



THE AVENUES TRUST GROUP

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

Charity Registration Number: 1130473

Company Registration Number: 03804617

THE AVENUES TRUST GROUP

Index	Page
Reference and administrative details of the charity, its advisers and trustees	1-2
Trustees' report and strategic report	3 – 13
Strategic Report	14 - 21
Statement of trustees' responsibilities	22
Independent auditor's report	23 - 26
Consolidated statement of financial activities	27
Consolidated balance sheet	28
Company balance sheet	29
Consolidated statement of cash flows	30
Notes to the financial statements	31 - 55

THE AVENUES TRUST GROUP

BOARD MEMBERS AND MANAGEMENT PERSONNEL

FOR THE YEAR ENDED 31 MARCH 2023

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

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

Non-Executive Trustees:
 Andrew Bruce Calderwood Member of People, Culture and Reward Committee, Finance Committee and Quality Committee
 Alistair Oag (To May 2022) Chair of the Audit and Risk Committee and Finance Committee
 Alistair Brown Chair of Audit and Risk Committee and Member of the Finance Committee
 Nicola Bannister Member of People, Culture and Reward Committee and Audit and Risk Committee
 Rina Pandya (From March 2023) Member of People, Culture and Reward Committee

Note - Rich Hodgson is Chair of Finance Committee (from June 2022), Trustee of Avenues London only

Executive Trustees:
 Joanne Land
 Nicola Ford

Key Management Personnel:
 Joanne Land Group Chief Executive
 Nicola Ford Group Director of Finance
 Steven Parker Group Director of Housing and Development
 Daniel Gower-Smith Group Director of Operations
 Caroline Neal Group Director of People and Organisational Development
 Karina Hourd Group Business Development Director

Company Secretary
 Lauren Osman

CHARITY REGISTRATION NUMBER 1130473

COMPANY REGISTRATION NUMBER 03804617

THE AVENUES TRUST GROUP

BOARD MEMBERS AND MANAGEMENT PERSONNEL

FOR THE YEAR ENDED 31 MARCH 2023

Principal and Registered Office

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

Advisers

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

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

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

THE AVENUES TRUST GROUP

TRUSTEES' REPORT AND STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The Board presents its Annual Report and the Audited Financial Statements of The Avenues Trust Group for the year ended 31 March 2023.

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

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

Introduction

The Avenues Trust Group ("Avenues") accounts for 2023 and the 2022 comparative figures are constructed in line with best practice, as set out above. Compliance with best practice extends to the need to address the "public benefit" provided by Avenues, in line with Charity Commission guidelines.

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

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

SOCIAL

Public Benefit

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

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

THE AVENUES TRUST GROUP

TRUSTEES' REPORT AND STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2023

residential and clinical alternatives.

The Avenues Group supports more than 600 people to enjoy community-based life, and employs more than 1,600 staff.

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

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

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

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

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

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

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

Our Employees

In line with the vision of The Avenues Trust Group, we are committed to ensuring that all job applicants and employees are treated fairly in line with our equality of opportunities, diversity and fair treatment policy and procedure. We also have an ongoing commitment to ensuring that our employees are competitively rewarded, especially in light of the most recent cost of living challenges.

We value diversity and social inclusion across all of our activities and our recruitment process ensures that all applicants are recruited on a values basis, treated with respect and dignity and are screened to ensure that they are fit and suitable to work with vulnerable people. Our commitment to Equality, Diversity & Inclusion resulted in us retaining a place in the top 100 most inclusive employers in 2022 with the National Centre for Diversity.

We have a comprehensive wellbeing offering supporting mental, physical, social and financial wellbeing. It includes but is not limited to an Employee Assistance Programme, which includes free counselling to those that need it, weekly Mindfulness sessions, money management advice and Early Pay which is a facility whereby employees can draw down

THE AVENUES TRUST GROUP

TRUSTEES' REPORT AND STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2023

their earned salary on a weekly basis should they need it to prevent the need for expensive pay day loans. We have in place an extensive training package that supports safe working practices and have a well embedded practice of risk assessment to ensure safe practice and equipment. Our supervision practice is robust and ensures that wellbeing action planning is front and center of our discussions with the workforce.

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

Employee communication and engagement is key to the success of the Group. Through good local management and our communications team, we ensure that all employees are kept informed about the charity's strategy, objectives and performance, as well as day-to-day news and events. Regular information about the organisation is available through newsletters, online resources, team meetings and management briefings. All employees are encouraged to give their views and opinions on strategy and performance. As well as local mechanisms to get in touch, employees can contact the Executive Management Team (EMT) direct via email or by joining one of our regular virtual meetings with EMT members.

Our learning and development programme meets the standards and requirements set out by Skills for Care, the workforce development body for adult social care in England. The endorsement is a trusted quality mark only awarded to the best learning and development providers within the social care sector. Avenues has held this accreditation for a number of years now and were most recently reaccredited in January 2023. All of our managers undergo a specially designed induction and a Leadership and Management Academy that supports them to be effective leaders and managers. Training is free to our employees and freely available to them to attend through the publication of extensive quarterly training calendars.

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

ENVIRONMENTAL

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

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

- We use gas, electricity and water across our accommodation and offices;

THE AVENUES TRUST GROUP

TRUSTEES' REPORT AND STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2023

- We manage transport for the people we support, either via publicly available networks, or use of vehicles to provide mobility services;
- Many of our colleges travel to and from work; and
- We have to maintain records of our work.

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

- Over the next five years we will invest £500,000 in improvements to ensure the insulation and energy efficiency in our buildings;
- Through our participation in the Energy Savings Opportunities Scheme we will identify further improvements for property management which will be rolled out from December 2023;
- We have introduced new ways of working to reduce the need for many staff to travel to work every day. Offices are promoted as areas of collaboration rather than attendance;
- We have introduced technology that reduces our use of paper & printing. Our Care & Support services use handheld devices to record activity, this not only means we no longer have to maintain and retain paper files, but also provides more responsive care to the people we support;
- We encourage service activities to use public forms of transport where ever possible;
- We recognise that for some people their needs are such they will always need their own transport, and we will help them to find the least environmentally harmful ways of doing this; and
- We actively take part in recycling initiatives in our schemes and work places, as well as promoting energy consciousness across all of what we do.

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

Carbon and Energy Reporting

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

The energy use and carbon emissions for the Group for the year ended 31 March 2023 and 2022 comparatives are as follows:

THE AVENUES TRUST GROUP

TRUSTEES' REPORT AND STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2023

Energy Source	Consumption	Scope	Emissions calculation 2022/23	Emissions calculation 2021/22
Gas – total kWh (kilowatt-hours) used for the year taken from gas bills	3,138,227 kWh (gross CV (calorific value))	Scope 1	3,138,227 * 0.18 (2023 fuels, natural gas conversion factor gross CV to kg Co2e)= 564,880 kgCO2e = 564.88 tCO2e	4,752,060 kWh * 0.18 (2022 fuels, natural gas conversion factor gross CV to kg Co2e)= 855,371 kgCO2e = 855.37 tCO2e
Electricity – total kWh used for the year, taken from the electricity bills	1,646,073 kWh	Scope 2	1,646,073 kWh * 0.20707(2023 electricity conversion factor to kgCO2e) = 340,852 kgCO2e = 340.85 tCO2e	1,612,563 kWh * 0.19338 (2022 electricity conversion factor to kgCO2e) = 311,837 kgCO2e = 311.84 tCO2e
Transport – 8,740 miles in the year	8,740 miles * 1.10608 (2023 SECR kWh pass & delivery vehs, cars - average and unknown fuel)= 9,627 kWh	Scope 1	8,740miles *0.2663 (2023 business travel land, average car conversion factor to kgCO2e)= 2,327 kgCO2e = 2.33 tCO2e	4,944miles *0.27465 (2022 business travel land, average car conversion factor to kgCO2e)= 1,357 kgCO2e = 1.36 tCO2e
Transport – People carriers/vans - 58,617 miles in the year	58,617 miles * 1.47 (2023 SECR kWh pass & delivery vehs, vans class 3 – used in lieu of passenger vehicles conversion)=86,167 kWh	Scope 1	58,617 miles *0.28750 (2023 business travel land MPV unknown)= 16,852 kgCO2e = 16.85 tCO2e	64,905 miles *0.29203 (2022 business travel land MPV unknown)= 14,992 kgCO2e = 15.00 tCO2e
Transport – total mileage reimbursed from staff claims = 171,990 miles	171,990 miles* 1.10608 (2023 SECR kWh pass & delivery vehs, cars - average and unknown fuel)=190,235 kWh	Scope 3	171,990 miles*0.2663 (2023 business travel land, average car conversion factor to kgCO2e)= 45,800 kgCO2e = 45.8 tCO2e	334,456 miles * 0.27465 (2022 business travel land, average car conversion factor to kgCO2e)= 91,858 kgCO2e = 91.6 tCO2e
Total	5,070,329		970.71 tCO2e	1275.17 tCO2e
Intensity ratio	Emissions data (tCO2e) compared with an appropriate business activity (Average FTE)		970.71 tCO2e/1,289 FTE = 0.75 tCO2e per FTE	1275.17 tCO2e/1,232 FTE = 1.04 tCO2e per FTE

The 2021/22 gas/electricity usage has been restated to include all services.

Methodology

The data detailed in this table represents energy use and emissions for which The Avenues Group is responsible for the period 1 April 2022 to 31 March 2023. It includes the metered electricity and gas used in our properties, and emissions from fuel used in vehicles on company business (both private and leased). For leased vehicles this has been estimated based on the contractual mileage where actuals were not available. These are the energy use and emissions sources required by the regulations for large unquoted organisations. We have used the main requirements of the GHG Protocol Corporate Accounting and Reporting Standard as our emissions calculation methodology. This methodology recommends that emissions are calculated by multiplying activity data (for example energy use in kWh) by an appropriate conversion factor. We have used the UK government GHG conversion factors for company reporting 2023 to calculate our emissions.

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

The Streamlined Energy and Carbon Reporting (SECR) regulations apply to company financial years starting on or after 1 April 2019.

THE AVENUES TRUST GROUP

TRUSTEES' REPORT AND STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2023

GOVERNANCE

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

Legal Structure

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

The Avenues Trust Group is the ultimate holding company for Avenues South East, Avenues South, Avenues London, Avenues East and Avenues Management Services Limited.

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

The names of the members of the Board of the Avenues Trust Group are listed on Page 1.

The members of the Board, who for the purposes of the charity/company law are the trustees/directors of the charitable company, are appointed by the Board.

Jo Land, Group Chief Executive and Nicola Ford, Group Director of Finance are executive trustees of the Avenues Trust Group and all subsidiaries.

Our Board

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

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

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

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

THE AVENUES TRUST GROUP

TRUSTEES' REPORT AND STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2023

- Audit & Risk;
- Finance;
- People, Culture and Reward (PCR); and
- Quality, Local Focus and Engagement.

Committees report directly to all the Boards with the Avenues Group.

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

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

The **People, Culture and Reward Committee (PCR)** provides assurance that the Group has an effective People and Pay Strategy in place, promoting an effective, high performing and diverse workforce. The committee also oversees issues relating to the remuneration of staff, with specific responsibility for making recommendations to the Boards regarding the Group Remuneration Policy and the Executive Management Team's remuneration.

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

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

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

THE AVENUES TRUST GROUP

TRUSTEES' REPORT AND STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The Charity Governance Code

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

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

All of our trustees are selected in a manner consistent with the organisation's recruitment, diversity, and equality policies, ensuring that the selection process is both time and cost effective. In In 2021 we began a recruitment campaign where we worked with specialist advisors to help us successfully improve the diversity of our board. This has been successful and will continue going forward.

Our trustees serve a period of four years, with an option to extend for a further five years. In addition to making direct approaches to suitable candidates Avenues may advertise for trustees through notice boards, network recruitment or in the media. When a recruitment need is identified the Head of Governance will work with the board or committee to carry out a skills audit before a recruitment campaign begins.

Policies and procedures are in place for the induction and training of new trustees. Training needs are continuously identified through board/committee discussions and surveys and board and trustee appraisals. When a training need is identified we organise training to meet that need, and this can be delivered online, internally or through externally facilitated training sessions. In 2022/23 the following training sessions were externally facilitated:

- The benefits and risks of partnership working, mergers or dissolution of services
- Finance and Risk Management
- Safeguarding
- Reserves
- Charity Regulation and Compliance

How we work with our stakeholders

Family Matters Group

Avenues are continually looking for ways to improve the support we provide and are keen to develop greater involvement in what we do from the families, carers and friends involved in the lives of the people we support. Last year we started our **Family Matters Group** and members were given the opportunity to meet with Trustees to share their experiences and feedback.

THE AVENUES TRUST GROUP

TRUSTEES' REPORT AND STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2023

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

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

The Group's role is to:

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

New Directions

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

The purpose of the group is to:

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

This year the group has coproduced videos on Annual Health checks and the effect of Covid 19, reviewed the annual stakeholder survey, interviewed trustees and agreed the terms of reference, role profiles and report templates for the local engagement groups that are going to be set up throughout the Group.

Future work includes working with our Communications team to design the new website, joint facilitating the co-production training for all staff in the organisation, rewriting the role profiles for support workers and becoming quality checkers.

THE AVENUES TRUST GROUP

TRUSTEES' REPORT AND STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2023

Data Protection Compliance

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

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

The Avenues Group Boards have continued to oversee our compliance with UK data Protection Laws. Avenues has always taken data protection seriously and we continue to strengthen our policies and procedures to ensure that the protection of people's information remains a high priority. Data Protection compliance is reported directly to the Audit and Risk Committee.

Investment Policy

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

Related Parties

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

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

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

THE AVENUES TRUST GROUP**TRUSTEES' REPORT AND STRATEGIC REPORT****FOR THE YEAR ENDED 31 MARCH 2023**

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

AVENUES TRUST GROUP

TRUSTEES' REPORT AND STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2023

STRATEGIC REPORT

Objectives and Activities

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

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

Strategy

Avenues has always gone the extra mile to provide the best support to people with profound and multiple learning disabilities, autism and acquired brain injury. Our strategy for 2021-25 'Building Better Lives Together' will mean we are able to continue to provide our unique support for the long term; and offer it to more people, in more places.

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

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

By 2025 we will ...

- Be recognised as a high-quality specialist provider of social care services to people with a learning disability, with an exemplar offering for people living with autism.
- Have sufficient flexibility, capacity and resources so as to ensure organisational resilience, support for the long term and offer high levels of efficiency and effectiveness in the way we work.
- Be known to, and valued by, a broader group of potential purchasers and other key stakeholders, with new customers, funders and commissioners, diversifying our income streams.
- Offer a variety of models of support that will suit people's needs and which are capable of providing great support at different stages of their life journey.
- Be known for the strength and quality of our engagement and co-production. People who receive our services, their families and significant others in their lives will influence what we do, how we do it and will tell us what they want.

We will continue to go the extra mile.

AVENUES TRUST GROUP

TRUSTEES' REPORT AND STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2023

Section 172 (1) of the Companies Act 2006

Under Section 172 of the Companies Act 2006 the Board of Trustees, (who are also directors of The Avenues Trust Group for the purposes of company law), have a duty to promote the long term success of The Avenues Group. They have done that during 2022/23 by duly considering the impact of the decisions they make on the future of the Group. All key decisions that will have an impact on the long-term future of the Group are discussed at the relevant sub-committees and Boards. They have taken into account the view of different stakeholder groups who will be affected by the decisions and have weighed and considered the different options that were available to the Group on each occasion. The Boards believe they have acted throughout the year in the best interests of the Group and in a manner, which will bring about long term success.

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

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

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

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

To develop and maintain strong business relationships, The Avenues Group collaborates regularly with Local Authorities and ICBs and other parties through face to face meetings and roundtable discussions. Avenues recognises the benefit of working together, not just for the people we support and our employees but the wider adult social care provision. We have many examples where through joint working projects we have achieved better outcomes for the people we support. We have been working with Surrey County Council to develop a joint strategy that will not only see the modernisation of the housing provision but will offer a wider choice of support and accommodation solutions that will be fit for the future for adults with a learning disability. We can only achieve such great outcomes by bringing together the skills, knowledge, and experience of both parties. The Avenues Group management team have also worked closely with Local Authorities to share lived experiences of services where we support people with challenging behaviour to help shape tenders and ensure high quality service provision.

AVENUES TRUST GROUP

TRUSTEES' REPORT AND STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2023

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

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

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

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

Risk Management

The Boards of the Avenues Group operate a formal risk management process and risk register, which involves continuous review of the risks identified and those emerging, their potential impact and means of mitigation. The risk register is reviewed by the group Audit Committee, which, in turn, reports on risk to the Avenues Group Boards on a quarterly basis.

The key risks identified for 2022/23 were the challenges in the underlying competitive labour market for quality operational staff and impact of this on delivery and agency spend and cost of living/inflationary pressures. All necessary measures have been taken to mitigate these risks going forward including changes to recruitment and resourcing processes, investment in employee pay, introduction of agency vendor, negotiations of 2023/24 fee uplifts and improved agency monitoring.

Achievements and Performance

Avenues' reputation for delivering high-quality services established us as a key player in the Transforming Care programme and strengthened our relationship with NHS England.

This means all Avenues subsidiaries are well positioned to deliver new complex services which move people from secure locations back into their home communities, alongside the continuation of the outstanding support provided to existing service users, fulfilling the Group's vision.

AVENUES TRUST GROUP

TRUSTEES' REPORT AND STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2023

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

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

Over the past year we have continued to develop our services across our subsidiaries, proving once again that people with the highest support needs, and most challenging behaviour, can enjoy better lives through tailored, community-based support that brings significant savings to the public purse.

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

Financial Sustainability

This is measured by our operational performance to budget. For financial year 2022/23 the deficit was £1,808k (excluding sale of fixed assets) compared to a budgeted surplus of £530k which was driven by a decision to invest in staff pay beyond funded and budgeted levels and an unexpected overspend on agency staff costs. Underneath this we set KPIs for the level of central cost spend, services making a deficit contribution, agency spend and debtor days.

Reputational

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

People

This is measured as the percentage of job vacancy levels across the workforce with a target of less than 20% - we achieved an average of 29.9% so behind the target which was the impact of well documented recruitment challenges for the Adult Social Care sector. In addition to this we track and closely monitor sickness absence and retention rates

Growth and Development

This is measured by the full year growth income achieved compared to the budgeted target. The target was £4,187k and we achieved £5,059k. This is supported by other KPI's around voids, tenders, and grants.

Financial Results for the Year Ended 31 March 2023

The income and expenditure performance of the Group in 2022/23, shows income of £50m and a deficit of £1.9m (compared to a surplus of £1.4m in the prior year).

AVENUES TRUST GROUP

TRUSTEES' REPORT AND STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2023

Total income for the year increased by £3m (6%) and expenditure has increased by £6m (13%), excluding loss on sale of fixed assets of £0.06m.

The consolidated balance sheet shows total group funds of £5.1m compared to £7.3m as at March 2022. This includes the impact of the revaluation of the Social Housing Pension Scheme (SHPS) pension asset, a reduction of £0.3m.

The deficit in 2022/23 was driven by a decision to invest in staff pay beyond funded and budgeted levels and an unexpected overspend on agency staff costs. The consolidated Group had gone into 2023/24 with a surplus budget. This is a key deliverable of the 2021/25 strategic plan and the Executive Management Team.

Reserves Policy

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

As a contract based service provider, the Avenues Group Board have concluded that the Group does not need to carry significant levels of reserves. However, the free reserves available need to be sufficient to mitigate against any significant organisational risks as identified via the risk management procedures whilst enabling the group to capitalise on opportunities and deliver the 4 year strategic plan ensuring sustainability for the future. Based on this revised reserve policy the Board has concluded that the target for free reserves should be £1.5m. This has been considered by the Audit and Risk Committee in June 2023 and deemed to be still appropriate. In addition the Group Boards have recommended a minimum cash holding of £1m.

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

The free reserves held at the balance sheet date remain below the target set by the Board and reserves policy. Over the next three years (to year ended 31 March 2026) we expect to achieve sustainable surpluses of between 1.5-2% and realised assets to meet our reserves policy and create free reserves which will be used to build resilience to weather the social care sector storms and enable the Group to make strategic choices. During this period, we will keep the policy under review and will look to index the £1.5m in line with inflation if required.

Risks to Funding/Financial Climate

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

AVENUES TRUST GROUP

TRUSTEES' REPORT AND STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2023

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

Reserves were as follows at March 2023:	£'000
- General	5,142
- Designated	77
- Pension scheme	(1,397)
- Restricted	1,300
TOTAL RESERVES	5,122
Less unrestricted tangible fixed assets held for charities' own use	(8,281)
Add pension scheme	1,397
Less restricted reserves	(1,300)
Less designated reserves	(77)
FREE RESERVES (Deficit)	(3,139)

Free reserves are therefore NIL.

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

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

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

£8,281k related to amounts invested in fixed assets and these reserves can only be realised on disposal.

Subsidiaries

This reserves policy is established at a Group level.

Liquidity and Working Capital

Whilst the reserves policy sets a target for free reserves it is recognised that this does not create liquidity within the group and the Board would also like to address this and have set a target for this of £1m which has not been met in 2022-23. The group will continue to work to improve its position to build sustainable services and grow the charity.

The current working capital position of the group is:
(£0.6m) (2021/22 £2.5m)

AVENUES TRUST GROUP

TRUSTEES' REPORT AND STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2023

Going Concern

The primary objective for 2022/23 was to continue to improve the financial strength of the group to capitalise on future opportunities and build long term sustainability. In order to achieve this a number of initiatives have been undertaken during 2022/23:

- Increased focus on recruitment and retention to lower dependency on agency
- Improvement in pay packages offered to employees over and above funded levels
- Increased scrutiny around void levels and loss making services across the group
- Focus on growth opportunities

The above measures and increased scrutiny around monthly financial results and deviation from budgets mean that we expect to return to a surplus in 2023/24.

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

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

Future Developments

2023/24 is the third year of our strategy for 2021-25, 'Building Better Lives Together', which sets out our renewed ambition to ensure that we will continue to provide our unique support for the long term; and offer it to more people, in more places.

Our approach will remain centred on supporting more people with learning disabilities and/or autism whose behaviour challenges, while ensuring ongoing quality of services for those we already work with.

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

Recruitment and retention of a high quality workforce in the sector and for the Group remains an ongoing challenge. We are facing a highly competitive labour market across all sectors including social care and competition for good staff is high. Despite 2 pay awards during 2022/23 and an increase in National Minimum wage from April 23 recruitment is extremely challenging and vacancy rates remain high and as a result we have seen an increased spend in agency costs in 2022/23.

We anticipate these challenges will continue into 2023/24 and beyond. Avenues continues to raise the challenges of pay and recruitment with our commissioners and with central government.

AVENUES TRUST GROUP

TRUSTEES' REPORT AND STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2023

Whilst core growth and void filling remain high on the agenda, we are also looking to generate other income streams through grants, fundraising and legacies. 2023/24 will see us expand into new geographies and strengthen our connection with the health sector. In addition, we will continue to explore all cost saving initiatives to ensure efficiencies across all functions. We are increasing the use of digital solutions and the aspiration of operating paperless offices as far as practicable. We have completed our front line digital roll out programme giving digital access to all services to provide more efficient support. Our workforce have embraced this change and are excited for future changes. In 2023/24 we are embarking on a programme of work to upgrade our central core systems to further improve processes and drive efficiencies.

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

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

The Trustees' Report is approved by order of the Board as trustees and the Strategic Report (included therein) is approved by the Board of Trustees in their capacity as the directors at a meeting on 17th October 2023 and signed on its behalf by:

DocuSigned by:

A47F8403F28949C...

Terry Rich

Chair

Date: 17th October 2023

THE AVENUES TRUST GROUP**STATEMENT OF TRUSTEES' RESPONSIBILITIES****FOR THE YEAR ENDED 31 MARCH 2023**

The trustees (who are also directors of The Avenues Trust Group for the purposes of company law) are responsible for preparing the Trustees' Annual Report including the incorporated Strategic Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable Group for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable Group will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Group and charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

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

Auditor

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

THE AVENUES TRUST GROUP

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

Opinion

We have audited the financial statements of The Avenues Trust Group (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Cash Flow Statements and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

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

THE AVENUES TRUST GROUP

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 27 October 2023

THE AVENUES TRUST GROUP
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Including Consolidated Income & Expenditure Account)
FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Unrestricted General Funds £'000	Unrestricted Pensions £'000	Restricted Funds £'000	Total 2023 £'000	Total 2022 £'000
INCOME FROM:						
Donations and Legacies						
Donations	3	11	-	1	12	20
Charitable Activities:						
Provision of care and housing services		11,504	-	-	11,504	9,904
Provision of care to young people		1,377	-	-	1,377	1,303
Services to Adults		34,643	-	-	34,643	32,634
Services to Older People		2,075	-	-	2,075	1,874
		49,599	-	-	49,599	45,715
Other trading activities						
Other trading activities	3	136	-	-	136	115
Other		138		-	138	1,169
Total Income		49,884	-	1	49,885	47,019
EXPENDITURE ON:						
Charitable activities:						
Provision of care and housing services	4	12,556	-	-	12,556	10,343
Provision of care to young people	4	1,422	-	-	1,422	1,200
Services to Adults	4	35,626	-	-	35,626	32,314
Services to Older People	4	2,090	-	-	2,090	1,791
		51,694	-	-	51,694	45,648
Loss/(gain) on sale of assets		65			65	(17)
Total Expenditure		51,759	-	-	51,759	45,631
Net (expenditure)/income	5	(1,875)	-	1	(1,874)	1,388
Transfer between funds	13	(283)	283		-	-
Remeasurement of defined benefit pension schemes	16	-	(282)	-	(282)	582
Net movement in funds		(2,158)	1	1	(2,156)	1,970
Reconciliation of funds:						
Fund balances brought forward	14	7,377	(1,398)	1,299	7,278	5,308
Fund balances carried forward		5,219	(1,397)	1,300	5,122	7,278

The notes on pages 31 to 55 form part of these financial statements.

**THE AVENUES TRUST GROUP
CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2023
COMPANY NO: 03804617**

	Notes	2023	2022
		£'000	£'000
FIXED ASSETS			
Tangible assets	8	12,250	10,757
Intangible assets	9	308	116
		12,558	10,873
CURRENT ASSETS			
Debtors	11	4,611	4,453
Cash at bank and in hand		277	2,356
		4,888	6,809
CREDITORS falling due within one year	12	(5,445)	(4,319)
NET CURRENT ASSETS		(557)	2,490
CREDITORS falling due in more than one year	12	(5,482)	(4,687)
NET ASSETS EXCLUDING PENSION LIABILITY		6,519	8,676
Pension scheme liability	16	(1,397)	(1,398)
NET ASSETS	14	5,122	7,278
FUNDS			
Unrestricted funds:			
General funds	13	5,142	7,300
Designated fund	13	77	77
Pension scheme funding reserve	13	(1,397)	(1,398)
		3,822	5,979
Restricted funds	13	1,300	1,299
TOTAL FUNDS	14	5,122	7,278

The notes on pages 31 to 55 form part of these financial statements.

The financial statements were approved and authorised for issue by the Board of Trustees on 17th October 2023 and were signed on its behalf by:

Terry Rich
Chair

DocuSigned by:

Terry Rich

A47F8403F28949C...

**THE AVENUES TRUST GROUP
COMPANY BALANCE SHEET
AS AT 31 MARCH 2023
COMPANY NO: 03804617**

	Notes	2023 £'000	2022 £'000
FIXED ASSETS			
Tangible assets	8	272	236
Intangible assets	9	308	116
		<u>580</u>	<u>352</u>
CURRENT ASSETS			
Debtors	11	5,328	1,643
Cash		104	1,550
		<u>5,432</u>	<u>3,193</u>
CREDITORS falling due within one year	12	(6,023)	(3,684)
NET CURRENT LIABILITIES		<u>(591)</u>	<u>(491)</u>
CREDITORS falling due in more than one year		(138)	-
NET LIABILITIES		<u>(149)</u>	<u>(139)</u>
FUNDS			
Unrestricted funds:			
General reserve	13	(1,068)	(1,058)
Designated fund	13	2	2
		<u>(1,066)</u>	<u>(1,056)</u>
Restricted funds	13	917	917
DEFICIT	14	<u>(149)</u>	<u>(139)</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 £10k (2022: deficit of £26k).

Included in the parent charity's result for the year is a profit of £20k gift aided by Avenues Management services Limited (AMSL) to the Trust under the deed of covenant.

The notes on pages 31 to 55 form part of these financial statements.

The financial statements were approved and authorised for issue by the Board of trustees on 17th October 2023 and were signed on its behalf by:

Terry Rich
Chair

DocuSigned by:

A47F8403F28949C...

THE AVENUES TRUST GROUP
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

	2023	2022
	£'000	£'000
Cashflow from operating activities		
Net cash used in operating activities	(1,372)	-
Interest paid	(50)	-
Net cash (used in)/generated from operating activities	(a) (1,422)	1,145
Cashflow from investing activities:		
Purchase of intangible fixed assets	(279)	(88)
Purchase of tangible fixed assets	(2,246)	(1,441)
Sale of tangible fixed assets	46	223
Net cash provided by/(used in) investing activities	(2,479)	(1,306)
Financing:		
Repayments against unsecured loans	(59)	(3)
Payment of KCC loan	-	(33)
Proceeds of new bank loan	1,112	273
Net cash outflow from financing	1,053	237
(Decrease)/increase in cash in the year	(2,848)	76
Change in cash and cash equivalents in the reporting period	(2,848)	76
Cash and cash equivalents at the beginning of the reporting period	2,356	2,280
Cash and cash equivalents at the end of the reporting period	(b) (492)	2,356

(a) Reconciliation of net income to net cash flow from operating activities:

	2023	2022
	£'000	£'000
Net income	(1,874)	1,388
Finance costs	50	-
Net movement in pension provision	(283)	(314)
Loss on disposal of tangible fixed assets	65	(17)
Depreciation charges	653	567
Amortisation of intangible fixed assets	76	42
Net movement in creditors (less debtors)	(59)	(523)
Net cash used in operating activities	(1,372)	1,143

(b) Analysis of cash and cash equivalents:

Overdraft facility repayable on demand	(769)	-
Cash at bank and in hand	277	2,356
Total cash and cash equivalents	(492)	2,356

(c) Analysis of changes in net debt

	Brought forward	Cash flows	Carried forward
	£'000	£'000	£'000
Cash at bank and in hand	2,356	(2,079)	277
Bank overdrafts	-	(769)	(769)
Borrowings excluding overdrafts	(270)	(1,053)	(1,323)

THE AVENUES TRUST GROUP NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1) Accounting Policies

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

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

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – (Charities SORP (FRS 102 second edition October 2019)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006, except for the treatment of Avenues South social housing grants which would normally be shown through the Statement of Financial Activities. The group has departed from the Charities SORP (FRS 102) and maintained the accounting treatment set out in Housing SORP 2018 (Statement of Recommended Practice for social housing providers) which is followed by Avenues South, where government grants are recognised in income using the accruals model and recognised over the life of the underlying asset when housing properties are measured at cost.

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

The Avenues Trust Group meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost of transaction value unless otherwise stated in the relevant accounting policy notes.

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

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

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

**THE AVENUES TRUST GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

b) Preparation of the accounts on a going concern basis

The Avenues Trust Group has had operational surplus of £1.4m in 2021/22 and loss of £1.9m in 2022/2023. As at March 2023, reserves stood at £5.1m, with negative net working capital of £0.56m. The 2022/23 results include a £65k loss on disposal on sale of an NHS property (37 Brookside).

Going into 2023/24, there is continuous focus on recruitment and retention to lower dependency on agency; Improvement in pay packages offered to employees over and above the funded levels, increased scrutiny around void levels and loss-making services across the group.

These measures and coupled with the increased scrutiny around monthly financial results and targeted growth across the Group will continue to build a sustainable future.

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

The Group is considered to be going concern because of the aforementioned and in addition, the Group has an overdraft facility of £1.5m. There is a longstanding and positive relationship with Barclays and although this facility could be withdrawn at any time, this risk does not pose any serious threat or concern.

c) Group financial statements

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

The result of all subsidiaries covers a full 12 month period up to 31 March 2023.

d) Income

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

Income from government and other grants, whether 'capital' (except capital grants relating to social housing properties – see policy (e)) or 'revenue' grants, are recognised when the charity has entitlement to the funds, any performance related conditions attached to the grant have been met, it is probable that the income will be received and the amount can be measured reliably and not deferred.

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

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

THE AVENUES TRUST GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

e) Capital grants in respect of social housing properties

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

f) Tangible fixed assets and depreciation

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

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

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

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

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

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

g) Intangible assets and amortisation

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

Software	20% per annum on cost
----------	-----------------------

h) Employee benefits policy

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

i) Pension costs

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

THE AVENUES TRUST GROUP NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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

The group also contributes to the defined benefit Social Housing Pension Scheme (closed to future accrual). Contributions are charged to the Consolidated Statement of Financial Activities in the period to which they relate. As at 31 March 2020 the schemes actuaries provided each employers organisation with its defined benefit liability together with comparative information as at 31 March 2019. The scheme treated as a defined benefit scheme in accordance with FRS102.

The Avenues Trust Group previously has employees who were members of the Kent County Council defined benefit pension scheme. The assets of the scheme are held separately from those of the group. Avenues South East officially withdrew from the scheme on 1 April 2015 and as such no further contributions are being made. The withdrawal from the scheme resulted in the crystallisation of a liability of £231k. It was agreed to pay this over a period of seven years, attracting interest of £23k. The interest has now been fully paid and was recognised in the statement of financial activities evenly over a seven year period.

The pension schemes are disclosed in Note 16.

j) Operating leases

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

k) Resources expended and the basis of apportioned costs

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

l) Allocation of support costs

Support costs are those functions that assist the work of Avenues but does not directly undertake charitable activities. Support costs include back office costs, finance, human resources, payroll, IT and governance costs which supports Avenues charitable activities.

m) Fund accounting

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

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

n) Taxation

The company is a registered charity and as such its income and gains falling within Sections 471 to 489 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains

**THE AVENUES TRUST GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

Act 1992 are exempt from corporation tax to the extent that they are applied to its charitable objectives.

o) Debtors

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

p) Cash and cash equivalents

Cash and cash equivalents includes cash at bank and in hand and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. In the cash flow statement, cash and cash equivalents are shown net of bank overdrafts, which are included as current borrowings in liabilities on the balance sheet.

q) Creditors and provisions

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

r) Financial Instruments

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

s) Management estimates and judgements

In the process of applying its accounting policies, The Avenues Trust Group is required to make certain estimates, judgements and assumptions that it believes are reasonable based on the information available. These judgements, estimates and assumptions affect the amounts of assets and liabilities at the date of the financial statements and the amounts of revenues and expenses recognised during the reporting periods presented. There are no significant judgements or estimates made. The assumptions applied to the pension have the potential to materially impact the pension liability position and therefore have been reviewed with the Groups pension advisors and management consider they are reasonable. Upon acquisition of Avenues South, the properties were revalued and held at Fair Value in the Group accounts and, as at March 2020, were assessed for impairment and as result an adjustment was made to ensure they are carried at an appropriate value. The properties are reviewed annually for indications of impairment, no adjustment to the carrying value of the properties is considered necessary at 31 March 2023.

THE AVENUES TRUST GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2) Financial performance of the charity

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

The summary performance of the charity alone is:

	2023	2022
	£000s	£000s
Income from donations and Legacies	-	115
Income from charitable activities	136	-
	<u>136</u>	<u>115</u>
Expenditure on charitable activities	(166)	(141)
Profit received from AMSL through deed of covenant	20	-
Net (Expenditure)	<u>(10)</u>	<u>(26)</u>
 Total funds brought forward	 <u>(139)</u>	 <u>(113)</u>
Total funds carried forward	<u>(149)</u>	<u>(139)</u>

Represented by:

Restricted income funds	917	917
Unrestricted income funds	(1,086)	(1,056)
Profit received from AMSL through deed of covenant	20	-
Total	<u>(149)</u>	<u>(139)</u>

Included in the fund balance there is £20k relating to profit gift aided by the AMSL subsidiary to the trust under the deed of covenant.

3) Income

	2023	2022
	£000s	£000s
Donations and Legacies		
Other Donations	12	20
	<u>12</u>	<u>20</u>
 Other trading income		
Contribution towards training costs	4	15
Other Income	132	100
	<u>136</u>	<u>115</u>

Income from Donations and legacies was £12k (2022: £20k), of which £1k was restricted in 2023 and all the rest unrestricted. Income from Charitable activities was £49,599k (2022: £45,715k) all of which was unrestricted in both years.

Covid Support Grant received £nil, (2022: £1,247k).

THE AVENUES TRUST GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

4) Expenditure

	Direct Costs £000s	Support Costs £000s	2023 Total £000s	2022 Total £000s
Charitable Activities				
Provision of care and housing services	11,289	1,332	12,621	10,326
Provision of care to young people	1,274	148	1,422	1,200
Services to Adults	31,556	4,070	35,626	32,314
Services to Older People	1,864	226	2,090	1,791
2023 Totals	45,983	5,776	51,759	
2022 Totals	40,434	5,197		45,631

Expenditure on charitable activities of £51,694k (2022: £45,648k) was all attributed to unrestricted funds. This balance does not include pension re-measurement adjustments of (£282k) (2022: £582k) and loss on sales of assets of £65k (2022: profit £17k).

Analysis of governance and support costs

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

	General support £000s	Governanc e function £000s	2023 Total £000s	2022 Total £000s
EMT and Governance	1,116	111	1,227	1,249
Group Finance	1,861	-	1,861	1,521
Group Human Resources	1,237	-	1,237	1,197
Group Office Management	903	-	903	789
Group Practice Development and Assurance	548	-	548	441
Total	5,665	111	5,776	5,197

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

	2023 £'000	2022 £'000
Depreciation of tangible fixed assets	653	568
Amortisation	76	43
External Audit	100	84
Internal Audit	12	8
Operating lease charges for motor vehicles and equipment	69	107
Operating lease charges for land and buildings	1,284	1,303
Interest paid	51	21
Loss/(gain) on disposal of assets	65	(17)

**THE AVENUES TRUST GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

6) Trustees' remuneration

The trustees are the directors of the company. During the year, 6 (2022: 4) member(s) of the Board have been reimbursed for expenses £2.5k (2022: £3k).

J Land, Chief Executive, is also a Trustee of Avenues Trust Group. During the 2022/23 financial year she received £149k (2022: £148k) in remuneration including £12k of pension contributions (2022: £12k) from The Group in respect of her role as Chief Executive. No remuneration or pension contributions were paid in relation to her role as a trustee.

N Ford, Group Director of Finance, is also a Trustee of Avenues Trust Group. During the 2022/23 financial year she received £111k (2022: £110k) in remuneration including £8k of pension contributions (2022: £8k) from The Avenues Trust Group in respect of her role as Group Finance Director. No remuneration or pension contributions were paid in relation to her role as a trustee.

The Directors of the Charity are remunerated by the Avenues Trust Group only to the extent permitted by the Charity's Articles of Association. A further payment was made in the year of £0.5k (2022: £0.5k) which is a collective premium to cover Trustees Liability and insurance.

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

7) Staff costs and key management personnel

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

	2023	2022
	No.	No.
£60k - £70k	4	4
£80k - £90k	5	5
£110k - £120k	1	1

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

	No.	No.	FTE	FTE
	2023	2022	2023	2022
Office staff	144	154	143	144
Care staff	750	719	757	724
Part-time support staff	474	444	389	364
Bank contract staff	556	627	-	-
	1,924	1,944	1,289	1,232

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

THE AVENUES TRUST GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

	2023	2022
Staff costs - Group	£'000	£'000
Wages and salaries	36,455	33,514
Social security costs	2,830	2,617
Pension costs (Per Note 16)	935	921
Agency staff costs	2,764	1,236
	42,984	38,288

The key management personnel of the Group comprise the trustees including the Group Chief Executive, Group Director of Operations, Group Director of Finance, Group Director of People and Organisational Development, Group Director of Business Development, and Group Director of Housing and Development. The total employee benefits of the key management personnel were as follows:

	2023	2022
	£'000	£'000
Wages and salaries	570	607
Social security costs	81	80
Pension costs	58	53
	709	740

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

8) Tangible fixed assets – Group

	Freehold Housing Properties £'000	Freehold Offices £'000	Long leasehold properties £'000	Furniture and Equipment £'000	Motor Vehicles £'000	Office Equipment £'000	Total £'000
Cost							
At 1 April 2022	9,485	-	1,385	3,862	29	166	14,927
Additions	1,804	-	122	235	-	96	2,257
Disposals	(170)	-	-	(7)	-	-	(177)
At 31 MARCH 2023	11,119	-	1,507	4,090	29	262	17,007
Depreciation							
At 1 April 2022	964	-	-	3,011	29	166	4,170
Charge for year	168	-	18	228	-	82	496
Charge for year - grant (Note 12)	157	-	-	-	-	-	157
Disposals	(60)	-	-	(6)	-	-	(66)
At 31 MARCH 2023	1,229	-	18	3,233	29	248	4,757
Net book value							
At 31 MARCH 2023	9,890	-	1,489	857	-	14	12,250
At 31 March 2022	8,521	-	1,385	851	-	-	10,757

THE AVENUES TRUST GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

8) Tangible fixed assets – Charity

	Furniture and Equipment £'000	Total £'000
Cost		
At 1 April 2022 as previously stated	1,188	1,188
Adjustment (see note below)	11	11
	1,199	1,199
Additions	122	122
At 31 MARCH 2023	1,321	1,321
Depreciation		
At 1 April 2022	952	952
Charge for the year	97	97
At 31 MARCH 2023	1,049	1,049
Net book value		
At 31 MARCH 2023	272	272
At 31 March 2022	236	236

The cost of furniture and equipment has been restated to transfer cost of equipment relating to the digitalisation project from intangible assets

NHS Charge

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

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

There is an offsetting capital grant creditor of £4,277k (2022 £4,434k). (See note 12).

Long Leasehold

All long leasehold properties have remaining leases of between 82 and 114 years.

THE AVENUES TRUST GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

9) Intangible assets – Group and Charity

	People Planner	Digitalisation Project	Total
	£'000	£'000	£'000
Cost			
At 1 April 2022 as previously stated	90	160	250
Adjustment (see below)	-	(11)	(11)
At 1 April 2022 - revised	90	149	239
Additions	-	279	279
At 31 MARCH 2023	90	428	518
Amortisation			
At 1 April 2022	90	44	134
Charge for year	-	76	76
At 31 MARCH 2023	90	120	210
Net book value			
At 31 MARCH 2023	-	308	308
At 31 March 2022	-	116	116

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

The cost of the digitalisation project has been restated to transfer cost of equipment relating to the project to tangible assets.

10) Investments in subsidiary undertakings

The group holds an investment in Avenues South of £8 (2022: £8) and Avenues Management services Limited £1 (2022: £1) both of which are equivalent to the entire share capital of the subsidiaries.

11) Debtors

	Charity		Group	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Contract fees receivable	-	-	2,546	3,003
Other debtors	80	332	236	383
Prepayments and accrued income	550	281	1,829	1,067
Amounts due from subsidiary undertakings	4,698	1,030	-	-
	5,328	1,643	4,611	4,453

Included within Other Debtors are amounts totalling £160k (2022: £160k) relating to a rental deposit falling due after more than one year.

THE AVENUES TRUST GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

12) Creditors

	Charity		Group	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Bank overdraft	435	-	769	-
Trade creditors	-	-	1,341	438
Other taxation and social security	197	227	1,467	1,203
Other creditors	29	34	400	256
Deferred income	-	-	386	853
Accrued expenditure	72	112	964	1,552
Intercompany	5,244	3,311	-	-
Loan falling due within one year	46	-	118	17
	6,023	3,684	5,445	4,319

Movements in deferred income:	£'000	£'000
Deferred income at the beginning of the year	853	1,064
Income recognised in the year	(853)	(1,064)
Income deferred in the current year	386	853
Income deferred at the year end	386	853

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

Creditors falling due in more than one year

Capital grants

	2023	2022
	£'000	£'000
Capital Grant at 1 April	(4,434)	(4,598)
Opening Grant Adjustment	-	16
Grant release current year	157	148
Capital Grant at 31 March	(4,277)	(4,434)

Bank Loan

Due within 2 -5 years	(425)	(68)
Due over 5 years	(780)	(185)
	(1,205)	(253)
Total long term Creditors	(5,482)	(4,687)

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

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

Bank loan relates to:

The purchase of 3 new properties (Beresford Garden, Smock Acre, Westbrook) in addition to Colman Stairs that were previously under a lease agreement. The loans are secure to these properties.

The purchase of software licences over a period of 5 years.

THE AVENUES TRUST GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

13) Statement of Funds

Group:	2022	Income	Expenditure	Transfers	FRS 102 Pension Adj	2023
	£'000	£'000	£'000	£'000	£'000	£'000
Unrestricted funds:						
General reserve	7,377	49,884	(51,759)	(283)	-	5,219
Pension reserve	(1,398)	-	-	283	(282)	(1,397)
Restricted funds:						
Active Communities Fund	11	-	-	-	-	11
Big Lottery	12	-	-	-	-	12
Community Futures other restricted funds	176	-	-	-	-	176
Dementia Services	-	-	-	-	-	-
Disability Focus Day	11	-	-	-	-	11
Disability Sports Project	22	-	-	-	-	22
Employment Service	15	-	-	-	-	15
Leisure activities in Avenues East	38	-	-	-	-	38
Hope House holiday Fund	4	-	-	-	-	4
Partnership Working	9	-	-	-	-	9
Disability Forum for Suffolk	4	-	-	-	-	4
Teaming Up	62	-	-	-	-	62
Garden Fund	10	-	-	-	-	10
Brighton road	730	-	-	-	-	730
Copse Hill	92	-	-	-	-	92
Other restricted projects	77	-	-	-	-	77
CSU Donations	16	1	-	-	-	17
Furniture Fund - Squirrel Lodge	10	-	-	-	-	10
	1,299	1	-	-	-	1,300
Total funds	7,278	49,885	(51,759)	-	(282)	5,122
Previous year balances	2021	Income	Expenditure	Transfers	FRS 102 Pension Adj	2022
General reserve	6,306	45,928	(44,559)	(298)	-	7,377
Pension reserve	(2,294)	-	-	314	582	(1,398)
Restricted funds:						
Active Communities Fund	11	-	-	-	-	11
Big Lottery	12	-	-	-	-	12
Community Futures other restricted funds	218	-	-	(42)	-	176
Dementia Services	2	-	-	(2)	-	-
Disability Focus Day	11	-	-	-	-	11
Disability Sports Project	23	-	-	(1)	-	22
Employment Service	10	-	-	5	-	15
Leisure activities in Avenues East	35	-	-	3	-	38
Hope House holiday Fund	-	-	-	4	-	4
Partnership Working	9	-	-	-	-	9
Disability Forum for Suffolk	-	-	-	4	-	4
Teaming Up	63	-	-	(1)	-	62
Garden Fund	5	-	-	5	-	10
Brighton road	730	-	-	-	-	730
Copse Hill	92	-	-	-	-	92
Other restricted projects	75	-	-	2	-	77
CSU Donations	-	9	-	7	-	16
Furniture Fund - Squirrel Lodge	-	10	-	-	-	10
Covid19 Support Grant	-	1,072	(1,072)	-	-	-
	1,296	1,091	(1,072)	(16)	-	1,299
Total funds	5,308	47,019	(45,631)	-	582	7,278

**THE AVENUES TRUST GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

13) Statement of funds (continued)

The main funds are as follows:

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

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

- 1 The Active Communities Fund has been generated through a number of events and donations to support activities in the community.
- 2 The Big Lottery fund is restricted to supporting disabled people during the transitional period of their lives enabling them to access volunteer and work experience opportunities within their local community.
- 3 The Community Futures other restricted funds is a grouping of smaller grants for the provision of support for community opportunities and activities.
- 4 The Dementia services restricted fund relates to the remaining balance of a grant from the London Borough of Sutton to fund equipment in a library for people with dementia.
- 5 Disability Focus Day fund is restricted to supporting the costs of organising a forum for representatives from disability and statutory organisations across Suffolk.
- 6 Disability Sports Project. The funds is to provide sport and physical activities for young people and adults with disabilities.
- 7 The Employment Service Fund is restricted to helping young people to gain work experience or volunteering enabling them to gain valuable life skills
- 8 The Leisure funds are restricted to the various leisure activities provides by Avenues East particularly swimming sessions.
- 9 The Hope House Holiday fund represents a fund raised towards the provision of an annual holiday for the residents.
- 10 The Partnership Working fund is restricted to supporting initiatives for user involvement in multi-agency working to promote the inclusion of disabled people.
- 11 Disability Forum for Suffolk fund is for work relating to representing and consulting with disabled people in Suffolk, as well as for organising events to bring disabled people in Suffolk together.
- 12 The Teaming Up fund is restricted to various Teaming Up activities provided by Avenues East.
- 13 The Garden Fund provided by Santander is for the renovation of a Garden at Wilson Avenue.
- 14 Brighton road. This fund is a specific legacy settled on this service. The fund is to be applied to the service and cover all support and running costs
- 15 Copse Hill; this fund is a specific legacy to this service. The fund is to be used by the service to cover some support and running costs
- 16 Other restricted grants are comprised of a number of individually immaterial funds.
- 17 CSU Donations is community support donation restricted to helping disabled people to take part in social activities, for examples games and pub quiz.
- 18 Furniture Fund - Squirrel Lodge to use for furniture and fitting at Squirrel Lodge
- 19 Covid19 Support Grant specific to cover support cost that is linked to covid safety

THE AVENUES TRUST GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

13) Statement of funds (continued)

Parent Charity :	1 April			Transfers	31 March
	2022	Income	Expenditure		2023
	£'000	£'000	£'000	£'000	£'000
Designated fund	2	-	-	-	2
General reserve	(1,058)	136	(166)		(1,088)
Profit gift aided by subsidiary	-	20	-	-	20
	(1,058)	156	(166)	-	(1,068)
Restricted funds					
Active Communities funds	11	-	-	-	11
Community Futures other restricted funds	32	-	-	-	32
Brighton Road	730	-	-	-	730
Other projects	144	-	-	-	144
	917	-	-	-	917
Total funds	(139)	156	(166)	-	(149)

Parent Charity :	1 April			Gains/ Losses & Transfers	31 March
	2021	Income	Expenditure		2022
	£'000	£'000	£'000	£'000	£'000
Designated fund	2	-	-	-	2
General reserve	(1,021)	(11)	115	(141)	(1,058)
Restricted funds					
Active Communities funds	11	-	-	-	11
Community Futures other restricted funds	32	-	-	-	32
Brighton Road	730	-	-	-	730
Other projects	133	11	-	-	144
	906	11	-	-	917
	(113)	-	115	(141)	(139)

Negative reserve in both years, if there continue to be more negative reserve in 2023/24, intra-group debt equalisation will be considered.

THE AVENUES TRUST GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

14) Analysis of net assets between funds

GROUP	Restricted Funds	Unrestricted Funds	2023 Total
	£'000	£'000	£'000
Fund balances at 31 March 2023 are represented by:			
Tangible fixed assets	-	12,250	12,250
Intangible assets	-	308	308
Current assets	1,300	3,588	4,888
Current liabilities	-	(5,445)	(5,445)
Long term liabilities	-	(5,482)	(5,482)
TOTAL FUNDS BEFORE PENSION LIABILITY	1,300	5,219	6,519
Pension scheme liability	-	(1,397)	(1,397)
TOTAL FUNDS INCLUDING LIABILITY ON PENSION SCHEME RESERVE	1,300	3,822	5,122

Analysis of group net assets between funds - previous year

Fund balances at 31 March 2022 are represented by:

Tangible fixed assets	-	10,757	10,757
Intangible assets	-	116	116
Current assets	1,299	5,510	6,809
Current liabilities	-	(4,319)	(4,319)
Long term liabilities	-	(4,687)	(4,687)
TOTAL FUNDS BEFORE PENSION LIABILITY	1,299	7,377	8,676
Pension scheme liability	-	(1,398)	(1,398)
TOTAL FUNDS INCLUDING LIABILITY ON PENSION SCHEME RESERVE	1,299	5,979	7,278

Analysis of parent charity net assets between funds

	Restricted Funds	Unrestricted Funds	Total
	£'000	£'000	£'000
Fund balances at 31 March 2023 are represented by:			
Tangible fixed assets	-	272	272
Intangible assets	-	308	308
Current assets	917	3,752	4,669
Current liabilities	-	(5,260)	(5,260)
Long term liabilities	-	(138)	(138)
TOTAL FUNDS	917	(1,066)	(149)
Fund balances at 31 March 2022 are represented by:			
Tangible fixed assets	-	236	236
Intangible assets	-	116	116
Current assets	917	2,276	3,193
Current liabilities	-	(3,684)	(3,684)
TOTAL FUNDS	917	(1,056)	(139)

THE AVENUES TRUST GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

15) Operating leases

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

	2023	2022
	£'000	£'000
<u>Land and Buildings</u>		
Amounts due:		
Within one year	655	664
Between two and five years	1,702	1,356
Beyond five years	415	487
	<u>2,772</u>	<u>2,507</u>

	2023	2022
	£'000	£'000
<u>Vehicles & equipments</u>		
Amounts due:		
Within one year	10	49
Between two and five years	-	10
	<u>10</u>	<u>59</u>

	2023	2022
	£'000	£'000
<u>Parent only</u>		
<u>Land and Buildings</u>		
Amounts due:		
Within one year	-	-
Between two and five years	-	-
	<u>-</u>	<u>-</u>

THE AVENUES TRUST GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

16) Pension obligations

The Avenues Trust Group has contributed to both defined benefit and defined contribution schemes during the year and defined benefit schemes are accounted for as if they were defined contribution schemes if required by FRS 102 Section 28 'Employee benefits'. The total cost to the group for the year ended 31 March 2023 in respect of pension contributions, which have been allocated between resources expended categories in proportion to staff costs and charged to the Consolidated Statement of Financial Activities as appropriate, are as follows;

	2023	2022	2023	2022
	£'000	£'000	No.	No.
Pensions Trust SHPS	912	896	1,095	1,217
NHS Pension	19	20	7	8
Pensions Trust - The Growth Plan	4	5	5	7
Per Note 7	935	921	1,107	1,232

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

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

National Health Service (closed Scheme)

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

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

The Pensions Trust - The Social Housing Pension Scheme

The Social Housing Pension (SHPS) auto enrolment defined contribution scheme (also referred to as 'Pensions Trust') is an ongoing scheme. The contributions paid to this scheme by the group are charged to the Statement of Financial Activities as they fall due. This scheme also includes a defined benefit obligation although all employees have been transferred to the defined contribution scheme.

The Pensions Trust - The Growth Plan (closed scheme)

The group participates in the SHPS scheme, a multi-employer scheme which provides benefits to employees of some 900 non-associated employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to

THE AVENUES TRUST GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

16) Pension obligations (continued)

account for the scheme as a defined benefit scheme. Therefore, it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore, the group is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

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

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2017: this valuation showed assets of £794.9m, liabilities of £926m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee has asked participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

Deficit contributions	
From 1 April 2019 to 30 September 2025:	£11,243,000 per annum (payable monthly and increasing by 3% each on 1st April)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

PRESENT VALUES OF PROVISION

	2023	2022
	£'000	£'000
Present value of provision - Avenues East	7	12
Total group provision	7	12

Avenues South East and Avenues South SHPS Pensions schemes are administered by TPT however the obligations for these schemes are now shown later in Note 16.

THE AVENUES TRUST GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

16) Pension obligations (continued)

Reconciliation of opening and closing provisions

	2023	2022
	£'000	£'000
Provision at start of period	12	45
Unwinding of the discount factor (interest expense)	-	-
Deficit contribution paid	(5)	(11)
Remeasurements:		
- impact of any change in assumptions	-	-
- amendments to the contribution schedule	-	(22)
Provision at end of period	<u>7</u>	<u>12</u>

Income and expenditure impact

	2023	2022
	£'000	£'000
Interest expense	-	-
Remeasurements:		
- impact of any change in assumptions	-	(22)

ASSUMPTIONS

	2023	2022	2021
	% per annum	% per annum	% per annum
Rate of discount The Pensions Trust - Growth Plan	2.35	2.35	0.66

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

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

The Pensions Trust - Social Housing Pension Scheme

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

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore, the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

THE AVENUES TRUST GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

16) Pension obligations (continued)

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

	31 March 2023	31 March 2022
	£'000	£'000
Fair Value of plan assets	6,350	9,824
Present value of defined benefit obligation	7,740	11,210
Surplus (deficit) in plan	-1,390	-1,386
Defined Benefit asset (liability) to be recognised	-1,390	-1,386

Reconciliation of Opening and Closing Balances of the Defined Benefit Obligation

	Period ended 31st March 2023	Period ended 31st March 2022
	£'000	£'000
Defined benefit obligation at start of period	11,210	11,334
Expenses	9	9
Interest expense	310	246
Actuarial losses (gains) due to scheme experience	(110)	844
Actuarial losses (gains) due to changes in demographic assumptions	(18)	(172)
Actuarial losses (gains) due to changes in financial assumptions	(3,460)	(882)
Benefits paid and expenses	(201)	(169)
Losses (gains) due to benefit changes	-	-
Defined benefit obligation at end of period	7,740	11,210

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

	Period ended 31st March 2023	Period ended 31st March 2022
	£'000's	£'000's
Fair value of plan assets at start of period	9,824	9,085
Interest income	276	201
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	(3,870)	372
Contributions by the employer	321	335
Contributions by plan participants	-	-
Benefits paid and expenses	(201)	(169)
Fair value of plan assets at end of period	6,350	9,824

THE AVENUES TRUST GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

16) Pension obligations (continued)

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

	Period ended 31st March 2023	Period ended 31st March 2022
	£'000's	£'000's
Current service cost	-	-
Expenses	9	9
Net interest expense	34	45
Defined benefit costs recognised in statement of Financial Activities(SOFA)	<u>43</u>	<u>54</u>

Defined Benefit Costs Recognised In net movement in funds

	Period ended 31st March 2023	Period ended 31st March 2022
	£'000's	£'000's
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	(3,870)	372
Experience gains and losses arising on the plan liabilities - gain (loss)	110	(844)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	18	172
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	<u>3,460</u>	<u>882</u>
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	(282)	582
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) - gain (loss)	-	-
Total amount recognised in other comprehensive income - gain (loss)	<u>(282)</u>	<u>582</u>

THE AVENUES TRUST GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

16) Pension obligations (continued)

Assets	31-Mar-23	31-Mar-22
	£'000	£'000
Global Equity	119	1,885
Absolute Return	69	394
Distressed Opportunities	193	351
Credit Relative Value	240	326
Alternative Risk Premia	12	324
Fund of Hedge Funds	-	-
Emerging Markets Debt	34	285
Risk Sharing	468	323
Insurance-Linked Securities	160	229
Property	274	266
Infrastructure	725	700
Private Debt	283	252
Opportunistic Illiquid Credit	271	330
High Yield	22	84
Opportunistic Credit	-	35
Cash	46	33
Corporate Bond Fund	-	656
Liquid Credit	-	-
Long Lease Property	191	253
Secured Income	291	366
Currency Hedging	12	(38)
Index Linked All Stock Gilts	-	-
Liability Driven Investment	2,924	2,742
Net Current Assets	16	28
Total assets	6,350	9,824

Key Assumptions

	31-Mar-23	31-Mar-22
	% per annum	% per annum
Discount Rate	4.9	2.8
Inflation (RPI)	3.2	3.6
Inflation (CPI)	2.8	3.2
Salary Growth	4.0	4.2
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted at 31 March 2023 imply the following life expectancies:

	Life expectancy at age 65 (Years)
Male retiring in 2023	21.1
Female retiring in 2023	23.4
Male retiring in 2043	22.2
Female retiring in 2043	24.9

THE AVENUES TRUST GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

17) Active subsidiary undertakings

The Avenues Trust Group control Avenues South East (company number 03923486; charity number: 1079576), Avenues London (company number 06858705; charity number: 1130445), and Avenues East (company number 03326442, charity number: 1061241) All three companies are limited by guarantee and registered in England.

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

The Avenues Trust Group also holds 100% control of Avenues Management Services Limited (AMSL), a trading subsidiary within the Group.

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

All charities' registered address is River House, 1 Maidstone Road, Sidcup, Kent, DA14 5TA. All activities have been consolidated on a line by line basis in the Consolidated Statement of Financial Activities. A summary of the results of the subsidiaries is shown below.

	Avenues South East	Avenues London	Avenues East	Avenues South	Parent	Avenues Management Services	Intra-group movement	Total 2023	Total 2022
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income	18,307	12,886	7,007	11,507	136	2,119	(2,077)	49,885	47,019
Expenditure	(18,369)	(13,345)	(7,365)	(12,492)	(166)	(2,099)	2,077	(51,759)	(45,632)
Surplus/(deficit) on ordinary activities	(62)	(459)	(358)	(985)	(30)	20	-	(1,874)	1,387

The aggregate of the assets, liabilities and funds as at 31 March 2023 was :	Avenues South East	Avenues London	Avenues East	Avenues South	Parent	Avenues Management Services	Intra-group movement	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Assets	4,876	4,784	981	14,243	6,012	1,335	(16,383)	15,848
Liabilities	(2,540)	(5,002)	(927)	(12,741)	(6,161)	(1,335)	16,383	(12,323)
Total funds	2,336	(218)	54	1,502	(149)	-	-	3,525

The aggregate of the assets, liabilities and funds as at 31 March 2022 was :	Avenues South East	Avenues London	Avenues East	Avenues South	Parent	Avenues Management Services	Intra-group movement	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Assets	4,568	2,481	898	10,219	3,545	-	-	21,711
Liabilities	(2,125)	(2,239)	(486)	(7,242)	(3,684)	-	-	(15,776)
Total funds	2,443	242	412	2,977	(139)	-	-	5,935

THE AVENUES TRUST GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

18) Related party transactions

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

	2023	2022
	£'000	£'000
PARENT		
Balance owed at 1 April	(2,281)	(1,224)
Payroll services provided to subsidiary companies	31,800	28,708
Receipts taken on behalf of group companies	(34,739)	(38,322)
Payments made on behalf of group companies	7,962	9,486
Intercompany transfer from Avenues South	(9,018)	(5,946)
Recharges of head office costs	5,730	5,017
Balance due at 31 March	(546)	(2,281)

19) Post balance sheet event

On 4th September the Avenues Group Boards agreed to a merger with Autism Hampshire with a legal merger target date of 1st November 2023. Following a robust due-diligence process both boards have agreed that they will come together within a group structure and believe that the merits of doing so will provide:

- better outcomes for the people both organisations support;
- increased reach and improved focus for community projects;
- a financially sustainable future and greater efficiencies through economies of scale;
- a strong employee offer;
- career development opportunities for employees;
- a strong presence and employer brand in the local labour market enabling an enhanced focus on and delivery of community projects, with a particular focus on those people who are not eligible for statutory services; and
- enhanced negotiating strength with commissioners.