unrestricted and £4k is restricted in current year. Income from Charitable activities was £44,499k (2020: £43,501k) all of which was unrestricted in both years.

Covid Support Grant received £2,517k of which £1,087k was restricted.

4) Expenditure

	Direct Costs £000s	Support Costs £000s	2021 Total £000s	2020 Total £000s
Charitable Activities				
Provision of care and housing services	10,437	1,510	11,947	12,304
Provision of care to young people	1,292	142	1,434	1,295
Services to Adults	27,340	3,092	30,432	29,299
Services to Older People	1,566	147	1,713	1,587
YourTime - Leisure activities	-	-	-	1
2021 Totals	**40,635**	**4,891**	**45,526**	
2020 Totals	**39,609**	**4,877**		**44,486**

Expenditure on charitable activities was £45,492 (2020; £44,486k) was all attributed to unrestricted funds. This balance does not include pension re-measurement adjustments of a loss £1,517k (2020: gain £1,516k) and loss on sales of assets £34k (2020: 300k).

Analysis of governance and support costs

The Avenues Trust Group 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.

	General support £000s	Governance function £000s	Total £000s
EMT and Governance	972	95	1,067
Group Finance	1,505	-	1,505
Group Human Resources	1,125	-	1,125
Group Office Management	856	-	856
Group Practice Development and Assurance	338	-	338
Total	**4,796**	**95**	**4,891**

5) Net income/ (expenditure) for the year is stated after charging:

	2021 £'000	2020 £'000
Depreciation of tangible fixed assets	526	647
Amortisation	30	16
External Audit	73	76
Internal Audit	10	14
Operating lease charges for motor vehicles and equipment	80	104
Operating lease charges for land and buildings	998	868
Interest paid	58	65
Loss on disposal of assets	(34)	(300)

6) 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.

7) Staff costs and key management personnel

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

	2021 No.	2020 No.
£60k - £70k	1	1
£70k - £80k	2	2
£80k - £90k	1	4
£110k - £120k	4	-
£120k - £130k	2	2
£160k - £170k	1	1

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

	No. 2021	No. 2020	FTE 2021	FTE 2020
Office staff	149	147	138	134
Care staff	737	720	743	721
Part-time support staff	453	464	371	355
Bank contract staff	654	654	-	-
	1,993	**1,985**	**1,252**	**1,210**

The difference between the total number of staff and the FTEs is due to a number of staff being employed on "Bank" contracts, whereby they have an employment contract with Avenues but work irregular shifts as and when they are needed and are not included within FTE's.

Staff costs - Group	2021 £'000	2020 £'000
Wages and salaries	30,748	29,430
Social security costs	2,505	2,221
Pension costs (Per Note 16)	950	911
Agency staff costs	2,991	4,457
	37,194	**37,019**

The key management personnel of the Group 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 total employee benefits of the key management personnel were as follows:

	2021 £'000	2020 £'000
Wages and salaries	549	660
Social security costs	72	72
Pension costs	44	42
	665	**774**

The exemption available for parent companies under FRS102 has been taken, therefore Charity only figures for key management personnel remuneration have not been disclosed.

8) Tangible fixed assets – Group

	Freehold Housing Properties	Freehold Offices	Long leasehold properties	Furniture and Equipment	Motor Vehicles	Office Equipment	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost							
At 1 April 2020 as previously stated	8,550	(164)	1,438	3,823	59	159	**13,865**
Adjustment (see note below)		164	-	27	-	-	**191**
At 1 April 2020 as restated	8,550	-	1,438	3,850	59	159	**14,056**
Additions	45	-	200	199	-	7	**451**
Disposals	-	-	(224)	-	-	-	**(224)**
At 31 MARCH 2021	8,595	-	1,414	4,049	59	166	**14,283**
Depreciation							
At 1 April 2020 as previously stated	482	(191)	28	2,975	58	158	**3,510**
Adjustment (see note below)	-	191	-	-	-	-	**191**
At 1 April 2020 as restated	482	-	28	2,975	58	158	**3,701**
Charge for year	80	-	12	281	1	5	**379**
Charge for year - grant (Note 12)	147	-	-	-	-	-	**147**
Disposals	-	-	(34)	-	-	-	**(34)**
At 31 MARCH 2021	709	-	6	3,256	59	163	**4,193**
Net book value							
At 31 MARCH 2021	**7,886**	-	**1,408**	**793**	-	**3**	**10,090**
At 31 March 2020	8,068	27	1,411	848	1	2	10,357

8) Tangible fixed assets – Charity

	Furniture and Equipment	Total
	£'000	£'000
Cost		
At 1 April 2020 as previously stated	687	**687**
Adjustment (see note below)	249	**249**
At 1 April 2020 as restated	936	**936**
Additions	76	**76**
At 31 MARCH 2021	**1,012**	**1,012**
Depreciation		
At 1 April 2020 as previously stated	544	**544**
Adjustment (see note below)	249	**249**
At 1 April 2020 as restated	793	**793**
Charge for the year	72	**72**
At 31 MARCH 2021	**865**	**865**
Net book value		
At 31 MARCH 2021	**147**	**147**
At 31 March 2020	**143**	**143**

Adjustments: The opening balances of asset cost and Depreciation have been restated to reflect the charity's booked tangible assets with no impact on the NBV.

NHS Charge

The NBV of some of the Housing properties above are subject to an NHS charge.
The NHS transferred the freehold of 23 properties to Avenues South in 1995 resulting in a legal charge against them; which is registered at the land registry on the freeholds. Consequently, should Avenues South choose to use the properties other than for care services, or sell the properties, Avenues South will have to pay back the current market value (or sale proceeds) to the NHS.

There is an offsetting capital grant creditor of £4,598k (2020 £4,730k). (See note 12).

Long Leasehold

All long leasehold properties have remaining leases of between 84 and 116 years.

9) Intangible assets – Group and Charity

	People Planner	Digitalisation Project	Website	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 April 2020	66	22	24	112
Additions	24	50	-	74
At 31 MARCH 2021	**90**	**72**	**24**	**186**
Amortisation				
At 1 April 2020	61	-	24	85
Charge for year	16	14	-	30
At 31 MARCH 2021	**77**	**14**	**24**	**115**
Net book value				
At 31 MARCH 2021	**13**	**58**	**-**	**71**
At 31 March 2020	5	22	-	27

10) Investments in subsidiary undertakings

The group holds an investment in Avenues South of £6 (2020: £6) which is equivalent to the entire share capital of the subsidiary.

11) Debtors

	Charity		Group	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Contract fees receivable	-	123	2,182	3,173
Other debtors	229	192	941	622
Prepayments and accrued income	344	339	1,151	1,059
Amounts due from subsidiary undertakings	-	267	-	-
	573	**921**	**4,274**	**4,853**

Included within Other Debtors are amounts totalling £160k (2020: £160k) relating to a rental deposit falling due after more than one year.

12) Creditors

	Charity		Group	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Bank overdraft	175	403	175	403
Trade creditors	9	7	406	342
KCC Pension creditor	-	-	33	33
Other taxation and social security	231	105	876	891
Other creditors	148	75	1,198	730
Deferred income	-	-	1,064	978
Accrued expenditure	145	57	938	1,301
Intercompany	1,195	544	-	-
	1,903	**1,191**	**4,690**	**4,678**

Movements in deferred income:	£'000	£'000
Deferred income at the beginning of the year	978	750
Income recognised in the year	(978)	(750)
Income deferred in the current year	1,064	978
Income deferred at the year end	**1,064**	**978**

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

	Charity		Group	
	2021	2020	2021	2020
Amounts falling due in more than one year:	£'000	£'000	£'000	£'000
KCC Pension creditor	-	-	-	66
	-	-	**-**	**66**

Included within Other creditors for the group are amounts totalling £225k (2020: £98k) in respect of outstanding pension contributions.

Long term creditors are repayable as follows:	2021 £'000	2020 £'000
Due within one year	33	33
Between two and five years	-	33
Total amount due	**33**	**66**
Less: due within one year	(33)	(33)
Amount due after one year	**-**	**33**

12) Creditors (continued)

Creditors falling dues in more than one year
Capital grants

	2021	2020
	£'000	£'000
Capital Grant at 1 April	(4,730)	(4,825)
Additional Grant	(15)	(51)
Grant release current year	147	146
Capital Grant at 31 March	**(4,598)**	**(4,730)**

A capital grant was received to purchase NHS properties in 1995. 2 further capital grants were received during the year totalling £15k. The grants are amortised over the same period over which the housing properties are depreciated.

13) Statement of Funds

Group:	2020	Income	Expenditure	Transfers	FRS 102 Pension Adj	2021
	£'000	£'000	£'000	£'000	£'000	£'000
Unrestricted funds:						
General reserve	5,421	45,631	(44,439)	(307)	-	**6,306**
Pension reserve	(1,084)	-	-	307	(1,517)	**(2,294)**
Restricted funds:						
Active Communities Fund	11	-	-	-	-	**11**
Big Lottery	12	-	-	-	-	**12**
Community Futures other restricted funds	218	-	-	-	-	**218**
Dementia Services	2	-	-	-	-	**2**
Disability Focus Day	11	-	-	-	-	**11**
Disability Sports Project	23	-	-	-	-	**23**
Employment Service	10	-	-	-	-	**10**
Leisure activities in Avenues East	35	-	-	-	-	**35**
Partnership Working	9	-	-	-	-	**9**
Teaming Up	63	-	-	-	-	**63**
Garden Fund	5	-	-	-	-	**5**
Brighton road	730	-	-	-	-	**730**
Copse Hill	92	-	-	-	-	**92**
Other restricted projects	75	-	-	-	-	**75**
Covid19 Support Grant	**-**	1,087	(1,087)	-	-	**-**
	1,296	**-**	**-**	**-**	**-**	**1,296**
Total funds	**5,633**	**46,718**	**(45,526)**	**-**	**(1,517)**	**5,308**

Previous year balances	2019	Income	Expenditure	Transfers	FRS 102 Pension Adj	2020
Unrestricted funds:	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
General reserve	7,134	43,633	(45,087)	(259)	-	5,420
Pension reserve	(2,859)	-	-	259	1,516	(1,084)
Restricted funds:						
Active Communities Fund	11	-	-	-	-	11
Big Lottery	12	-	-	-	-	12
Community Futures other restricted funds	218	-	-	-	-	218
Dementia Services	2	-	-	-	-	2
Disability Involvement Day	11	-	-	-	-	11
Disability Sports Project	23	-	-	-	-	23
Employment Service	10	-	-	-	-	10
Leisure activities in Avenues East	35	-	-	-	-	35
Partnership Working	9	-	-	-	-	9
Teaming Up	63	-	-	-	-	63
Garden Fund	5	-	-	-	-	5
Brighton Road	730	-	-	-	-	730
Copse Hill	92	-	-	-	-	92
Other restricted projects	75	-	-	-	-	75
	1,296	**-**	**-**	**-**	**-**	**1,296**
Total funds	**5,571**	**43,633**	**(45,087)**	**-**	**1,516**	**5,633**

13) Statement of funds (continued)

The main funds are as follows:
The general reserve represents the unrestricted, designated and restricted funds of the group. The Pension reserve represents the deficit on the defined benefit pension schemes as calculated using FRS102 methodology. The restricted funds are monies received from funders for the specific projects/purposes described above.
The restricted fund of the parent charitable company is represented by the Active Communities Fund.
1) The Active Communities Fund has been generated through a number of events and donations to support activities in the community.
2) 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.
3) The Community Futures other restricted funds is a grouping of smaller grants for the provision of support for community opportunities and activities.
4) The Dementia services restricted fund relates to the remaining balance of a grant from the London Borough of Sutton to fund equipment in a library for people with dementia.
5) Disability Focus Day fund is restricted to supporting the costs of organising a forum for representatives from disability and statutory organisations across Suffolk.
6) Disability Sport Project. The funds is to provide sport and physical activities for young people and adults with disabilities.
7) The Employment Service Fund is restricted to helping young people to gain work experience or volunteering enabling them to gain valuable life skills
8) The Leisure funds are restricted to the various leisure activities provides by Avenues East particularly swimming sessions.
9) The Partnership Working fund is restricted to supporting initiatives for user involvement in multi-agency working to promote the inclusion of disabled people.
10) The Teaming Up fund is restricted to various Teaming Up activities provided by Avenues East.
11) The Garden fund provided by Santander is for the renovation of a Garden at Wilson Avenue.
12) Brighton road. This fund is a specific legacy settled on this service. The fund is to be applied to the service and cover all support and running costs
13) Copse Hill. This fund is a specific legacy to this service. The fund is to be used by the service to cover some support and running costs

14) Other restricted grants are comprised of a number of individually immaterial funds

15) Covid Support Grant specific to cover support cost that is link to covid safety.

13) Statement of funds (continued)

Parent Charity :	**1 April 2020**	**Income**	**Expenditure**	**31 March 2021**
	£'000	**£'000**	**£'000**	**£'000**
General reserve	(1,006)	26	(39)	**(1,019)**
Restricted funds				
Active Communities funds	11	-	-	**11**
Community Futures other restricted funds	32	-	-	**32**
Brighton Road	730	-	-	**730**
Other projects	133	-	-	**133**
	906	**-**	**-**	**906**
Total funds	**(100)**	**26**	**(39)**	**(113)**

Parent Charity :	**1 April 2019**	**Income**	**Expenditure**	**31 March 2020**
	£'000	**£'000**	**£'000**	**£'000**
General reserve	81	2,617	(3,704)	**- 1,006**
Restricted funds				
Active Communities funds	11	-	-	**11**
Community Futures other restricted funds	32	-	-	**32**
Brighton Road	730	-	-	**730**
Other projects	133	-	-	**133**
	906	-	-	**906**
	987	**2,617**	**(3,704)**	**(100)**

Negative reserve in both years, if there continue to be negative reserve in 2021/22, intra-group debt equalisation will be considered.

14) Analysis of net assets between funds

GROUP	**Restricted Funds**	**Unrestricted Funds**	**2021 Total**
Fund balances at 31 March 2021 are represented by:	**£'000**	**£'000**	**£'000**
Tangible fixed assets	-	10,090	10,090
Intangible assets	-	71	71
Current assets	1,296	5,433	6,729
Current liabilities	-	(4,690)	(4,690)
Long term liabilities	-	(4,598)	(4,598)
TOTAL FUNDS BEFORE PENSION LIABILITY	**1,296**	**6,306**	**7,602**
Pension scheme liability	-	(2,294)	(2,294)
TOTAL FUNDS INCLUDING LIABILITY ON PENSION SCHEME RESERVE	**1,296**	**4,012**	**5,308**

14) Analysis of net assets between funds (continued)

Fund balances at 31 March 2020 are represented by:			
Tangible fixed assets	-	10,355	10,355
Intangible assets	-	27	27
Current assets	1,296	4,480	5,776
Current liabilities	-	(4,678)	(4,678)
Long term liabilities	-	(4,763)	(4,763)
TOTAL FUNDS BEFORE PENSION LIABILITY	**1,296**	**5,421**	**6,717**
Pension scheme liability	-	(1,084)	(1,084)
TOTAL FUNDS INCLUDING LIABILITY ON PENSION SCHEME RESERVE	**1,296**	**4,337**	**5,633**

Analysis of parent charity net assets between funds

	Restricted Funds	**Unrestricted Funds**	**Total**
Fund balances at 31 March 2021 are represented by:	**£'000**	**£'000**	**£'000**
Tangible fixed assets	-	147	147
Intangible assets	-	71	71
Current assets	906	666	1,572
Current liabilities	-	(1,903)	(1,903)
TOTAL FUNDS	**906**	**(1,019)**	**(113)**
Fund balances at 31 March 2020 are represented by:			
Tangible fixed assets	-	143	143
Intangible assets	-	27	27
Current assets	906	15	921
Current liabilities	-	(1,191)	(1,191)
TOTAL FUNDS	**906**	**(1,006)**	**(100)**

15) Operating leases

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

Land and Buildings	**2021 £'000**	**2020 £'000**
Amounts due:		
Within one year	998	839
Between two and five years	1,288	1,428
Beyond five years	671	358
	2,957	**2,625**

Vehicles & equipments	**2021**	**2020**
Amounts due:	**£'000**	**£'000**
Within one year	80	104
Between two and five years	59	13
	139	**117**

Parent only	**2021**	**2020**
Land and Buildings	**£'000**	**£'000**
Amounts due:		
Within one year	225	338
Between two and five years	-	225
	225	**563**

16) Pension obligations

The Avenues Trust Group 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 group 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 Consolidated Statement of Financial Activities as appropriate, are as follows;

	2021	2020	**2021**	2020
	£'000	£'000	**No.**	No.
Pensions Trust SHPS	925	814	1,260	1,226
NHS Pension	20		8	1
Pensions Trust - The Growth Plan	5	25	7	28
Per Note 7	950	839		

There are three main schemes remaining with the majority of staff contributing to the defined contribution scheme with The Pensions Trust. This is the Social Housing Pension Scheme (SHPS). In addition there is a closed scheme, also within the SHPS and administered by The Pension Trust. The last scheme is the NHS Pension with details shown below.

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.

National Health Service (closed Scheme)

The NHS operates an unfunded defined benefit scheme for the nursing sector, in which The Avenues Trust Group participates. The Avenues Trust Group is granted permission by the Secretary of State to be able to contribute to the cost of the scheme as a 'Directed Employer'

16) Pension obligations (continued)

(an employer that can continue to have non NHS employed staff as members of the NHS pension scheme).

The cost represents the contributions advised by the NHS Pensions Agency. The Avenues Trust Group is not liable for past service costs beyond these contributions. Contributions increased to 14% from 1 April 2005.

The Pensions Trust - The Social Housing Pension Scheme

The Social Housing Pension (SHPS) auto enrolment 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. This scheme also includes a defined benefit obligation although all employees have been transferred to the defined contribution scheme.

The Pensions Trust - The Growth Plan (closed scheme)

The group participates in the SHPS scheme, a multi-employer scheme which provides benefits to employees of some 900 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 group 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)

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2014: this valuation showed assets of £793m, liabilities of £970m and a deficit of £177m. To eliminate this funding shortfall, the Trustee has asked participating employers to pay additional contributions to the scheme as follows:

16) Pension obligations (continued)

Deficit contributions

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)

PRESENT VALUES OF PROVISION	2021 £'000	2020 £'000
Present value of provision - Avenues East	45	53
Total group provision	**45**	**53**

Avenues South East and Avenues South SHPS Pensions schemes are administered by TPT however the obligations for these schemes are now shown later in Note 17

Reconciliation of opening and closing provisions

	2021 £'000	2020 £'000
Provision at start of period	54	65
Unwinding of the discount factor (interest expense)	1	1
Deficit contribution paid	(12)	(11)
Remeasurements:		
- impact of any change in assumptions	2	(1)
- amendments to the contribution schedule	-	-
Provision at end of period	45	54

Income and expenditure impact

	2021 £'000	2020 £'000
Interest expense	1	1
Remeasurements:		
– impact of any change in assumptions	2	(1)
– amendments to the contribution schedule	-	-
contributions paid in respect of future service		

16) Pension obligations (continued)

Assumptions

	2021	2020	2019
	% per annum	% per annum	% per annum
Rate of discount The Pensions Trust - Growth Plan	0.66	2.53	1.39

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.

Avenues East is the only member of the Group that has employees in this closed scheme.

16) Pension obligations (continued)

The Pensions Trust - Social Housing Pension Scheme

Avenues Group participates in the scheme, a multi-employer scheme which provides benefits to some 500 non-associated employers. The scheme is a defined benefit scheme in the UK.

The scheme is subject to the funding legislation outlined in the 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.

	31 March 2021	31 March 2020
	£'000	£'000
Fair Value of plan assets	9,085	8,090
Present value of defined benefit obligation	11,334	9,120
Surplus (deficit) in plan	-2,249	-1,030
Defined Benefit asset (liability) to be recognised	-2,249	-1,030

Reconciliation of Opening and Closing Balances of the Defined Benefit Obligation

	Period ended 31st March 2021
	£'000
Defined benefit obligation at start of period	9,120
Expenses	9
Interest expense	211
Actuarial losses (gains) due to scheme experience	(37)
Actuarial losses (gains) due to changes in demographic assumptions	39
Actuarial losses (gains) due to changes in financial assumptions	2,304
Benefits paid and expenses	(313)
Losses (gains) due to benefit changes	1
Defined benefit obligation at end of period	**11,334**

16) Pension obligations (continued)

Reconciliation of Opening and Closing Balances of the Fair Value of Plan Assets

	Period ended 31st March 2021
	£'000's
Fair value of plan assets at start of period	8,090
Interest income	191
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	789
Contributions by the employer	328
Contributions by plan participants	-
Benefits paid and expenses	(313)
Assets acquired in a business combination	-
Assets distributed on settlements	-
Exchange rate changes	-
Fair value of plan assets at end of period	**9,085**

Defined Benefit Costs Recognised In Statement of Financial Activities (SOFA)

	Period ended 31st March 2021
	£'000's
Current service cost	-
Expenses	9
Net interest expense	20
Losses (gains) on business combinations	-
Losses (gains) on settlements	-
Losses (gains) on curtailments	-
Losses (gains) due to benefit changes	1
Defined benefit costs recognised in statement of comprehensive income (SoCI)	**30**

Defined Benefit Costs Recognised In net movement in funds

	Period ended 31st March 2021
	£'000's
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	789
Experience gains and losses arising on the plan liabilities - gain (loss)	37
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	(39)
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	(2,304)
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	(1,517)
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) - gain (loss)	-
Total amount recognised in other comprehensive income - gain (loss)	**(1,517)**

16) Pension obligations (continued)

Assets	**31-Mar-21 £'000**	**31-Mar-20 £'000**
Global Equity	1,448	1,184
Absolute Return	502	422
Distressed Opportunities	262	156
Credit Relative Value	286	222
Alternative Risk Premia	342	565
Fund of Hedge Funds	1	4
Emerging Markets Debt	366	245
Risk Sharing	331	274
Insurance-Linked Securities	219	248
Property	189	178
Infrastructure	606	602
Private Debt	217	163
Opportunistic Illiquid Credit	231	195
High Yield	272	-
Opportunistic Credit	249	-
Cash	-	-
Corporate Bond Fund	537	461
Liquid Credit	108	3
Long Lease Property	178	140
Secured Income	377	307
Over 15 Year Gilts	-	-
Index Linked All Stock Gilts	-	-
Liability Driven Investment	2,309	2,686
Net Current Assets	55	35
Total assets	**9,085**	**8,090**

None of the fair values of the assets shown above include any direct investments in the employer's own financial instruments or any property occupied by, or other assets used by, the employer.

Key Assumptions	**31-Mar-21 % per annum**	**31-Mar-20 % per annum**
Discount Rate	2.2	2.4
Inflation (RPI)	3.3	2.6
Inflation (CPI)	2.9	1.6
Salary Growth	3.9	2.6
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted at 31 March 2021 imply the following life expectancies:

	Life expectancy at age 65 (Years)
Male retiring in 2019	21.6
Female retiring in 2019	23.5
Male retiring in 2039	22.9
Female retiring in 2039	25.1

17) Active subsidiary undertakings

The Avenues Trust Group controls Avenues South East (company number 03923486; charity number: 1079576), Avenues London (company number 06858705; charity number: 1130445), and Avenues East (company number 03326442, charity number: 1061241). All four companies are limited by guarantee and registered in England.

The Avenues Trust Group also holds 100% control of Avenue South formerly Welmede Housing Association Limited (company number R26230), a Charitable Housing Association incorporated under the Co-Operative and Community Benefit Societies Act 2014 and registered with the Registry of Friendly Societies which is administered by the Financial Conduct Authority in England.

All charities are controlled by Avenues Trust Group who have the ability to appoint and remove all members of each subsidiary Board of Trustees.

All charities' registered address is River House, 1 Maidstone Road, Sidcup, Kent, DA14 5TA.
All activities have been consolidated on a line by line basis in the Consolidated Statement of Financial Activities. A summary of the results of the subsidiaries is shown below.

	Avenues South East	Avenues London	Avenues East	Avenues South	Parent	Total 2021	Total 2020
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income	17,217	11,958	6,039	11,477	26	**46,717**	43,633
Expenditure	(15,830)	(11,748)	(5,961)	(11,947)	(39)	**(45,525)**	(44,786)
Surplus/(deficit) on ordinary activities excluding debt equalisation	**1,387**	**210**	**78**	**(470)**	**(13)**	**1,192**	**(1,153)**

The aggregate of the assets, liabilities and funds as at 31 March 2021 was :	Avenues South East	Avenues London	Avenues East	Parent Welmede		Total
	£'000	£'000	£'000	£'000	£'000	£'000
Assets	3,218	1,277	723	1,790	9,551	16,559
Liabilities	(1,838)	(969)	(450)	(1,903)	(7,688)	(12,848)
Total funds	**1,380**	**308**	**273**	**(113)**	**1,863**	**3,711**

The aggregate of the assets, liabilities and funds as at 31 March 2020 was :	Avenues South East	Avenues London	Avenues East	Parent Welmede		Total
	£'000	£'000	£'000	£'001	£'000	£'000
Assets	2,567	1,083	551	1,091	10,173	15,465
Liabilities	(2,247)	(985)	(357)	(1,191)	(6,650)	(11,430)
Total funds	**320**	**98**	**194**	**(100)**	**3,523**	**4,035**

18) Related party transactions

The Avenues Trust Group provides central support for each of its subsidiaries. The Group makes a charge for these central costs based on a blended ratio of group costs. In addition, The Avenues Trust Group acts as the central banker for the group, paying salary costs and creditors and receiving cash from customers.

	2021	2020
PARENT	**£'000**	**£'000**
Balance owed at 1 April	(277)	2,665
Payroll services provided to subsidiary companies	27,586	29,766
Receipts taken on behalf of group companies	(37,811)	(29,457)
Payments made on behalf of group companies	8,859	7,237
Intercompany transfer from Welmede	(4,385)	(12,606)
Recharges of head office costs	4,804	4,783
Debt Equalisation	-	(2,665)
Balance due at 31 March	**(1,224)**	**(277)**