



**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

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**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:** Evlynn 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.

## **THE AVENUES TRUST GROUP**

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

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

##### **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

## **THE AVENUES TRUST GROUP**

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

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

##### **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 AVENUES TRUST GROUP**

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

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

##### **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



## **THE AVENUES TRUST GROUP**

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

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

##### **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.

## **THE AVENUES TRUST GROUP**

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

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##### **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.

# THE AVENUES TRUST GROUP

## TRUSTEES' REPORT AND STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2021

### 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	✓					

## THE AVENUES TRUST GROUP

### TRUSTEES' REPORT AND STRATEGIC REPORT

#### FOR THE YEAR ENDED 31 MARCH 2021

#### 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 = <b>33.12 tCO2e</b>	1,487,227 kWh * 0.18387 (2020 fuels, natural gas conversion factor gross CV to kg Co2e)= 273,456 kgCO2e = <b>273.46 tCO2e</b>
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 = <b>165.47 tCO2e</b>	840,085 kWh * 0.23314 (2020 electricity conversion factor to kgCO2e) = 195,857 kgCO2e = <b>195.86 tCO2e</b>
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 = <b>1.70 tCO2e</b>	81,000 miles * 0.27584 (2020 managed assets vehicles, average car conversion factor to kgCO2e)= 22,343 kgCO2e = <b>22.34 tCO2e</b>
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 = <b>21.92 tCO2e</b>	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 = <b>104.51 tCO2e</b>
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 = <b>27.50 tCO2e</b>	310,933 miles * 0.27584 (2020 managed assets vehicles, average car conversion factor to kgCO2e)= 85,768 kgCO2e = <b>85.77 tCO2e</b>
Total	<b>1,116,589 kWh</b>		<b>249.71 tCO2e</b>	<b>3,175,057 kWh 681.94 tCO2e</b>
Intensity ratio	Emissions data (tCO2e) compared with an appropriate business activity (Average FTE)		249.71 tCO2e/1,029 FTE = <b>0.24 tCO2e per FTE</b>	681.94 tCO2e/1,210 FTE = <b>0.56 tCO2e per FTE</b>

#### 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.

## **THE AVENUES TRUST GROUP**

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

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

#### **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.

## **AVENUES TRUST GROUP**

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

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

#### **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.

## **AVENUES TRUST GROUP**

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

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

##### **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

## **AVENUES TRUST GROUP**

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

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

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



## **AVENUES TRUST GROUP**

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

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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

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

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##### **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

## **AVENUES TRUST GROUP**

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

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

##### **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

## **AVENUES TRUST GROUP**

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

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

##### **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.

## **AVENUES TRUST GROUP**

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

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

##### **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.

## AVENUES TRUST GROUP

### TRUSTEES' REPORT AND STRATEGIC REPORT

#### FOR THE YEAR ENDED 31 MARCH 2021

##### 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:	<b>£'000</b>
- General	6,231
- Designated	75
- Pension scheme	(2,294)
- Restricted	1,296
<b>TOTAL RESERVES</b>	<b>5,308</b>
Less unrestricted tangible fixed assets held for charities own use	(5,563)
Less restricted reserves	(1,296)
Less designated reserves	(75)
<b>FREE RESERVES (Deficit)</b>	<b>(1,626)</b>

Free reserves are therefore NIL.

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

## **AVENUES TRUST GROUP**

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

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

##### **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)

## **AVENUES TRUST GROUP**

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

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

##### **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.



## **AVENUES TRUST GROUP**

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

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

##### **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 2021 and 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.

## **THE AVENUES TRUST GROUP**

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

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.

## THE AVENUES TRUST GROUP

### 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
<b>INCOME FROM:</b>						
<b>Donations and Legacies</b>						
Donations	3	6	-	-	6	2
Grants	3	3	-	-	3	-
		9	-	-	9	2
<b>Charitable Activities:</b>						
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
<b>Other trading activities</b>						
	3	25	-	-	25	21
Investment Income		-	-	-	-	3
Other		1,098	-	1,087	2,185	106
<b>Total Income</b>		<b>45,632</b>	<b>-</b>	<b>1,087</b>	<b>46,718</b>	<b>43,633</b>
<b>EXPENDITURE ON:</b>						
<b>Raising funds</b>						
		-	-	-	-	-
<b>Charitable activities:</b>						
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
<b>Loss/(gain) on sale of assets</b>		<b>34</b>			<b>34</b>	<b>300</b>
<b>Total Expenditure</b>		<b>44,439</b>	<b>-</b>	<b>1,087</b>	<b>45,526</b>	<b>44,786</b>
<b>Net Income/(expenditure)</b>	<b>5</b>	<b>1,192</b>	<b>-</b>	<b>-</b>	<b>1,192</b>	<b>(1,153)</b>
Transfer between funds		(307)	307		-	-
Reduction in fair value adjustment		-	-	-	-	(301)
Remeasurement of defined benefit pension schemes	16	-	(1,517)	-	(1,517)	1,516
<b>Net movement in funds</b>		<b>885</b>	<b>(1,210)</b>	<b>-</b>	<b>(325)</b>	<b>62</b>
<b>Reconciliation of funds:</b>						
Fund balances brought forward	14	5,421	(1,084)	1,296	5,633	5,571
<b>Fund balances carried forward</b>		<b>6,306</b>	<b>(2,294)</b>	<b>1,296</b>	<b>5,308</b>	<b>5,633</b>

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	<b>2021</b>	<b>2020</b>
		<b>£'000</b>	<b>£'000</b>
<b>FIXED ASSETS</b>			
Tangible assets	8	10,090	10,355
Intangible assets	9	71	27
		<b>10,161</b>	<b>10,382</b>
<b>CURRENT ASSETS</b>			
Debtors	11	4,274	4,853
Cash at bank and in hand		2,455	923
		<b>6,729</b>	<b>5,776</b>
<b>CREDITORS</b> falling due within one year	12	(4,690)	(4,678)
<b>NET CURRENT ASSETS</b>		<b>2,039</b>	<b>1,098</b>
<b>CREDITORS</b> falling due in more than one year	12	(4,598)	(4,763)
<b>NET ASSETS EXCLUDING PENSION LIABILITY</b>		<b>7,602</b>	<b>6,717</b>
Pension scheme liability	16	(2,294)	(1,084)
<b>NET ASSETS</b>	14	<b>5,308</b>	<b>5,633</b>
<b>FUNDS</b>			
Unrestricted funds:			
General funds	13	6,231	5,346
Designated fund	13	75	75
Pension scheme funding reserve	13	(2,294)	(1,084)
		<b>4,012</b>	<b>4,337</b>
Restricted funds	13	1,296	1,296
<b>TOTAL FUNDS</b>	14	<b>5,308</b>	<b>5,633</b>

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 2021 and 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	<b>2021 £'000</b>	<b>2020 £'000</b>
<b>FIXED ASSETS</b>			
Tangible assets	8	147	143
Intangible assets	9	<u>71</u>	<u>27</u>
		218	170
<b>CURRENT ASSETS</b>			
Debtors	11	573	921
Cash		<u>999</u>	<u>-</u>
		<b>1,572</b>	<b>921</b>
<b>CREDITORS</b> falling due within one year	12	(1,903)	(1,191)
<b>NET CURRENT LIABILITIES</b>		<u><b>(331)</b></u>	<u><b>(270)</b></u>
<b>NET LIABILITIES</b>		<u><b>(113)</b></u>	<u><b>(100)</b></u>
<b>FUNDS</b>			
Unrestricted funds:			
General reserve	13	(1,019)	(1,006)
		<u><b>(1,019)</b></u>	<u><b>(1,006)</b></u>
Restricted funds	13	906	906
<b>DEFICIT</b>	14	<u><b>(113)</b></u>	<u><b>(100)</b></u>

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 2021 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 2021**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
<b>Cashflow from operating activities</b>		
<b>Net cash generated from /(used in) operating activities</b>	<b>(a) 2,162</b>	<b>(452)</b>
<b>Cashflow from investing activities:</b>		
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
<b>Financing:</b>		
Payment of KCC loan	(33)	(36)
Net cash outflow from financing	(33)	(36)
<b>Increase/(Decrease) in cash in the year</b>	<b>1,760</b>	<b>1,518</b>
Change in cash and cash equivalents in the reporting period	<b>1,760</b>	<b>1,518</b>
Cash and cash equivalents at the beginning of the reporting period	520	(998)
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>(b) 2,280</b>	<b>520</b>
<b>(a) Reconciliation of net income to net cash flow from operating activities:</b>		
	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
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)
<b>Net cash used in operating activities</b>	<b>2,162</b>	<b>(452)</b>
<b>(b) Analysis of cash and cash equivalents:</b>		
Overdraft facility repayable on demand	(175)	(403)
Cash at bank and in hand	2,455	923
<b>Total cash and cash equivalents</b>	<b>2,280</b>	<b>520</b>
Borrowings excluding overdrafts	(33)	(66)
<b>Total cash, cash equivalents and borrowings</b>	<b>2,247</b>	<b>454</b>

**THE AVENUES TRUST GROUP  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**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.

**THE AVENUES TRUST GROUP  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**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 AVENUES TRUST GROUP  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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.

**THE AVENUES TRUST GROUP  
NOTES TO THE FINANCIAL STATEMENTS  
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**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
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**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.

**THE AVENUES TRUST GROUP  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**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



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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:

	<b>2021</b>	<b>2020</b>
	<b>£000s</b>	<b>£000s</b>
Income from donations and Legacies	26	2,617
	<u>26</u>	<u>2,617</u>
Expenditure on charitable activities	(39)	(3,704)
<b>Net (Expenditure)</b>	<b><u>(13)</u></b>	<b><u>(1,087)</u></b>
 Total funds brought forward	 (100)	 987
Total funds carried forward	(113)	(100)

**Represented by:**

Restricted income funds	906	906
Unrestricted income funds	<u>(1,019)</u>	<u>(1,006)</u>
Total	(113)	(100)

**3) Income**

	<b>2021</b>	<b>2020</b>
	<b>£000s</b>	<b>£000s</b>
<b>Donations and Legacies</b>		
Other Donations	9	2
	<u>9</u>	<u>2</u>
 <b>Other trading income</b>		
Contribution towards training costs	13	1
Other Income	12	16
Proceeds from sale of confectionary	-	4
	<u>25</u>	<u>21</u>

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.

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**4) Expenditure**

	<b>Direct Costs £000s</b>	<b>Support Costs £000s</b>	<b>2021 Total £000s</b>	<b>2020 Total £000s</b>
<b>Charitable Activities</b>				
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
<b>2021 Totals</b>	<b>40,635</b>	<b>4,891</b>	<b>45,526</b>	
<b>2020 Totals</b>	<b>39,609</b>	<b>4,877</b>		<b>44,486</b>

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.

	<b>General support £000s</b>	<b>Governance function £000s</b>	<b>Total £000s</b>
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
<b>Total</b>	<b>4,796</b>	<b>95</b>	<b>4,891</b>

**THE AVENUES TRUST GROUP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**5) Net income/ (expenditure) for the year is stated after charging:**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
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:

	<b>2021</b>	<b>2020</b>
	<b>No.</b>	<b>No.</b>
£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:

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	<b>No.</b>	<b>No.</b>	<b>FTE</b>	<b>FTE</b>
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
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	-	-
	<b>1,993</b>	<b>1,985</b>	<b>1,252</b>	<b>1,210</b>

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.

<b>Staff costs - Group</b>	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
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
	<b>37,194</b>	<b>37,019</b>

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:

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Wages and salaries	549	660
Social security costs	72	72
Pension costs	44	42
	<b>665</b>	<b>774</b>

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

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**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
<b>Cost</b>							
At 1 April 2020 as previously stated	8,550	(164)	1,438	3,823	59	159	<b>13,865</b>
Adjustment ( see note below)		164	-	27	-	-	<b>191</b>
At 1 April 2020 as restated	8,550	-	1,438	3,850	59	159	<b>14,056</b>
Additions	45	-	200	199	-	7	<b>451</b>
Disposals	-	-	(224)	-	-	-	<b>(224)</b>
<b>At 31 MARCH 2021</b>	<b>8,595</b>	<b>-</b>	<b>1,414</b>	<b>4,049</b>	<b>59</b>	<b>166</b>	<b>14,283</b>
<b>Depreciation</b>							
At 1 April 2020 as previously stated	482	(191)	28	2,975	58	158	<b>3,510</b>
Adjustment ( see note below)	-	191	-	-	-	-	<b>191</b>
At 1 April 2020 as restated	482	-	28	2,975	58	158	<b>3,701</b>
Charge for year	80	-	12	281	1	5	<b>379</b>
Charge for year - grant (Note 12)	147	-	-	-	-	-	<b>147</b>
Disposals	-	-	(34)	-	-	-	<b>(34)</b>
<b>At 31 MARCH 2021</b>	<b>709</b>	<b>-</b>	<b>6</b>	<b>3,256</b>	<b>59</b>	<b>163</b>	<b>4,193</b>
<b>Net book value</b>							
<b>At 31 MARCH 2021</b>	<b>7,886</b>	<b>-</b>	<b>1,408</b>	<b>793</b>	<b>-</b>	<b>3</b>	<b>10,090</b>
At 31 March 2020	8,068	27	1,411	848	1	2	10,357

**8) Tangible fixed assets – Charity**

	Furniture and Equipment £'000	Total £'000
<b>Cost</b>		
At 1 April 2020 as previously stated	687	<b>687</b>
Adjustment (see note below)	249	<b>249</b>
At 1 April 2020 as restated	936	<b>936</b>
Additions	76	<b>76</b>
<b>At 31 MARCH 2021</b>	<b>1,012</b>	<b>1,012</b>
<b>Depreciation</b>		
At 1 April 2020 as previously stated	544	<b>544</b>
Adjustment (see note below)	249	<b>249</b>
At 1 April 2020 as restated	793	<b>793</b>
Charge for the year	72	<b>72</b>
<b>At 31 MARCH 2021</b>	<b>865</b>	<b>865</b>
<b>Net book value</b>		
<b>At 31 MARCH 2021</b>	<b>147</b>	<b>147</b>
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.

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**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 £'000	Digitalisation Project £'000	Website £'000	Total £'000
<b>Cost</b>				
At 1 April 2020	66	22	24	112
Additions	24	50	-	74
<b>At 31 MARCH 2021</b>	<b>90</b>	<b>72</b>	<b>24</b>	<b>186</b>
<b>Amortisation</b>				
At 1 April 2020	61	-	24	85
Charge for year	16	14	-	30
<b>At 31 MARCH 2021</b>	<b>77</b>	<b>14</b>	<b>24</b>	<b>115</b>
<b>Net book value</b>				
<b>At 31 MARCH 2021</b>	<b>13</b>	<b>58</b>	<b>-</b>	<b>71</b>
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 £'000	2020 £'000	2021 £'000	2020 £'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	-	-
	<b>573</b>	<b>921</b>	<b>4,274</b>	<b>4,853</b>

Included within Other Debtors are amounts totalling £160k (2020: £160k) relating to a rental deposit falling due after more than one year.

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**12) Creditors**

	<b>Charity</b>		<b>Group</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Amounts falling due within one year:</b>				
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	-	-
	<b>1,903</b>	<b>1,191</b>	<b>4,690</b>	<b>4,678</b>

<b>Movements in deferred income:</b>	<b>£'000</b>	<b>£'000</b>
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
<b>Income deferred at the year end</b>	<b>1,064</b>	<b>978</b>

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.

	<b>Charity</b>		<b>Group</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Amounts falling due in more than one year:</b>				
KCC Pension creditor	-	-	-	66
	-	-	-	<b>66</b>

Included within Other creditors for the group are amounts totalling £225k (2020: £98k) in respect of outstanding pension contributions.

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
<b>Long term creditors are repayable as follows:</b>		
Due within one year	33	33
Between two and five years	-	33
Total amount due	<b>33</b>	<b>66</b>
Less: due within one year	(33)	(33)
<b>Amount due after one year</b>	<b>-</b>	<b>33</b>

**THE AVENUES TRUST GROUP**  
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**12) Creditors (continued)**

**Creditors falling dues in more than one year**

**Capital grants**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Capital Grant at 1 April	(4,730)	(4,825)
Additional Grant	(15)	(51)
Grant release current year	147	146
<b>Capital Grant at 31 March</b>	<b>(4,598)</b>	<b>(4,730)</b>

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.



**THE AVENUES TRUST GROUP**  
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**13) Statement of Funds**

Group:	2020	Income	Expenditure	Transfers	FRS 102 Pension Adj	2021
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Unrestricted funds:</b>						
<b>General reserve</b>	5,421	45,631	(44,439)	(307)	-	<b>6,306</b>
<b>Pension reserve</b>	(1,084)	-	-	307	(1,517)	<b>(2,294)</b>
<b>Restricted funds:</b>						
Active Communities Fund	11	-	-	-	-	<b>11</b>
Big Lottery	12	-	-	-	-	<b>12</b>
Community Futures other restricted funds	218	-	-	-	-	<b>218</b>
Dementia Services	2	-	-	-	-	<b>2</b>
Disability Focus Day	11	-	-	-	-	<b>11</b>
Disability Sports Project	23	-	-	-	-	<b>23</b>
Employment Service	10	-	-	-	-	<b>10</b>
Leisure activities in Avenues East	35	-	-	-	-	<b>35</b>
Partnership Working	9	-	-	-	-	<b>9</b>
Teaming Up	63	-	-	-	-	<b>63</b>
Garden Fund	5	-	-	-	-	<b>5</b>
Brighton road	730	-	-	-	-	<b>730</b>
Copse Hill	92	-	-	-	-	<b>92</b>
Other restricted projects	75	-	-	-	-	<b>75</b>
Covid19 Support Grant	-	1,087	(1,087)	-	-	-
	<b>1,296</b>	-	-	-	-	<b>1,296</b>
<b>Total funds</b>	<b>5,633</b>	<b>46,718</b>	<b>(45,526)</b>	-	<b>(1,517)</b>	<b>5,308</b>
<b>Previous year balances</b>	<b>2019</b>	<b>Income</b>	<b>Expenditure</b>	<b>Transfers</b>	<b>FRS 102 Pension Adj</b>	<b>2020</b>
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Unrestricted funds:</b>						
<b>General reserve</b>	7,134	43,633	(45,087)	(259)	-	5,420
<b>Pension reserve</b>	(2,859)	-	-	259	1,516	(1,084)
<b>Restricted funds:</b>						
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
	<b>1,296</b>	-	-	-	-	<b>1,296</b>
<b>Total funds</b>	<b>5,571</b>	<b>43,633</b>	<b>(45,087)</b>	-	<b>1,516</b>	<b>5,633</b>

**THE AVENUES TRUST GROUP  
NOTES TO THE FINANCIAL STATEMENTS  
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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 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.

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**13) Statement of funds (continued)**

Parent Charity :	1 April			31 March
	2020	Income	Expenditure	2021
	£'000	£'000	£'000	£'000
<b>General reserve</b>	(1,006)	26	(39)	<b>(1,019)</b>
<b>Restricted funds</b>				
Active Communities funds	11	-	-	<b>11</b>
Community Futures other restricted funds	32	-	-	<b>32</b>
Brighton Road	730	-	-	<b>730</b>
Other projects	133	-	-	<b>133</b>
	<b>906</b>	<b>-</b>	<b>-</b>	<b>906</b>
Total funds	<b>(100)</b>	<b>26</b>	<b>(39)</b>	<b>(113)</b>

Parent Charity :	1 April			31 March
	2019	Income	Expenditure	2020
	£'000	£'000	£'000	£'000
<b>General reserve</b>	81	2,617	(3,704) -	<b>1,006</b>
<b>Restricted funds</b>				
Active Communities funds	11	-	-	<b>11</b>
Community Futures other restricted funds	32	-	-	<b>32</b>
Brighton Road	730	-	-	<b>730</b>
Other projects	133	-	-	<b>133</b>
	<b>906</b>	<b>-</b>	<b>-</b>	<b>906</b>
	<b>987</b>	<b>2,617</b>	<b>(3,704)</b>	<b>(100)</b>

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
	£'000	£'000	£'000
<b>Fund balances at 31 March 2021 are represented by:</b>			
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)
<b>TOTAL FUNDS BEFORE PENSION LIABILITY</b>	<b>1,296</b>	<b>6,306</b>	<b>7,602</b>
Pension scheme liability	-	(2,294)	(2,294)
<b>TOTAL FUNDS INCLUDING LIABILITY ON PENSION SCHEME RESERVE</b>	<b>1,296</b>	<b>4,012</b>	<b>5,308</b>

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**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)
<b>TOTAL FUNDS BEFORE PENSION LIABILITY</b>	<b>1,296</b>	<b>5,421</b>	<b>6,717</b>
Pension scheme liability	-	(1,084)	(1,084)
<b>TOTAL FUNDS INCLUDING LIABILITY ON PENSION SCHEME RESERVE</b>	<b>1,296</b>	<b>4,337</b>	<b>5,633</b>

**Analysis of parent charity net assets between funds**

	<b>Restricted Funds</b>	<b>Unrestricted Funds</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Fund balances at 31 March 2021 are represented by:</b>			
Tangible fixed assets	-	147	147
Intangible assets	-	71	71
Current assets	906	666	1,572
Current liabilities	-	(1,903)	(1,903)
<b>TOTAL FUNDS</b>	<b>906</b>	<b>(1,019)</b>	<b>(113)</b>
<b>Fund balances at 31 March 2020 are represented by:</b>			
Tangible fixed assets	-	143	143
Intangible assets	-	27	27
Current assets	906	15	921
Current liabilities	-	(1,191)	(1,191)
<b>TOTAL FUNDS</b>	<b>906</b>	<b>(1,006)</b>	<b>(100)</b>

**15) Operating leases**

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

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
<b><u>Land and Buildings</u></b>		
<b>Amounts due:</b>		
Within one year	998	839
Between two and five years	1,288	1,428
Beyond five years	671	358
	<b>2,957</b>	<b>2,625</b>

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<b><u>Vehicles &amp; equipments</u></b>	<b>2021</b>	<b>2020</b>
<b>Amounts due:</b>	<b>£'000</b>	<b>£'000</b>
Within one year	80	104
Between two and five years	59	13
	<b>139</b>	<b>117</b>

<b>Parent only</b>	<b>2021</b>	<b>2020</b>
<b><u>Land and Buildings</u></b>	<b>£'000</b>	<b>£'000</b>
<b>Amounts due:</b>		
Within one year	225	338
Between two and five years	-	225
	<b>225</b>	<b>563</b>

#### **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;

	<b>2021</b>	2020	<b>2021</b>	2020
	<b>£'000</b>	£'000	<b>No.</b>	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'

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**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**

	£11,243,000 per annum
From 1 April 2019 to 31 January 2025	(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:

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**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**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Present value of provision - Avenues East	45	53
Total group provision	<b>45</b>	<b>53</b>

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**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
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	<b>45</b>	<b>54</b>

**Income and expenditure impact**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
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**

	<b>2021</b>	<b>2020</b>	<b>2019</b>
	<b>% per annum</b>	<b>% per annum</b>	<b>% per annum</b>
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.

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**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.

	<b>31 March 2021</b>	<b>31 March 2020</b>
	<b>£'000</b>	<b>£'000</b>
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**

	<b>Period ended 31st March 2021</b>
	<b>£'000</b>
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	<b>11,334</b>



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**16) Pension obligations (continued)**

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

	<b>Period ended 31st March 2021</b>
	<b>£'000's</b>
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	<b>9,085</b>

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

	<b>Period ended 31st March 2021</b>
	<b>£'000's</b>
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)	<b>30</b>

**Defined Benefit Costs Recognised In net movement in funds**

	<b>Period ended 31st March 2021</b>
	<b>£'000's</b>
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)	<b>(1,517)</b>

**THE AVENUES TRUST GROUP**  
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**16) Pension obligations (continued)**

<b>Assets</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>
	<b>£'000</b>	<b>£'000</b>
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
<b>Total assets</b>	<b>9,085</b>	<b>8,090</b>

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.

<b>Key Assumptions</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>
	<b>% per annum</b>	<b>% per annum</b>
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:**

	<b>Life expectancy at age 65 (Years)</b>
Male retiring in 2019	21.6
Female retiring in 2019	23.5
Male retiring in 2039	22.9
Female retiring in 2039	25.1

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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). 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	<b>46,717</b>	43,633
Expenditure	(15,830)	(11,748)	(5,961)	(11,947)	(39)	<b>(45,525)</b>	(44,786)
<b>Surplus/(deficit) on ordinary activities excluding debt equalisation</b>	<b>1,387</b>	<b>210</b>	<b>78</b>	<b>(470)</b>	<b>(13)</b>	<b>1,192</b>	<b>(1,153)</b>

**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)
<b>Total funds</b>	<b>1,380</b>	<b>308</b>	<b>273</b>	<b>(113)</b>	<b>1,863</b>	<b>3,711</b>

**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)
<b>Total funds</b>	<b>320</b>	<b>98</b>	<b>194</b>	<b>(100)</b>	<b>3,523</b>	<b>4,035</b>

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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.

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
<b>PARENT</b>		
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)
<b>Balance due at 31 March</b>	<b><u>(1,224)</u></b>	<b><u>(277)</u></b>