

Avante Partnership Ltd

**Annual Report of the Trustees & Financial Statements
Year ending March 2011**

Company Registration: 2565021

Registered Charity Number: 1002727

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Avante Partnership Limited

Report of the Board of Trustees

for the year ended 31 March 2011

Our Mission

Avante Partnership exists to

‘ enable people to realise their potential and to live the lives they choose’

Our Strategic Objectives are to...

- Be one of the Sunday Times 100 Best Companies to work for
- Provide inspiring places for people to live and work in
- Strengthen our financial viability to invest in services

Overview of Avante Partnership

Avante Partnership was formed in 1990, is a registered charity and company limited by guarantee. Until 2009, Avante Partnership was known as Kent Community Housing Trust (“KCHT”).

Avante Partnership is a large, complex, intergenerational organisation, so in order to simplify our various service offerings we have structured the organisation into separate business units, creating a virtual group structure. Through this structure we believe we are best placed to respond to the particular needs of each of our customer and service user groups, commissioners and the communities in which we work.

Each of our business units has its own brand name that is specifically focused on particular markets and services. These are:

Avante Care & Support

Caring for and supporting older people, many of whom have dementia through our registered care homes, providing residential care, respite care and day care services.

Avante Community Support

Supporting older people through a number of supported living schemes and a range of domiciliary and homecare services as well as people with learning disabilities and other support needs in the community.

Stepahead Support

Working with and supporting children, young people and families in the community.

Facts and Figures

As at 31/3/11	Income	No. of clients/service users/customers	Staff Employed
Avante Care & Support	23,382,954	1,067	1,274
Avante Community Support	7,352,075	1,485	433
Stepahead Support	1,288,437	490	46
Head Office	73,649	N/A	39
Avante Partnership	32,097,115	3,042	1,792

Note Staff Employed figures above are different from those contained in Note 15 of the accounts as the figures in the Note are average monthly person employed

Report of the Board of Trustees

The Board presents the report and financial statements of Avante Partnership for the year ended 31 March 2011. The statements appear in the format required by the Statement of Recommended Practice for Accounting and Reporting by Charities (revised March 2005). The report and statements also comply with the Companies Act 2006 as Avante Partnership is a Company limited by guarantee. The Trustees' Report is also a Directors' Report for the purposes of Company Law. Avante Partnership has no share capital and is a registered charity. The guarantee of each member is limited to £1. The governing document is the Articles of Association of the company, which were revised in September 2009, and members of the Board of Trustees are the non-executive Directors of the Company.

The objects for which the Company is established are the relief of persons permanently or temporarily resident, or for the time being resident in England, "who are of necessitous circumstances, or suffer or are recovering or convalescing from some physical or mental illness or disability, or are elderly people, or are younger people, adolescents or children"

Structure, Governance and Management

The Articles of Association provide for a minimum of 6 and a maximum of 18 Trustees. Appointment is by election at the Annual General Meeting, which takes place in October/November each year, and postal ballots are conducted where necessary. Each year one third of the Trustees are subject to retirement by rotation. The Board continually keeps under review its membership and the breadth of skills and expertise to ensure proper governance.

During the year the Board of Trustees met on 4 occasions and took part in two Away Days with senior managers which provided more time for members to have detailed discussions on strategy and policy

The Board is supported in its work by the

- Finance & Resources Committee which met on 4 occasions
- Avante Care and Support Operating Board met on 4 occasions
- Stepahead Operating Board met on 3 occasions
- Chairman's Group met on 1 occasion

It is through the Board of Trustees and these Committees and Operating Boards that the activities of Avante Partnership are controlled. Each Committee and Operating Board has its own Terms of Reference and their reports and minutes of meetings are a standing agenda item for the full Board meetings

During the course of the year, the Board continued with its review of governance and strengthened itself with the recruitment of a number of new Trustees and Operating Board co-optees. Our new Trustees and co-optees join us with a mix of business, commercial, charitable and sector specific experience at the highest levels

On appointment each Trustee is provided with a Trustee Handbook which contains information, including the organisation's Standing Orders, a number of principal policies and procedures and Charity Commission Guidance. New Trustees meet with the Chairman and Chief Executive and are invited to visit our offices and services. According to their skills and interests, they take responsibility for at least one activity area by appointment to one of the committees. Trustees' training needs are assessed and met

Day-to-day responsibility for the management of the organisation's business is delegated to the Chief Executive who is the principal adviser to the Board of Trustees, reporting to them on the organisation's performance against the Strategic and Operational plans approved by the Board

Risk Assessment

The Board is ultimately responsible for determining and communicating to management the organisational attitude to risk

Risk has increased significantly within the wider social care sector over the last 3-5 years. Some of the reasons for this include

- The ongoing development of Personalisation and Self Directed Support and the change in the role of local authorities, leading to the increasing 'commercialisation' of the sector
- Changes in the employment market and in particular how social care salaries have fallen behind other professions, recruitment and retention issues and the increasing use of agency staff
- The increasing expectations of older people and the expectations of Commissioners that providers can deliver against the new agenda no matter how difficult the funding environment becomes
- The state of the economy and the impact of this throughout society

Avante Partnership has established a process in its Board and through its management structure whereby it identifies risks in and affecting its operations and systematically takes steps to control and minimise the likely effect of those risks

The Management Team and Board of Trustees regularly review the organisation's Risk Management Policy and undertake re-assessments of the major risks to which Avante Partnership is exposed, taking into account financial, operational and regulatory risks. The organisation's Risk Register, analysing the top 12 risks to the organisation is regularly updated

The Risk Management Policy is currently being reviewed by a group of trustees and senior managers. Review and reporting of the most significant business risks will be reviewed at the Finance & Resources Committee each quarter and operational risk will be reviewed at the Operating Boards

In order to mitigate risks, Avante Partnership has measures and controls in place and these are reviewed in line with the review of risk

The two top risks identified are both reputational and relate to potential social media or adverse newspaper reports on the organisation and to the risk of a Child Protection or Adult Abuse case

In respect of the media risk, the controls in place are to develop an open culture, training staff and developing Avante's internal and external communications and networks

With regard to Child Protection and Adult Abuse the controls are to ensure that the staff involved are given appropriate training thorough qualified sources with regular refresher courses. Manager awareness and staff supervision also help prevent any occurrence

As an organisation which provides care and support to vulnerable people, Avante Partnership has policies in place to ensure the protection of children, young people and vulnerable adults against abuse. The policies are included in Avante Partnership's written Health and Safety policy and ISO 9001 Quality Manuals which comply with the guidelines in the Home Office Code of Practice "Safe from Harm". Avante Partnership obtains enhanced Criminal Records Bureau Disclosures for all of its employees and volunteers

Operational risk assessments are carried out as an integral part of everyday working and Avante Partnership regularly reviews staffing levels and staff training to ensure that there are sufficient numbers of skilled and qualified staff on duty throughout our homes and services

Management and Staffing

The Management Team is collectively responsible for delivering the organisation's Mission and performance in every area of activity and is directly accountable to the Trustees

In November 2010 following an internal review, the organisation established a Practice Development directorate and consolidated our previous regional care homes management structure under a single Operations Director. The organisation also established a separate Human Resources Directorate, having previously included the HR responsibility under the Finance Director

At March 2011, the Management Team consisted of -

- The Chief Executive, Cedric Frederick, who has responsibility to the Board for planning and developing Avante Partnership's services and operational strategies

- The Finance Director, Deputy Chief Executive and Company Secretary, Debbie Pert, who is responsible for Financial Accounting, Planning and Control, and Information and Communication Technology as well as providing support to and deputising for the Chief Executive
- The Director of Property and Business Development, Tracey Jones, who is responsible for the maintenance of Avante Partnership's portfolio of properties and the development programme which aims to ensure that all of Avante Partnership's facilities comply with the necessary regulations and meet the aspirations of our clients
- The Human Resources Director, Derek Lindars, who is responsible for all staff-related matters including training and workforce development
- The Operations Director, Geoff Ward, who is responsible for leading the development and delivery of high quality care and support services within our residential homes in Kent, Medway and the London Boroughs of Bexley and Greenwich
- The Managing Director of Community Support, Magdalena Marsden, responsible for overseeing the delivery and development of our domiciliary, homecare and supported living services and community support of people with disabilities
- The Managing Director of Stepahead Support, Carolyn McVittie, who is responsible for our support of children, young people and families in the community and in a number of housing related services
- The Director of Practice Development, Jacqui Morris, who is responsible for the provision of a range of internal consultancy and support services to our operational business units as well as leading on Quality and management information

Each member of the Management Team is responsible for ensuring that they employ staff with the necessary skills and qualifications to carry out the required roles within the organisation and uphold the aims and values of Avante Partnership

Disabled Persons

Avante Partnership is committed to equality of employment and its policies reflect a disregard of factors such as disability in the selection and development of employees

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law

Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its net incoming resources for that period. In preparing these financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue to operate

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

Disclosure of Information to Auditors

Insofar as each of the Trustees of the company at the date of approval of this report is aware, there is no relevant audit information (information needed by the company's auditor in connection with preparing the audit report) of which the company's auditor is unaware. Each Trustee has taken all of the steps that he/she should have taken as a Trustee in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Land and Buildings

The Trustees consider that, at the balance sheet date, the market value of land and buildings was not significantly different from the book value. The land and buildings are held at valuations, the latest valuation having been performed on 31 March 2010.

Statement of Public Benefit

Under the Charities Act 2006, charities are required to demonstrate that their aims are for the public benefit. The two key principles which must be met in this context are, first, that there must be an identifiable benefit or benefits, and, secondly, that the benefit must be to the public, or a section of the public. Charity Trustees must ensure that they carry out their charity's aims for the public benefit, must have regard to the Charity Commission's guidance, and must report on public benefit in their Annual Report.

Avante's Board of Trustees regularly monitors and reviews the success of the organisation in meeting its mission to enable people to realise their potential and live the lives they choose. The Trustees confirm, in the light of the guidance, that this mission fully meets the public benefit test and that all the activities of the charity are undertaken in pursuit of its mission.

Volunteers

Avante's services benefit immensely from over 28 individual volunteers, 3 school groups and 2 partnership team projects this year who give freely of their time to support the Charity in a number of ways including helping with activities and gardening in care homes and providing befriender support to young people. Trustees are extremely grateful to all those volunteers who support Avante in delivering a valued and important service to its beneficiaries.

Achievements and Performance

The organisation's focus in 2010/11 was to consolidate following a period of significant change and growth, whilst continuing to push forward with delivering our strategic objectives and remaining open to opportunities. During the year, we worked hard to

- Bed in the Care Partners Trust merger, which completed on 31 March 2010, and deliver year 1 of Avante Community Support's 3 year Business Plan

- Respond to the 2009 Staff and Customer surveys by
 - Developing a Staff Engagement programme, reviewing internal communication and introducing our 'Celebrating Success' and 'Stars Awards' recognition events
 - Improving Customer Relationship Management, in particular reviewing external communication, service user and families involvement
 - Providing staff with monthly information about the organisation's performance
- Take forward year 1 of our 2010/13 dementia strategy and increasing our dementia training budget by £80,000
- Consolidate the new operational and corporate management structures which included new management staff and develop work plans and strategies for a number of new posts during the course of the year including -
 - Marketing Manager – 2011/13 marketing, PR and brand development strategy
 - Customer Care Co-Ordinator - internal/external relationships building
 - ICT Manager – 2011/14 ICT strategy
 - 2 x Operations Managers (Avante Care and Support)
 - 1 x Operations Managers (Avante Community Support)
 - Community Engagement Manager – 2010/11 work plan and relationship building
- Establish a new Practice Development directorate
- Develop the Dementia Services Development Centre partnership with Canterbury Christ Church University and Dementia UK
- Maintain momentum on the delivery of the care homes redevelopment programme with the completion of the new Amherst Court and Riverdale Court care homes, providing 192 new ensuite bedrooms within homes of the highest design quality Avante also progressed the plans for the redevelopment of our Plumstead Lodge care home

Our year concluded with the Board approving the 2011/16 Business Plan and the Business Plans of our three operating units

Avante Care and Support

We care for almost 1,000 older people in our 15 Care Homes (at 31 March 2011 there were 16 homes but one has recently been closed for redevelopment) together with further additional older people receiving Respite Care and Day Care Over 70% of our residents have high dependency needs resulting from dementia and Alzheimer's The demand for our services continues to remain high Occupancies for the year ended 31 March 2011 were at 94.5% (2010 93%) During the year, our use of agency staff reduced from 8.03% to 6.93% of our total hours

The majority of our customers are funded by Social Services Departments who are facing unprecedented financial pressures This means that the average fee increase received during the year was less than the real increase in the costs of providing these services which in turn has continued to place pressure on Avante Partnership's finances

We have continued to redevelop our care homes portfolio in order that they will meet the latest Care Standards and provide a comfortable home meeting the needs and expectations of our customers now and in the future

Avante Partnership remains a preferred provider for the care of older people with Kent County Council, Medway Council, Bexley Council and the London Borough of Greenwich In addition, we are commissioned by a variety of other Local Authorities to provide services to individual residents

Avante Community Support

Our domiciliary care service continues to support more than 750 people who may have a terminal illness, dementia, a physical disability or are frail and vulnerable. Services such as personal care, domestic chores and shopping are provided for people in their own homes. A total of 349,006 hours of care or support were provided in the year to 31 March 2011 (95,253 hours in the year to 31 March 2010). Avante Partnership remains a preferred supplier of such services with Kent County Council. During the year we established new domiciliary care services in East Sussex and Greenwich.

Following the Care Partners Trust merger, much of 2010/11 was spent consolidating the service and working closely with Bexley Council to deliver its Personalisation agenda and maximise people's choice and control over who provides their care and support.

Our New Outlooks service in Kent and Medway provided 13,359 hours of community support (14,756 hours in the year to 31 March 2010) to a small number of adults with learning disabilities and other specialist needs such as autism, mental health and brain injury. Our services enable people to maintain as much independence as possible in their own homes and communities.

Supported Living

We provide support services to around 500 older people living in 15 sheltered housing schemes in Bexley. The services are delivered in partnership with our colleagues at Bexley Council, who commission the service, and London & Quadrant Housing Trust, who own the schemes and provide the housing management service.

Our support enables people to have choices and to live as independently as possible within the community. The support offered includes help with accessing benefits and other health and social services, acting as an advocate to resolve problems with other agencies, and daily calls to residents to ensure that everyone is well. During the course of 2010/11 the service was reconfigured to best deliver the local authority's personalisation agenda.

Stepahead Support

Stepahead Support provides a range of services including housing support for vulnerable young people to provide them with opportunities and choices to lift self esteem and promote inclusion. Stepahead Support also provides early intervention, preventative mediation services providing support and empowerment for young people aged 8 to 16 and their families through one-to-one support, family mediation, school drop-ins and clinics, parenting and youth groups and workshops.

This service continues to be funded by Kent Social Services and has expanded throughout the county.

In addition to funding from a variety of statutory sources including 'Supporting People', we continue to benefit from the additional funding from the Big Lottery.

Activity Levels

2010/11 has been another busy and successful year for Stepahead Support although the levels of engagement changed over the course of the year through a number of contracts ending and changes in commissioning priorities.

Supporting young people and Independent Living support services supported a total of 292 (2009/10 416) young people in the year, with 404 visits to drop ins, 105 receiving one-off advice and 157 young people attending workshops

At 'Route 25' 165 (2009/10 390) young people attended workshops and activities, with 426 visits to drop ins and 32 receiving one-off advice

Family support services supported at total of 806 (2009/10 804) families with an average attendance at school clinics of 122 per month

Plans for future Periods

The Board approved the 2011/16 Business Plan at its meeting on 29 March 2011 and the Business Plans of our three operating units. These plans set out a clear way forward for the organisation during what we know will be a challenging few years ahead.

Our aim over the next year is to deliver high quality, more person centred services to more people. We will continue with the care homes redevelopment programme and actively seek opportunities to grow the organisation, organically, within and outside of our current area of operation, but also through seeking merger and partnership opportunities. We will continue to invest heavily in the development of our expertise in the area of dementia, but will also take opportunities as they arise to diversify our service offers, building on our intergenerational approach to developing our organisation.

Financial Review

The financial statements show a surplus of £878,484 (2.7% of turnover) after adjustment for loss on disposal of freehold property. The freehold property loss of £638,566 represents a book loss against the valuation held in the assets register for Danson House Care Home which was sold after the residents had been moved to our brand new home in Welling as part of our planned development programme. (See note 4a in the notes forming part of the Financial Statements)

The previous year's surplus of £1,649,463 benefited from an adjustment for profit of £162,133 on disposal of freehold property.

The comparable operating surplus figures after removing the effects of the property disposals are £1,517,050 for March 2011 and £1,487,330 for March 2010. This shows an improvement in operating performance year on year, which has been achieved despite the challenges faced in the current financial environment. The main drivers for this performance were high occupancy levels in the care homes and careful budgeting and management of costs.

Of the total resources expended (excluding the loss on disposal of Danson House), 75.51% (2010 74.54%) of expenditure was on staff costs including training and recruitment. Management and administration costs were 7.3% (2010 7.6%) of turnover. Trustees aim to keep this figure between 6 and 8% to ensure that maximum resources can be expended on service provision to service users.

Under FRS17 there is a requirement to recognise defined benefit pension scheme assets or liabilities in the balance sheet. According to the actuarial valuations under FRS17 as at 31 March 2011, Avante has local government pension scheme liabilities of £2.79 million (2010 £7.93 million) and these are shown under long-term liabilities with a corresponding reduction in revenue reserves. Compared to the valuation for March 2010, there has been a reduction of £5.14 million during the year.

There is also a contingent liability with The Social Housing Pension Scheme of £2.84 million as at 30 September 2010 compared to £3.02 million in 2009

The reductions in deficits are mainly due to the changes announced by the chancellor to increase future pensions in line with CPI rather than RPI (see note 16) but also include the effects of changed assumptions about future returns as well as future liabilities with people continuing to live longer

The results for the organisation for the year under review are considered by the Trustees to be satisfactory. Avante Partnership is committed to continually enhancing and developing its services, and the greater part of the operating surplus has been invested, over the year, in improving property, enhancing existing services and developing the organisation. It should be noted that a certain level of surpluses are required in order to meet the organisation's bank loan covenants. The covenants were fully met in 2010/11.

As a charitable company Avante Partnership does not distribute dividends

Investment Policy

Avante does not have sufficient funds to invest long term, however funds held as working capital are invested overnight or for periods of up to 3 months with Barclays Treasury to ensure that maximum benefit is achieved by earning interest on balances held

Reserves Policy

The cash reserves policy was revised during 2002 and is reviewed each year, bearing in mind that as a charitable organisation, our primary stakeholders are our beneficiaries and our financial objectives are to maximise the value to those beneficiaries. In the current uncertain climate and with Avante's plans for further development, the Trustees will review the policy during 2011/12.

Avante needs to ensure that it has adequate reserves in order that it can continue to care for and support service users in unforeseen circumstances should funding from any source temporarily cease. Free reserves are also necessary to meet working capital requirements as well as to allow for the development of new initiatives (where we would incur expenditure in advance of anticipated income). Having considered income variability and risks relating to income as well as financial obligations and their flexibility, the current policy is to hold reserves of one month's expenditure which, based on the 2011/12 budget would equate to £2.56 million.

The Charity SORP definition of reserves excludes amounts which could only be realised on disposal of assets used by the Charity to carry out its activities. Using this definition, at the end of the year the charity holds cash reserves of £2.56 million, meeting the agreed current policy level.

As stated above, Trustees will review the policy in 2011/12 to consider the most appropriate level of reserves to hold.

Going Concern

Accounting standards require the Trustees to consider the appropriateness on the going concern basis when preparing the financial statements. The Trustees confirm that they consider the going concern basis remains appropriate. The Trustees have taken notice of the Financial Reporting Council guidance 'Going Concern and Liquidity Risk: Guidance for Directors of UK Companies 2009', which requires the reasons for this decision to be explained. The Trustees regard the going concern basis as remaining appropriate as the charity has adequate resources to continue in operational existence for the foreseeable future. There are considerable cash reserves and whilst the charity has significant loan financing this is secured against the fixed assets of the charity which have a greater value than the loan financing.

Board of Trustees¹

Mr Brian Munday (2006)	Chairman (Jan 2007)
Mr Philip Harland (Oct 2007)	Vice Chairman
Mr H J Bragg FRPharmS (1991)	Chairman of Finance & Resources Committee
Mr R J Bushell (1994)	Chairman of Care & Support Operating Board
Mrs J Loudon (2001)	Chairman of Stepahead Support Operating Board
Mrs M E de Courcy BSC (1991)	
Mrs A Leigh-Pemberton (2006)	
Mr Adrian Adams (Oct 2007)	
Mr Richard Bond (Nov 2010)	
Ms Michelle Gardener (Nov 2010)	
Mr Robert Perkins (May 2011)	
Mr Ronald Owtrim (May 2011)	
Mrs A Cottrell (2001 – Sep 2011)	
Mr Keith Robbins (Oct 2007 – Mar 2011)	
Mrs Suzanne Fox (Oct 2007 – Jun 2010)	
Mr Richard Davis (Jan 2010 – Oct 2010)	

Honorary President

The Rt Hon The Countess Mountbatten of Burma CBE CD JP DL (1990 – Nov 2010)

Patron

The Lady Northbourne (1990)

Registered Office

Avante Partnership
De Gelsey House
1 Jubilee Way
Faversham
Kent ME13 8GD

Auditors*	Crowe Clark Whitehill LLP, St Bride's House, 10 Salisbury Square, London
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Bankers:	Barclays Bank Plc, Churchill Place, London
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Solicitors.	Brachers, Somerfield House, 59 London Road, Maidstone, Kent Trowers & Hamlins, Sceptre Court, 40 Tower Hill, London Farrer & Co, 66 Lincoln's Inn Fields, London
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¹ Date of Appointment is shown in brackets

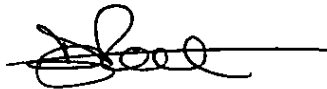
Company Number: 2565021

Charity Number: 1002727

Appointment of Auditors

During the year Appleby & Wood resigned as Auditors of the organisation Crowe Clark Whitehill LLP were appointed to fill the vacancy arising. A resolution will be proposed at the Annual General Meeting on 25 October that Crowe Clark Whitehill LLP be re-appointed Auditors of Partnership for the year ending 31 March 2012.

Approved by the Board of Trustees on 25th October 2011 and signed on its behalf by

A handwritten signature in black ink, appearing to read 'Debbie Pert', followed by a horizontal line.

**Debbie Pert MCMI FCCA
Company Secretary**

Independent Auditor's Report to the Members of Avante Partnership Limited

We have audited the financial statements of Avante Partnership Limited for the year ended 31 March 2011 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes numbered 1 to 16

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

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 company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Trustees' Annual Report and any other surrounding information to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2011 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

N. Hashemi

Naziar Hashemi

Senior Statutory Auditor

For and on behalf of

Crowe Clark Whitehill LLP

Statutory Auditor

St Bride's House

10 Salisbury Square

London

EC4Y 8EH

~~25 October~~ 2011

10 November

AVANTE PARTNERSHIP
COMPANY LIMITED BY GUARANTEE - NO. 2565021
REGISTERED CHARITY NO. 1002727

FINANCIAL STATEMENTS
FOR THE
YEAR ENDED 31st MARCH 2011

REGISTERED OFFICE (w.e.f. September 2008):

**De Gelsey House
1 Jubilee Way
Euro Business Centre
Kent ME13 8GD**

AVANTE PARTNERSHIP

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31ST MARCH 2011

	Notes	Revaluation Reserve	Unrestricted Funds	Restricted Funds	Total Funds	2011	2010
		£	£	£	£		£
Incoming Resources							
<i>Incoming Resources from Chantable Activities</i>	2		31,811,102	-	31,811,102		28,800,266
<i>Incoming Resources from Generated Funds</i>			54,096	-	54,096		217,475
<i>Other Incoming Resources</i>							
Voluntary Income & Grants			-	49,859	49,859		44,482
Big Lottery Funding	3		-	117,298	117,298		111,565
Other Income			64,760	-	64,760		30,358
Profit on Sale of Freehold Property			-	-	-		162,133
Total Incoming Resources			31,929,958	167,157	32,097,115		27,366,279
Resources expended							
<i>Cost of Generating Funds</i>			123,389	-	123,389		392,398
<i>Chantable Activities</i>							
Residential Home Services			22,312,782	26,142	22,338,924		21,798,293
Community Support Services			7,058,421	9,671	7,068,092		1,897,957
Stepahead Support Services			1,097,005	130,842	1,227,847		1,247,682
			30,468,208	166,655	30,634,863		24,943,932
<i>Governance</i>			460,379	-	460,379		380,486
Total Resources Expended	4		31,051,976	166,655	31,218,631		25,716,816
Net incoming resources before transfers			877,982	502	878,484		1,649,463
Transfers							
Gross transfers between funds			60,778	(60,778)	-		-
Net incoming/(outgoing) resources before other recognised gains and losses			938,760	(60,276)	878,484		1,649,463
Other recognised gains/losses							
Adjustment to unrealised gain arising on revaluation of Freehold Properties as at 31 March 2011		135,905	-	-	135,905		1,129,530
Realised loss on disposal of Danson House		(895,017)	895,017	-	-		-
Revaluation losses on Broadway and De Gelsey House		1,252,552	(1,252,552)	-	-		-
Actuall gain/(loss) on Pension Liability		-	5,139,699	-	5,139,699		(2,851,699)
Net Movement in Funds		493,440	4,782,164	-	5,275,604		(1,722,169)
Balance Brought Forward at 1 April 2010		17,643,605	7,143,513	60,276	24,847,394		24,920,100
Balance Carried Forward at 31 March 2011		18,137,045	12,864,437	-	31,001,482		24,847,394

All other amounts relate to continuing activities

All recognised and unrecognised gains and losses are included in the Statement of Financial Activities

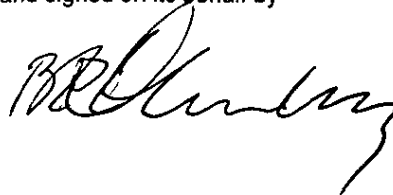
This statement is an Income & Expenditure Statement for the purposes of the Companies Act

AVANTE PARTNERSHIP
COMPANY LIMITED BY GUARANTEE - NO. 2565021
BALANCE SHEET AS AT 31ST MARCH 2011

	Note	31.3.2011	31 3 2010
		£	£
Tangible Fixed Assets	7a	51,795,360	46,470,395
Current Assets			
Debtors & Prepayments	8	3,261,921	2,649,062
Short Term Deposits		4,796,545	754,523
Cash at Bank and In Hand		12,724	11,283
		<u>8,071,190</u>	<u>3,414,868</u>
Current Liabilities			
Creditors falling due within one year	9	5,211,563	3,549,893
Capital Repayments due within one year on long-term loans		1,264,554	808,292
Bank Overdraft		197,601	56,837
		<u>6,673,718</u>	<u>4,415,022</u>
Net Current Assets/(Liabilities)		1,397,472	(1,000,154)
Total Assets less Current Liabilities		53,192,832	45,470,241
Long Term Liabilities			
Bank Loan Account	11	(19,401,350)	(12,693,148)
Net Assets excluding Pension Liability		<u>33,791,482</u>	<u>32,777,093</u>
Pension Liability		<u>(2,790,000)</u>	<u>(7,929,699)</u>
		<u>31,001,482</u>	<u>24,847,394</u>
Represented by:			
Reserves			
Revenue Unrestricted excluding Pension Liability		15,654,437	15,073,212
Pension Liability	16	<u>(2,790,000)</u>	<u>(7,929,699)</u>
		12,864,437	7,143,513
Revenue Restricted		-	60,276
Revaluation Reserve	7b	<u>18,137,045</u>	<u>17,643,605</u>
		<u>31,001,482</u>	<u>24,847,394</u>

Approved and authorised by the Board of Trustees on 25 October 2011 and signed on its behalf by

Brian Munday, Chairman



Adopted at the Annual General
Meeting - 25 October 2011

AVANTE PARTNERSHIP
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2011

Net Cash Inflow from Operating Activities	31 3 2011	31 3 2010	
	£	£	
Surplus on ordinary activities	878,484	1,649,463	
Interest Paid	641,861	464,027	
Impairment charge	85,000	-	
Depreciation charge	909,031	907,560	
Net loss/(profit) on disposal of Freehold Property	672,706	(162,133)	
Net loss on disposal of Leasehold Property	19,239	-	
(Increase) in Debtors	(612,859)	(1,367,680)	
Increase in Creditors	1,662,249	655,500	
	<u>4,255,711</u>	<u>2,146,737</u>	
Financing Costs			
Interest paid on long-term loans	(641,861)	(464,027)	
Capital Expenditure			
Payments to acquire Tangible Fixed Assets	(7,702,722)	(7,179,904)	
Receipts on disposal of Tangible Fixed Assets	827,684	1,608,764	
	<u>(3,261,188)</u>	<u>(3,888,430)</u>	
Financing.			
Loans received	7,920,000	3,550,000	
Loans (repaid)	(756,115)	(1,259,060)	
	<u>3,902,697</u>	<u>(1,597,490)</u>	
Reconciliation of Net Cash Flow to Movement in Net Debt			
Increase / (Decrease) in Cash	3,902,697	(1,597,490)	
Cash (Outflow) from change in debt	(7,163,885)	(2,290,940)	
Increase in Net Debt from Cash Flows	(3,261,188)	(3,888,430)	
Net Debt at 1 4 2010	<u>(12,793,048)</u>	<u>(8,904,618)</u>	
Net Debt at 31 3 2011	<u>(16,054,236)</u>	<u>(12,793,048)</u>	
Analysis of Net Debt	At 1 4 10	Cash flow	At 31 3 11
Changes in Cash	708,971	3,902,697	4,611,668
Changes in Debt Bank Loan	<u>(13,502,019)</u>	<u>(7,163,885)</u>	<u>(20,665,904)</u>
Changes in Net Debt	<u>(12,793,048)</u>	<u>(3,261,188)</u>	<u>(16,054,236)</u>

AVANTE PARTNERSHIP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011

Note

1 Statement of Accounting Policies

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements

a) Basis of Accounting

The Financial Statements have been prepared under the historical cost convention, as modified by the revaluation of fixed assets, and in accordance with applicable accounting standards, and comply with the requirements of SORP, "Accounting and Reporting by Charities", published in March 2005

b) Fund Accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes

Restricted funds are funds which must be used in accordance with the specific instructions imposed by the donor or funding body or which have been raised by the charity for particular purposes

c) Incoming Resources

All incoming resources are included in the SOFA when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. No amounts are included in the financial statements for services donated by volunteers

Residential and community care income and all other income is accounted for on an accruals basis and therefore includes income paid in arrears, but excludes income received in advance

d) Resources Expended

Resources expended are included in the SOFA on an accruals basis, inclusive of any VAT which cannot be recovered. All direct expenditure is directly incurred in respect of the relevant activity. Costs attributable to staff working on more than one project or activity are allocated on the basis of time spent. Where costs cannot be directly attributable to particular activities they have been allocated on a basis consistent with use of resources

Governance costs, separately identified, relate to the general running of the charity as opposed to costs of fundraising or charitable activity. Included within this category are costs associated with the strategic as opposed to day to day management of the charity's activities

All support costs are allocated on the basis of staff costs charged directly to activities, with the exception of staff and support costs allocated to Governance, which have been estimated on the basis of preparation for and attendance at committee and board meetings, and as appropriate to job role

e) Operating Leases

Rentals under operating leases are charged to the SOFA on a straight line basis over the lease term

Benefits received or receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate

f) Fixed Assets

Items of equipment costing less than £300 are not treated as fixed assets, but are fully written off in the year of purchase

AVANTE PARTNERSHIP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011

Note

1f Depreciation is provided from the date of purchase on a straight line basis on cost as follows -
contd

Leasehold Improvements	Remaining period of Lease
Computer Equipment	25% per annum
Fixtures and Fittings	20% per annum
Motor Vehicles	20% per annum

The freehold properties have been revalued on an existing use basis. Depreciation has been provided for at the rate of 2% per annum on the buildings element contained within the revalued amount.

Impairment reviews of property, plant and equipment are undertaken if there are indications that the carrying values may not be recoverable or that the recoverable amounts may be less than the asset's carrying value.

g) Current Liabilities

Liabilities are recognised when the charity has an obligation to make payment to a third party. Capital Repayments due on long-term loans, relating to instalments due in the next twelve months, are treated as current liabilities.

h) Tax Status

Avante Partnership is a registered charity and is exempt from taxation on its income and gains to the extent that they are applied to its charitable purpose.

i) Going Concern

Accounting standards require the Trustees to consider the appropriateness on the going concern basis when preparing the financial statements. The Trustees confirm that they consider the going concern basis remains appropriate. The Trustees have taken notice of the Financial Reporting Council guidance 'Going Concern and Liquidity Risk: Guidance for Directors of UK Companies 2009', which requires the reasons for this decision to be explained. The Trustees regard the going concern basis as remaining appropriate as the charity has adequate resources to continue in operational existence for the foreseeable future. There are considerable cash reserves and whilst the charity has significant loan financing this is secured against the fixed assets of the charity which have a greater value than the loan financing.

AVANTE PARTNERSHIP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2011

Note

2 Incoming Resources

	Total 2011	Total 2010
Charitable Activities	£	£
Residential Homes	23,352,902	23,693,074
Community Support	7,309,114	1,887,440
Stepahead Support	1,149,086	1,219,752
	<u>31,811,102</u>	<u>26,800,266</u>

3 Big Lottery Funding

During the year, Big Lottery funding of £117,298 (2010 £111,565) was received from the Community Fund towards the Community Impact Centre in Thanet

4a) Resources Expended

Analysis of Total Resources Expended

	Staff Costs	Other Direct Costs	Support Costs	Total 2011	Total 2010
	£	£	£	£	£
Unrestricted Funds					
Cost of Generating Funds	-	27,083	96,306	123,389	392,398
Charitable Activities					
Residential Homes	15,408,238	5,618,719	1,285,825	22,312,782	21,761,904
Community Support	5,440,329	1,166,494	451,598	7,058,421	1,893,373
Stepahead Support	806,527	217,765	72,713	1,097,005	1,127,152
Governance	55,641	5,564	399,174	460,379	380,486
Total Unrestricted Resources Expended	<u>21,710,735</u>	<u>7,035,625</u>	<u>2,305,616</u>	<u>31,051,976</u>	<u>25,555,313</u>
Restricted Funds					
Charitable Activities					
Residential Homes	-	-	26,142	26,142	36,389
Community Support	-	492	9,179	9,671	4,584
Stepahead Support	64,809	64,554	1,479	130,842	120,530
Total Restricted Resources Expended	<u>64,809</u>	<u>65,046</u>	<u>36,800</u>	<u>166,655</u>	<u>161,503</u>
Total Resources Expended	<u>21,775,544</u>	<u>7,100,671</u>	<u>2,342,416</u>	<u>31,218,631</u>	<u>25,716,816</u>

The Residential Homes - Other Direct Costs total of £5,618,719 (see above) includes £638,566 in respect of the loss on disposal of Danson House. This home was sold in February 2011 as part of the overall development project to build a new home, Riverdale Court, on the site of the home previously known as Dovedale.

AVANTE PARTNERSHIP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2011

Note							Total 2011 £	Total 2010 £
		Gene- rating Funds £	Resid- ential Homes £	Comm- unity Support £	Step-ahead Support £	Govern- ance £		
4b) Analysis of Support Costs								
	Unrestricted Funds							
	Staff Costs	-	745,885	261,896	42,180	266,714	1,316,675	1,116,618
	Premises	-	6,344	2,227	359	-	8,930	1,439
	Operating Costs	96,306	360,527	126,589	20,387	132,460	736,269	769,488
	Impairment charge- Broadway Hse	-	60,300	21,290	3,410	-	85,000	-
	Depreciation	-	112,769	39,596	6,377	-	158,742	164,329
	Expended	<u>96,306</u>	<u>1,285,825</u>	<u>451,598</u>	<u>72,713</u>	<u>399,174</u>	<u>2,305,616</u>	<u>2,051,874</u>
	Restricted Funds							
	Operating Costs	-	26,142	9,179	1,479	-	36,800	40,050
		<u>-</u>	<u>26,142</u>	<u>9,179</u>	<u>1,479</u>	<u>-</u>	<u>36,800</u>	<u>40,050</u>
	Total Support Costs	<u>96,306</u>	<u>1,311,967</u>	<u>460,777</u>	<u>74,192</u>	<u>399,174</u>	<u>2,342,416</u>	<u>2,091,924</u>
4c) Analysis of Governance Costs							2011 £	2010 £
	Auditors Remuneration						34,800	-
	Previous auditors remuneration						2,035	19,004
	Valuation Fees						10,000	2,646
	Trustees Expenses						6,517	2,012
	Apportionment of Staff and Support Costs						407,027	356,824
	Total Governance Costs						<u>460,379</u>	<u>380,486</u>
5 Interest Payable							2011 £	2010 £
	On bank loans and overdrafts						<u>641,861</u>	<u>464,027</u>
6 Operating Leases							2011 £	2010 £
	There are commitments for operating leases during the coming year in respect of leases terminating						£	£
	Under 1 year							
	Land & Buildings						53,093	41,781
	Within 2 to 5 years							
	Land & Buildings						64,988	26,822
	Others						16,917	10,985
	Over 5 years							
	Land & Buildings						59,625	59,625
							<u>194,623</u>	<u>139,213</u>

AVANTE PARTNERSHIP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

AS AT 31ST MARCH 2011

Note

7 Tangible Fixed Assets

a) Analysis of movement of Fixed Assets	Freehold Property	Leasehold Improvements	Computer Equipment	Fixtures & Fittings	Motor Vehicles	Payments on account and assets under construction	TOTAL
	£	£	£	£	£	£	£
Cost/Valuation							
At 1 4 10	40,129,487	528,844	1,107,243	2,982,357	374,294	7,720,303	52,842,528
Additions	636,475	-	97,776	316,232	6,652	6,645,587	7,702,722
Disposals	(611,808)	(57,811)	(24,882)	(475,115)	(10,500)	(4,602)	(1,184,718)
Revaluation	(759,112)	-	-	-	-	-	(759,112)
Transfers	13,708,458	-	-	-	-	(13,708,458)	-
At 31 3 11	53,103,500	471,033	1,180,137	2,823,474	370,446	652,830	58,601,420
Depreciation							
At 1 4 10	2,821,392	228,526	907,348	2,123,810	291,057	-	6,372,133
Disposals	(101,309)	(58,052)	(13,803)	(376,940)	(10,000)	-	(560,104)
Transfers	-	-	-	-	-	-	-
Impairment charge	85,000	-	-	-	-	-	85,000
Charge for Year	477,529	19,898	85,289	286,970	39,345	-	909,031
At 31 3 11	3,282,612	190,372	978,834	2,033,840	320,402	-	6,806,060
Net Book Value							
At 31 3 11	49,820,888	280,661	201,303	789,634	50,044	652,830	51,795,360
At 31 3 10	37,308,095	300,318	199,895	858,547	83,237	7,720,303	46,470,395

b) Revaluation Reserve

The Revaluation Reserve is the revaluation surplus on the Freehold Property. The Freehold Properties were revalued by Stiles Harold Williams, Surveyors and Valuers, on an Existing Use basis as at 31 March 2010. Previous valuations were carried out on 31 March 2005, 31 March 2000 and 26 June 1997.

c) Comparable Historic Cost

If the freehold and long leasehold property had not been included at valuation they would have been included under the historical cost convention as follows:

	31 3 2011 £	31 3 2010 £
Cost	44,390,319	37,669,770
Accumulated Depreciation	(4,280,618)	(3,638,207)
Net Book Value	40,109,701	34,031,563

d) Capital Commitments

Capital expenditure contracted for, unpaid at the year end and not provided for in the financial statements - £nil (2010 £6,170,792)

Capital expenditure authorised by the Trustees but not contracted for at 31 March 2011- £nil (2010 £87,771)

8 Current Debtors

	31.3 2011 £	31 3 2010 £
Trade Debtors	2,961,098	778,155
Other Debtors	21,318	12,387
Prepayments	186,683	157,890
Accrued Income	92,822	1,700,630
	3,261,921	2,649,062

AVANTE PARTNERSHIP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

AS AT 31ST MARCH 2011

Note		31 3 2011	31 3 2010
9	Current Creditors and Accruals	£	£
	Trade Creditors	508,243	686,279
	Other Creditors	1,239,300	289,859
	Accruals	1,455,932	1,244,224
	Other Taxes and Social Security	320,444	267,363
	Deferred Income	1,687,644	1,062,168
		<u>5,211,563</u>	<u>3,549,893</u>

Our policy for the payment of creditors is month end following date of invoice. The average number of days between receipt and payment of purchase invoices is 25 days.

10	Deferred Income Accruals	Residential Care Fees £	DomCare Block pays £	Stepahead Grants £	Cash in advance £	Others £	Total £
	Brought forward at 1 4 10	688,526	-	71,814	249,404	52,424	1,062,168
	Released in current year	(688,526)	-	(30,781)	(249,404)	(52,424)	(1,021,135)
	Ansing at 31 3 11	424,540	665,915	340,544	164,363	51,249	1,646,611
		<u>424,540</u>	<u>665,915</u>	<u>381,577</u>	<u>164,363</u>	<u>51,249</u>	<u>1,687,644</u>

All deferred income at 31 3 11 is in respect of fees or grants invoiced prior to 31 3 11 but relating to periods after 31 3 11, or payments in advance, pending invoicing or contract reconciliation.

11	Creditors Amounts falling due after more than one year	31 3 2011 £	31 3 2010 £
	Bank Loans	<u>19,401,350</u>	<u>12,693,148</u>
	The total bank loans are repayable as follows		
	Within one year	1,264,554	808,292
	Between one and two years	1,057,992	1,264,554
	Between two and five years	2,858,978	2,954,536
	After five years	15,484,380	8,474,058
		<u>20,665,904</u>	<u>13,501,440</u>

All loans and overdrafts are secured by a fixed and floating charge over the freehold property of the charity, the net book value of the properties charged being £49,820,888 (2010 £37,308,095).

The remaining term of the bank loans are between 2 and 23 years and comprise fixed and variable interest rate elements. The charity has attempted to mitigate the risk posed from movements in interest rates, by entering into swap agreements with the bank to fix interest rates attached to some of the loans. The bank has valued the interest rate swaps at £598,137.

12 Residents' Bank Accounts

The Trust administers bank accounts for which it has power of attorney on behalf of residents who cannot manage their own affairs. These accounts have not been reflected in these Financial Statements as an asset or liability. The value held at 31 3 11 was £552 (2010 £671).

13 Contingent Liabilities

There is a contingent liability arising from the Social Housing Pension Scheme which is detailed under Note 16. This is an estimated figure based on the position of the scheme as at 30 September 2008. There are no known contingent liabilities arising from contracted disputes (2010 £nil).

14 Analysis of Net Assets between Funds

	Unrestricted Funds £	Restricted Funds £	Total £
Represented by			
Tangible fixed assets	51,795,360	-	51,795,360
Net current assets	2,662,026	-	2,662,026
Bank Loans	(20,665,904)	-	(20,665,904)
Pension liabilities	(2,790,000)	-	(2,790,000)
	<u>31,001,482</u>	<u>-</u>	<u>31,001,482</u>

AVANTE PARTNERSHIP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2011

Note

15 Trustee and Employee Information

a) Trustee Information

No remuneration was paid to the Trustees during the year (2010 £nil) Travel expenses of £1,795 in total were paid to six trustees during the year (2010 £2,012, five trustees), and costs of £4,722 were incurred in advertising for new trustees
A payment of £1,220 was made in the year in respect of Directors and Officers indemnity insurance

b) Employee Information	2011 £	2010 £
<u>Employee costs during the year were</u>		
Salaries and Wages	20,739,758	17,309,998
Staff Recruitment and Training	410,005	221,647
Employer's Social Security Costs	1,244,103	1,015,303
Employer's Pension Costs	698,353	622,119
	<u>23,092,219</u>	<u>19,169,067</u>
<u>Analysed as</u>		
Cost of Generating Funds	-	48,173
Charitable Activities	21,719,903	18,004,103
Support Costs	1,049,961	832,533
Governance Costs	322,355	284,258
	<u>23,092,219</u>	<u>19,169,067</u>

Senior Management

The number of employees whose emoluments for the year fell within each band of £10,000 from £60,000 upwards was as follows -

<u>Emoluments</u>	<u>No. of Employees</u>
£60,000 to £70,000	2
£70,000 to £80,000	2
£80,000 to £90,000	-
£90,000 to £100,000	1
£100,000 to £110,000	-
£110,000 to £120,000	1
£150,000 to £160,000	1

Retirement benefits are accruing for 6 of the above staff under defined benefits schemes, no benefits are accruing in respect of money purchase schemes

<u>Number of Employees</u>	2011	2010
The average monthly number of persons employed during the year was		
Residential	1,229	1,284
Community Support	527	135
Stepahead Support	49	43
	<u>1,805</u>	<u>1,462</u>
The average monthly number of full time equivalents employed during the year was		
Residential	808	856
Community Support	282	91
Stepahead Support	43	41
	<u>1,133</u>	<u>988</u>

AVANTE PARTNERSHIP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2011

Note

16 Pension Commitments and FRS 17 Disclosures

Avante Partnership participates in the pension schemes which are named below. The costs are charged to the Statement of Financial Activities as and when they are paid on a monthly basis. The pension cost charge for the period is stated in Note 15 of the financial statements and is detailed below. There are no outstanding or prepaid contributions at the balance sheet date. FRS 17 is fully effective and the following disclosures are required -

Pension Liability

The liabilities of the three Local Government Pension Schemes are shown on the balance sheet under long-term liabilities. The breakdown of the deficits (please note figures are rounded) is as follows -

	2010 £	Gain £	2011 £
Kent County Council	4,621,000	3,106,000	1,515,000
London Borough of Bexley	2,417,000	1,441,000	976,000
London Borough of Greenwich	892,000	593,000	299,000
Total	7,930,000	5,140,000	2,790,000

Past Service Gains

In his budget statement on 22 June 2010, the Chancellor announced that the government would start to increase future pensions in line with the Consumer Price Index (CPI) rather than the Retail Price Index (RPI), which has been the practice in the past. The standard approach of each of the three Local Government Pension Schemes is to account for the effect of the change in index as a 'past service gain' in their individual Profit & Loss Statements, on the assumption that the CPI will increase at a slower rate than the RPI, resulting in lower pension increases and liabilities. The effects as at 31 March 2011 are summarised in the following table

	RPI	CPI	Average reduction	Past Service Gain £
Kent County Council	3.5%	2.7%	0.8%	835,000
London Borough of Bexley	3.3%	2.8%	0.5%	572,000
London Borough of Greenwich	3.5%	2.7%	0.8%	141,000
Total				1,548,000

	Rate of Contribution		2011 Cost	Fees in scheme at 31.3.11
Pension Scheme	Employer's	Employee's	£	
Social Housing Pension Scheme (SHPS)	9.8%	6.0%	149,885	22
KCC Pensions (LGPS)	47.8%	5.9%, 6.5% & 6.8%	213,440	28
LBG Pensions (LGPS)	16.0%	5.8% & 6.5%	5,043	3
LBB Pensions (LGPS)	24.7%	5.8%, 5.9%, 6.5% & 6.8%	180,440	52
LBB Pensions CPT (LGPS)*	23.8%	5.8%, 5.9%, 6.5% & 6.8%	52,606	85
Friends Provident (previously Sun Life)	Up to 5.0%	Variable	37,621	70

* As part of the CPT settlement agreement Bexley council funded 17.8% of the contribution, meaning the net contribution paid by Avante was 6%.

a) Defined Contribution Scheme

Avante Partnership's defined contribution scheme is provided by Friends Provident

AVANTE PARTNERSHIP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2011

Note

16 Pension Commitments and FRS 17 Disclosures (continued)

16b) Defined Benefit Schemes

Avante Partnership participates in four defined benefit pension schemes all of which are detailed below -

Social Housing Pension Scheme (SHPS)

The Scheme is funded and is contracted out of the State Pension scheme. Avante Partnership continues to offer membership of the Scheme to its employees.

It is not possible in the normal course of events to identify on a consistent and reasonable basis the share of underlying assets and liabilities belonging to individual participating employers. This is because the Scheme is a multi-employer scheme where the Scheme assets are co-mingled for investment purposes, and benefits are paid from total Scheme assets. Accordingly, due to the nature of the Scheme, the accounting charge for the period under FRS17 represents the employer contribution payable.

The Trustee commissions an actuarial valuation of the Scheme every 3 years. The main purpose of the valuation is to determine the financial position of the Scheme in order to address the level of future contributions required so that the Scheme can meet its pension obligations as they fall due.

The last formal valuation of the scheme was performed at 30 September 2008 by a professionally qualified actuary using the Projected Unit Method. The market value of the Scheme's assets at the last valuation date was £1,527 million. The valuation revealed a shortfall of assets compared with the value of liabilities of £663 million, equivalent to a past service funding level of 69.7%.

The Scheme Actuary has prepared an Actuarial Report that provides an approximate update on the funding position of the Scheme as at 30 September 2010. Such a report is required by legislation for years in which a full actuarial valuation is not carried out. The funding update revealed an increase in the assets of the Scheme to £1,985 million and indicated a reduction in the shortfall of assets compared to liabilities to approximately £497 million, equivalent to a past service funding level of 80%.

The next triennial valuation of the Scheme is due as at 30 September 2011. The results of the valuation will be available in the Autumn of 2012.

Avante has been notified by the Pensions Trust of the estimated employer debt on withdrawal from SHPS based on the financial position of the Scheme as at 30 September 2010. As of this date the estimated employer debt for Avante Partnership was £2,839 million (2009 £3,02 million).

Local Government Pension Schemes

The following Defined Benefit Schemes are Local Government Pension Schemes which are multi-employer schemes. The schemes are closed to new entrants which means that under the projected unit method, the current service cost will increase as the members of the schemes approach retirement.

Kent County Council

The last formal valuation of the scheme was performed at 31 March 2007 by a professionally qualified actuary. The valuation revealed a past service deficit of £978 million giving a funding level of 73% (compared to 63% as at 31 March 2004).

An actuarial valuation of Avante Partnership's share in the scheme was carried out by a qualified independent actuary as at 31 March 2010 using the "projected unit credit" method to calculate the service cost. To assess the value of the employer's liabilities the actuaries have rolled forward the value of the liabilities reported as at the latest formal valuation allowing for the different financial assumptions required under FRS17. The major assumptions used by the actuary were:

Financial Assumptions	31 March 2011 % pa	31 March 2010 % pa
RPI Inflation rate	3.5	3.9
CPI Inflation rate	2.7	0
Pension Increase rate	2.7	3.9
Salary Increases	5.0	5.4
Expected Return on Assets	6.9	6.9
Discount Rate	5.5	5.5
	Long Term Return % pa	Long Term Return % pa
Equities	7.4	7.5
Gilts	4.4	4.5
Other Bonds	5.5	5.5
Property	5.4	5.5
Cash	3.0	3.0
Expected Return on Assets	6.9	6.9

AVANTE PARTNERSHIP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2011

Note

16b Pension Commitments and FRS 17 Disclosures (continued)

Mortality

Life expectancy is based on the PA92 series tables projected to calendar year 2033 for non pensioners and 2017 for pensioners. Based on these assumptions the average future life expectancies at age 65 are summarised below

	Males	Females
Current Pensioners	19.8 years	23.9 years
Future Pensioners	21.9 years	25.8 years

Balance Sheet Disclosures

Fair Value of Employer Assets	31 Mar 2011	31 Mar 2010
Equities	4,991	4,568
Gilts	67	62
Bonds	865	864
Property	599	432
Cash	133	247
Total	6,655	6,173

Balance Sheet	£'000s	£'000s
Fair value of Employer Assets	6,655	6,173
Present Value of Funded Liabilities	(8,170)	(10,794)
Net Asset/Liability	(1,515)	(4,621)

Revenue Account Costs

Revenue Account Recognition	Year to 31 March 2011	Year to 31 March 2010
	£'000s	£'000s
Current Service Cost	116	73
Interest Cost	511	483
Expected Return on Employer Assets	(431)	(291)
Past Service Cost/(Gain)	(835)	-
Total	(639)	265
Actual Return on Plan Assets	432	1,599

Reconciliation of Defined Benefit Obligation	Year to 31 March 2011	Year to 31 March 2010
	£'000s	£'000s
Opening Defined Benefit Obligation	10,794	7,110
Current Service Cost	116	73
Interest Cost	511	483
Contributions by Members	28	29
Actuarial Losses/(Gains)	(2,100)	3,430
Past Service Costs/(Gains)	(835)	-
Estimated Benefits Paid	(344)	(331)
Closing Defined Benefit Obligation	8,170	10,794

Reconciliation of Fair Value of Employer Assets	Year to 31 March 2011	Year to 31 March 2010
	£'000s	£'000s
Opening Fair Value of Employer Assets	6,173	4,653
Expected Return on Assets	431	291
Contributions by Members	28	29
Contributions by Employer	211	224
Actuarial Gain/(Loss)	156	1,307
Benefits Paid	(344)	(331)
Actuarial Gain/(Loss) Recognised in SOFA	6,655	6,173

Amounts for Current and Previous Periods	Year to 31 March 2011	Year to 31 March 2010	Year to 31 March 2009	Year to 31 March 2008	Year to 31 March 2007
	£'000s	£'000s	£'000s	£'000s	£'000s
Defined Benefit Obligation	(8,170)	(10,794)	(7,110)	(7,298)	(8,710)
Scheme Assets	6,655	6,173	4,653	5,775	6,770
Surplus/Deficit	(1,515)	(4,621)	(2,457)	(1,523)	(1,940)
Experience Adjustments on Scheme Assets	156	1,307	(1,535)	(1,497)	(40)
Experience Adjustments on Scheme Liabilities	1,293	-	-	620	(1)
Cumulative actuarial gain (loss)	141	(2,115)	8	954	696

AVANTE PARTNERSHIP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2011

Note

16b Pension Commitments and FRS 17 Disclosures (continued)

Projected Expense for the year to	31 March 2012
	£'000s
Service Cost	94
Interest Cost	443
Return on Assets	(453)
Total	84
Employer Contributions	190

Sensitivity Analysis

The following table sets out the impact of a small change in the discount rates on the defined benefit obligation and projected service cost

	Year to 31 March 2011	
	£'000s	
Adjustment to discount rate	+0.1%	(0.1%)
Present value of Total Obligation	8,022	8,321
Projected Service Cost	91	97

London Borough of Bexley

The last formal valuation of the scheme was performed at 31 March 2007 by a professionally qualified actuary using the "Projected Unit method". The valuation revealed a deficit of £66 million giving a funding level of 88% (compared to 83% as at 31 March 2004).

An actuarial valuation of Avante Partnership's share in the scheme was carried out by a qualified independent actuary as at 31 March 2010 using the "projected unit credit" method to calculate the service cost. To assess the value of the employer's liabilities the actuary has rolled forward the value of the liabilities reported as at the latest formal valuation allowing for the different financial assumptions required under FRS17. The major assumptions used by the actuary were:

Financial Assumptions	31 March 2011	31 March 2010
	% pa	% pa
RPI Inflation rate	3.3	3.3
CPI Inflation rate	2.8	2.8
Pension Increase rate	2.8	3.3
Salary Increases	4.3	5.05
Discount Rate	5.4	5.6
Expected Return on Assets	Long Term Return	Long Term Return
	% pa	% pa
Equities	7.5	7.5
Government Bonds	4.4	4.5
Other Bonds	5.1	5.2
Property	6.5	-
Cash/Liquidity	0.5	0.5
Other	7.5	7.5
Expected Return on Assets	6.9	6.9

Mortality

Life expectancy is based on the PA92mc YoB tables plus 1 year, for non retired members and current pensioners. Based on these assumptions the average future life expectancies at age 65 are summarised below:

	Males	Females
Current Pensioners	21.8 years	24.4 years
Future Pensioners	23.2 years	26.0 years

Balance Sheet Disclosures

Fair Value of Employer Assets	Year to 31 March 2011	Year to 31 March 2010
	£'000s	£'000s
Equities	8,282	6,110
Government Bonds	642	517
Other Bonds	946	943
Property	286	-
Cash/Liquidity	78	123
Other	443	509
Total	8,677	8,202

Balance Sheet	£'000s	£'000s
Fair value of Employer Assets	8,677	8,202
Present Value of Funded Liabilities	(9,653)	(10,819)
Net Asset/-Liability	(976)	(2,417)

AVANTE PARTNERSHIP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2011

Note

16b Pension Commitments and FRS 17 Disclosures (continued)

Revenue Account Costs for the year to 31 March 2011

Revenue Account Recognition	Year to 31 March 2011	Year to 31 March 2010
	£'000s	£'000s
Current Service Cost	146	119
Interest Cost	590	569
Expected Return on Employer Assets	(531)	(381)
Past Service Cost/(Gain)	(572)	-
Total	(367)	307

Reconciliation of Defined Benefit Obligation	Year to 31 March 2011 £'000s	Year to 31 March 2010 £'000s
Opening Defined Benefit Obligation	10,619	8,065
Current Service Cost	146	119
Interest Cost	590	569
Contributions by Members	45	48
Actuarial Losses/(Gains)	(807)	2,093
Past Service Costs/(Gains)	(572)	-
Estimated Benefits Paid	(368)	(275)
Closing Defined Benefit Obligation	9,653	10,619

Reconciliation of Fair Value of Employer Assets	Year to 31 March 2011 £'000s	Year to 31 March 2010 £'000s
Opening Fair Value of Employer Assets	8,202	5,992
Expected Return on Assets	531	381
Contributions by Members	45	48
Contributions by Employer	180	198
Actuarial Gain/(Loss)	87	1,858
Benefits Paid	(368)	(275)
Actuarial Gain/(Loss) Recognised in SOFA	8,677	8,202

Projected Expense for the year to	31 March 2012
	£'000s
Projected Current Service Cost	140
Interest Obligation	516
Expected Return on Plan Assets	560
Normal Employer Contributions	184

Sensitivity Analysis

The following table sets out the impact of a small change in the discount rates on the defined benefit obligation and projected service cost

	Year to 31 March 2011	
	£'000s	
Adjustment to discount rate	+0.1%	(0.1%)
Present value of Total Obligation	9,517	9,789
Projected Service Cost	137	143

London Borough of Greenwich

The last formal valuation of the Scheme was performed at 31 March 2007 by a qualified actuary. The valuation revealed a deficit of £3.8 million, giving a funding level of 99.5% (compared to 82% as at 31 March 2004).

An actuarial valuation of Avante Partnership's share in the scheme was carried out by a qualified independent actuary as at 31 March 2010 using the "projected unit credit" method to calculate the service cost. To assess the value of the employer's liabilities the actuaries have rolled forward the value of the liabilities reported as at the latest formal valuation allowing for the different financial assumptions required under FRS17. The major assumptions used by the actuary were:

AVANTE PARTNERSHIP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2011

Note

16b Pension Commitments and FRS 17 Disclosures (continued)

Financial Assumptions	31 March 2011 % pa	31 March 2010 % pa
RPI Inflation rate	3.5	3.9
CPI Inflation rate	2.7	0.0
Pension Increase rate	2.7	3.9
Salary Increases	5.3	5.7
Discount Rate	5.5	5.5
Expected Return on Assets	Long Term Return % pa	Long Term Return % pa
Equities	7.4	7.5
Gifts	4.4	4.5
Other Bonds	5.5	5.5
Property	5.4	5.5
Cash	3.0	3.0
Expected Return on Assets	6.7	6.9

Mortality

Life expectancy is based on the PA92 series tables projected to calendar year 2017 for non pensioners and 2007 for pensioners. Based on these assumptions, the average future life expectancies at age 65 are summarised below

	Males	Females
Retiring today	20.0 years	24.0 years
Retiring in 20 years	22.0 years	25.9 years

Balance Sheet Disclosures

Estimated Asset allocation for Avante Partnership	31 Mar 2011 £'000s	31 Mar 2010 £'000s
Equities	833	819
Gifts	68	77
Other Bonds	125	122
Property	80	77
Cash	34	11
Total	1,140	1,106

Balance Sheet	£'000s	£'000s
Fair value of Employer Assets	1,140	1,107
Present Value of Funded Liabilities	(1,439)	(1,999)
Net Asset	(299)	(892)

Revenue Account Costs

Revenue Account Recognition	Year to 31 March 2011 £'000s	Year to 31 March 2010 £'000s
Current Service Cost	8	8
Interest Cost	89	93
Expected Return on Employer Assets	(75)	(55)
Past Service Cost/(Gain)	(141)	-
Total	(119)	46
Actual Return on Plan Assets	79	308

Reconciliation of Defined Benefit Obligation	Year to 31 March 2011 £'000s	Year to 31 March 2010 £'000s
Opening Defined Benefit Obligation	1,999	1,420
Current Service Cost	8	8
Interest Cost	89	93
Contributions by Members	2	3
Actuarial Losses/(Gains)	(449)	558
Past Service Costs/(Gains)	(141)	-
Estimated Benefits Paid	(69)	(82)
Closing Defined Benefit Obligation	1,439	1,999

AVANTE PARTNERSHIP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2011

Note

16b Pension Commitments and FRS 17 Disclosures (continued)

Reconciliation of Fair Value of Employer Assets	Year to 31 March 2011 £'000s	Year to 31 March 2010 £'000s
Opening Fair Value of Employer Assets	1,107	872
Expected Return on Assets	75	54
Contributions by Members	2	3
Contributions by Employer	5	7
Actuarial Gain/(Loss)	20	254
Benefits Paid	(69)	(82)
Actuarial Gain/(Loss) Recognised in SOFA	1,140	1,107

Amounts for Current and Previous Periods	Year to 31 March 2011 £'000s	Year to 31 March 2010 £'000s	Year to 31 March 2009 £'000s	Year to 31 March 2008 £'000s	Year to 31 March 2007 £'000s
Defined Benefit Obligation	(1,439)	(1,999)	(1,420)	(1,551)	(1,714)
Scheme Assets	1,140	1,107	872	1,244	1,294
Surplus/Deficit	(299)	(892)	(548)	(307)	(420)
Experience Adjustments on Scheme Assets	20	254	(400)	(90)	20
Experience Adjustments on Scheme Liabilities	274	-	-	(6)	-
Cumulative actuarial gain (loss)	149	(319)	(15)	201	84

Projected Expense for the year to	31 March 2012 £'s
Service Cost	6,979
Interest Cost	77,579
Expected Return on Plan Assets	(74,822)
Total	9,736
Employer Contributions	5,396

Sensitivity Analysis

The following table sets out the impact of a small change in the discount rates on the defined benefit obligation and projected service cost

	Year to 31 March 2011 £'s	
Adjustment to discount rate	+0.1%	(0.1%)
Present value of Total Obligation	1,417,479	1,462,496
Projected Service Cost	6,652	7,311