

Avante Partnership Ltd

Annual Report of the Trustees
&
Financial Statements

Year ending March 2012

Company Limited by Guarantee No. 2565021

Registered Charity No. 1002727

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Chairman's Introduction

It gives me great pleasure to introduce Avante Partnership's Trustees' Annual Report, which sets out our future plans and what our charity has achieved in what has been another eventful and productive year

As Chairman of the charity since January 2012, I must pay tribute to my predecessor Chairman, Brian Munday who has devoted considerable time to steering the charity's development over the last 4 years. I am pleased to report that Brian remains a Trustee of the Board and so will continue to give much valued support

The report sets out in some detail the achievements and performance of the charity and its three services over the last year as well as the plans for future periods and I hope that you enjoy reading about them

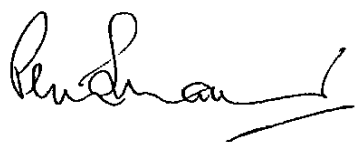
The Board of Trustees continues to focus on maintaining high quality and standards across our care homes and services, whilst continuing to work towards improvements both in our service delivery supported by our Practice Development Department and in improving the physical environment in our care homes through our property development programme

The economic environment over the last few years has been very challenging, the pressure on public spending creates a difficult context for all of our services. Continuing pressure from local authorities to reduce costs poses a major challenge for Avante, as it does to the sector as a whole

I am, however, pleased to report that Avante has achieved an operating surplus in the year, which enables us to make progress towards meeting our reserves policy which is geared towards ensuring that we have sufficient funds to continue to provide high quality care and support to the thousands of people who use our services each year

I would like to thank our committed staff and our volunteers, including our Board of Trustees, who give generously of their own time, for their continuing hard work and dedication. We are exceptionally fortunate that we have so many loyal, talented and long serving employees and we welcome new staff who bring new skills and energy to help us continue to move forward

On behalf of the Board, I thank everyone for the part they have played in enabling Avante Partnership to fulfil its mission and live our values and look to you to continue that support in the challenging times ahead



Peter Smallridge
Chairman of the Board of Trustees
25th September 2012

Avante Partnership Limited Report of the Board of Trustees for the year ended 31 March 2012

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, and 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 31/3/12	Income	No. of clients/service users/customers	Staff Employed
Avante Care & Support	24,621,688	1,077	1,329
Avante Community Support	4,807,811	1,089	428
Stepahead Support	1,109,866	606	41
Head Office	79,390	N/A	52
Avante Partnership	30,618,755	2,772	1,850

Note Staff Employed figures above are different from those contained in Note 16 of the accounts as the figures in the note are average monthly persons employed. The figures shown above are as at 31 March 2012

Report of the Board of Trustees

The Board presents the report and financial statements of Avante Partnership for the year ended 31 March 2012. 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 September, 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 5 occasions and took part in one Away Day with senior managers which provided more time for members to have detailed discussions on strategy review and development and policy

The Board is supported in its work by the

- Finance & Resources Committee which met on 8 occasions
- Avante Care and Support Operating Board which met on 4 occasions
- Stepahead Operating Board which met on 4 occasions
- Chairman's Group which met once

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 year, the Board of Trustees established two time limited 'Task and Finish' Groups to provide detailed scrutiny and oversight of the organisation's community support service and its early stage development of marketing. Each 'Task and Finish' Group has its own Terms of Reference and is chaired by a Trustee

During the course of the year, three of our long standing Trustees, John Bragg, Molly de Courcy, and Amanda Cottrell, stepped down, having decided to either invest more time in other pursuits or to enjoy their much deserved retirement. The Board continued with its review of governance and strengthened itself with the recruitment of two of new Trustees, Peter Smallridge and Giles Craven. Our new Trustees 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 operating boards and committees. Trustees' training needs are assessed and met through attendance at workshops and conferences as well as through the provision of regular briefings and policy documents

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

During the course of the year, the Board of Trustees established a Risk Working Party, chaired by a Trustee. The Working Party is made up of Trustees and senior managers and met on several occasions to review the organisation's Risk Management Policy and to lead the detailed review of the top risks facing the organisation including financial, operational and regulatory risk. The Working Group will continue its work until completion then hand over responsibility for overseeing organisational risk to the Finance and Resources Committee and operational risk in more detail to 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 top risks identified as well as the actions taken or to be taken are, in no particular order, as follows

Financial

Loss of/Reduction in Income – actions include the recruitment of a Business Development Director, developing a growth strategy and restructuring senior operational management

Increased borrowing costs above business plan projections – actions include seeking different funding options and exploring lease arrangements

Increase in pension contribution costs – actions include regular review and ensuring prudent assumptions in budgets and forecasts

Operational

Damage to Reputation – actions include investigating quality assurance methods and the recruitment of a Health & Safety Advisor

Serious Infection Outbreak – actions include recruitment of a Head of Pharmaceutical role and a Quality Manager

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. In particular, in its Care Homes, 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.

Reviewing risk is an ongoing part of the governance of the organisation which the Board and management will integrate into their regular meetings on completion of the Trustee led review.

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.

At March 2012, 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, Darryl Godwin, who replaced Tracey Jones on her retirement in December 2011, and 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 now and in the future
- The Human Resources Director, Derek Lindars, who is responsible for all staff-related matters including learning and development, workforce development and Health and Safety

- 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 Interim Managing Director of Community Support, John Lockwood, who replaced the outgoing Managing Director in July 2011, and is responsible for overseeing the delivery and development of our domiciliary, homecare and supported living services and community support of people with disabilities. This post will be permanently recruited to during 2012/13
- 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 charitable company 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 2011, 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

2011-12 was the first full year of Avante's 'Community Engagement' Programme. The Community Engagement Manager produced a volunteer impact assessment report to provide evidence to create a sound basis for future volunteer programme development, good practice in recruitment, management and service delivery.

It also provides evidence to possible funders and customers outlining the difference volunteering has made to the care of its beneficiaries and to the volunteers themselves.

The information below is extracted from the report.

It is estimated that the economic value of the time given by volunteers was circa £35k in the year.

Our services benefit immensely from over 54 individual volunteers (28 in 2010/11), and a number of school groups and partnership team projects. Volunteers give freely of their time to support us in a number of ways including helping with activities and gardening in our care homes and providing befriender support to young people. Trustees are extremely grateful to all those volunteers who support us in delivering a valued and important service to our beneficiaries.

The organisation's Community Engagement Manager produced the Volunteer Impact Assessment Report for the year 2011/12 which showed -

- 82% of staff feel that volunteers enhance the lives of our service users
- 69% of staff feel that volunteers bring added value to Avante's services
- 56% of staff feel volunteers contribute to staff personal development
- 56% of staff feel volunteers bring good ideas into the organisation

- 68% of staff think paid staff and volunteers complement each other well

The Impact Assessment report showed that volunteering is positively valued within Avante Partnership for the following reasons

- It enhances the lives of Avante service users
- It makes the job of staff easier in general
- It provides diversity for both service users and staff
- More can be done for service users than staff provision allows
- It increases service user contact with the local community

The evidence suggests that volunteering is good for Avante Partnership because

- It generates further streams into Avante's Philosophy of Care for its beneficiaries
- It represents added economic value
- Volunteers (including Trustees) are generally good ambassadors for Avante
- It enhances Avante's reputation in the wider community
- A diversity of ideas can be brought into the organisation
- Volunteer involvement increases the sustainability of organisations in the current climate

Volunteers themselves report a sense of satisfaction with their contribution to the wellbeing of service users and an increase in their own self-esteem and personal development

Achievements and Performance

2011/12 proved to be a more challenging year than expected but nevertheless the organisation delivered positively against the plans it set for itself. The key highlights of the year include

- Undertaking a full operational review of Avante Community Support, leading to performance improvements and greater efficiency in all areas
- The establishment of 'Avante Staff Bank' (ASB), our internal staff agency. Our aim is to significantly reduce our use of external agency staff resulting in greater consistency of staff used in our care homes and reduce the cost of agency staff to the organisation. In the short time since its formation ASB is delivering 60% of our agency staff requirements
- Continued progress in the delivery of the organisation's 3 year ICT strategy including the development of an organisation-wide Intranet
- The development of a 5 year financial strategy
- The successful reaccreditation of the organisation's status as an 'Investor in People' and ISO 9001 Quality Mark
- Continued progress in delivering the organisation's 3 year Dementia strategy
- The development of a marketing strategy for the organisation leading to a significant increase in organisational profile
- Continued progress in developing staff engagement through a series of breakfast events with the Chief Executive and a series of 'Snack 'n' Chat' sessions across the organisation led by the HR Director
- The organisation achieving the National Care Forum's 'Quality First' accreditation

- The Stepahead Support service achieved a grade A in its Supporting People accreditation

Avante Care and Support

We care for almost 1,000 older people in our 15 Care Homes 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 2012 were at 93% (93% during 2011). During the year, our use of agency staff reduced from 5.3% to 4.8% 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, the London Borough of Bexley and the Royal 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 in their own homes who are frail and vulnerable or may have dementia, a physical disability or may require care after a period in hospital. These services include personal care, assistance with meals, getting up and going to bed, domestic support and shopping. A total of 363,847 hours of care or support were provided in the year to 31 March 2012 (349,006 hours in the year to 31 March 2011). Avante Community Support is the leading supplier of care services in the London Borough of Bexley under the Local Authority personalisation agenda and retains spot and block work as an accredited supplier of care service with Kent County Council and is a framework provider in the Royal Borough of Greenwich. Avante Community Support also provides intermediate and continuing care to NHS patients. A small proportion of the service is delivered to private customers.

For financial reasons the domiciliary care service in East Sussex was terminated. The warden service in the London & Quadrant Housing Association sheltered schemes in Bexley was also terminated on the grounds that the service was no longer financially viable due to a change in the local authority commissioning strategy.

Our New Outlooks service in Kent and Medway provided 14,282 hours of community support (13,359 hours in the year to 31 March 2011) to a small number of adults with learning disabilities and other specialist needs such as autism, mental health and brain injury.

Our Community Support services enable people to maintain as much independence as possible in their own homes and communities.

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 continued to be funded by Kent Social Services having expanded throughout the county.

In addition to funding from a variety of statutory sources including 'Supporting People', we continue to benefit from funding from the Big Lottery Community Fund for our Community Impact centre in Thanet.

Activity Levels

2011/12 has been another busy and successful year for Stepahead Support as can be seen from the figures below. The levels of engagement changed over the course of the year through a number of contracts ending and changes in local authority commissioning priorities.

Supporting young people and Independent Living support services supported a total of 135 (2010/11 292) young people in the year, with 567 (2010/11 404) visits to drop ins.

At 'Route 25' 42 (2011/12 165) young people attended workshops and activities, with 535 (2010/11 426) visits to drop ins and 15 (2010/11 32) receiving one-off advice.

Family support services supported a total of 745 (2010/11 806) families with an average attendance at school clinics of 26 per month and 249 attending workshops.

Plans for future Periods

The organisation continues to work with its 2011/16 Business Plan and the Business Plans of our three operating units but we recognise that the significant changes in our operating environment require us to look again at the future for the organisation. To that end, The Board of Trustees have asked the Chief Executive to lead a review of the current Plan and develop a new Plan that covers the years 2013/18.

Until the new business plan is developed we will continue with some of our ongoing plans recognising that we will need to take into account that the plan is under review and may affect some initiatives as we move forward.

Our aim over the next year is to deliver higher quality, more person centred services to more people. To that end the organisation has recruited its first Business Development Director.

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, including 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, in particular through our Avante Community Support operations.

We will continue to invest in raising standards and driving quality forward. In order to achieve our challenging objectives and targets we have invested in a number of new 'specialist' posts.

including a Head of Pharmaceutical Care and Clinical Standards, a Health and Safety Advisor, a Health and Wellbeing Advisor and a Quality Manager. These posts will work closely with operational managers and support them to deliver care and support services of the highest quality.

Financial Review

The financial statements show a surplus of £1,151,730 (3.8% of turnover) after adjustment for exceptional depreciation of freehold property and leasehold property improvements. The exceptional depreciation for leasehold improvements of £293,139 was due to the intended demolition of Plumstead Lodge, a care home to be redeveloped, where there were improvements not fully depreciated. The freehold property exceptional depreciation of £171,068 is due to a disposal in April 2012. (See note 4b in the notes forming part of the Financial Statements)

Of the total resources expended, 75% (2011 74%) of expenditure was on staff costs including training and recruitment. Management and administration costs (shown as Support Costs in note 4) were 8.6% (2011 7.3%) of turnover. Trustees aim to keep this figure as low as reasonably possible to ensure that maximum resources can be expended on service provision without compromising on central resources required to manage and develop the organisation. Central costs have risen during the year mainly due to the strengthening of corporate resources particularly those supporting the development of the services which Avante provides.

Under FRS17 there is a requirement to recognise defined benefit pension scheme surpluses or deficits in the balance sheet. According to the actuarial valuations under FRS17 as at 31 March 2012, Avante has local government pension scheme net liabilities of £4.89 million (2011 £2.79 million) and these are shown under long-term liabilities with a corresponding reduction in revenue reserves. Compared to the valuation for March 2011, there has been a deficit increase of £2.104 million during the year made up of an actuarial loss of £2.289 million and positive revenue account adjustments of £185k (see note 17).

In the previous year there were reductions in deficits of £5.14 million mainly due to the changes announced by the Chancellor to increase future pensions in line with CPI rather than RPI (see note 17) but also including the effects of changed assumptions about future returns as well as future liabilities with people continuing to live longer.

There is also a contingent liability with The Social Housing Pension Scheme of £3.93 million as at 30 September 2011 compared to £2.84 million in 2010.

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 2011/12.

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 is considered 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 are currently reviewing the policy.

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 2012/13 budget would equate to £2.41 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 £1.88 million, which is a shortfall of £536k against the agreed current policy level. The five year strategy and financial plan is currently under review and the resolution of the shortfall will form part of the new strategy.

As stated above, Trustees are reviewing the policy in 2012/13 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 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 Peter Smallridge (Sep 2011)	Chairman (Jan 2012)
Mr Brian Munday (2006)	Chairman (Jan 2007 – Dec 2011)
Mr Philip Harland (2007)	Vice Chairman
Mr Richard Bond (2010)	Chairman of Finance & Resources Committee (Oct 2011)
Mr R J Bushell (1994)	Chairman of Care & Support Operating Board
Mrs J Loudon (2001)	Chairman of Stepahead Support Operating Board
Mrs A Leigh-Pemberton (2006)	
Mr Adrian Adams (2007)	
Ms Michelle Gardener (2010)	
Mr Robert Perkins (May 2011)	
Mrs Sandra Hendry (Oct 2011)	
Mrs Elaine Rose (Oct 2011)	
Mr Giles Craven (Jan 2012)	
Mr Ronald Owtrim (May 2011 – Jul 2012)	
Mrs A Cottrell (2001 – Sep 2011)	
Mr H J Bragg FRPharmS (1991- Oct 2011)	
Mrs M E de Courcy BSC (1991 – Oct 2011))	

Patron

The Lady Northbourne (1990)

Registered Office

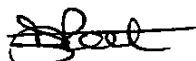
Avante Partnership
De Gelsey House
1 Jubilee Way
Faversham
Kent ME13 8GD

Auditors:	Crowe Clark Whitehill LLP, St Bride's House, 10 Salisbury Square, London
Bankers:	Barclays Bank Plc, Churchill Place, London
Solicitors:	Thompson Snell & Passmore, 3 Lonsdale Gardens, Tunbridge Wells, Kent
Company Number:	2565021
Charity Number:	1002727

Appointment of Auditors

A resolution will be proposed at the Annual General Meeting on 25 September 2012 that Crowe Clark Whitehill LLP be re-appointed Auditors of Avante Partnership for the year ending 31 March 2013

Approved by the Board of Trustees on 25th September 2012 and signed on its behalf by



Debbie Pert MCMI FCCA
Company Secretary

¹ Date of Appointment is shown in brackets

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 2012 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes numbered 1 to 17

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, the Chairman's Introduction 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 2012 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 September 2012.

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

FINANCIAL STATEMENTS
FOR THE
YEAR ENDED 31st MARCH 2012

REGISTERED OFFICE:

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

AVANTE PARTNERSHIP

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31ST MARCH 2012

	Notes	Unrestricted Funds	Restricted Funds	Total Funds 2012	2011
		£	£	£	£
Incoming Resources					
<i>Incoming Resources from Chantable Activities</i>	2	30,351,760	-	30,351,760	31,811,102
<i>Incoming Resources from Generated Funds</i>		64,341	-	64,341	54,096
<i>Other Incoming Resources</i>					
Voluntary Income & Grants		-	34,693	34,693	49,859
Big Lottery Funding	3	-	117,424	117,424	117,298
Other Income		50,537	-	50,537	64,760
Total Incoming Resources		<u>30,466,638</u>	<u>152,117</u>	<u>30,618,755</u>	<u>32,097,115</u>
Resources expended					
<i>Cost of Generating Funds</i>		153,126	-	153,126	123,389
<i>Chantable Activities</i>					
Residential Home Services		22,548,869	18,655	22,567,524	22,365,924
Community Support Services		5,211,398	-	5,211,398	7,068,092
Stepahead Support Services		908,548	133,462	1,042,010	1,227,847
		<u>28,668,815</u>	<u>152,117</u>	<u>28,820,932</u>	<u>30,661,863</u>
<i>Governance</i>		492,967	-	492,967	460,379
Total Resources Expended	4	<u>29,314,908</u>	<u>152,117</u>	<u>29,467,025</u>	<u>31,245,631</u>
Net incoming resources before other recognised gains and losses		1,151,730	-	1,151,730	851,484
Other recognised gains/losses					
Adjustment to unrealised gain arising on revaluation of Freehold Properties as at 31 March 2011		-	-	-	135,905
Actuarial gain/(loss) on Pension Liability	17	(2,289,000)	-	(2,289,000)	5,166,699
Net Movement In Funds		(1,137,270)	-	(1,137,270)	6,154,088
Balance Brought Forward at 1 April 2011		<u>31,001,482</u>	<u>-</u>	<u>31,001,482</u>	<u>24,847,394</u>
Balance Carried Forward at 31 March 2012		<u>29,864,212</u>	<u>-</u>	<u>29,864,212</u>	<u>31,001,482</u>

All amounts relate to continuing activities

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

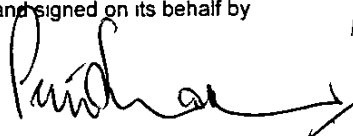
This statement is an Income & Expenditure Statement for the purposes of the Companies Act

AVANTE PARTNERSHIP
COMPANY LIMITED BY GUARANTEE - NO 2565021
BALANCE SHEET AS AT 31ST MARCH 2012

	Note	31 3 2012	31 3 2011
		£	£
Fixed Assets			
Tangible Fixed Assets	7a	52,241,492	51,795,360
Current Assets			
Debtors	8	1,854,259	3,261,921
Short Term Deposits		4,118,700	4,796,545
Cash at Bank and In Hand		10,684	12,724
		<u>5,983,643</u>	<u>8,071,190</u>
Creditors amounts falling due within one year			
Creditors falling due within one year	9	4,144,068	5,409,164
Capital Repayments due within one year on long-term loans	11	1,174,746	1,264,554
		<u>5,318,814</u>	<u>6,673,718</u>
Net Current Assets		664,829	1,397,472
Total Assets less Current Liabilities		52,906,321	53,192,832
Creditors amounts falling due after more than one year			
Bank Loan Account	11	(18,148,109)	(19,401,350)
Net Assets excluding Pension Liability		<u>34,758,212</u>	<u>33,791,482</u>
Pension Liability	17	<u>(4,894,000)</u>	<u>(2,790,000)</u>
		<u>29,864,212</u>	<u>31,001,482</u>
Represented by:			
Funds			
Unrestricted funds excluding Pension Liability	15	16,764,267	15,654,437
Pension Liability	17	(4,894,000)	(2,790,000)
Revaluation Reserve	15	<u>17,993,945</u>	<u>18,137,045</u>
Total unrestricted funds		29,864,212	31,001,482
Restricted Funds	15	-	-
		<u>29,864,212</u>	<u>31,001,482</u>

Approved and authorised by the Board of Trustees on 25 September 2012 and signed on its behalf by

Peter Smallridge, Chairman



AVANTE PARTNERSHIP
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2012

Net Cash Inflow from Operating Activities.	31 3 2012	31 3 2011	
	£	£	
Surplus on ordinary activities	1,151,730	851,484	
Interest Paid	902,837	641,861	
Impairment charge	-	85,000	
Depreciation charge	1,514,216	909,031	
Net loss on disposal of Freehold Property	-	672,706	
Net loss on disposal of Leasehold Property	-	19,239	
Decrease/(Increase) in Debtors	1,407,662	(612,859)	
(Decrease)/Increase in Creditors	(1,628,869)	1,689,249	
	<u>3,347,576</u>	<u>4,255,711</u>	
Financing Costs.			
Interest paid on long-term loans	(902,837)	(641,861)	
Capital Expenditure:			
Payments to acquire Tangible Fixed Assets	(2,071,364)	(7,702,722)	
Receipts on disposal of Tangible Fixed Assets	<u>111,016</u>	<u>827,684</u>	
Net Cash Inflow/(Outflow) before financing	<u>484,391</u>	<u>(3,261,188)</u>	
Financing			
Loans received	-	7,920,000	
Loans (repaid)	(1,343,049)	(756,115)	
	<u>(858,658)</u>	<u>3,902,697</u>	
Reconciliation of Net Cash Flow to Movement in Net Debt			
(Decrease)/Increase in Cash	(858,658)	3,902,697	
Cash Inflow/(Outflow) from change in debt	<u>1,343,049</u>	<u>(7,163,885)</u>	
Decrease/(Increase) in Net Debt from Cash Flows	<u>484,391</u>	<u>(3,261,188)</u>	
Net Debt at 1 4 2011	<u>(16,054,236)</u>	<u>(12,793,048)</u>	
Net Debt at 31 3 2012	<u>(15,569,845)</u>	<u>(16,054,236)</u>	
Analysis of Net Debt	At 1 4 11	Cash flow	At 31 3 12
Short term deposits	4,796,545	(677,845)	4,118,700
Cash at bank and in hand	12,724	(2,040)	10,684
Bank overdraft	<u>(197,601)</u>	<u>(178,773)</u>	<u>(376,374)</u>
Net Cash	4,611,668	(858,658)	3,753,010
Changes in Debt Bank Loan	<u>(20,665,904)</u>	<u>1,343,049</u>	<u>(19,322,855)</u>
Changes in Net Debt	<u>(16,054,236)</u>	<u>484,391</u>	<u>(15,569,845)</u>

AVANTE PARTNERSHIP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2012

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 2012

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 in pursuance of the charitable purposes.

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 2012

Note

2 Incoming Resources

	Total 2012	Total 2011
Charitable Activities	£	£
Residential Homes	24,564,100	23,352,902
Community Support	4,807,811	7,309,114
Stepahead Support	979,849	1,149,086
	<u>30,351,760</u>	<u>31,811,102</u>

3 Big Lottery Funding

During the year, Big Lottery funding of £117,424 (2011 £117,298) was received from the Community Fund towards the Community Impact Centre in Thanet

4 Resources Expended

a) Analysis of Total Resources Expended

	Staff Costs	Other Direct Costs	Support Costs	Total 2012	Total 2011
	£	£	£	£	£
Cost of Generating Funds	-	28,439	124,687	153,126	123,389
Charitable Activities					
Residential Homes	15,485,599	5,507,864	1,574,061	22,567,524	22,365,924
Community Support	4,243,609	541,532	426,257	5,211,398	7,068,092
Stepahead Support	759,156	206,599	76,255	1,042,010	1,227,847
Governance	43,798	4,380	444,789	492,967	460,379
Total Resources Expended	<u>20,532,162</u>	<u>6,288,814</u>	<u>2,646,049</u>	<u>29,467,025</u>	<u>31,245,631</u>

The Residential Homes - Other Direct Costs total of £5,507,864 (see above) includes £293,139 in respect of exceptional depreciation on assets held as Leasehold Improvements and Fixtures & Fittings at Plumstead Lodge. The purchase of the site of this home was completed in June 2012 for demolition and redevelopment. The exceptional depreciation relates to the write off of net book value of Leasehold Improvements and Fixtures & Fittings that cannot be used in the redevelopment or elsewhere in the organisation.

4b) Analysis of Support Costs	Gene- rating Funds £	Resid- ential Homes £	Comm- unity Support £	Step-ahead Support £	Govern- ance £	Total 2012 £	Total 2011 £
Staff Costs	-	1,004,934	272,137	48,684	317,711	1,643,466	1,316,675
Premises	-	10,458	2,832	507	-	13,797	8,930
Operating Costs	124,687	340,860	92,305	16,513	127,078	701,443	773,069
Exceptional depreciation adjustments -Broadway House and De Gelsey House	-	116,566	31,566	5,646	-	153,778	85,000
Depreciation	-	101,243	27,417	4,905	-	133,565	158,742
Total Support Costs	<u>124,687</u>	<u>1,574,061</u>	<u>426,257</u>	<u>76,255</u>	<u>444,789</u>	<u>2,646,049</u>	<u>2,342,416</u>

Following part disposal of Broadway House during the year, the remainder of the property was sold in April 2012, giving rise to a reduction of £171,068 in the carrying value at 31 3 12 which has been charged as additional depreciation in Support costs above. This charge was offset by an overcharge of £17,289 in the prior year depreciation charge on De Gelsey House.

AVANTE PARTNERSHIP
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2012

Note

4c) Analysis of Governance Costs	2012	2011
	£	£
Auditors Remuneration	35,096	34,800
Previous auditors remuneration	-	2,035
Valuation Fees	(6,678)	10,000
Trustees Expenses	6,032	6,517
Apportionment of Staff and Support Costs	458,517	407,027
Total Governance Costs	492,967	460,379
 5 Interest Payable	 2012	 2011
	£	£
On bank loans and overdrafts	902,837	641,861
 6 Operating Leases	 2012	 2011
There are commitments for operating leases during the coming year in respect of leases terminating	£	£
Under 1 year:		
Land & Buildings	42,833	53,093
Others	5,904	-
Within 2 to 5 years		
Land & Buildings	21,600	64,988
Others	36,245	16,917
Over 5 years		
Land & Buildings	-	59,625
Others	6,416	-
	112,998	194,623

AVANTE PARTNERSHIP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

AS AT 31ST MARCH 2012

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 11	53,103,500	471,033	1,180,137	2,823,474	370,446	652,830	58,601,420
Reclassification	1,252,552	-	-	-	-	-	1,252,552
	54,356,052	471,033	1,180,137	2,823,474	370,446	652,830	59,853,972
Additions	119,326	-	106,258	285,632	38,294	1,521,854	2,071,364
Disposals	(104,364)	(33,153)	(650,410)	(1,222,432)	(85,181)	-	(2,095,540)
At 31 3 12	54,371,014	437,880	635,985	1,886,674	323,559	2,174,684	59,829,796
Depreciation							
At 1 4 11	3,282,612	190,372	978,834	2,033,840	320,402	-	6,806,060
Reclassification	1,252,552	-	-	-	-	-	1,252,552
	4,535,164	190,372	978,834	2,033,840	320,402	-	8,058,612
Disposals	-	(33,153)	(650,410)	(1,222,432)	(78,529)	-	(1,984,524)
Charge for Year	796,953	243,070	77,701	363,540	32,952	-	1,514,216
At 31 3 12	5,332,117	400,289	406,125	1,174,948	274,825	-	7,588,304
Net Book Value							
At 31 3 12	49,038,897	37,591	229,860	711,726	48,734	2,174,684	52,241,492
At 31 3 11	49,820,888	280,661	201,303	789,634	50,044	652,830	51,795,360

b) Disposals of Fixed Assets

The above disposals of Leasehold Improvements, Computer Equipment, Fixtures & Fittings, and Motor Vehicles represent the removal from the register of old, obsolete, and fully depreciated assets, to more accurately reflect the assets currently in use

c) Reclassification

The revaluation reductions on De Gelsey House and Broadway House of £1,252,552 as at 31 March 2011 have been reclassified above to reflect gross cost and cumulative depreciation totals appropriately

d) 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 2012 £	31 3 2011 £
Cost	46,031,500	44,390,319
Accumulated Depreciation	(4,384,794)	(4,280,618)
Net Book Value	41,646,706	40,109,701

e) Capital Commitments

Capital expenditure contracted for, unpaid at the year end and not provided for in the financial statements - £531,346 (2011 £nil)

Capital expenditure authorised by the Trustees but not contracted for at 31 March 2012- £12,236,071 (2011 £nil)

AVANTE PARTNERSHIP
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
AS AT 31ST MARCH 2012

Note

8 Current Debtors	31.3.2012	31.3.2011
	£	£
Trade Debtors	1,428,199	2,961,098
Other Debtors	30,278	21,318
Prepayments	220,569	186,683
Accrued Income	175,213	92,822
	<u>1,854,259</u>	<u>3,261,921</u>

9 Current Creditors and Accruals	31.3.2012	31.3.2011
	£	£
Bank Overdraft	376,374	197,601
Trade Creditors	655,443	508,243
Other Taxes and Social Security	330,861	320,444
Other Creditors	1,491,259	1,560,955
Accruals	871,111	1,455,932
Deferred Income (note 10)	419,020	1,365,989
	<u>4,144,068</u>	<u>5,409,164</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 payts	Stepahead Grants	Cash in advance	Others	Total
	£	£	£	£	£	£
Brought forward at 1.4.11	102,885	665,915	381,577	164,363	51,249	1,365,989
Released in current year	(102,885)	(665,915)	(353,342)	(162,786)	(51,249)	(1,336,177)
Arising at 31.3.12	187,392	-	59,333	124,016	18,467	389,208
	<u>187,392</u>	<u>-</u>	<u>87,568</u>	<u>125,593</u>	<u>18,467</u>	<u>419,020</u>

All deferred income at 31.3.12 is in respect of fees or grants invoiced prior to 31.3.12 but relating to periods after 31.3.12, or payments in advance, pending invoicing or contract reconciliation.

11 Creditors. Amounts falling due after more than one year	31.3.2012	31.3.2011
	£	£
Bank Loans	<u>18,148,109</u>	<u>19,401,350</u>
The total bank loans are repayable as follows		
Within one year	1,174,746	1,264,554
Between one and two years	1,006,179	1,057,992
Between two and five years	3,056,320	2,858,978
After five years	14,085,610	15,484,380
	<u>19,322,855</u>	<u>20,665,904</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 £49,038,897 (2011 £49,820,888).

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 £1,960,833.

AVANTE PARTNERSHIP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

AS AT 31ST MARCH 2012

Note

12 Residents' Bank Accounts

The Charity administers holding bank accounts on behalf of residents for the convenience of receipt of the residents' personal allowances from family or local authority who hold power of attorney. These accounts have not been reflected in these Financial Statements as an asset or liability. The value held at 31 3 12 was £12,114 (2011 £9,977)

13 Contingent Liabilities

There is a contingent liability arising from the Social Housing Pension Scheme which is detailed under Note 17. This is an estimated figure based on the position of the scheme as at 30 September 2011, and, in accordance with FRS17, is reported as contingent as there has been no event at the balance sheet date causing the liability to crystallise.

There are no known contingent liabilities arising from contracted disputes (2011 £nil)

14 Analysis of Net Assets between Funds

	Unrestricted Funds £	Restricted Funds £	Total £
Represented by			
Tangible fixed assets	52,241,492	-	52,241,492
Net current assets (excluding bank loans)	1,839,575	-	1,839,575
Bank Loans	(19,322,855)	-	(19,322,855)
Pension liabilities	(4,894,000)	-	(4,894,000)
	<u>29,864,212</u>	<u>-</u>	<u>29,864,212</u>

15 Movement on Reserves

	Unrestricted Funds * £	Revaluation Reserve £	Restricted Funds £	Total £
Brought forward at 1 4 11	12,864,437	18,137,045	-	31,001,482
Net incoming resources for the year before transfers	1,151,730	-	-	1,151,730
Correct prior year allocation to Revaluation Reserve	143,100	(143,100)	-	-
Actuarial loss on Pension Liability	(2,289,000)	-	-	(2,289,000)
Carried forward at 31 3 12	<u>11,870,267</u>	<u>17,993,945</u>	<u>-</u>	<u>29,864,212</u>

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.

* Unrestricted funds are shown above after deduction of the FRS 17 pensions deficits

AVANTE PARTNERSHIP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2012

Note

16 Trustee and Employee Information

a) Trustee Information

No remuneration was paid to the Trustees during the year (2011 £nil) Travel and Training expenses of £5,360 in total were paid to ten trustees during the year (2011 £1,795, six trustees), and costs of £672 were incurred on a Trustees away-day
A payment of £861 was made in the year in respect of Directors and Officers indemnity insurance

b) Employee Information	2012 £	2011 £
<u>Employee costs during the year were</u>		
Salaries and Wages	20,323,037	20,739,758
Staff Recruitment and Training	418,577	410,005
Employer's Social Security Costs	1,107,573	1,244,103
Employer's Pension Costs	326,441	698,353
	<u>22,175,628</u>	<u>23,092,219</u>
<u>Analysed as</u>		
Cost of Generating Funds	-	-
Charitable Activities	20,488,364	21,719,903
Support Costs	1,325,755	1,049,961
Governance Costs	361,509	322,355
	<u>22,175,628</u>	<u>23,092,219</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>	<u>No of Employees</u>
£60,000 to £70,000	1	2
£70,000 to £80,000	3	2
£80,000 to £90,000	1	-
£90,000 to £100,000	-	1
£110,000 to £120,000	1	1
£150,000 to £160,000	1	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>	2012	2011
The average monthly number of persons employed during the year was		
Residential	1,391	1,229
Community Support	454	527
Stepahead Support	41	49
	<u>1,886</u>	<u>1,805</u>
The average monthly number of full time equivalents employed during the year was		
Residential	889	808
Community Support	261	282
Stepahead Support	35	43
	<u>1,185</u>	<u>1,133</u>

AVANTE PARTNERSHIP
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2012

Note

17 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 16 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 net liabilities of the three Local Government Pension Schemes are shown on the balance sheet under long-term liabilities. The breakdown of the deficits is as follows -

	2011 £	Other Movements £	Actuarial Loss £	2012 £
Kent County Council	1,515,000	(101,000)	1,210,000	2,624,000
London Borough of Bexley	976,000	(89,000)	913,000	1,800,000
London Borough of Greenwich	299,000	5,000	166,000	470,000
Total	2,790,000	(185,000)	2,289,000	4,894,000

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 was 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 would 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, and were included as part of the actuarial gain on pension liability in the financial statements for the year ended 31 March 2011.

	<u>RPI</u>	<u>CPI</u>	<u>Average reduction</u>	<u>Past Service Gain £</u>
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

<u>Pension Scheme</u>	<u>Rate of Contribution</u>		<u>2012 Cost</u>	<u>£'ees in scheme at 31.3.12</u>
	<u>Employer's</u>	<u>Employee's</u>	<u>£</u>	
Social Housing Pension Scheme (SHPS)				
Final Salary	9.8%	8.0%	141,184	21
Career Average Revalued Earnings	5.9%	6.0%	4,648	5
KCC Pensions (LGPS)	47.8%	5.9%, 6.5% & 6.8%	182,306	26
LBG Pensions (LGPS)	16.0%	5.8% & 6.5%	5,070	1
LBB Pensions (LGPS)	24.7%	5.8%, 5.9%, 6.5% & 6.8%	169,606	46
LBB Pensions CPT (LGPS) *	23.8%	5.8%, 5.9%, 6.5% & 6.8%	15,444	52
Friends Provident (GPP)	Up to 5.0%	Variable	4,540	20
Aegon (GPP)	Up to 5.0%	Variable	28,527	52

* 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 Schemes

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

AVANTE PARTNERSHIP
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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Note

17 Pension Commitments and FRS 17 Disclosures (continued)

17b) 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 2011 by a professionally qualified actuary using the Projected Unit Method. The market value of the Scheme's assets at the last valuation date was £2,062 million. The valuation revealed a shortfall of assets compared with the value of liabilities of £1,035 million, equivalent to a past service funding level of 67%.

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 2011. As of this date the estimated employer debt for Avante Partnership was £3,932 million (2010 £2,839 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 2010 by a professionally qualified actuary. The valuation revealed a past service deficit of £843 million giving a funding level of 77% (compared to 73% as at 31 March 2007).

An actuarial valuation of Avante Partnership's share in the scheme was carried out by a qualified independent actuary as at 31 March 2012 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 2012 % pa	31 March 2011 % pa	31 March 2010 % pa
RPI Inflation rate	3.3	3.5	3.9
CPI Inflation rate	2.5	2.7	-
Pension Increase rate	2.5	2.7	3.9
Salary Increases	4.7	5.0	5.4
Expected Return on Assets	5.8	6.9	6.9
Discount Rate	4.6	5.5	5.5
Expected Return on Assets	Long Term Return % pa	Long Term Return % pa	Long Term Return % pa
Equities	6.3	7.4	7.5
Gilts	3.3	4.4	4.5
Other Bonds	4.6	5.5	5.5
Property	4.3	5.4	5.5
Cash	3.0	3.0	3.0
Expected Return on Assets	5.8	6.9	6.9

AVANTE PARTNERSHIP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2012

Note

17b

Pension Commitments and FRS 17 Disclosures (continued)

Mortality

Life expectancy is based on the S1PA Heavy series tables with a 90% multiplier, making allowance for future improvement factors in line with the medium cohort projection with a minimum improvement of 1% per annum. Based on these assumptions the average future life expectancies at age 65 are summarised below:

	Males	Females
Current Pensioners	20.0 years	24.0 years
Future Pensioners	22.0 years	25.9 years

Balance Sheet Disclosures

Fair Value of Employer Assets	31 Mar 2012	31 Mar 2011
Equities	4,989	4,991
Gilts	67	67
Bonds	674	865
Property	674	599
Cash	202	133
Target Return Portfolio	135	-
Total	6,741	6,655

Balance Sheet	£'000s	£'000s
Fair value of Employer Assets	6,741	6,655
Present Value of Funded Liabilities	(9,365)	(8,170)
Net Asset/Liability	(2,624)	(1,515)

Revenue Account Costs

Revenue Account Recognition	Year to 31 March 2012	Year to 31 March 2011
	£'000s	£'000s
Current Service Cost	91	116
Interest Cost	444	511
Expected Return on Employer Assets	(453)	(431)
Past Service Cost/(Gain)	-	(835)
Total	82	(639)
Actual Return on Plan Assets	185	432

Reconciliation of Defined Benefit Obligation	Year to 31 March 2012	Year to 31 March 2011
	£'000s	£'000s
Opening Defined Benefit Obligation	8,170	10,794
Current Service Cost	91	116
Interest Cost	444	511
Contributions by Members	27	28
Actuarial Losses/(Gains)	941	(2,100)
Past Service Costs/(Gains)	-	(835)
Estimated Benefits Paid	(308)	(344)
Closing Defined Benefit Obligation	9,365	8,170

Reconciliation of Fair Value of Employer Assets	Year to 31 March 2012	Year to 31 March 2011
	£'000s	£'000s
Opening Fair Value of Employer Assets	6,655	6,173
Expected Return on Assets	453	431
Contributions by Members	27	28
Contributions by Employer	183	211
Actuarial Gain/(Loss)	(269)	156
Benefits Paid	(308)	(344)
Actuarial Gain/(Loss) Recognised in SOFA	6,741	6,655

Amounts for Current and Previous Periods	Year to 31 March 2012	Year to 31 March 2011	Year to 31 March 2010	Year to 31 March 2009	Year to 31 March 2008
	£'000s	£'000s	£'000s	£'000s	£'000s
Defined Benefit Obligation	(9,365)	(8,170)	(10,794)	(7,110)	(7,298)
Scheme Assets	6,741	6,655	6,173	4,653	5,775
Surplus/Deficit	(2,624)	(1,515)	(4,621)	(2,457)	(1,523)
Experience Adjustments on Scheme Assets	(269)	156	1,307	(1,535)	(1,497)
Experience Adjustments on Scheme Liabilities	-	1,293	-	-	620
Cumulative actuarial gain (loss)	(1,069)	141	(2,115)	8	954

AVANTE PARTNERSHIP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2012

Note

17b Pension Commitments and FRS 17 Disclosures (continued)

Projected Expense for the year to	31 March 2013
	£'000s
Service Cost	109
Interest Cost	427
Return on Assets	(386)
Total	150
Employer Contributions	183

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 2012	
	£'000s	
Adjustment to discount rate	+0.1%	(0.1%)
Present value of Total Obligation	9,191	9,542
Projected Service Cost	106	112

London Borough of Bexley

The last formal valuation of the scheme was performed at 31 March 2010 by a professionally qualified actuary using the "Projected Unit method". The valuation revealed a deficit of £69 million, giving a funding level of 87% (compared to 86% as at 31 March 2007)

An actuarial valuation of Avante Partnership's share in the scheme was carried out by a qualified independent actuary as at 31 March 2012 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 2012	31 March 2011	31 March 2010
	% pa	% pa	% pa
RPI Inflation rate	-	3.3	3.3
CPI Inflation rate	2.3	2.8	2.8
Pension Increase rate	2.3	2.8	3.3
Salary Increases	3.8	4.3	5.05
Discount Rate	4.6	5.4	5.6
Expected Return on Assets	Long Term Return	Long Term Return	Long Term Return
	% pa	% pa	% pa
Equities	7.0	7.5	7.5
Government Bonds	3.1	4.4	4.5
Other Bonds	4.1	5.1	5.2
Property	6.0	6.5	-
Cash/Liquidity	0.5	0.5	0.5
Other	7.0	7.5	7.5
Expected Return on Assets	6.1	6.5	6.9

Mortality

Life expectancy is based on the S1PA CMI 2009 (1%) tables (100% Males, 94% Females), 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	21.9 years	24.5 years
Future Pensioners	23.3 years	26.0 years

Balance Sheet Disclosures

Fair Value of Employer Assets	Year to 31 March 2012	Year to 31 March 2011
	£'000s	£'000s
Equities	5,134	6,282
Government Bonds	262	642
Other Bonds	659	946
Property	574	288
Cash/Liquidity	110	78
Other	1,706	443
Total	8,445	8,677

Balance Sheet	£'000s	£'000s
Fair value of Employer Assets	8,445	8,677
Present Value of Funded Liabilities	(10,245)	(9,653)
Net Asset/Liability	(1,800)	(976)

AVANTE PARTNERSHIP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2012

Note
17b Pension Commitments and FRS 17 Disclosures (continued)

Revenue Account Costs for the year to 31 March 2012

Revenue Account Recognition	Year to 31 March 2012	Year to 31 March 2011
	£'000s	£'000s
Current Service Cost	128	148
Interest Cost	512	590
Expected Return on Employer Assets	(555)	(531)
Past Service Cost/(Gain)	-	(572)
Total	85	(367)

Reconciliation of Defined Benefit Obligation	Year to 31 March 2012 £'000	Year to 31 March 2011 £'000s
Opening Defined Benefit Obligation	9,653	10,619
Current Service Cost	128	148
Interest Cost	512	590
Contributions by Members	41	45
Actuarial Losses/(Gains)	417	(807)
Past Service Costs/(Gains)	-	(572)
Estimated Benefits Paid	(506)	(368)
Closing Defined Benefit Obligation	10,245	9,653

Reconciliation of Fair Value of Employer Assets	Year to 31 March 2012 £'000s	Year to 31 March 2011 £'000s
Opening Fair Value of Employer Assets	8,677	8,202
Expected Return on Assets	555	531
Contributions by Members	41	45
Contributions by Employer	174	180
Actuarial Gain/(Loss)	(496)	87
Benefits Paid	(506)	(368)
Actuarial Gain/(Loss) Recognised in SOFA	8,445	8,677

Amounts for Current and Previous Periods	Year to 31 March 2012 £'000s	Year to 31 March 2011 £'000s	Year to 31 March 2010 £'000s	Year to 31 March 2009 £'000s	Year to 31 March 2008 £'000s
Defined Benefit Obligation	(10,245)	(8,653)	(10,619)	(8,065)	(9,251)
Scheme Assets	8,445	8,677	8,202	5,992	7,414
Surplus/Deficit	(1,800)	(976)	(2,417)	(2,073)	(1,837)
Experience Adjustments on Scheme Assets	(496)	87	1,858	(1,851)	(753)
Experience Adjustments on Scheme Liabilities	-	799	-	-	475

Projected Expense for the year to	31 March 2013 £'000s
	£'000s
Projected Current Service Cost	138
Interest Cost	464
Expected Return on Plan Assets	(506)
Normal Employer Contributions	177

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 2012 £'000s	
	+0.1%	(0.1%)
Present value of Total Obligation	10,105	10,388
Projected Service Cost	135	141

London Borough of Greenwich

The last formal valuation of the Scheme was performed at 31 March 2010 by a qualified actuary. The valuation revealed a deficit of £121.4 million giving a funding level of 85% (compared to 99.5% as at 31 March 2007).

An actuarial valuation of Avante Partnership's share in the scheme was carried out by a qualified independent actuary as at 31 March 2012 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
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Note

17b Pension Commitments and FRS 17 Disclosures (continued)

Financial Assumptions	31 March 2012 % pa	31 March 2011 % pa	31 March 2010 % pa
RPI Inflation rate	3.3	3.5	3.9
CPI Inflation rate	2.5	2.7	-
Pension Increase rate	2.5	2.7	3.9
Salary Increases	4.7	5.3	5.7
Discount Rate	4.6	5.5	5.5
Expected Return on Assets	Long Term Return % pa	Long Term Return % pa	Long Term Return % pa
Equities	6.3	7.4	7.5
Gilts	3.3	4.4	4.5
Other Bonds	4.6	5.5	5.5
Property	4.3	5.4	5.5
Cash	3.0	3.0	3.0
Expected Return on Assets	5.8	6.7	6.9

Mortality

Life expectancy is based on the S1PA Heavy series tables with a 125% multiplier making allowance for future improvement factors in line with the medium cohort projection with an underpin of 1% per annum. Based on these assumptions, the average future life expectancies at age 65 are summarised below

	Males	Females
Retiring today	17.2 years	21.2 years
Retiring in 20 years	19.1 years	23.1 years

Balance Sheet Disclosures

Estimated Asset allocation for Avante Partnership	31 Mar 2012 £'000s	31 Mar 2011 £'000s
Equities	379	833
Gilts	-	68
Other Bonds	223	125
Property	78	80
Cash	22	34
Alternative Assets	412	-
Total	1,114	1,140

Balance Sheet	£'000s	£'000s
Fair value of Employer Assets	1,114	1,140
Present Value of Funded Liabilities	(1,584)	(1,439)
Net Asset	(470)	(299)

Revenue Account Costs

Revenue Account Recognition	Year to 31 March 2012 £'000s	Year to 31 March 2011 £'000s
Current Service Cost	6	8
Interest Cost	78	89
Expected Return on Employer Assets	(75)	(75)
Past Service Cost/(Gain)	-	(141)
Total	9	(119)
Actual Return on Plan Assets	25	79

Reconciliation of Defined Benefit Obligation	Year to 31 March 2012 £'000s	Year to 31 March 2011 £'000s
Opening Defined Benefit Obligation	1,439	1,999
Current Service Cost	7	8
Interest Cost	78	89
Contributions by Members	2	2
Actuarial Losses/(Gains)	117	(449)
Past Service Costs/(Gains)	-	(141)
Estimated Benefits Paid	(59)	(59)
Closing Defined Benefit Obligation	1,584	1,439

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Note

17b Pension Commitments and FRS 17 Disclosures (continued)

Reconciliation of Fair Value of Employer Assets	Year to 31 March 2012 £'000s	Year to 31 March 2011 £'000s
Opening Fair Value of Employer Assets	1,140	1,107
Expected Return on Assets	75	75
Contributions by Members	2	2
Contributions by Employer	5	5
Actuarial Gain/(Loss)	(49)	20
Benefits Paid	(59)	(69)
Actuarial Gain/(Loss) Recognised In SOFA	1,114	1,140

Amounts for Current and Previous Periods	Year to 31 March 2012 £'000s	Year to 31 March 2011 £'000s	Year to 31 March 2010 £'000s	Year to 31 March 2009 £'000s	Year to 31 March 2008 £'000s
Defined Benefit Obligation	(1,584)	(1,439)	(1,999)	(1,420)	(1,551)
Scheme Assets	1,114	1,140	1,107	872	1,244
Surplus/Deficit	(470)	(299)	(892)	(548)	(307)
Experience Adjustments on Scheme Assets	(49)	20	254	(400)	(90)
Experience Adjustments on Scheme Liabilities	-	274	-	-	(6)
Cumulative actuarial gain (loss)	(17)	149	(319)	(15)	201

Projected Expense for the year to	31 March 2013 £'000s
Service Cost	7
Interest Cost	72
Expected Return on Plan Assets	(63)
Total	16
Employer Contributions	5

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 2012 £'000s	
Adjustment to discount rate	+0.1%	(0.1%)
Present value of Total Obligation	1,561	1,607
Projected Service Cost	7	7