Annual Report of the Trustees and Financial Statements

Year Ended 31st March 2016

Avante Care and Support Limited

De Gelsey House

1 Jubilee Way

Faversham

Kent

ME13 8GD

Registration Number 2565021

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Chairman's Introduction

This year's Annual Report covers a further year of change, culminating in the completion of the implementation of the financial and service strategies, resulting in a reduced, but more sustainable service portfolio. Alongside the quiet satisfaction of achieving those objectives there remains a continuing concern about the ability of charities like ours to continue to provide services in areas of high need, but where the inability to sustain the necessary income flows results in services being reduced or closed down.

Happily, in two important areas in Kent, we were able to sell on the services to another provider who intends to continue to deliver when we were unable to. The resulting portfolio should now enable us to maintain a high quality of service in our residential and home care services across Kent and South East London.

It is important to note that our CQC ratings have improved beyond recognition in the past two years, but the need to remain vigilant in this respect is crucial. I want to pay tribute to the staff in our services, and to the managers and supervisors who have achieved these results, where a "Good" outcome from an inspection has become the norm, and having received one "Outstanding," we would very much like to achieve more!

Whilst residential care, particularly for people with dementia, remains our main priority, our Home Care service continues to develop and show promise. Whilst the Governments "integration" agenda seems to take forever to be implemented, a flexible and innovative approach to home care will become an essential part of our service portfolio as it rolls out, replacing inappropriate hospital care with better more comprehensive community based services. All of which assumes that the Government recognises the very real crisis that social care services face in providing all local services, due to the reduction in resources available to Local Authorities who remain significant commissioners of care services.

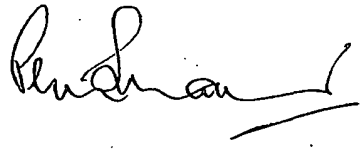
Although I made this point in my report last year, nothing appears to have changed, except that the situation has become progressively worse, and unless this nettle is grasped, and soon, many local service providers will join the ever growing list of those going out of business. This is no idle comment. I really fear for the continued provision of local social care, including ours, if Government continues to ignore the crisis it has created.

Having said all of that, I want to acknowledge the commitment and effort of our management team, which has again risen to all of the challenges presented to them, and to those other individuals in our services who continue to deliver service of the highest quality to our service users and their families. Particular thanks are due to Mark Lloyd, our Managing Director, who leaves us in September to join a national organisation providing similar services to Avante. He goes with our best wishes, having presided over the hugely significant changes outlined above.

The Board of Trustees too is in the process of considerable change. During the year we lost the services of Jane Louden, who was a Trustee for 15 years. Her contribution will be greatly missed, especially by staff and young people in Stepahead, for whom she tirelessly campaigned and massively supported.

Adrian Adams also left us after 8 years and we will miss his capacity to challenge on matters of concern. Bob Bushell, having served his full term as Trustee, was appointed as Patron of Avante following his many years of valuable contribution. All will prove difficult to replace, but we are pleased to welcome Vinod Kumar and Jon Manzoni as new Trustees and look forward to their contribution to the continuing development of Avante.

As usual my special thanks to those remaining Trustees for their major contribution to the work of the charity and for their support to me. We will need all of that, and more, to help us survive the coming years, but with the imminent appointment of a new Managing Director, we can approach the future with some hope and positivity.



Peter Smallridge
Chairman of the Board of Trustees

29 September 2016

Avante Care and Support Limited
Report of the Board of Trustees
for the year ended 31 March 2016

1. Reference & Administration Details

Avante Care & Support was formed in 1990 and is a registered charity and company limited by guarantee.

Board of Trustees[1]

Mr Peter Smallridge (Sep 2011)	Chairman (Jan 2012)
Mr Philip Harland (2007)	Vice Chairman
Mr Giles Craven (Jan 2012)	Chairman of Finance & Resources Committee (Mar 2014)
Mr Robert Bushell (1994 – Sep 2015)	
Mrs Jane Loudon (2001 - Feb 2016)	
Mr Brian Munday (2006)	
Mr Adrian Adams (2007 - Nov 2015)	
Ms Michelle Gardener (2010)	
Mr Robert Perkins (May 2011)	
Mrs Sandra Hendry (Oct 2011)	

Patron
Mr Robert Bushell (Sep 2015)

Principal and Registered Office
Avante Care & Support
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
	Boys & Maughan, India House, Hawley Street, Margate, Kent
Company Number:	2565021
Charity Number:	1002727

Appointment of Auditors
A resolution will be proposed at the Annual General Meeting on 29 September 2016 that Crowe Clark Whitehill LLP be re-appointed Auditors of Avante Care & Support for the year ending 31 March 2017.

[1] Dates of Appointment are shown in brackets

2. Governance, Structure & Management

2.1 Governance

The Board presents the report and financial statements of Avante Care & Support for the year ended 31 March 2016. The accounts (financial statements) have been prepared in accordance with the Charities SORP (FRS102) applicable to charities preparing their accounts in accordance with FRS102 the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015. The report and statements also comply with the Companies Act 2006 as Avante Care & Support is a Company limited by guarantee. The Trustees' Report is also a Directors' Report for the purposes of Company Law. The Strategic Report is included at item 5 within this report. Avante Care & Support 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 was updated in June 2015 and members of the Board of Trustees are the members and non-executive Directors of the Company.

In January 2016, Avante Care & Support Limited set up a subsidiary company, Avante Care Services Limited, to which the majority of its Local Authority and NHS contracts were novated. This was set up in order to ensure that Avante as a whole is as tax efficient as possible. Avante Care Services is wholly owned by Avante Care & Support Limited, which is its only shareholder.

2.1.1 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 or outgoing 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.

No assets were held as a custodian trustee in the reporting period.

2.1.2 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.

2.2 Structure

With effect from January 2016 Avante Care & Support novated most of its Local Authority contracts to its wholly owned subsidiary company, Avante Care Services Limited. The contracts were then subcontracted to the charity to deliver the services in the usual way. This was put in place to ensure that Avante is set up in the most effective way for tax efficiency.

Avante Care Services is a company limited by shares, with Avante Care and Support being the only shareholder. The Managing Director and the Finance Director are the Directors of the subsidiary company.

Avante Care & Support's Articles of Association provide for a minimum of 6 and a maximum of 18 Trustees. Trustees are appointed for a fixed term of three years, with each new appointment to be reviewed after the first year. Trustees shall cease to be Trustees at the end of the fixed term, but may be reappointed up to a maximum of 3 terms or 9 years.

The Board continually keeps under review its membership and the breadth of skills and expertise to ensure proper governance. When required, advertisements for new Trustees are placed with appropriate recruitment agencies such as the Charity Finance Group and REACH. Prior to appointment, potential Trustees will meet with the Chairman and members of the Executive Management Team and Trustees. CVs are circulated to the Board of Trustees and appointment is agreed by the Board as a whole.

When new Trustees are appointed, 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 Managing Director and are invited to visit the offices and services. 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.

During the year the Board of Trustees met on 8 occasions (including 2 virtual meetings) and took part in 1 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 5 occasions
- Chairman's Group which did not need to meet during the year.
- The Remuneration Committee which met on 1 occasion

The Board of Trustees and Finance & Resources Committee continued to hold bi-monthly meetings as per the revised arrangements set up during 2014/15.

The Remuneration Committee has the fully delegated power of the Board of Trustees to review and amend organisational remuneration policies and is responsible for setting, authorising and reviewing the remuneration of Executive Management Team Members. All business of the Committee is minuted, and the minutes are presented to the next Board meeting for discussion and confirmation.

It is through the Board of Trustees, the Finance & Resources Committee and the Chairman's Group that the activities of Avante Care & Support are controlled. Each Committee has its own Terms of Reference and their reports and minutes of meetings are a standing agenda item for the full Board meetings.

Day-to-day responsibility for the management of the organisation's business is delegated to the Managing Director and the Executive Management Team as detailed in Standing Orders. The

Managing Director is the principal adviser to the Board of Trustees and together with the Executive Management Team reports to them on the organisation's performance against the Strategic and Operational plans approved by the Board each year.

2.3 Management & Staffing

2.3.1 Executive Management Team

The Executive Management Team is collectively responsible for delivering the organisation's Mission and performance in every area of activity.

The members of the Executive Management Team are as follows:-

- The Managing Director, Mark LLoyd, who is responsible to the Board, supported by the members of the Executive Team, for the strategy and leadership of the organisation. He is supported by the Operations Management Team for the delivery and quality of the services provided.

  Mark Lloyd resigned in June, having been offered a new role in another organisation, and will be leaving the organisation at end of September. Arrangements are underway to appoint a successor.

- The Finance Director, Deputy Managing Director and Company Secretary, Debbie Pert, who is responsible for Financial Accounting, Planning and Control, Information and Communication Technology, Property and Marketing services as well as providing support to and deputising for the Managing Director.

- The Human Resources Director, Derek Lindars, who is responsible for all staff-related matters including learning and development, central recruitment services, workforce development and Health and Safety.

- The Director of Quality Standards & Compliance, 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 standards, compliance and management information.

Each member of the Executive 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 Care & Support.

All business of the Committee is minuted, and the minutes are presented to the next Board meeting for discussion and confirmation.

2.3.2 Disabled Persons

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

2.3.3 Volunteers

Avante and its service users are fortunate to benefit from volunteers who support our services.

In total it is estimated that the economic value of the time given by volunteers in 2015/16 was in excess of £85k (c £61k 2014/15).

Our Care Homes benefited immensely from approximately 16 regular volunteers in 2015/16 giving nearly 11,000 hours of their time. In Stepahead Support the services benefited from 4 regular volunteers giving nearly 700 hours of their time.

Volunteers give their time freely 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 in Stepahead Support. Trustees are extremely grateful to all those volunteers who support us in delivering a valued and important service and making such a positive contribution to the lives of our residents and service users.

2.3.4 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, values and objectives which are supported by the business plan.

Avante's Mission is:-

To understand and enable the journey through care in older age by providing personalised home support and residential services

Avante's Values are:-

Avante Values

Supporting	**– providing supportive communities & services**
Personal	**– providing individual care and support**
Attentive	**–nurturing individual needs**
Relationship Centred	**– the cornerstone of our philosophy**
Kind	**– selfless, supportive care**
Listening	**– everybody matters**
Enabling	**– everybody to reach their full potential**

The Trustees confirm, in the light of the guidance, that Avante's mission and values fully meet the public benefit test and that all the activities of the charity, detailed under section 4 of this report, are undertaken in pursuit of its mission.

3. Objectives

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".

Our Strategic Objectives are to...

- be the provider of choice
- be a great company to work for
- improve our financial strength

4. Activities

Avante undertakes its significant charitable activities through three main services;

Both **Avante Care & Support** and **Avante Home Care & Support,** whose joint mission is to be a specialist provider, seeking to understand and enable the journey through care and older age, by offering services that respect the choices and aspirations of the individual.

and:

Stepahead Support whose mission is to provide emotional, practical and therapeutic support to young people and families in the community who are finding life's problems difficult to overcome, or need support to move on in their lives.

4.1 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.

We provided care and support during the year for between 648 and 780 older people in our 13 Care Homes (4 for part of the year only) together with a further 35 additional service users receiving Day Care. Over 80% of our residents have high dependency needs resulting from dementia and Alzheimer's and nursing care requirements. The demand for our services continues to remain high; occupancies for the year ended 31 March 2016 were at 88.9%. (92.5% during 2014/15)

The majority of our service users are funded by Social Services Departments which continue to face 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 were particularly significant in the year due to the increases in National Living Wage. This has continued to place pressure on Avante Care & Support's finances. During the year 35% (32% during 2014/15) of our service users were privately funded.

During the year we carried out the planned closure and sale of Sunbury Lodge in Greenwich; suitable alternative placements for the residents were sought with a substantial number moving into a new mental health unit in Puddingstone Grange when Sunbury closed in August 2015.

In January 2016 we transferred the ownership of two of our Homes in Kent; Barton Court and Hevercourt. The residents and staff transferred in a well-managed process with the home to the new owners who continue to operate these services.

We also commenced consultation in February 2016 on the potential closure and disposal of Barnetts care home in Tunbridge Wells. The decision was made to close and the home was closed in May 2016. Suitable alternative placements for the residents were sought with a substantial number moving into other Avante homes.

Avante Care & Support 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.

4.2 Avante Home Care & Support - Supporting older people through a range of domiciliary and homecare services as well as people with learning disabilities and other support needs in the community.

Our domiciliary care service continues to support more than 680 people (697 in 2014/15) 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, support with medication, assistance with meals, getting up and going to bed, domestic support and shopping. A total of 206,409 hours of care or support were provided in the year to 31 March 2016 (228,630 hours in 2014/15). The fall in

the number of hours delivered has mainly been due to the difficulties in recruiting and retaining care staff, a problem that is shared by most providers in a competitive labour market.

Avante Home Care & Support is an accredited supplier of care services in the London Borough of Bexley, Kent County Council and the Royal Borough of Greenwich. Avante Home Care & Support also provides intermediate and continuing care to NHS patients. A growing proportion of the service is delivered to private customers.

Our New Outlooks service in Kent and Medway provided 11,830 hours of community support (11,394 hours in 2014/15) to 17 (21 in 2014/15) clients with learning disabilities and other specialist needs such as autism, mental health and brain injury.

4.3 Stepahead Support - Supporting children, young people and families in the community through family support services, independent living and emotional health and wellbeing support.

Stepahead provides support for young people to provide them with opportunities and choices to lift self esteem and promote inclusion. Stepahead 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.

4.4 Facts and Figures about our Services

As at 31/3/16	Income £	No. of clients/service users/customers	Staff Employed
Avante Care & Support	21,979,376	683	1,024
Avante Home Care & Support	3,179,950	697	269
Stepahead Support	825,494	1,080	31

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 persons employed. The figures shown above are as at 31 March 2016 and exclude corporate support functions.

5. Strategic Report

5.1 Achievements and Performance against Objectives set

2015/16 has been a continuation of the transition period seeing further significant change for the charity driven by the three year strategic business plan approved and validated by our lender, Barclays Bank. We have continued to review and invest in our service portfolio of homes and community support services taking into account the wider challenges of the current social care market.

Achievements of note during the year include:-

5.1.1 Progress against Strategic Business Plan

The objectives of the 2014-17 Business Plan *in italics* are reviewed and updated as follows:-

- *A 'road map' for the direction of Avante Care & Support over the next three year period.* The process of restructuring the business is largely complete. Focus in 2016/17 will now be on net income generation from the base of services now in place;

- *Re-branding of the business to focus on the strengths and profile of older care service delivery.* Avante has been re-branded with a marketing strategy in place to promote the services available;

- *Restructuring and consolidation of the business to enable consistent and stronger financial outcome.* The restructuring and consolidation has been largely achieved, but the financial performance still needs to improve. There is a realistic, but nevertheless, challenging, operational budget set for 2016/17;

- *Substantial reduction of the immediate loan exposure to Barclays Bank.* This has been achieved with £2.2 million proceeds in excess of forecast assumptions anticipated from the conclusion of the property sales. Debt repayments from sale proceeds of £5.9m will have been made by March 2017;

- *Retention of high performing homes (and block contracts) within a reduced registered care portfolio.* This has been achieved with the portfolio reduced from 880 to 623 beds and an increase in the proportion of private placements from 32% to 38% during the year. Targets have been set to increase this ratio in 2016/17 in order to improve financial performance;

- *Investment in capital improvements to remaining older properties.* This is now well advanced with works completed at Bridge Haven, Parkview in progress and commencing in 2016/17 for Court Regis and Weybourne with Pilgrims View scheduled for 2017/18;

- *Support for the continued organic growth of the home care & support business.* Staff pay rates were significantly increased in 2015/16 with the intention of supporting growth. A realistic budget for 2016/17 is in place and achievable growth targets have been set;

- *Retention of Stepahead Support young people's service with its own business plan and separate brand.* This commitment remains for 2016/17, but is dependent upon successful tender outcomes;

- *A prudent financial model to forecast future performance relating to income, expenditure and cash position.* Realistic and detailed targets have been set for 2016/17 on income and expenditure including incorporation of significant salary uplifts to accommodate National Living Wage requirements. The forecast cash position for 2016/17 remains strong;

- *New, more effective Governance arrangements to monitor and review the new Business Plan.* Introduction of bi-monthly Board and F&R Committee meetings which have been reviewed by a Governance Survey in 2016.

5.2 Financial Review

The financial statements for 2015/16 have been updated in line with FRS102 and the comparatives for 2014/15 have been restated where required. The table below shows an analysis of net income to clarify the operating surplus excluding the effect of Freehold Property Disposals as well as the restated figures for 2014/15.

The financial statements for 2015/16 show a surplus of £1,155,114, which includes a book loss of £314,721 on the disposal of Barton Court and profit on disposal of Hevercourt and Sunbury Lodge amounting to £1.702 million. The 2015/16 operating result excluding these disposals was a loss of £232k. This figure includes FRS102 transitional adjustments as mentioned above.

In order to improve clarity and show the operating position in the Financial Statements, an additional statement "Simplified Operating Statement" has been added this year. This now shows the underlying performance of the three services.

As in the previous year, the operational loss was mainly due to two driving factors; higher than anticipated voids and fee increases in some areas which did not meet increased costs, and high staff costs due to continuing difficulty in retention and recruitment as well as higher needs of service users.

The 2014/15 surplus of £823,818 includes the absorption of a book loss on the disposal of Homeleigh of £906k and profit on disposal of the Hextable ex care home site of £1.971 million. The 2014/15 operating result excluding these disposals was a loss of £241k.

Net Income Comparison	2015/16	2014/15 Restated	2014/15 Original
Net Income	1,155,113	-51,687	823,818
Book Loss on sale of FH Property	314,721	906,000	906,000
Profit on sale of FH Property	1,702,218	1,971,327	1,971,327
Net Income from Operations	**-232,384**	**-1,117,014**	**-241,509**

There have been several significant changes due to the requirements of FRS102 compared to last year's "Original" Financial Statements. As these have been brought into the restated figures for 2014/15 the impact of these on the 31 March 2016 Financial Statements is the movement during the 2015/16 financial year as shown below:-

The inclusion of holiday pay accruals - £57k positive movement
The inclusion of Interest Rate SWAP liabilities - £17k positive movement
The inclusion of the SHPS Pension deficit which was previously exempt - £273k negative movement

The movement for 2014/15 was as follows:-

The inclusion of holiday pay accruals - £4.5k positive movement
The inclusion of Interest Rate SWAP liabilities - £880k negative movement
The inclusion of the SHPS Pension deficit which was previously exempt - £33k positive movement

Of the total resources expended, 78% (2014/15 74%) of expenditure was on staff costs including training and recruitment but excluding redundancy and notice costs. The increase in the percentage spent on staff costs is due to high staffing costs as explained above. Trustees aim to keep overhead costs 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.

Under FRS17 there is a requirement to recognise defined benefit pension scheme surpluses or deficits in the balance sheet. According to the actuarial valuations, as at 31 March 2016, Avante has defined benefit pension scheme net liabilities of £5.972 million (2015 £6.604 million). These figures now include the Social Housing Pension Scheme, as required under FRS102, and are shown under long-term liabilities with a corresponding reduction in revenue reserves. Compared to the valuation for March 2015, there has been a deficit reduction of £632k during the year made up of an actuarial gain of £768k and revenue account adjustments of £136k. (See note 16 for a breakdown between the 4 schemes)

Avante Care & Support is committed to continually enhancing and developing its services, and the greater part of the net incoming resources will be invested, during 2016/17, in improving property and enhancing existing services. It should be noted that a certain level of surpluses are required in order to meet the organisation's bank loan covenants.

Following extensive work with Barclays Bank during 2014/15 to review its property portfolio and finances, Avante completed the refinancing of its long term loans with Barclays in May 2015. Avante is

now in the third year of the bank approved three year business plan and has successfully completed the majority of the property portfolio restructure with one final property, Barnetts care home, to be sold in the next 12 to 18 months.

5.2.1 Investment Policy

Avante does not have sufficient funds available to invest on a long term basis and does not therefore, at present, have a Social Investment Policy. Funds held as working capital, however, are invested overnight or for periods of up to 3 months with Barclays interest earning accounts to ensure that maximum benefit is achieved by earning interest on balances held.

5.2.2 Fundraising

The majority of Avante's income is through contracts for services provided and the charity does not, therefore, carry out any significant fundraising activities.

5.2.3 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. Due to the uncertain financial climate and the related changes in access to funding and income stability, a full review of the policy is carried out each year whilst updating the strategic business plan and financial forecasts. The financial forecasts include a detailed cash flow forecast which enables Management to check that sufficient cash reserves will be in place to meet known costs, working capital requirements, to allow for contingencies and to meet the bank loan covenant requirements. The review includes assessing the current policy and performance, analysing funds held, sources of income and a review of risk areas, committed expenditure and effects on beneficiaries

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 2016/17 budget would equate to £1.98 million.

Although the policy level is the desired amount to aim for, it is acknowledged that reserves will fluctuate based on performance, extraordinary events such as asset disposals and if reserves are called upon. There may be occasions, due to exceptional circumstances, when Trustees may agree to override the required level for a temporary period.

Reserves held at 31 March 2016 are detailed below:

Net Current Assets	**796,172**
Less Restricted Funds - Amenity Funds	-55,647
Add back Loan Repayment due 31.3.17 from disposal	1,350,000
Add back 9/12 Cap repayments due within 12 months	524,392
Subtotal Reserves held	**2,614,917**
Designated for Improvement Programme	-1,742,187
Reserves available	**872,730**
Policy	1,984,997
Excess/shortfall	**-1,112,267**

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 £2.615 million (2014/15 £3.184m), which is a £630k favourable variance (2014/15 £963k favourable) against the agreed policy level of 1 month's expenditure (2016/17 Budget £1.98). However, from this amount ££1.7m has been designated for the care homes improvement programmed leaving available reserves of £873k which is a £1.11m shortfall against policy.

The shortfall needs to be addressed and the main way to do this will be to improve financial performance, maximising the use of our care homes by increasing private funded clients and diversifying our services to meet changing market needs.

5.2.4 Land and Buildings

The land and buildings are held at valuations; the latest valuation was as at 31 July 2014.

5.2.5 Going Concern

Accounting standards require the Trustees to consider the appropriateness of the going concern basis when preparing the financial statements. The Trustees have had due regard to 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.

Although the environment in which we operate continues to be challenging, Avante's Executive Team and Trustees believe that the three year strategy and business plan we have in place (as validated by Deloittes and approved by Barclays) will deliver a stronger, better placed organisation.

In May 2015, Avante reached agreement with Barclays on the refinancing of its loan portfolio. This has served to consolidate the loans into one 18 year repayment loan and a 2 year bridging loan, secured against the charity's fixed assets which have a greater value than the loan financing; the loan to value ratio at 31 March 2016 was 27% (2015 30%) Alongside this the loan covenants were renegotiated in line with the financial forecast allowing for realistic levels of headroom. Reasonable loan terms were achieved and the new facilities ensure that Avante's loan funding is secure in the medium term.

Management confirms that the organisation has adequate resources to continue its operations for the foreseeable future and believe that the strategies detailed above will improve performance and help to ensure that we remain in line with the forecast whilst maintaining significant cash reserves. Management and Trustees conclude, therefore, that it is appropriate to prepare the accounts on a going concern basis.

5.3 Plans for future periods

Strategic Priorities for 2016/17

Avante has achieved its primary three year business plan objectives and in 2016/17 priority will be given to the meeting of budgeted financial performance with focus on void and income management and staff cost expenditure. From this base the organisation is well placed, following a period of consolidation, to grow in terms of diversification of its registered care services, becoming a care provider of choice in new care developments, increasing private placements, organic growth in home care & support and success in extending and increasing the net income for Stepahead during 2016/17.

5.3.1 Budget Performance

The key issues for improving budget performance are income maximisation and control of staff costs.

Income - Increase in Private Referrals
During the last quarter of 2015/16 the ratio of private referrals within registered care was 38%. This in part reflects the organisation's strategy to dispose of predominantly local authority funded care homes as our portfolio has reduced. With the landscape of local authority registered care funding becoming ever bleaker, with no guarantees that favourable fee increases will be seen in 2017/18 as the next phase of the NLW is enacted, priority remains to increase our number of private placements in order to improve and maintain control of our income.

Action has been taken at the start of 2016/17 to review the tracking of all enquiries into the organisation. As a quote 'every enquiry should be treated similar to a 999 call' is a culture which must be instilled into the business. Lead Director Responsibility will ensure tracking systems, follow up, speed of response and customer friendly and appropriate management occurs.

Marketing of all homes and home care & support will continue through media and localised campaigns with those homes with the highest void levels targeted. New marketing ideas will be explored including car advertising, roundabouts etc. to ensure a fresh approach and validation of what we do to promote the business. The review and refreshing of our website will see enquiries and placements highlighted and prioritised on the home page. New building signage and promotion at Head Office will occur to promote our standing as a local Faversham provider. As the business secures a strong reputation, new conference speaking opportunities are arising which will be used to promote Avante within our sector.

Staff Costs
A key factor in achieving the budget will be limiting external agency spend as far as is reasonably possible with a focus on local staff recruitment providing cover from within and, where that fails, using Avante Staff Bank (ASB). As well as control over staffing establishments, the central recruitment initiative needs to continue to help improve recruitment and therefore reduce the need for external agency staff.

Implementation of 12-hour shift patterns throughout the homes will continue in 2016/17 to help improve the effectiveness of staffing budgets.

5.3.2 Diversification

623 placements across nine registered care home facilities, predominantly providing care for dementia related conditions, provide the foundation from which new models of delivery will be canvassed, promoted and risk assessed. Higher fee rates and greater demand may well exist in certain new specialist areas to include Intermediate Care and Stroke beds (with the first project underway for the purchase of 41 beds at Amherst Court by Medway Community Health Trust for provision in the second half of 2016/17). In addition, we are considering increasing nursing beds with registration of Amherst Court to support physical frail and nursing dementia needs.

In preparing for diversification of services we will need to consider training needs for new services and/or new client groups.

Other opportunities will be explored as they are identified and investigated in order to strengthen our portfolio and increase our net income potential.

5.3.3 Care Provider of Choice

The market position of Avante and growing reputation as a quality provider is seeing potential opportunities relating to new build developments. A dialogue has commenced involving a developers which would see the provision of a new extra care development. If this initiative progresses, the delivery of service would not commence until 2019/20 at the earliest.

Other opportunities with partner agencies may well arise in 2016/17 which will be pro-actively explored.

5.3.4 Home Care & Support Organic Growth

A prudent budget for 2016/17 has been set for Home Care & Support to enable budgeted results to be achieved. Gradual increases in Private hours has been targeted for the business in consolidated locations of Swanley, Swale, and Bexley. Direct linkage to the private market will exist with any care village developments with the requirement for community based services. Such discussions could become 'game changers' for the service given the likely competitive pricing and salaries to meet a private market need. Our underdeveloped delivery of services to young people and people with learning disabilities in need of community based services will be explored particularly in terms of any KCC tenders which are expected to come to market for these specialist services.

5.3.5 Stepahead

2016/17 will be a defining year for Stepahead with core contracts and amended new service specifications for young people services issued by our lead KCC commissioning agency for tender award. Many of these tenders are complex with new service specification requirements which will require forward planning in partnership building and skill audits to confirm our commercial offer. Proactive meetings have been taking place with a range of national and local provider agencies to ensure we are best placed to offer strong tender submissions through 2016/17. Commitment in the 2016/17 budget is made to underwrite the 20% KCC funding cut as part of the bridging funding between July and September 2016.

5.4 Principal Risks & Uncertainties

The Risk Management Policy was introduced following work carried out by a Trustee-led working party. An Organisational Risk Committee, made up from Avante's Executive Management Team, meets at least three times a year to review the Corporate Risk Register and reports to the Finance & Resources Committee who, in turn, report to the Board of Trustees at every other board meeting.

In order to mitigate risks, Avante Care & Support has measures and controls in place and these are reviewed at the Organisational Risk Committees in line with the review of risk and further actions required

The top risks identified, as well as the actions taken or to be taken are, in no particular order, as follows:-

Identified Risk	Mitigation/Actions
Failure to adapt to changing market requirements	Being aware of market changes, developing service models to meet emerging requirements continuing to raise Avante's profile
Economic Situation	Reviewing pricing, to include the impact of NLW pay increases and targeted increases in private clients, raising profile and property improvements
Loss of Income	Pricing reviews, contract negotiations, marketing, quality controls
Increase in pension contribution costs	Regular reviews, ensuring prudent assumptions in budgets and forecasts and ensuring knowledge is kept up to date
Damage to reputation	Quality Management Procedures, KPI's, compliance and quality standards monitoring, whistle blowing policy, comprehensive staff training, DBS checks and staff supervision & appraisal

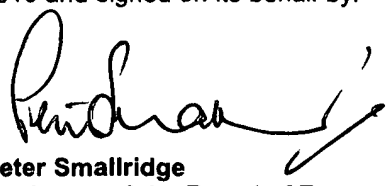
As an organisation which provides care and support to vulnerable people, Avante Care & Support has policies in place to ensure the protection of children, young people and vulnerable adults against

abuse. The policies are included in Avante Care & Support'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".

As a provider of care home services and care in the community, Avante is subject to regulation and inspection by the Care Quality Commission, and has detailed policies, procedures and internal audit functions including mock inspections to ensure the required standards are met.

Avante Care & Support uses an Enhanced Disclosure & Barring Service check for staff, with the inclusion of a Barred List check for those working in a Regulated Activity as one part of a range of safeguarding tools for assessing the suitability of preferred candidates and volunteers and the continued employment of those in specific roles which require re-checking. Other tools include thoroughly confirming identity, qualifications, taking up and verifying references and examining dates of employment histories on application forms.

This Annual Report and Strategic Report were approved by the Board of Trustees on 29th September 2016 and signed on its behalf by:



Peter Smallridge
Chairman of the Board of Trustees

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AVANTE CARE SERVICES LIMITED

We have audited the financial statements of Avante Care Services Limited for the period ended 31 March 2016 which comprise the Profit and Loss Account, the Balance Sheet and the related notes numbered 1 to 18.

The financial reporting framework that has been applied in their preparation is applicable law and FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland, applicable to smaller entities.

This report is made solely to the 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 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 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 directors and auditors

As explained more fully in the Statement of Directors' Responsibilities, the directors 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.rg.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2016 and of its result for the period then ended;
- have been properly prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland, applicable to smaller entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit, the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements and has been prepared in accordance with the applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit we have not identified any material misstatements in the Directors' Report.

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 returns adequate for our audit have not been received from branches not visited by us]; or
- the financial statements are not in agreement with the accounting records and returns; or

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:

- the parent charitable company has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

N. Ha-Shemi

Naziar Hashemi

Senior Statutory Auditor

For and on behalf of

Crowe Clark Whitehill LLP

Statutory Auditor

London

14/10/11

AVANTE CARE AND SUPPORT LTD

COMPANY LIMITED BY GUARANTEE - NO. 2565021

REGISTERED CHARITY NO. 1002727

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2016

REGISTERED OFFICE:

De Gelsey House
1 Jubilee Way
Faversham
Kent ME13 8GD

Adopted at the Board of Trustees Meeting
29 September 2016

AVANTE CARE AND SUPPORT LTD

SIMPLIFIED OPERATING STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016

		2016	2015
		£	£
Charitable activities			
Income from Care & Support services	22,044,062		23,433,380
Expenditure on Care & Support services	(22,041,016)		(24,156,970)
Surplus/(deficit) on Care & Support services		3,046	(723,590)
Income from Home Care & Support services	3,179,950		3,511,610
Expenditure on Home Care & Support services	(3,576,865)		(3,796,942)
Surplus/(deficit) on Home Care & Support services		(396,915)	(285,332)
Income from Stepahead Support services	813,492		756,275
Expenditure on Stepahead Support services	(852,484)		(824,963)
Surplus/(deficit) on Stepahead Support services		(38,992)	(68,688)
Surplus/(deficit) from charitable activities		(432,861)	(1,077,610)
Voluntary & other activities			
Income from donations, legacies & grants	95,013		90,195
Other trading income	71,282		68,924
Miscellaneous income	34,258		50,528
Income from voluntary & other activities		200,553	209,647
Expenditure on raising funds	(136,076)		(112,885)
Total expenditure on raising funds		(136,076)	(112,885)
Surplus/(deficit) from voluntary & other activities		64,477	96,762
Gains on disposal of fixed assets		1,702,218	1,971,327
Losses on disposal of fixed assets		(314,721)	(901,166)
Net incoming/(outgoing) resources before pension movement		1,019,113	89,313
Movement on pension liability		136,000	(141,000)
Net incoming/(outgoing) resources		1,155,113	(51,687)

Adopted at the Board of Trustees Meeting
29 September 2016

AVANTE CARE AND SUPPORT LTD

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31ST MARCH 2016

	Notes	Unrestricted Funds	Restricted Funds	Total Funds 2016	2015
		£	£	£	£
Income from:					
Donations, legacies and grants		-	95,013	95,013	90,195
Charitable activities	2	26,037,504	-	26,037,504	27,701,265
Other trading income		71,282	-	71,282	68,924
Other income		34,258	-	34,258	50,528
Profit on sale of freehold property		1,702,218	-	1,702,218	1,971,327
Total incoming resources		27,845,262	95,013	27,940,275	29,882,239
Expenditure on:					
Raising funds		136,076	-	136,076	112,885
Charitable activities					
Care & Support services		22,131,438	88,299	22,219,737	25,199,136
Home Care & Support services		3,576,865	-	3,576,865	3,796,942
Stepahead Support services		834,882	17,602	852,484	824,963
		26,543,185	105,901	26,649,086	29,821,041
Total resources expended	3	26,679,261	105,901	26,785,162	29,933,926
Net (outgoing)/incoming resources before other recognised gains and losses		**1,166,001**	**(10,888)**	**1,155,113**	**(51,687)**
Other recognised gains/losses					
Realised loss on disposal of freehold property		**(16,619)**	-	**(16,619)**	-
Actuarial gain/(loss) on pension liability	16	**768,000**	-	**768,000**	**(1,624,000)**
Net movement in funds		**1,917,382**	**(10,888)**	**1,906,494**	**(1,675,687)**
Balance brought forward at 1 April 2015		**30,637,739**	**66,535**	**30,704,274**	**32,379,961**
Balance carried forward at 31 March 2016		**32,555,121**	**55,647**	**32,610,768**	**30,704,274**

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.

Adopted at the Board of Trustees Meeting
29 September 2016

AVANTE CARE AND SUPPORT LTD

COMPANY LIMITED BY GUARANTEE - NO. 2565021

BALANCE SHEET AS AT 31ST MARCH 2016

	Note	CONSOLIDATED	2016	CHARITY ONLY	2016		2015
		£	£	£	£	£	£
Fixed Assets							
Tangible fixed assets	6a		51,125,925		51,125,925		54,273,871
Investment			-		1		
			51,125,925		51,125,926		
Current Assets							
Debtors	7	2,169,224		1,337,199		2,144,330	
Amounts owed by group undertakings		-		832,025			
Short term deposits		4,643,595		4,643,595		2,863,261	
Cash at bank and in hand		61,988		61,987		72,204	
		6,874,808		6,874,807		5,079,795	
Creditors: amounts falling due within one year							
Creditors falling due within one year	8	4,029,447		4,029,447		4,201,982	
Capital repayments due within one year:							
on long-term loans	10	2,049,189		2,049,189		1,145,610	
		6,078,636		6,078,636		5,347,592	
Net current assets/(liabilities)			796,172		796,171		(267,797)
Total assets less current liabilities			51,922,097		51,922,097		54,006,074
Creditors: amounts falling due after more than one year							
Interest rate swap liability			(1,802,707)		(1,802,707)		(1,796,695)
Bank loan accounts	10		(11,536,622)		(11,536,622)		(14,901,105)
Net assets excluding pension liability			38,582,768		38,582,768		37,308,274
Pension liability	16		(5,972,000)		(5,972,000)		(6,604,000)
			32,610,768		32,610,768		30,704,274
Represented by:							
Funds							
Unrestricted funds excl. pension liability	14	22,690,916		22,690,916		20,854,279	
Pension liability	16	(5,972,000)		(5,972,000)		(6,604,000)	
Revaluation reserve	14	15,836,205		15,836,205		16,387,460	
Total unrestricted funds			32,555,121		32,555,121		30,637,739
Restricted funds	14		55,647		55,647		66,535
			32,610,768		32,610,768		30,704,274

Approved and authorised by the Board of Trustees on 29 September 2016 and signed on its behalf by:

Peter Smallridge, Chairman .....

Adopted at the Board of Trustees Meeting
29 September 2016

AVANTE CARE AND SUPPORT LTD

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH 2016

	2016	2015
	£	£
Cash flows from Operating Activities:		
Net income / (expenditure)	1,155,113	823,818
Pension contribution less current service and finance cost	136,000	(141,000)
Interest paid	585,464	883,934
Depreciation charge	923,247	970,856
(Profit) on sale of fixed assets	(1,707,105)	(1,971,328)
Loss on disposal of fixed assets	314,721	905,544
Realised loss on disposal of freehold property	(16,619)	-
Decrease/(increase) in debtors	(24,894)	(528,512)
(Decrease)/increase in creditors	(149,750)	371,126
Net cash generated from operating activities	1,216,177	1,314,438
Cash flows from Investing Activities		
Payments to acquire tangible fixed assets	(852,031)	(349,910)
Receipts on disposal of tangible fixed assets	4,550,000	4,641,685
Net cash generated from investing activities	3,697,969	4,291,775
Cash flows from Financing Activities		
Loans received	15,935,000	-
Loans (repaid)	(18,395,904)	(5,268,328)
Interest paid on long-term loans	(585,464)	(883,934)
Net cash generated from financing activities	(3,046,368)	(6,152,262)
Reconciliation of net cash flow to movement in net debt		
Increase/(decrease) in cash	1,867,778	(546,049)
Cash inflow from change in debt	2,460,904	5,268,328
(Increase) in net debt from cash flows	4,328,682	4,722,279
Net debt at 1.4.2015	(13,208,909)	(17,931,188)
Net debt at 31.3.2016	(8,880,227)	(13,208,909)

Analysis of Net Debt	At 31.3.15	Cash flow	At 31.3.16
Short term deposits	2,863,261	1,780,334	4,643,595
Cash at bank and in hand	72,204	(10,216)	61,988
Bank overdraft	(97,659)	97,659	-
Net cash	2,837,806	1,867,778	4,705,584
Changes in debt: bank loan	(16,046,715)	2,460,904	(13,585,811)
Changes in net debt	(13,208,909)	4,328,682	(8,880,227)

Adopted at the Board of Trustees Meeting
29 September 2016

Note

1 Statement of accounting policies

a) Basis of preparation of accounts

The financial statements have been prepared on a going concern basis under the historical cost convention, as modified by the revaluation of fixed assets, and in accordance with applicable accounting standards, the Charities SORP (FRS 102) applicable to charities preparing their account in accordance with FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Charities Act 2011 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015.

Avante Care & Support meets the definition of a public benefit entity under FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The financial statements of Avante Care & Support and its subsidiary company Avante Care Services are consolidated, on a line-by-line basis, to produce the Group financial statements. The consolidated entity is referred to as 'the Group'. No separate Statement of Financial Activities has been presented for Avante Care & Support as permitted by Section 408 of the Companies Act 2006. The charity has taken advantage of the exemptions in FRS 102 from the requirements to present a charity only Cash Flow Statement and certain disclosures about the charity's financial instruments. The result for the year for the parent undertaking alone was £1,964,440. Income for the year for the parent alone was £27,940,275.

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.

All 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. Service Directors' costs are allocated to their respective services. All other Governance costs are allocated across all three services based on turnover.

Note

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.

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

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.

Obsolescence reviews of computer equipment and fixtures and fittings are undertaken for assets fully depreciated for more than a financial year beyond full write down, and are treated as disposals in all but exceptional circumstances.

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 Care & Support 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 of the going concern basis when preparing the financial statements. 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 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. In May 2015, Avante reached agreement with Barclays on the re-financing of its loan portfolio. The restructured facilities were implemented at this date, and ensure that Avante's loan funding is secure in the medium term. Management and Trustees conclude, therefore, that it is appropriate to prepare the accounts on a going concern basis.

Note

j) Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the Trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required.

At the date of transition in applying the requirement to recognise liabilities arising from employee benefits, a liability was recognised for short-term compensated absence arising from employee entitlement of the parent charity to paid annual leave. The initial liability recognised at the date of transition was for the holiday entitlement carried forward and for the entitlement arising in the year which was due but not taken. The initial liability was for £230,788. No other restatements were required. In accordance with the requirements of FRS 102 a reconciliation of opening balances is provided at Note 18.

k) Critical accounting judgements and key sources of estimation uncertainty

In the application of the Charity's accounting policies, Trustees are required to make judgements, estimates, assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects the current and future periods.

In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

l) Financial instruments

The Charity has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at the present value of future cash flows (amortised cost). Financial assets held at amortised cost comprise cash at bank and in hand, short term cash deposits and the group's debtors excluding prepayments. Financial liabilities held at amortised cost comprise the group's short and long term creditors excluding deferred income. No discounting has been applied to these financial instruments on the basis that the periods over which amounts will be settled are such that any discounting would be immaterial.

At the balance sheet date the Charity held financial assets at amortised cost of £6,644,458 (2015: £4,855,664). Financial assets are included at fair value through income or expenditure of £1,802,707 (2015: £1,796,695) and financial liabilities at amortised cost of £18,866,050 (2015: £21,301,236).

Financial assets held at amortised cost

	2016	2015
Debtors	2,169,224	2,144,330
Short term deposits	4,643,595	2,863,261
Cash at bank and In hand	61,988	72,204
- Less prepayments	(230,350)	(224,131)
	6,644,458	4,855,664

Financial liabilities held at amortised cost

	2016	2015
Current creditors and accruals	4,029,447	3,975,663
- Less deferred income	(551,915)	(517,837)
Interest rate swap liability	1,802,707	1,796,695
Bank loans	13,585,811	16,046,715
	18,866,050	21,301,236

Note

2 Income

	Total 2016	Total 2015
Charitable activities	£	£
Care & Support	22,044,060	23,433,380
Home Care & Support	3,179,950	3,511,610
Stepahead Support	813,492	756,275
	26,037,502	27,701,265

3 Expenditure

a) Analysis of total resources expended

	Staff Costs	Other Direct Costs	Support Costs	Govern-ance	Total 2016	Total 2015
	£	£	£	£	£	£
Cost of generating funds	-	27,755	108,321	-	136,076	112,885
Charitable activities						
Care & Support	15,450,774	4,721,728	1,651,627	395,608	22,219,737	25,199,136
Home Care & Support	2,805,665	406,615	296,548	68,037	3,576,865	3,796,942
Stepahead Support	588,724	170,833	62,225	30,702	852,484	824,963
Total resources expended	18,845,163	5,326,931	2,118,721	494,347	26,785,162	29,933,926

Care & Support Other Direct Costs above includes a loss on disposal of Barton Court of £314,721, being the write off of net book value following the sale of the home in accordance with the restructuring strategy.

3b) Analysis of support costs

	Gene-rating funds	Care & Support	Home Care & Support	Stepahead Support	Total 2016	Total 2015
	£	£	£	£	£	£
Staff costs	-	1,109,768	198,706	41,695	1,350,169	1,410,256
Premises	-	53,641	9,605	2,015	65,261	36,392
Operating costs	108,321	388,473	69,557	14,595	580,946	797,680
Depreciation	-	99,745	18,680	3,920	122,345	133,905
Expended	108,321	1,651,627	296,548	62,225	2,118,721	2,378,233

Adopted at the Board of Trustees Meeting
29 September 2016

Note

4 Interest payable	2016	2015
	£	£
On bank loans and overdrafts	585,464	883,934

5 Operating leases	2016	2015
	£	£
There are commitments for operating leases during the coming year in respect of leases terminating:		
Under 1 year:		
Land & buildings	19,800	-
Others	-	3,250
Within 2 to 5 years:		
Land & buildings	-	114,300
Others	200,283	195,465
	220,083	313,015

Note

6 Tangible fixed assets

a) Analysis of movement of fixed assets	Freehold property £	Leasehold improve-ments £	Computer equipment £	Fixtures & fittings £	Motor vehicles £	Payments on account and assets under construction £	TOTAL £
Cost/valuation							
At 1.4.15	60,508,826	-	811,243	1,684,855	231,252	304,517	63,540,692
Additions	180,776	-	56,071	287,797	(0)	327,387	852,031
Disposals	(3,325,114)	-	(71,027)	(473,333)	(21,750)	(308,109)	(4,199,333)
Revaluations	171,829	-	-	-	-	-	171,829
Transfers	2,807	-	-	-	-	(2,807)	-
At 31.3.16	57,539,123	-	796,287	1,499,319	209,502	320,987	60,365,218
Depreciation							
At 1.4.15	7,342,726	-	619,526	1,101,787	202,782	-	9,266,821
Disposals	(489,738)	-	(71,027)	(368,261)	(21,750)	-	(950,775)
Reduction in valuation	-	-	-	-	-	-	-
Charge for year	579,960	-	106,297	225,875	11,115	-	923,247
At 31.3.16	7,432,948	-	654,796	959,402	192,147	-	9,239,293
Net book value							
At 31.3.16	**50,106,175**	-	**141,491**	**539,917**	**17,354**	**320,987**	**51,125,925**
At 31.3.15	*53,166,100*	-	*191,717*	*583,068*	*28,469*	*304,517*	*54,273,871*

b) Disposals of fixed assets

The above disposals of freehold property comprise the sale of Sunbury Lodge care home (net book value £1,176,735), Barton Court care home (net book value £1,148,935) and Hevercourt care home (net book value £629,370) in accordance with the restructuring strategy.

Disposals of computer equipment and fixtures & fittings partly represent the removal from the register of old, obsolete and fully depreciated assets (see note 1f).

In addition, there were disposals of fixtures & fittings arising from the closure of Sunbury Lodge resulting in a write-off of net book value of £31,996 as the assets could not be redeployed; £38,373 relating to Barton Court and £34,704 relating to Hevercourt.

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:

	2016 £	2015 £
Cost	44,204,269	46,678,024
Accumulated depreciation	(5,926,392)	(5,637,426)
Net book value	38,277,877	41,040,598

d) Capital commitments

Capital expenditure contracted for, unpaid at the year end and not provided for in the financial statements - £305,245 (2015 £52,343)

Capital expenditure authorised by the Trustees but not contracted for at 31 March 2016 - £1,687,742 (2015 £nil).

Note

7 Current debtors

	2016 CONSOLIDATED	2016 CHARITY ONLY	2015
	£	£	£
Trade debtors	1,704,815	872,790	1,743,215
Other debtors	31,046	31,046	13,125
Prepayments	230,350	230,350	224,131
Accrued income	203,014	203,014	163,859
Amounts owed by group undertakings		832,025	
	2,169,224	2,169,224	2,144,330

8 Current creditors and accruals

	2016 CONSOLIDATED	2016 CHARITY ONLY	2015
	£	£	£
Bank overdraft	-		97,659
Interest rate swap liability	408,503	408,503	431,288
Trade creditors	361,999	361,999	470,892
Other taxes and social security	811,487	811,487	212,116
Other creditors	998,543	998,543	1,168,506
Accruals	897,000	897,000	1,077,365
Deferred income (note 9)	551,915	551,915	517,837
	4,029,447	4,029,447	3,975,663

9 Deferred income accruals

	Care & Support care fees	Stepahead grants	Cash in advance	Others	Total
	£	£	£	£	£
Brought forward at 1.4.15	167,854	12,033	193,317	3,259	376,463
Released in current year	(30,854)	(12,033)	(193,317)	1,116	(235,088)
Arising at 31.3.16	120,582	59,366	225,586	5,006	410,540
	257,582	59,366	225,586	9,381	551,915

All deferred income at 31.3.16 is in respect of fees or grants invoiced prior to 31.3.16 but relating to periods after 31.3.16, or payments in advance, pending invoicing or contract reconciliation.

10 Creditors: Amounts falling due after more than one year

	2016	2015
	£	£
Interest rate swap liability	1,802,707	1,796,695
Bank loans	11,536,622	14,901,105

The total bank loans are repayable as follows:	Contractual obligation at 31.3.16	Contractual obligation at 31.3.15
Within one year	2,049,189	1,145,610
Between one and two years	699,189	1,103,662
Between two and five years	2,097,568	2,633,206
After five years	8,739,865	11,164,237
	13,585,811	16,046,715

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 £50,089,556 (2015: £53,166,100).

With effect from 15.05.15, all previous bank loans were consolidated into a single term loan facility for £12,935,000 repayable over 18 years at variable interest rate, and a bridging loan for £3,000,000 repayable within 2 years also at variable interest rate. The charity has retained the existing swap agreements in order to mitigate the risk posed from movements in interest rates. The bank has valued the interest rate swap liability at £2,211,210.

Note

11 Residents' bank accounts

The Charity administers holding bank accounts on behalf of residents for the receipt and payment of the residents' personal allowances. These accounts have not been reflected in these financial statements as an asset or liability. The value held at 31.3.16 was £23,776 (2015: £12,193).

12 Contingent liabilities

There are no known contingent liabilities arising from contract disputes (2015: £nil).

13 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
Represented by:			
Tangible fixed assets	51,125,925	-	51,125,925
Net current assets (excluding bank loans)	2,789,714	55,647	2,845,361
Interest rate swap liability	(1,802,707)	-	(1,802,707)
Bank loans	(13,585,811)	-	(13,585,811)
Pension liabilities	(5,972,000)	-	(5,972,000)
	32,555,121	55,647	32,610,768

14 Movement on reserves

	Unrestricted funds * £	Revaluation reserve £	Restricted funds £	Total £
Brought forward at 1.4.15	14,250,279	16,387,460	66,535	30,704,274
Net incoming resources for the year before transfers	1,166,001	-	(10,888)	1,155,113
Realised gains on disposals of freehold properties	534,636	(551,255)	-	(16,619)
Actuarial gain on pension liability	768,000	-	-	768,000
Carried forward at 31.3.16	16,718,916	15,836,205	55,647	32,610,768

The revaluation reserve is the revaluation surplus on the freehold property. The freehold properties were revalued by GVA, surveyors and valuers, on an existing use basis in June 2014, with the valuation considered valid as at 31 March 2016. Previous valuations were carried out on 31 March 2010, 31 March 2005, 31 March 2000 and 26 June 1997.

The movement on restricted funds represents the net transactions for the year through amenity fund cash and bank accounts for 12 homes. The funds, which are generated from fundraising activities for and by the individual homes, are treated as restricted funds for use by the individual homes concerned.

* Unrestricted funds are shown above after deduction of the FRS 102 pensions deficits.

Note

15 Trustee and employee information

a) Trustee information

No remuneration was paid to the Trustees during the year (2015: £nil). Travel and training expenses of £3,052 in total were paid to six trustees during the year (2015: £3,798, eight trustees).

A payment of £5,512 was made in the year in respect of directors and officers indemnity insurance.

b) Employee information

	2016 £	2015 £
Employee costs during the year were:		
Salaries and wages	18,819,990	19,193,355
Staff recruitment and training	329,871	387,673
Employer's social security costs	930,756	942,557
Employer's pension costs	617,874	413,703
	20,698,491	20,937,288
Analysed as:		
Charitable activities	18,996,046	19,091,697
Support costs	1,350,169	1,410,256
Governance costs	352,276	435,335
	20,698,491	20,937,288
Included in employee costs above are redundancy payments of: (total of redundancy payments and settlement agreements)	73,756	238,695

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:-

Emoluments:	2016 No. of employees	2015 No. of employees
£60,000 to £70,000	1	-
£70,000 to £80,000	-	1
£80,000 to £90,000	2	2
£90,000 to £100,000	-	-
£100,000 to £110,000	-	-
£110,000 to £120,000	-	-
£120,000 to £130,000	-	1
£130,000 to £140,000	2	1
£140,000 to £150,000	-	1

Retirement benefits are accruing for all 5 of the above staff under defined benefit schemes

Number of employees	2016	2015
The average monthly number of persons employed during the year was:		
Care & Support	1,162	1,326
Home Care & Support	273	308
Stepahead Support	32	31
	1,467	1,665
The average monthly number of full time equivalents employed during the year was:		
Care & Support	865	935
Home Care & Support	164	168
Stepahead Support	26	24
	1,055	1,127

Remuneration of key management personnel

The key management personnel of the charity comprise the Managing Director, Finance Director, HR Director, QS & Compliance Director and Property & Development Director. The total employee benefits of the key management personnel of the charity were £496,695 (2015 - £630,584, which included the position of CEO). Redundancy payments of £nil (2015: £114,243) paid to key management personnel have not been included in this figure.

Note

16 *Pension commitments and FRS102 disclosures*

Avante Care & Support 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 detailed below. There are no outstanding or prepaid contributions at the balance sheet date. FRS 102 is fully effective and the following disclosures are required:-

Pension liability

The liabilities of the four defined benefit pension schemes are shown on the balance sheet under long-term liabilities. The breakdown of the deficits is as follows:-

	2015 £	Other movements £	Actuarial (gain) / loss £	2016 £
Kent County Council	3,848,000	114,000	(651,000)	3,311,000
London Borough of Bexley	1,325,000	(2,000)	(304,000)	1,019,000
Royal Borough of Greenwich	473,000	24,000	(86,000)	411,000
Social Housing Pension Scheme	958,000	-	273,000	1,231,000
Total	6,604,000	136,000	(768,000)	5,972,000

Pension scheme	Rate of contribution		2016 Cost	E'ees in scheme at 31.3.16
	Employer's	Employee's	£	
Social Housing Pension Scheme (SHPS):				
Final salary	11.0%	8.4%	152,017	8
Career Average Revalued Earnings	7.5%	6.5%	75,976	12
FRP Auto-enrolment	1.0%	1.0%	62,233	904
Defined Contribution scheme	Up to 5.0%	Variable	3,609	24
KCC pensions (LGPS)	43.0%	5.8%, 5.9%, 6.5% & 6.8%	73,209	11
RBG pensions (LGPS)	16.0%	5.8% & 6.5%	5,724	1
LBB pensions (LGPS)	24.7%	6.50%	133,792	28
Aegon (GPP)	Up to 5.0%	Variable	13,915	30
			520,475	1,018

a) Defined contribution schemes

Avante Care & Support's defined contribution scheme provided by Aegon (GPP) ceased on 31.01.16, and was replaced by the defined contribution scheme provided by Pensions Trust which commenced on 01.01.16.

Avante Care & Support's auto-enrolment scheme is provided by Pensions Trust.

Note

16 Pension commitments and FRS102 disclosures (continued)

16b) Defined benefit schemes

Avante Care & Support participates in four defined benefit pension schemes all of which are detailed below:-

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 2013 by a professionally qualified actuary. The valuation revealed a past service deficit of £784 million giving a funding level of 83% (compared to 77% as at 31 March 2010).

An actuarial valuation of Avante Care & Support's share in the scheme was carried out by a qualified independent actuary as at 31 March 2015 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 FRS 102. The major assumptions used by the actuary were:

Financial assumptions	31 March 2016 % pa	31 March 2015 % pa	31 March 2014 % pa
RPI inflation rate	3.1	3.1	3.5
CPI inflation rate	2.2	2.3	2.7
Pension increase rate	2.2	2.3	2.7
Salary increases	4.0	4.1	4.7
Discount rate	3.5	3.1	4.4

Note 16b **Pension commitments and FRS 102 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	22.9 years	25.3 years
Future pensioners	25.2 years	27.7 years

Balance sheet disclosures

Fair value of employer assets	31 Mar 2016	31 Mar 2015
	£'000s	£'000s
Equities	5,119	5,426
Gilts	68	83
Bonds	843	891
Property	1,115	995
Cash	198	218
Target return portfolio	334	345
Total	**7,677**	**7,958**

Balance sheet	£'000s	£'000s
Fair value of employer assets	7,677	7,958
Present value of funded liabilities	(10,988)	(11,806)
Net asset/(liability)	**(3,311)**	**(3,848)**

Revenue account costs

Revenue account recognition	Year to 31 March 2016	Year to 31 March 2015
	£'000s	£'000s
Current service cost	67	76
Net interest on the defined liability (asset)	118	122
Administration expenses	5	6
Total	**190**	**204**

Reconciliation of defined benefit obligation	Year to 31 March 2016 £'000s	Year to 31 March 2015 £'000s
Opening defined benefit obligation	11,806	10,413
Current service cost	67	76
Interest cost	359	446
Contributions by members	11	15
Changes in financial assumptions	(808)	1,412
Change in demographic assumption	-	-
Experience loss/(gain) on defined benefit obligation	-	-
Estimated benefits paid	(447)	(556)
Closing defined benefit obligation	**10,988**	**11,806**

Reconciliation of fair value of employer assets	Year to 31 March 2016 £'000s	Year to 31 March 2015 £'000s
Opening fair value of employer assets	7,958	7,579
Interest on assets	241	324
Return on assets less interest	(157)	498
Contributions by members	11	15
Contributions by employer	76	104
Other actuarial gain/(loss)	-	-
Benefits paid	(447)	(556)
Administration expenses	(5)	(6)
Actuarial gain/(loss) recognised in SOFA	7,677	7,958

Note

16b Pension commitments and FRS 102 disclosures (continued)

Amounts for current and previous periods	Year to 31 March 2016 £'000s	Year to 31 March 2015 £'000s	Year to 31 March 2014 £'000s	Year to 31 March 2013 £'000s	Year to 31 March 2012 £'000s	Year to 31 March 2011 £'000s
Defined benefit obligation	(10,988)	(11,806)	(10,413)	(10,608)	(9,365)	(8,170)
Scheme assets	7,677	7,958	7,579	7,659	6,741	6,655
Surplus/deficit	(3,311)	(3,848)	(2,834)	(2,949)	(2,624)	(1,515)
Experience adjustments on scheme assets				661	(269)	156
Experience adjustments on scheme liabilities				-	-	1,293
Cumulative actuarial gain (loss)				(1,423)	(1,069)	141

Projected expense for the year to	31 March 2017
	£'000s
Service cost	60
Interest cost	115
Administration expenses	5
Total	**180**
Employer contributions	75

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 2016	
	£'000s	
Adjustment to discount rate	+0.1%	(0.1%)
Present value of total obligation	10,823	11,155
Projected service cost	59	61

London Borough of Bexley

The last formal valuation of the scheme was performed at 31 March 2013 by a professionally qualified actuary using the "projected unit method". The valuation revealed a deficit of £82 million, giving a funding level of 87% (compared to 87% as at 31 March 2010).

An actuarial valuation of Avante Care & Support's share in the scheme was carried out by a qualified independent actuary as at 31 March 2015 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 FRS102. The major assumptions used by the actuary were:

Financial assumptions	31 March 2016 % pa	31 March 2015 % pa	31 March 2014 % pa
RPI inflation rate	-	-	-
CPI inflation rate	2.0	2.0	2.4
Pension increase rate	2.0	2.0	2.4
Salary increases	3.5	3.5	3.9
Discount rate	3.4	3.1	4.3
Expected return on assets	**Long term return % pa**	**Long term return % pa**	**Long term return % pa**
Equities	Not provided	6.5	7.0
Government Bonds	Not provided	2.2	3.4
Other Bonds	Not provided	2.9	4.3
Property	Not provided	5.9	6.2
Cash/Liquidity	Not provided	0.5	0.5
Other	Not provided	6.5	7.0
Investment Expenses	Not provided	0.25	-
Expected return on assets	Not provided	5.8	6.2

Mortality

Life expectancy is based on the S1PA CMI 2012 (1.5%) tables (97% Males, 91% 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	23.2	25.6
Future pensioners	25.5	28.5

Note

16b **Pension commitments and FRS 102 disclosures (continued)**

Balance sheet disclosures

Fair value of employer assets	Year to 31 March 2016	Year to 31 March 2015
	£'000s	£'000s
Equities	6,354	6,688
Government bonds	-	-
Other bonds	897	984
Property	1,323	1,252
Cash/liquidity	262	168
Other	2,100	2,091
Total	10,936	11,183

Balance sheet	£'000s	£'000s
Fair value of employer assets	10,936	11,183
Present value of funded liabilities	(11,955)	(12,508)
Net asset/-liability	(1,019)	(1,325)

Revenue account costs for the year to 31 March 2016

Revenue account recognition	Year to 31 March 2016	Year to 31 March 2015
	£'000s	£'000s
Current service cost	87	117
Interest cost	380	465
Expected return on employer assets	(341)	(612)
Total	126	(30)

Reconciliation of defined benefit obligation	Year to 31 March 2016 £'000	Year to 31 March 2015 £'000
Opening defined benefit obligation	12,508	10,987
Current servicecCost	87	117
Interest cost	380	465
Contributions by members	18	29
Actuarial losses/(gains)	(520)	1,385
Estimated benefits paid	(518)	(455)
Closing defined benefit obligation	11,955	12,508

Reconciliation of fair value of employer assets	Year to 31 March 2016 £'000s	Year to 31 March 2015 £'000s
Opening fair value of employer assets	11,183	10,030
Expected return on assets	341	612
Contributions by members	18	29
Contributions by employer	131	207
Actuarial gain/(loss)	(216)	760
Benefits paid	(518)	(455)
Admin expenses	(3)	-
Actuarial gain/(loss) recognised in SOFA	10,936	11,183

Amounts for current and previous periods	Year to 31 March 2016 £'000s	Year to 31 March 2015 £'000s	Year to 31 March 2014 £'000s	Year to 31 March 2013 £'000s	Year to 31 March 2012 £'000s
Defined benefit obligation	(11,955)	(12,508)	(10,987)	(12,154)	(10,245)
Scheme assets	10,936	11,183	10,030	9,519	8,445
Surplus/deficit	(1,019)	(1,325)	(937)	(2,635)	(1,800)
Experience adjustments on scheme assets	(216)	760	197	761	(496)
Experience adjustments on scheme liabilities	-	-	246	-	-

Projected expense for the year to	31 March 2017
	£'000s
Projected current service cost	81
Interest cost	35
Normal employer contributions	134

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 2016	
	£'000s	
Adjustment to discount rate	+0.1%	(0.1%)
Present value of total obligation	11,787	12,126
Projected service cost	80	83

Note

16b **Pension commitments and FRS 102 disclosures (continued)**

Royal Borough of Greenwich

The last formal valuation of the Scheme was performed at 31 March 2013 by a qualified actuary. The valuation revealed a deficit of £141.5 million, giving a funding level of 86% (compared to 85% as at 31 March 2010).

An actuarial valuation of Avante Care & Support's share in the scheme involved projecting future cashflows to be paid from the Fund and placing a value on them. 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 FRS102. The major assumptions used by the actuary were:

Financial assumptions	31 March 2016 % pa	31 March 2015 % pa	31 March 2014 % pa
RPI inflation rate	2.9	3.0	3.4
CPI inflation rate	2.0	2.2	2.6
Pension increase rate	3.5	2.2	2.6
Salary increases	2.0	3.7	4.1
Discount rate	3.3	3.0	4.2

Mortality

Life expectancy is based on the S1PA Heavy series tables with a 90% multiplier for males and 105% for females, making allowance for future improvement factors in line with the medium cohort projection with an underpin of 1.5% per annum. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	Males	Females
Retiring today	23.8	25.0
Retiring in 20 years	26.1	27.3

Balance sheet disclosures

Estimated asset allocation for Avante Care & Support	31 Mar 2016 £'000s	31 Mar 2015 £'000s
Equities	52	65
Overseas equities	283	297
Other bonds	290	305
Property	184	167
Cash	30	24
Unitised insurance policies	341	384
UK & Overseas Unit Trusts	367	389
Total	**1,547**	**1,631**

Balance sheet	£'000s	£'000s
Fair value of employer assets	1,547	1,631
Present value of funded liabilities	(1,958)	(2,104)
Net asset	**(411)**	**(473)**

Revenue account costs

Revenue account recognition	Year to 31 March 2016 £'000s	Year to 31 March 2015 £'000s
Current service cost	15	11
Net interest on defined liability (asset)	14	15
Administration expenses	1	1
Total	**30**	**27**
Actual return on fund assets	(6)	190

Note

16b Pension commitments and FRS 102 disclosures (continued)

Reconciliation of defined benefit obligation	Year to 31 March 2016 £'000		Year to 31 March 2015 £'000
Opening defined benefit obligation	2,105		1,865
Current service cost	15		11
Interest cost	62		77
Change in financial assumptions	(140)		-
Change in demographic assumptions	-		-
Expreience loss/(gain) on defined benefits obligation	-		221
Estimated benefits paid net of transfers in	(85)		(72)
Contributions by scheme participants	2		2
Closing defined benefit obligation	1,958		2,104

Reconciliation of fair value of employer assets	Year to 31 March 2016 £'000s		Year to 31 March 2015 £'000s
Opening fair value of employer assets	1,631		1,506
Interest on assets	48		-
Return on assets less interest	(54)		87
Other actuarial gains/(losses)	-		103
Administration expenses	(1)		-
Contributions by employer including unfunded	6		5
Contributions by scheme participants	2		2
Estimated benefits paid plus unfunded net of transfers in	(85)		(72)
Actuarial gain/(loss) recognised in SOFA	1,547		1,631

Amounts for current and previous periods	Year to 31 March 2016 £'000s	Year to 31 March 2015 £'000s	Year to 31 March 2014 £'000s	Year to 31 March 2013 £'000s	Year to 31 March 2012 £'000s
Defined benefit obligation	(1,958)	(2,104)	(1,865)	(1,818)	(1,584)
Scheme assets	1,547	1,631	1,506	1,202	1,114
Surplus/deficit	(411)	(473)	(359)	(616)	(470)
Experience adjustments on scheme assets	-	-	-	82	(49)
Experience adjustments on scheme liabilities	-	-	-	-	-
Cumulative actuarial gain (loss)	-	-	-	(152)	(17)

Projected expense for the year to	31 March 2017
	£'000s
Service cost	14
Interest cost	13
Administration expenses	1
Total	**28**
Employer contributions	6

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 2016	
	£'000s	
Adjustment to discount rate	+0.1%	(0.1%)
Present value of total obligation	1,932	1,985
Projected service cost	13	14

Note

16b Pension commitments and FRS 102 disclosures (continued)

The Pensions Trust - Social Housing Pension Scheme

The company participates in the scheme, a multi-employer scheme which provides benefits to some 500 non-associated employees. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. There it accounts for the scheme as a defined contribution scheme.

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

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

A full actuarial valuation for the scheme was carried out with an effective date of 30 September 2014. This actuarial valuation was certified on 23 November 2015 and showed assets of £3,123m, liabilities of £4,446m and a deficit of £1,323m. To eliminate the funding shortfall, the trustees and the participating employers have agreed that additional contributions will be paid, in combination from all employers, to the scheme as follows:

Deficit contributions	
Tier 1	£40.6m per annum
From 1 April 2016 to 30 September 2020:	(payable monthly and increasing by 4.7% each year on 1st April)
Tier 2	£28.6m per annum
From 1 April 2016 to 30 September 2023:	(payable monthly and increasing by 4.7% each year on 1st April)
Tier 3	£32.7m per annum
From 1 April 2016 to 30 September 2026:	(payable monthly and increasing by 3.0% each year on 1st April)
Tier 4	£31.7m per annum
From 1 April 2016 to 30 September 2026:	(payable monthly and increasing by 3.0% each year on 1st April)

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2011; this valuation was certified on 17 December 2012 and showed assets of £2,062m, liabilities of £3,097m and a deficit of £1,035m. To eliminate this funding shortfall, payments consisted of the Tier 1, 2 & 3 deficit contributions.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement, the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

Present values of provision	**31 March 2016 £'000s**	**31 March 2015 £'000s**	**31 March 2014 £'000s**
Present value provision	1231	958	991

Reconciliation of opening and closing provisions	**Period Ending 31 March 2016 £'000s**	**Period Ending 31 March 2015 £'000s**
Provision at start of period	**958**	**991**
Unwinding of the discount factor (interest expense)	17	28
Deficit contribution paid	(111)	(106)
Remeasurements - impact of any change in assumptions	(7)	45
Remeasurements - amendments to the contribution schedule	373	-
Provision at end of period	**1,231**	**958**

Income and expenditure impact	**Period Ending 31 March 2016 £'000s**	**Period Ending 31 March 2015 £'000s**
Interest expense	17	28
Remeasurements - impact of any change in assumptions	(7)	45
Remeasurements - amendments to the contribution schedule	373	-
Contributions paid in respect of future service*	*	*
Costs recognised in income and expenditure account	*	*

* includes defined contribution schemes and future service contributions (i.e. excluding any deficit reduction payments) to defined benefit scheme which are treated as defined contribution scheme. To be completed by the company.

Note

16b Pension commitments and FRS 102 disclosures (continued)

Rate of discount	31 March 2016 % pa	31 March 2015 %pa	31 March 2014 %pa
Rate of discount	2.06	1.92	3.02

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

The following schedule details the deficit contributions agreed between the company and the scheme at each year end period:

Deficit contributions schedule	31 March 2016 £'000s	31 March 2015 £'000s	31 March 2014 £'000s
Year 1	149	111	106
Year 2	155	115	111
Year 3	161	120	115
Year 4	168	125	120
Year 5	145	130	125
Year 6	121	107	130
Year 7	125	81	107
Year 8	106	84	81
Year 9	85	64	84
Year 10	88	42	64
Year 11	45	44	42
Year 12	-	22	44
Year 13	-	-	22
Year 14	-	-	-
Year 15	-	-	-
Year 16	-	-	-
Year 17	-	-	-
Year 18	-	-	-
Year 19	-	-	-
Year 20	-	-	-

The company must recognise a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the income and expenditure account i.e. the unwinding of the discount rate as a finance cost in the period in which it arises.

It is these contributions that have been used to derive the company's balance sheet liability.

Financial assumptions	31 March 2016 % pa	31 March 2015 % pa	31 March 2014 % pa
RPI inflation rate	2.9	3.0	3.4
CPI inflation rate	2.0	2.2	2.6
Pension increase rate	3.5	2.2	2.6
Salary increases	2.0	3.7	4.1
Discount rate	3.3	3.0	4.2

Note

16b Pension commitments and FRS 102 disclosures (continued)

Mortality

Life expectancy is based on the S1PA Heavy series tables with a 90% multiplier for males and 105% for females, making allowance for future improvement factors in line with the medium cohort projection with an underpin of 1.5% per annum. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	Males	Females
Retiring today	23.8	25.0
Retiring in 20 years	26.1	27.3

Balance sheet disclosures

Estimated asset allocation for Avante Care & Support	31 Mar 2016	31 Mar 2015
	£'000s	£'000s
Equities	52	65
Overseas equities	283	297
Other bonds	290	305
Property	184	167
Cash	30	24
Unitised insurance policies	341	384
UK & Overseas Unit Trusts	367	389
Total	**1,547**	**1,631**

Balance sheet	£'000s	£'000s
Fair value of employer assets	1,547	1,631
Present value of funded liabilities	(1,958)	(2,104)
Net asset	**(411)**	**(473)**

Revenue account costs

Revenue account recognition	Year to 31 March 2016	Year to 31 March 2015
	£'000s	£'000s
Current service cost	15	11
Net interest on defined liability (asset)	14	15
Administration expenses	1	1
Total	**30**	**27**
Actual return on fund assets	(6)	190

Reconciliation of defined benefit obligation	Year to 31 March 2016 £'000		Year to 31 March 2015 £'000
Opening defined benefit obligation	2,105		1,865
Current service cost	15		11
Interest cost	62		77
Change in financial assumptions	(140)		-
Change in demographic assumptions	-		-
Expreience loss/(gain) on defined benefits obligation	-		221
Estimated benefits paid net of transfers in	(85)		(72)
Contributions by scheme participants	2		2
Closing defined benefit obligation	**1,958**		**2,104**

Reconciliation of fair value of employer assets	Year to 31 March 2016 £'000s		Year to 31 March 2015 £'000s
Opening fair value of employer assets	**1,631**		**1,506**
Interest on assets	48		-
Return on assets less Interest	(54)		87
Other actuarial gains/(losses)			103
Administration expenses	(1)		-
Contributions by employer including unfunded	6		5
Contributions by scheme participants	2		2
Estimated benefits paid plus unfunded net of transfers in	(85)		(72)
Actuarial gain/(loss) recognised in SOFA	**1,547**		**1,631**

Adopted at the Board of Trustees Meeting
29 September 2016

Note

16b **Pension commitments and FRS 102 disclosures (continued)**

Amounts for current and previous periods	Year to 31 March 2016 £'000s	Year to 31 March 2015 £'000s	Year to 31 March 2014 £'000s	Year to 31 March 2013 £'000s	Year to 31 March 2012 £'000s
Defined benefit obligation	(1,958)	(2,104)	(1,865)	(1,818)	(1,584)
Scheme assets	1,547	1,631	1,506	1,202	1,114
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Experience adjustments on scheme assets	-	-	-	82	(49)
Experience adjustments on scheme liabilities	-	-	-	-	-
Cumulative actuarial gain (loss)	-	-	-	(152)	(17)

Projected expense for the year to	31 March 2017
	£'000s
Service cost	14
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Total	**28**
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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 2016	
	£'000s	
Adjustment to discount rate	+0.1%	(0.1%)
Present value of total obligation	1,932	1,985
Projected service cost	13	14

Note

17 Charity information

The Charity was incorporated on 4 December 1990 and is domiciled and registered in the UK as a company limited by guarantee (registered no. 2565021). The address of the registered office is:

De Gelsey House
1 Jubilee Way
Faversham
Kent
ME13 8GD

18 Transition note

Reconciliation of funds	As at 1 April 2014	As at 31 March 2015
Fund balances as previously stated	34,949,758	34,116,576
Holiday pay	(230,788)	(226,319)
Interest rate swaps	(1,348,009)	(2,227,983)
SHPS Pension deficit	(991,000)	(958,000)
Fund balances as restated	32,379,961	30,704,274

Reconciliation of 2015 deficit for the year	As at 31 March 2015
2015 deficit as previously stated	(833,182)
Holiday pay	4,469
Movement in fair value of interest rate swap liability	(879,974)
SHPS Pension deficit	33,000
Fund balances as restated	(1,675,687)