Annual Report and Financial Statements
for the year ended 31 March 2017

Avante Care and Support Limited

avante
care & support
'Everyone Matters'

Registered Office:
De Gelsey House
1 Jubilee Way
Faversham
Kent
ME13 8GD

Company No. 2565021 / Charity No. 1002727

WEDNESDAY

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Chairman's Introduction

Yet again I report on a further year of change. Last year I reported on the implementation of our revised strategy and on a revised portfolio of care home provision within the accompanying financial envelope. This year we have been able to sustain those services, and to build upon progress made.

As ever, our preoccupation is with sustaining sufficient income to finance the quality of care we all want to see for our service users and I am pleased to note that we are making progress in our CQC ratings, which is a hugely important issue for the Board, for service users and their families.

We have also been able to invest in refurbishing some of our older homes and continue that programme as we move into next year.

Alongside our residential provision, I am pleased to note progress in our Home Care & Support Service. The fact that we are able to make a contribution to travel time and costs for staff will, I am sure, prove to be invaluable in helping in the recruitment and retention of our home carers who make such a difference to the lives of older people living at home.

Sadly, I am unable to report progress in the national position regarding polices for and the funding of social care. The recent hiatus around the funding of social care during the General Election has, it seems to me, highlighted the seemingly intractable challenges of finding a solution. It is unlikely that this will be resolved in the foreseeable future. Taken together with the implications arising from Brexit, especially so far as staff from other countries, on whom the care industry so heavily depends, suggests that the future for social care remains depressingly uncertain. All of which is a tragedy for older people and their families for whom good, affordable care is essential.

Despite all of that, our staff and their Managers in our care homes and our Home Care Service continue to do the best they can for our clientele, supported by the Executive Management Team based in Faversham.

During the year we reluctantly ended our involvement with young people's services due to the local authority contracts coming to an end. The Board extends its thanks to Carolyn McVittie and her teams for the very valuable services provided.

We are fortunate in that we were able to recruit Stuart Cross from Greensleeves as our new Managing Director in January. Six months on, and Stuart has been able to bring a mixture of solid managerial ability and committed compassion to our service management and I very much hope that he and the Executive Management Team will be with Avante for some years to come.

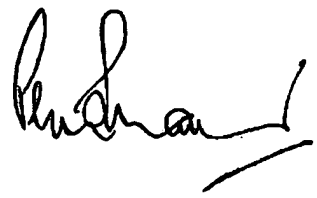
Brian Munday, my predecessor as Chair of Avante and a Trustee since 2006, retired last year and I still miss his calm analysis, probing questioning and his support to me.

Since 31 March 2017, the Board has been fortunate to be joined by Peter Horn who has substantial experience of management and provision in the NHS, Tony Godden, who has a long track record in financial management of a variety of companies and organisations and lastly Gill Gibb, an experienced Trustee elsewhere, but whose background includes managing in the voluntary sector too.

I have no doubt that all of them will add to the depth of the Board and complement the existing work and commitment of all our Trustees. As I intend to retire as Chair later this year, I want to take this opportunity to thank them all for the support they have given me over the past six years that I have chaired Avante.

I also want to thank Management Team members too for their support, but single out Debbie Pert, Company Secretary and Finance Director, who has helped me through a Chief Executive and now two Managing Directors! Her knowledge of the organisation, its history and its policies proved invaluable to me in my time here, so thank you Debbie. Lastly, special thanks to Pauline, my PA, who reminds me of important commitments I make and generally makes my life at Avante much more manageable.

This is a splendid charity, which does great work with and for older people and their families. I have been proud to be associated with it over the past six years and wish it every success for the future.



Peter Smallridge
Chairman of the Board of Trustees

26 September 2017

Avante Care and Support Limited

Report of the Board of Trustees
for the year ended 31 March 2017

The Board presents the report and financial statements of Avante Care & Support for the year ended 31 March 2017. 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.

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 Brian Munday (2006 – Sep 2016)	
Ms Michelle Gardener (2010)	
Mr Robert Perkins (May 2011)	
Mrs Sandra Hendry (Oct 2011)	
Mr Vinod Kumar Khanna (Sep 2015)	

Patron
Mr Robert Bushell (Sep 2015)

Principal and Registered Office
Avante Care & Support
De Gelsey House
1 Jubilee Way
Faversham
Kent ME13 8GD

Auditor	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 Auditor
A resolution will be proposed at the Board of Trustees Meeting on 26 September 2017 that Crowe Clark Whitehill LLP be re-appointed Auditor of Avante Care & Support for the year ending 31 March 2018.

[1] Dates of Appointment are shown in brackets

2. Governance, Structure & Management

2.1 Governance

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.

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. 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 6 occasions 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 6 occasions
- Chairman's Group which did not need to meet during the year
- Remuneration Committee which did not need to meet during the year

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, the Remuneration 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.

2.1.1 Disclosure of Information to the Auditor

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.

Responsibility for the day-to-day management of the organisation's business is delegated to the Managing Director and, through him, 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, Stuart Cross was appointed in January 2017 following the resignation of the previous Managing Director, Mark Lloyd, who left the organisation in September 2016. The Managing Director 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.

- The Finance Director, Deputy Managing Director and Company Secretary, Debbie Pert, 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, 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, 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.

- The Director of Property & Development, Darryl Godwin, is responsible for property maintenance, improvements and new build projects.

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.

2.3.2 Disabled Persons

Avante Care & Support is committed to equality of employment and its policies ensure that it does not discriminate on the basis 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 2016/17 was in excess of £45k (c £85k 2015/16). Volunteer hours have fallen due to the reduction in the number of care homes and the closure during the year of some of the services provided by Stepahead Support.

Our Care Homes benefited immensely from approximately 12 regular volunteers giving more than 5,000 hours of their time. In Stepahead Support the services benefited from 2 regular volunteers giving 450 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 in 2016/17 were to...

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

4. Activities

Avante undertook its charitable activities through three main services;

4.1 Avante Care & Support - Caring for and supporting older people, many of whom have dementia, through our registered care homes, providing residential care, nursing care, respite care and day care services.

We provided care and support during the year for between 622 and 648 older people in our 10 Care Homes (1 for part of the year only) together with a further 34 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; occupancy for the year ended 31 March 2017 was 87.7%. (88.9% during 2015/16)

The majority of our residents 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 included the significant impact of the further increase in National Living Wage. This imbalance between fees and increased costs has continued to place pressure on Avante Care & Support's finances. During the year 35% (35% during 2015/16) of our service users were privately funded.

In May 2016 we carried out the planned closure of Barnetts care home in Tunbridge Wells. Suitable alternative placements for the residents were found with a substantial number moving into alternative 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 home care services as well as people with learning disabilities and other support needs in the community.

Our domiciliary care service supported more than 570 people (680 in 2015/16) 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 189,395 hours of care or support were provided in the year to 31 March 2017 (206,409 hours in 2015/16). 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. During the year the contract with the Royal Borough of Greenwich came to an end and Avante did not tender for the new contract which was for a broader range of services that Avante are not able to deliver. The small number of clients that Avante supported in Greenwich were transferred to other providers following a period of consultation. 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 10,448 hours of community support (11,830 hours in 2015/16) to 15 (17 in 2015/16) 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 provided support for young people to provide them with opportunities and choices to lift self-esteem and promote inclusion. Stepahead also provided 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.

Due to local authority budget cuts, contracts coming to an end and new requirements for replacement contracts, the Stepahead Support service was closed on 31 March 2017.

The Rural Youth Services ended on 30 November 2016 and were not retendered.

The Mediation contract ended in November 2016. Due to the breadth of services under the new contract Avante participated in the tender with Action for Children, who were, unfortunately, unsuccessful in the process. As the new services were significantly different, the staff were not entitled to transfer to the new provider and were, therefore, made redundant.

The Young Healthy Minds contract ended on 31 March 2017. This was provided by a consortium of providers with the lead provider being CXK. CXK were successful in the tender in partnership with Family Action and the Avante staff were transferred under TUPE to CXK on 31 March 2017.

The final remaining contract, Medway Housing Support, was due to end in June 2017. As this would have been the only remaining service for young people, notice was given to Medway Council to end the service on 31 March 2017. Medway Council retendered the service and the service and staff were transferred, under TUPE, to the successful tenderer, Centra, on 31 March 2017. Whilst Avante were very sad to see the end of its services to young people, it was the only viable alternative, considering the loss of its largest contracts and the reduction in funding by Local Authorities for services for young people.

Several events were held to recognise the achievements of the service and its dedicated staff team, including an Away Day at Canterbury Cathedral and a lunch held at Avante's Head Office.

4.4 Facts and Figures about our Services

As at 31/3/17	Income £	No. of clients/service users/customers	Staff Employed
Avante Care & Support	19,904,698	656	950
Avante Home Care & Support	3,147,167	594	245
Stepahead Support	666,619	744	17

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 2017 and exclude corporate support functions.

5. Strategic Report

5.1 Achievements and Performance against Objectives set

2016/17 was the final year of the transition period seeing the implementation of the final changes for the charity driven by the three year strategic business plan. We have continued to review services and invest in the 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 remaining 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 was completed with the closure of Barnetts in May 2016. The property is now sold subject to planning permission, with completion expected in December 2017. Focus in 2016/17 was on net income generation from the base of services now in place;

- *Substantial reduction of the immediate loan exposure to Barclays Bank.* This has been achieved, with £3.26 million proceeds in excess of forecast assumptions anticipated from the conclusion of the property sales. Debt repayments from sale proceeds of £5.9m were 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.

- *Investment in capital improvements to remaining older properties.* This is now well advanced with works at Bridge Haven, Parkview and Court Regis completed. Works at Weybourne commenced towards the end of the financial year and the improvements for Pilgrims View are scheduled for early 2018;

5.1.2 Strategic Priorities for 2016/17

In addition to the remaining 3 year business plan targets, the following objectives were set for 2016/17:-

Budget Performance
In 2016/17 priority will be given to the meeting of budgeted financial performance with focus on occupancy and income management and staff cost expenditure.

Income - Increase in Private Referrals
A priority was to increase our number of private placements in order to improve and maintain control of our income.

All enquiries continued to be tracked through a centralised system with weekly updates on outstanding enquiries.

Marketing of all homes and home care & support continued through media and localised campaigns with those homes with the biggest occupancy challenges targeted. New marketing ideas were introduced including car advertising, roundabouts etc. and our website was reviewed and updated. New building signage and promotion at Head Office was put in place to promote our standing as a local Faversham provider.

Despite the above initiatives the percentage of privately funded residents at March 2017 was 34.8%, only a small increase on April 2016's figure of 34.5%.

Staff Costs
A key factor in achieving the budget was limiting external agency spend as far as is reasonably possible with a focus on local staff recruitment providing cover and using Avante Staff Bank (ASB).

As well as control over staffing establishments, the central recruitment initiative helped improve recruitment and reduced the need for external agency staff.

Implementation of 12-hour shift patterns throughout the homes continued in 2016/17 and improved the effectiveness of staffing budgets.

Although there were overspends on staff in several homes during the year the situation had improved by the year end and external agency usage reduced from 10.2% in April 2016 to 9.7% of staff costs in March 2017.

Diversification
Amherst Court successfully contracted with Medway Community Health Trust to lease the top floor (41 beds) to deliver services in new specialist areas of Intermediate Care and Stroke Rehabilitation. The home also successfully registered with CQC to support physical frail and nursing dementia needs.

The market position of Avante and growing reputation as a quality provider saw potential opportunities relating to new build developments. A dialogue has commenced involving a developer 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.

Home Care & Support Organic Growth
A prudent budget for 2016/17 was set for Home Care & Support. Overall targets set for growth in hours were not achieved although the Kent branch did achieve modest growth. Growth was limited by the ongoing difficulty with recruitment and retention of staff as well as the end of the contract in Greenwich.

Other
In addition to the above, Avante continued its drive to improve quality and for its 11 CQC registered services, ratings improved during the year:-

CQC Rating	March 2016	March 2017
Number of regulated services	12	11
Outstanding	8%	9%
Good	58%	73%
Requires improvement	25%	18%
Inadequate	0%	0%

5.2 Financial Review

The financial statements for 2016/17 show a surplus of £156,266 which includes a cumulative positive movement on the pension liability of £104k (see note 16 in the Financial Statements for more information) and net gains on fixed asset disposals of £23k. The operating result excluding this adjustment was a surplus of £30k. The comparative figure for 2015/16 was a loss of £368k.

The "Simplified Operating Statement" shows the underlying performance of the three services.

As in the previous year, the operational performance was mainly due to two driving factors:-

Fee Income – this was lower than budgeted due to higher than anticipated vacancies and fee increases in some areas which did not meet increased costs

Staff Costs - there were high staff costs due to continuing difficulty in retention and recruitment, and use of agency

Of the total resources expended, 79% (2015/16 77%) 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 and as explained above, with National Living Wage increases having a significant effect.

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 FRS102 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 2017, Avante has defined benefit pension scheme net liabilities of £5.306 million (2016 £5.972 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 2016, there has been a deficit reduction of £666k during the year made up of an actuarial gain of £769k and revenue account adjustments of £104k. (See note 16 for a breakdown between the 4 schemes)

Avante Care & Support is committed to continually enhancing and developing its services. During 2016/17, £1.468m was spent on continuing the Improvement Programme for our older care homes funded from proceeds of the care home disposals. The Improvement Programme will continue into 2017/18. It should be noted that a certain level of surpluses are required in order to meet the organisation's bank loan covenants.

Following the refinancing of its long term loans with Barclays Bank in May 2015, Avante has now repaid the Bridging Loan in full and now has one consolidated long term loan with Barclays.

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 an Investment Policy. Funds held as working capital, however, are invested overnight with Barclay's 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 2017/18 budget would equate to £1.88 million. The policy level of £1million reserves will be considered at the next review and a risk based analysis will be carried out to determine whether this level should be increased to improve the resilience of the organisation.

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.

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 negative cash reserves of £196k (2015/16 £2.615m positive), which is a £2.077m adverse variance against the agreed policy level of 1 month's expenditure. The shortfall is mainly because the final repayment of £1.35m on the bridging loan was made on 31 March 2017 which had originally been timed to coincide with the sale of Barnetts. The sale is now delayed until December 2017 and the repayment was made from reserves. Once the sale has taken place the reserves will be replenished. Detailed, current, cash flow forecasts are in place and these show that Avante can meet its cash requirements in the interim period.

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.

Although the environment in which we operate continues to be challenging, Avante's Executive Team and Trustees believe that having laid good foundations by implementing the three year strategy and business plan validated by Deloitte and approved by Barclays, we are now well placed to deliver a stronger, better placed organisation. The new 3 year plan, detailed below in 5.3, is focussed on improving quality, strengthening our financial position and securing appropriate opportunities for growth and diversification.

Having refinanced its loan portfolio in May 2015, Avante consolidated its loans into one 18 year repayment loan and a 2 year bridging loan. The bridging loan was fully repaid on 31 March 2017. The remaining loan is secured against the charity's fixed assets which have a greater value than the loan financing; the loan to value ratio at 31 March 2017 was 22.2% (2016 27%) This facility ensures 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

Following a 3 year period of consolidation, in March 2017, the Board agreed a new, 3 year strategy and structure with a focus on forward momentum and goals around care quality, financial performance and service development. Under the new structure the responsibilities for the achievement of the strategic goals and objectives are well-defined, and there is a clear line of sight to the operational teams who will be held to account for the performance of their respective business units.

Three key strategic goals were agreed and these are:

1. Care quality improvement
2. Improving financial performance
3. Service development

In order to achieve each strategic goal three key objectives are proposed:

Goal 1 - Care quality improvement
Key objectives:

- We will agree and implement a coherent care philosophy across Avante, including Home Care
- All care homes and home care services will be rated 'Good' or 'Outstanding', with one outstanding criterion, preferably Well led
- Each care home and home care service will have a local Business Plan and budget designed to improve quality

Goal 2 - Improving financial performance
Key objectives:

- We will increase the number of self-funders in our care homes and home care
- We will increase the fees we charge to self-funders and Local Authorities
- We will reduce staff costs as a percentage of our income

Goal 3 - Service development
Key objectives:

- We will research and take opportunities to develop our services
- We will seek new opportunities to contract with statutory authorities, but only at the right price
- We will have a medium to long term ambition to grow by acquiring or developing new homes or services

In order to measure progress against the Goals and Objectives, Key Performance Indicators (KPIs) have been set and are monitored and reviewed at each meeting of the Board of Trustees. The KPIs are set out below:-

KPIs	Care Homes	Home Care
Care Quality KPIs		
Care plans reviewed %	●	●
Eden Associates %	●	
KLOEs Good or Outstanding %	●	●
Finance KPIs		
Occupancy %	●	
Budgeted hours/actual hours %		●
Average surplus per resident per week	●	
Surplus per hour		●
Average fee per resident per week	●	
Average fee per service user per hour		●
Self-funding residents' %	●	
Private Hours %		●
HR KPIs		
Mandatory Training %	●	●
Staff Turnover %	●	●
Agency costs %	●	

In order to deliver these key goals and objectives, a new structure was approved including the creation of a new Care and Operations department led by a Director of Care Operations. The new Director of Care Operations will have overall responsibility for our care services and will be supported by a Head of Care Homes and Head of Home Care. In addition, the Marketing Department will come under the line management of the Director of Care Operations and will provide the new Directorate with the tools to attain the step change we need to achieve in income generation.

The Board of Trustees have noted the publication of the new Charity Governance Code by the Charity Commission in July 2017. Trustees will review the recommendations at its Away Day in December 2017.

5.4 Principal Risks & Uncertainties

Avante has a comprehensive Risk Management Policy which was introduced following work carried out by a Trustee-led working party, and which is regularly reviewed. 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 Committee also considers whether any additional risks need to be added to the register. At its last meeting the Committee agreed to add the implications of Brexit to its register and are in the process of assessing the risks to the organisation due to the potential impact on labour and the economy.

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
Non-compliance: Standard of Care - CQC, Contract H&S, Employment Law	In house programme of audits and inspections including internal & external Mock Inspections, Matrix in place for regular policy reviews, Awareness of updates to regulations, Quality Assurance Surveys, monthly service visits & reports & action management, initiatives for recruitment & retention of staff. Re introduction of SRG to include serious incident / event review and organisational learning outcomes Further action - Annual calendar for recording all quality checks carried out in each home as evidence of monitoring to be introduced. Legal Advice, Fire safety inspections, Centralised database of relevant certification – Maintenance &Compliance Schedule, Planned programme of property maintenance
Significant Incidents/Safeguarding - damage to reputation	Quality Management Procedures, KPI's, Quality audit and inspection programme, whistle blowing policy, comprehensive staff training, DBS checks and staff supervision & appraisal, staff engagement, media support. Further actions include the recruitment of a new operational management structure.
Failure to adapt to changing market requirements	Networking, Marketing Strategy and Care Home marketing plans in place, Documented Formal tender process and standard response in place, KPIs & targets, Tender for appropriate opportunities and identify opportunities though the portal, Property investment programme approved and being implemented, Care Village project plans under consideration. Home Care - Review and understanding of new service models – researched private market and Health and Social Care integration, 2017-2020 Business Plan in place. Further action is to develop service development plan for each home for 18/19 budget plan.
Increase in pension contribution costs/crystallisation of debt	Regular reviews, ensuring prudent assumptions in budgets and forecasts, Awareness of risk timelines, membership of SHPS DB scheme and ensuring knowledge is kept up to date. Further action is to consider a separate account to save funds to pay a Section 17 Debt Crystallisation.

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

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.

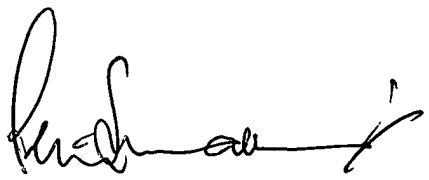
Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its net incoming or outgoing resources for that period. In preparing these financial statements, the Trustees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

This Annual Report and Strategic Report were approved by the Board of Trustees on 26th September 2017 and signed on its behalf by:



Peter Smallridge
Chairman of the Board of Trustees

Independent Auditor's Report to the Members of Avante Care and Support Limited

We have audited the financial statements of Avante Care and Support Limited for the year ended 31 March 2017 which comprise the Group Statement of Financial Activities, the Group and Company Balance Sheets, the Group Cash Flow Statement and the related notes numbered 1 to 17.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

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

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

Scope of the audit of the financial statements

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

In addition, we read all the financial and non-financial information in the **Report of the Board of Trustees** and the **Strategic report** to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 March 2017 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter 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 Report of the Board of Trustees and the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Board of Trustees and the Strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Board of Trustees and the Strategic report.

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

- the parent charitable company has not kept adequate accounting records; 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. Hashemi

Naziar Hashemi

Senior Statutory Auditor

For and on behalf of

Crowe Clark Whitehill LLP

Statutory Auditor

London 17/10/17

Simplified Operating Statement
for the year ended 31 March 2017

	2017 £	2016 £
Charitable activities		
Income from Care Home services	19,904,698	22,044,062
Expenditure on Care Home services	(19,501,779)	(22,041,016)
Surplus/(deficit) on Care Home services	**402,919**	**3,046**
Income from Home Care & Support services	3,147,162	3,179,950
Expenditure on Home Care & Support services	(3,447,173)	(3,576,865)
Surplus/(deficit) on Home Care & Support services	**(300,011)**	**(396,915)**
Income from Stepahead Support services	666,619	813,492
Expenditure on Stepahead Support services	(788,369)	(852,484)
Surplus/(deficit) on Stepahead Support services	**(121,750)**	**(38,992)**
Surplus/(deficit) from charitable activities	**(18,842)**	**(432,861)**
Voluntary and other activities		
Income from donations, legacies and grants	34,305	95,013
Other trading income	64,883	71,282
Miscellaneous income	41,717	34,258
Income from voluntary and other activities	**140,905**	**200,553**
Expenditure on raising funds	(92,547)	(136,076)
Total expenditure on raising funds	**(92,547)**	**(136,076)**
Surplus/(deficit) from voluntary and other activities	**48,358**	**64,477**
Gains on disposal of fixed assets	27,657	1,702,218
Losses on disposal of fixed assets	(4,555)	(314,721)
	23,102	**1,387,497**
Net incoming/(outgoing) resources before pension movement	**52,618**	**1,019,113**
Movement on pension liability	103,648	136,000
Net incoming/(outgoing) resources	**156,266**	**1,155,113**

Consolidated Statement of Financial Activities (SOFA)

for the year ended 31 March 2017

	Notes	Unrestricted funds £	Restricted funds £	Total Funds 2017 £	*Unrestricted funds £*	*Restricted funds £*	*Total Funds 2016 £*
Income from:							
Donations, legacies and grants		-	34,305	34,305	-	*95,013*	*95,013*
Charitable activities	2	23,718,479	-	23,718,479	*26,037,504*	-	*26,037,504*
Other trading income		64,883	-	64,883	*71,282*	-	*71,282*
Other income		41,717	-	41,717	*34,258*	-	*34,258*
Profit on sale of freehold property		27,657	-	27,657	*1,702,218*	-	*1,702,218*
Total incoming resources		**23,852,736**	**34,305**	**23,887,041**	***27,845,262***	***95,013***	***27,940,275***
Expenditure on:							
Raising funds		92,547	-	92,547	*136,076*	-	*136,076*
Charitable activities							
- Care Home services		19,368,761	33,925	19,402,686	*22,131,438*	*88,299*	*22,219,737*
- Home Care & Support services		3,447,173	-	3,447,173	*3,576,865*	-	*3,576,865*
- Stepahead Support services		786,376	1,993	788,369	*834,882*	*17,602*	*852,484*
Total resources expended	3	**23,694,857**	**35,918**	**23,730,775**	***26,679,261***	***105,901***	***26,785,162***
Net (outgoing)/incoming resources before other recognised gains/losses		**157,879**	**(1,613)**	**156,266**	***1,166,001***	***(10,888)***	***1,155,113***
Other recognised gains/losses							
Realised (loss) on disposal of FH prop		-	-	-	*(16,619)*	-	*(16,619)*
Act'l gain/(loss) on pension liab	16	769,369	-	769,369	*768,000*	-	*768,000*
Net movement in funds		**927,248**	**(1,613)**	**925,635**	***1,917,382***	***(10,888)***	***1,906,494***
Balance b/fwd at 1 April 2016		**32,555,121**	**55,647**	**32,610,768**	***30,637,739***	***66,535***	***30,704,274***
Balance c/fwd at 31 March 2017		**33,482,369**	**54,034**	**33,536,403**	***32,555,121***	***55,647***	***32,610,768***

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.

The result for the year for the parent undertaking alone was £925,635.

Income for the year for the parent alone was £23,887,041.

Balance Sheets

for the year ended 31 March 2017

	Notes	2017 Consolidated £	2017 Charity only £	*2016 Consolidated £*	*2016 Charity only £*
Fixed assets					
Tangible fixed assets	6	52,034,434	52,034,434	*51,125,925*	*51,125,925*
Investment		-	1	-	*1*
		52,034,434	**52,034,435**	***51,125,925***	***51,125,926***
Current assets					
Debtors	7	2,120,924	1,047,195	*2,169,224*	*1,162,957*
Amounts owed by group undertakings		-	1,909,301	-	*1,006,268*
Short term deposits		2,418,999	1,583,428	*4,643,595*	*4,643,595*
Cash at bank and in hand		58,307	58,307	*61,988*	*61,987*
		4,598,231	**4,598,231**	***6,874,808***	***6,874,807***
Creditors: amounts falling due within one year					
Creditors falling due within one year	8	4,565,512	4,565,512	*4,029,447*	*4,029,447*
Capital repayments due within one year:					
on long terms loans	10	699,189	699,189	*2,049,189*	*2,049,189*
		5,264,701	**5,264,701**	***6,078,636***	***6,078,636***
Net current assets/(liabilities)		**(666,470)**	**(666,470)**	***796,172***	***796,171***
Total assets less current liabilities		**51,367,964**	**51,367,964**	***51,922,097***	***51,922,097***
Creditors: amounts falling due after more than one year					
Interest rate swap liability		(1,687,849)	(1,687,849)	*(1,802,707)*	*(1,802,707)*
Bank loan accounts	10	(10,837,432)	(10,837,432)	*(11,536,622)*	*(11,536,622)*
Net assets excluding pension liability		**38,842,682**	**38,842,682**	***38,582,768***	***38,582,768***
Pension liability	16	(5,306,279)	(5,306,279)	*(5,972,000)*	*(5,972,000)*
Net assets		**33,536,403**	**33,536,403**	***32,610,768***	***32,610,768***
Represented by:					
Unrestricted funds excluding pension liability	14	22,952,442	22,952,442	*22,690,916*	*22,690,916*
Pension liability	16	(5,306,279)	(5,306,279)	*(5,972,000)*	*(5,972,000)*
Revaluation reserve	14	15,836,206	15,836,206	*15,836,205*	*15,836,205*
Total unrestricted funds		33,482,369	33,482,369	*32,555,121*	*32,555,121*
Restricted funds	14	54,034	54,034	*55,647*	*55,647*
Balance carried forward at 31 March 2017		**33,536,403**	**33,536,403**	***32,610,768***	***32,610,768***

Approved and authorised by the Board of Trustees on 26 September 2017 and signed on its behalf by:

Peter Smallridge, Chairman

Consolidated Cash Flow Statement

for the year ended 31 March 2017

	2017	2016
	£	£
Cash flows from operating activities		
Net income/(expenditure)	156,266	*1,155,113*
Pension contribution less current service and finance cost	103,648	*136,000*
Interest paid	714,040	*585,464*
Depreciation charge	897,180	*923,247*
(Profit) on sale of fixed assets	(27,661)	*(1,707,105)*
Loss on disposal of fixed assets	4,555	*314,721*
Realised loss on disposal of freehold property	-	*(16,619)*
Decrease/(increase) in debtors	48,300	*(24,894)*
(Decrease)/increase in creditors	421,207	*(149,750)*
Net cash generated from operating activities	**2,317,536**	***1,216,177***
Cash flows from investing activities		
Payments to acquire tangible fixed assets	(1,816,341)	*(852,031)*
Receipts on disposal of tangible fixed assets	33,757	*4,550,000*
Net cash generated from investing activities	**(1,782,584)**	***3,697,969***
Cash flows from financing activities		
Loans received	-	*15,935,000*
Loans repaid	(2,049,189)	*(18,395,904)*
Interest paid on long-term loans	(714,040)	*(585,464)*
Net cash generated from financing activities	**(2,763,230)**	***(3,046,368)***
Reconciliation of net cash flow to movement in net debt		
Increase/(decrease) in cash	(2,228,278)	*1,867,778*
Cash inflow from change in debt	2,049,189	*2,460,904*
(Increase) in net debt from cash flows	(179,089)	*4,328,682*
Net debt at 01.04.16	(8,880,227)	*(13,208,909)*
Net debt at 31.03.17	**(9,059,316)**	***(8,880,227)***

Analysis of net debt	**At 31.03.16**	**Cash flow**	**At 31.03.17**
Short-term deposits	4,643,595	(758,372)	3,885,224
Cash at bank and in hand	61,988	(3,682)	58,307
Bank overdraft	-	(1,466,224)	(1,466,224)
Net cash	4,705,584	(2,228,278)	2,477,306
Changes in debt; bank loan	(13,585,811)	2,049,189	(11,536,622)
Changes in net debt	**(8,880,227)**	**(179,088)**	**(9,059,316)**

Notes to the Accounts
for the year ended 31 March 2017

1 Accounting policies

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

1.1 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 accounts 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 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 £925,635. Income for the year for the parent alone was £23,887,041.

1.2 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.

1.3 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.

1.4 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 the basis consistent with the 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.

Redundancy and settlement payments are recognised at the leaving date of the member of staff and measured at the best estimate of expenditure required to settle the obligation at the reporting date.

1.5 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.

1.6 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. The portfolio of freehold properties is revalued every 5 years by GVA Grimley Ltd.

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 that 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.

1.7 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.

1.8 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.

1.9 Going concern

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 refinancing 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.

1.10 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 and 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. Revision 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.

1.11 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 not be material.

	2017 £	*2016* *£*
Financial assets held at amortised cost		
Debtors	2,120,924	*2,169,224*
Short term deposits	2,418,999	*4,643,595*
Cash at bank and in hand	58,307	*61,988*
Less prepayments	(220,279)	*(230,350)*
	4,377,951	***6,644,458***

	2017 £	*2016* *£*
Financial liabilities held at amortised cost		
Current creditors and accruals	4,565,512	*4,029,447*
Less deferred income	(479,280)	*(551,915)*
Interest rate swap liability	1,687,849	*1,802,707*
Bank loans	11,536,622	*13,585,811*
	17,310,703	***18,866,050***

Notes to the Accounts
for the year ended 31 March 2017

2 Income

	2017	*2016*
	£	*£*
Charitable activities		
Care Homes	19,904,698	*22,044,060*
Home Care & Support	3,147,162	*3,179,950*
Stepahead Support	666,619	*813,492*
	23,718,479	***26,037,502***

3 Expenditure

3.1 Analysis of total resources expended

	Staff costs	Other direct costs	Suport costs	Governance	Total 2017	*Total 2016*
	£	£	£	£	£	*£*
Cost of generating funds	-	26,245	66,302	-	92,547	*136,076*
Charitable activities						
Care Homes	13,769,376	3,719,739	1,534,463	379,109	19,402,686	*22,219,737*
Home Care & Support	2,690,408	382,424	302,094	72,247	3,447,173	*3,576,865*
Stepahead Support	577,841	125,786	64,883	19,859	788,369	*852,484*
	17,037,625	**4,254,193**	**1,967,741**	**471,214**	**23,730,775**	***26,785,162***

3.2 Analysis of support costs

	Generating funds	Care & Support	Home Care & Support	Stepahead Support	Total 2017	*Total 2016*
	£	£	£	£	£	*£*
Staff costs	-	1,038,298	204,412	43,903	1,286,614	*1,350,169*
Premises	-	52,583	10,352	2,223	65,159	*65,261*
Operating costs	66,302	362,088	71,285	15,311	514,986	*580,946*
Depreciation	-	81,493	16,044	3,446	100,982	*122,345*
	66,302	**1,534,463**	**302,094**	**64,883**	**1,967,741**	***2,118,721***

3.3 Auditor remuneration

Total remuneration payable to the charity's auditor in the period:

		2017	*2016*
		£	*£*
Statutory audit:	Charity	30,900	*30,750*
	Subsidiary	2,500	*2,000*
		33,400	***32,750***
Non-audit services:		-	***1,762***

4 Interest payable

	2017	*2016*
	£	*£*
On bank loans and overdrafts	714,040	*792,533*
Refund of loan interest paid	-	*(207,069)*
Total loan interest payable	**714,040**	***585,464***

Notes to the Accounts
for the year ended 31 March 2017

5 Operating leases

These are commitments for operating leases during the coming year in respect of leases terminating:

	2017	*2016*
	£	*£*
Under 1 year:		
Land and buildings	25,250	*19,800*
Others (motor vehicles, photocopiers, franking machines)	57,794	*70,574*
Within 2 to 5 years:		
Land and buildings	101,067	-
Others (motor vehicles, photocopiers, franking machines)	141,161	*129,709*
Within 2 to 5 years:		
Land and buildings	48,285	-
Others (motor vehicles, photocopiers, franking machines)	-	-
	373,557	***220,083***

During the year costs of £89,388 were incurred against the operating leases listed above (2016: £86,917).

6 Fixed assets

6.1 Analysis of movement of fixed assets

	Freehold Property	Leasehold Improv'ts	Computer Equipment	Fixtures & Fittings	Motor Vehicles	Work in Progress	Total
	£	£	£	£	£	£	£
Cost/valuation							
At 01.04.16	57,539,123	-	796,287	1,499,319	209,502	320,987	60,365,218
Additions	6,690	8,942	41,728	255,463	-	1,503,518	1,816,341
Disposals	-	-	(129,608)	(175,587)	(17,279)	-	(322,474)
Revaluations	-	-	-	-	-	-	-
Transfers	1,503,569	-	-	-	-	(1,503,569)	-
At 31.03.17	**59,049,382**	**8,942**	**708,407**	**1,579,195**	**192,222**	**320,936**	**61,859,085**
Depreciation							
At 01.04.16	7,432,948	-	654,796	959,402	192,147	-	9,239,293
Disposals	(4)	-	(129,608)	(175,587)	(6,624)	-	(311,823)
Charge for year	595,383	108	83,736	211,254	6,699	-	897,180
At 31.03.17	**8,028,327**	**108**	**608,924**	**995,070**	**192,222**	-	**9,824,651**
Net book value							
At 31.03.17	51,021,055	8,834	99,483	584,126	-	320,936	52,034,434
At 31.03.16	*50,106,175*	-	*141,491*	*539,917*	*17,354*	*320,987*	*51,125,925*

Included in the figures above is the property known as Barnetts, which is in the process of being sold. Contracts were exchanged, subject to planning, in January 2017 and completion is expected in December 2017. At the year-end, Barnetts had a net book value of £1,446,180.

6.2 Disposal of fixed assets

Disposals of computer equipment and fixtures & fittings partly represent the removal from the register of old, obsolete and fully depreciated assets (see note 1.6).

6.3 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:

	2017	*2016*
	£	*£*
Cost	45,714,342	*44,204,269*
Accumulated depreciation	(6,739,662)	*(5,926,392)*
Net book value	**38,974,680**	***38,277,877***

6.4 Capital commitments

Capital expenditure contracted for, unpaid at the year end and not provided for in the financial statements - £859,100 (2016: £305,247). Capital expenditure authorised by the Trustees but not contracted for at 31 March 2017 - £433,173 (2016: £1,687,742)

7 Current debtors

	2017		*2016*	
	Consolidated	Charity Only	*Consolidated*	*Charity Only*
	£	£	*£*	*£*
Trade debtors	1,674,749	784,386	*1,704,815*	*831,504*
Other debtors	9,705	9,705	*31,046*	*31,046*
Prepayments	220,279	220,279	*230,350*	*230,350*
Accrued income	216,191	32,825	*203,014*	*70,057*
	2,120,924	**1,047,195**	***2,169,224***	***1,162,957***

8 Current creditors and accruals

	2017		*2016*	
	Consolidated	Charity Only	*Consolidated*	*Charity Only*
	£	£	*£*	*£*
Bank overdraft	-	-	-	-
Interest rate swap liability	390,460	390,460	*408,503*	*408,503*
Trade creditors	585,546	585,546	*361,999*	*361,999*
Other taxes and social security	753,480	753,480	*811,487*	*811,487*
Other creditors	1,527,156	1,527,156	*998,543*	*998,543*
Accruals	829,590	829,590	*897,000*	*897,000*
Deferred income (note 9)	479,280	479,280	*551,915*	*551,915*
	4,565,512	**4,565,512**	***4,029,447***	***4,029,447***

9 Deferred income accruals

	Care & Support care fees	Stepahead grants	Cash in advance	Others	Total
	£	£	£	£	£
Brought forward at 01.04.16	257,582	59,366	225,586	9,381	551,915
Released in current year	(120,582)	(59,366)	(225,586)	(5,008)	(410,542)
Arising at 31.03.17	52,192	1,890	283,825	-	337,907
	189,192	**1,890**	**283,825**	**4,373**	**479,280**

All deferred income at 31.03.17 is in respect of fees or grants invoiced on or prior to 31.03.17 but relating to periods after 31.03.17, or payments in advance pending invoicing or contract reconciliation

10 Creditors: Amounts falling due after more than one year

	2017	*2016*
	£	*£*
Interest rate swap liability	1,687,849	*1,802,707*
Bank loans	10,837,432	*11,536,622*

The total bank loans are repayable as follows:	Contractual obligation at 31.03.17	*at 31.03.16*
	£	*£*
Within one year	699,189	*2,049,189*
Between one and two years	699,189	*699,189*
Between two and five years	2,097,568	*2,097,568*
After five years	8,040,676	*8,739,865*
	11,536,622	***13,585,811***

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 £51,021,055 (2016: £50,106,175).

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 a variable interest rate, and a bridging loan for £3,000,000 repayable within 2 years (repaid 31.03.17) also at a 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 £2,078,309.

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 31.03.17 was £20,920 (2016: £23,776).

12 Contingent liabilities

There are no known contingent liabilities arising from contract disputes (2016: £nil).

Notes to the Accounts
for the year ended 31 March 2017

13 Analysis of net assets between funds

Represented by:	Unrestricted funds £	Restricted funds £	2017 Total £
Tangible fixed assets	52,034,434	-	52,034,434
Net current assets (excluding bank loans)	(21,315)	54,034	32,719
Interest rate Swap liability	(1,687,849)	-	(1,687,849)
Bank loans	(11,536,622)	-	(11,536,622)
Pension liabilities	(5,306,279)	-	(5,306,279)
	33,482,369	**54,034**	**33,536,403**

Represented by:	*Unrestricted funds £*	*Restricted funds £*	*2016 Total £*
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 £	2017 Total £
Brought forward at 01.04.16	16,718,916	15,836,205	55,647	32,610,768
Net incoming resources for the year before transfers	157,879	-	(1,613)	156,266
Realised gains on disposals of freehold properties	-	-	-	-
Actuarial gain on pension liability	769,369	-	-	769,369
Carried forward at 31.03.17	**17,646,164**	**15,836,205**	**54,034**	**33,536,403**

	*Unrestricted funds * £*	*Revaluation reserve £*	*Restricted funds £*	*2016 Total £*
Brought forward at 01.04.15	*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 31.03.16	***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 2017. Previous valuations were carried out on 31 March 2010, 31 March 2005, 31 March 2000 and 26 June 1997.

Avante's policy is to revalue freehold property every 5 years and the next valuation will therefore be carried out as at 31 March 2019.

The movement on restricted funds represents the net transactions for the year through amenity fund cash and bank accounts for 10 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 pension deficits.

Notes to the Accounts
for the year ended 31 March 2017

15 Trustee and employee information

15.1 Trustee information

No remuneration was paid to the Trustees during the year (2016: £nil). Travel and training expenses of £4,377 in total were paid to 7 trustees during the year (2016: £3,052, 8 trustees).

A payment of £5,694 was made in the year in respect of directors and officers indemnity insurance.

15.2 Employee information

Employee costs during the year were:	2017 £	*2016 £*
Salaries and wages	15,855,005	*16,965,534*
Agency costs	1,309,008	*1,854,456*
Staff recruitment and training	185,725	*329,871*
Employer's social security costs	923,858	*930,756*
Employer's pension costs	598,416	*617,874*
	18,872,011	***20,698,491***

Analysed as:	2017 £	*2016 £*
Charitable activities	17,246,592	*18,996,046*
Support costs	1,286,614	*1,350,169*
Governance costs	338,805	*352,276*
	18,872,011	***20,698,491***

Included in employee costs above are redundancy payments of:	90,546	*73,756*
(total redundancy payments & settlement agreements of which £28,651 were unpaid at 31.03.17)		

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:

	Number of employees	
Emoluments:	2017	*2016*
£60,000 to £70,000	1	*1*
£70,000 to £80,000	2	*2*
£100,000 to £110,000	-	*1*
£110,000 to £120,000	1	*1*

Retirement benefits are accruing for all 4 of the above staff under defined benefit schemes.

Notes to the Accounts
for the year ended 31 March 2017

Number of employees

The average number of persons employed during the year was:

	2017	*2016*
Care & Support	1,018	*1,162*
Home Care & Support	264	*273*
Stepahead Support	77	*32*
	1,309	***1,467***

The average number of full time equivalent persons employed during the year was:

	2017	*2016*
Care & Support	779	*865*
Home Care & Support	145	*164*
Stepahead Support	22	*26*
	946	***1,055***

Remuneration of key management personnel

The key management personnel of the Charity comprise the Managing Director, Finance Director, HR Director, Quality Standards & Compliance Director and Property & Development Director. The total employee benefits of the key management personnel of the Charity (including National Insurance) were £498,648 (2016: £496,880).

16 Pension commitments and FRS 102 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:

	2016 £	Other movements £	Actuarial (gain)/loss £	2017 £
Kent County Council	3,311,000	108,000	(151,000)	3,268,000
London Borough of Bexley	1,019,000	(29,000)	(567,000)	423,000
Royal Borough of Greenwich	411,000	24,648	41,631	477,279
Social Housing Pension Scheme	1,231,000	-	(93,000)	1,138,000
	5,972,000	**103,648**	**(769,369)**	**5,306,279**

	Rate of Contribution			E'ees in scheme
	Employer's	Employees'	2017 cost £	at 31.03.17
Social Housing Pension Scheme (SHPS)				
Final salary	12.2%/11.5%	8.4%/9.1%	152,999	8
Career average revalued earnings	6.1%/6.3%	6.5%/6.3%	70,897	12
FRP auto-enrolment	1.0%	1.0%	61,778	944
Defined contribution scheme	Up to 5.0%	Variable	12,268	24
KCC pensions (LGPS)	43.0%	5.8%, 5.9%, 6.5%, 6.8%	61,175	7
RBG pensions (LGPS)	16.0%	5.8%, 6.5%	6,425	1
LBB pensions (LGPS)	21.0%	6.5%	128,674	19
			494,217	**1,015**

16.1 Defined contribution schemes

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

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

Local Government Pension Schemes

The following 3 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 2016 by a professionally qualified actuary. The valuation revealed a past service deficit of £547 million giving a funding level of 89% (compared to 83% as at 31 March 2013).

An actuarial valuation of Avante Care & Support's share in the scheme was carried out by a qualified independent actuary as at 31 March 2017 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	31.03.17 % pa	31.03.16 % pa	31.03.15 % pa
RPI inflation rate	-	3.1	3.1
CPI inflation rate	-	2.2	2.3
Pension increase rate	2.5	2.2	2.3
Salary increases	4.0	4.0	4.1
Discount rate	2.4	3.5	3.1

Mortality

Life expectancy is based on the S2PA tables with multiplier of 95% for males and 95% for females. These base tables are then projected using the CMI 2015 Model, allowing for a long-term rate of improvement of 1.5%pa. Based on these assumptions, the average future life expectancies at age 65 are are summarised below:

	Males	Females
Current pensioners	23.0	25.0
Future pensioners	25.1	27.4

Balance sheet disclosures

Fair value of employer assets	31.03.17 £'000s	*31.03.16 £'000s*
Equities	6,146	*5,119*
Gilts	65	*68*
Bonds	848	*843*
Property	1,085	*1,115*
Cash	222	*198*
Target return portfolio	342	*334*
	8,708	***7,677***

Balance sheet	£'000s	*£'000s*
Fair value of employer assets	8,708	*7,677*
Present value of funded liabilities	(11,976)	*(10,988)*
	(3,268)	***(3,311)***

Notes to the Accounts
for the year ended 31 March 2017

Revenue account costs

Revenue account recognition	Year to: 31.03.17 £'000s	*31.03.16 £'000s*
Current service cost	49	*67*
Net interest on the defined liability (asset)	115	*118*
Administration expenses	5	*5*
	169	***190***

Reconciliation of defined benefit obligation	Year to: 31.03.17 £'000s	*31.03.16 £'000s*
Opening defined benefit obligation	10,988	*11,806*
Current service cost	49	*67*
Interest cost	376	*359*
Contributions by members	9	*11*
Changes in financial assumptions	2,011	*(808)*
Change in demographic assumption	(263)	-
Experience loss/(gain) on defined benefit obligation	(692)	-
Estimated benefits paid	(502)	*(447)*
Closing defined benefit obligation	**11,976**	***10,988***

Reconciliation of opening & closing balances of the fair value of Fund assets	Year to: 31.03.17 £'000s	*31.03.16 £'000s*
Opening fair value of Fund assets	7,677	*7,958*
Interest on assets	261	*241*
Return on assets less interest	1,301	*(157)*
Contributions by Scheme participants and other employers	9	*11*
Contributions by employer including unfunded	61	*76*
Other actuarial gains/(losses)	(94)	-
Estimated benefits paid plus unfunded net of transfers in	(502)	*(447)*
Administration expenses	(5)	*(5)*
Closing fair value of Fund assets	**8,708**	***7,677***

Amounts for current & previous periods	31.03.17 £'000s	31.03.16 £'000s	31.03.15 £'000s	31.03.14 £'000s	31.03.13 £'000s
Defined benefit obligation	(11,976)	(10,988)	(11,806)	(10,413)	(10,608)
Scheme assets	8,708	7,677	7,958	7,579	7,659
Surplus/(deficit)	(3,268)	(3,311)	(3,848)	(2,834)	(2,949)
Experience adj on scheme assets	-	-	-	-	661
Experience adj on scheme liabilities	-	-	-	-	-
Cumulative actuarial gain/(loss)	-	-	-	-	(1,423)

Projected expense	Year to: 31.03.18 £'000s
Service cost	61
Net interest on the defined liability (asset)	78
Administration expenses	6
	145
Employer contributions	66

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: 31.03.17 £'000s	
Adjustment to discount rate	+0.1%	(0.1%)
Present value total obligation	11,811	12,143
Projected service cost	60	62

Remeasurement of the net assets / (defined liability)	31.03.17 £'000s	*31.03.16 £'000s*
Return on Fund assets in excess of interest	1,301	*(157)*
Other actuarial gains/(losses) on assets	(94)	-
Change in financial assumptions	(2,011)	*808*
Change in demographic assumptions	263	-
Experience gain/(loss) on defined benefit obligation	692	-
Changes in effect of asset ceiling	-	-
Remeasurement of the net assets / (defined liability)	**151**	*651*

LONDON BOROUGH OF BEXLEY

The last formal valuation of the scheme was performed at 31 March 2016 by a professionally qualified actuary. The valuation revealed a deficit of £45 million, giving a funding level of 94% (compared to 87% as at 31 March 2013).

An actuarial valuation of Avante Care & Support's share in the scheme was carried out by a qualified independent actuary as at 31 March 2017 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	**31.03.17 % pa**	**31.03.16 % pa**	**31.03.15 % pa**
RPI inflation rate	-	-	-
CPI inflation rate	2.3	2.0	2.0
Pension increase rate	2.3	2.0	2.0
Salary increases	3.8	3.5	3.5
Discount rate	2.5	3.4	3.1

Expected return on assets			**Long-term return % pa**
Equities	-	-	6.5
Government bonds	-	-	2.2
Other bonds	-	-	2.9
Property	-	-	5.9
Cash/liquidity	-	-	0.5
Other	-	-	6.5
Investment expenses	-	-	0.3
Expected return on assets	-	-	**5.8**

Mortality

Life expectancy is based on the S2PA CMI 2015 (1.5%) tables (95% Males, 85% 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	23.0	26.0
Future pensioners	25.2	28.3

Balance sheet disclosures

Fair value of employer assets	**31.03.17 £'000s**	***31.03.16 £'000s***
Equities	7,885	*6,354*
Government bonds	-	-
Other bonds	940	*897*
Property	1,359	*1,323*
Cash/liquidity	216	*262*
Other	2,298	*2,100*
	12,698	***10,936***

Notes to the Accounts
for the year ended 31 March 2017

Balance sheet	£'000s	*£'000s*
Fair value of employer assets	12,698	*10,936*
Present value of funded liabilities	(13,121)	*(11,955)*
	(423)	***(1,019)***

Revenue account costs

	Year to:	31.03.17	*31.03.16*
Revenue account recognition		£'000s	*£'000s*
Current service cost		64	*87*
Interest cost		398	*380*
Expected return on employer assets		(365)	*(341)*
		97	***126***

	Year to:	31.03.17	*31.03.16*
Reconciliation of defined benefit obligation		£'000s	*£'000s*
Opening defined benefit obligation		**11,955**	***12,508***
Current service cost		64	*87*
Interest cost		398	*380*
Contributions by members		16	*18*
Actuarial losses/(gains)		1,226	*(520)*
Estimated benefits paid		(538)	*(518)*
Closing defined benefit obligation		**13,121**	***11,955***

	Year to:	31.03.17	*31.03.16*
Reconciliation of fair value of employer assets		£'000s	*£'000s*
Opening fair value of employer assets		**10,936**	***11,183***
Expected return on assets		365	*341*
Contributions by members		16	*18*
Contributions by employer		128	*131*
Actuarial gain/(loss)		1,793	*(216)*
Benefits paid		(538)	*(518)*
Administration expenses		(2)	*(3)*
Closing defined benefit obligation		**12,698**	***10,936***

	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Amounts for current & previous periods	£'000s	£'000s	£'000s	£'000s	£'000s
Defined benefit obligation	(13,121)	(11,955)	(12,508)	(10,967)	(12,154)
Scheme assets	12,698	10,936	11,183	10,030	9,519
Surplus/(deficit)	(423)	(1,019)	(1,325)	(937)	(2,635)
Experience adj on scheme assets	1,793	(216)	760	197	761
Experience adj on scheme liabilities	(1,226)	-	-	246	-

	Year to:	31.03.18
Projected expense		£'000s
Service cost		88
Interest cost		12
Administration expenses		51
		151

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:	31.03.17	
		£'000s	
Adjustment to discount rate		+0.1%	(0.1%)
Present value total obligation		12,947	13,297
Projected service cost		86	90

ROYAL BOROUGH OF GREENWICH

The last formal valuation of the Scheme was performed at 31 March 2016 by a qualified actuary. The valuation revealed a deficit of £104.8 million, giving a funding level of 91% (compared to 86% as at 31 March 2013).

An actuarial valuation of Avante Care & Support's share in the scheme involved projecting future cash flows 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 FRS 102. The major assumptions used by the actuary were:

Financial assumptions	31.03.17 % pa	31.03.16 % pa	31.03.15 % pa
RPI inflation rate	-	2.9	3.0
CPI inflation rate	-	2.0	2.2
Pension increase rate	2.4	2.0	2.2
Salary increases	3.9	3.5	3.7
Discount rate	2.3	3.3	3.0

Mortality

Life expectancy is based on the S2PA tables. These tables are then projected using the CMI 2015 Model, allowing for a long-term rate of improvement of 1.5% per annum. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	Males	Females
Current pensioners	22.5	24.6
Future pensioners	24.7	26.9

Balance sheet disclosures

Estimated asset allocation for Avante Care & Support	31.03.17 £'000s	*31.03.16 £'000s*
UK Equities	111	*52*
Overseas equities	69	*283*
Other bonds	312	*290*
Property	178	*184*
Cash	53	*30*
Unitised insurance policies	467	*341*
UK & overseas unit trusts	573	*367*
	1,763	***1,547***

Balance sheet	£'000s	*£'000s*
Fair value of employer assets	1,763	*1,547*
Present value of funded liabilities	(2,241)	*(1,958)*
	(477)	***(411)***

Notes to the Accounts
for the year ended 31 March 2017

Revenue account costs

Revenue account recognition	Year to: 31.03.17 £'000s	*31.03.16 £'000s*
Service cost	16	*15*
Net interest on the defined liability (asset)	13	*14*
Administration expenses	1	*1*
	31	***30***
Actual return on fund assets	-	*(6)*

Reconciliation of opening and closing balances of present value of the defined benefit obligation	Year to: 31.03.17 £'000s	*31.03.16 £'000s*
Opening defined benefit obligation	**1,958**	***2,105***
Current service cost	16	*15*
Interest cost	64	*62*
Change in financial assumptions	344	*(140)*
Change in demographic assumptions	(14)	-
Experience loss/(gain) on defined benefits obligation	(60)	-
Estimated benefits paid net of transfers in	(70)	*(85)*
Contributions by scheme participants and other employers	3	*2*
Closing defined benefit obligation	**2,241**	***1,959***

Reconciliation of opening and closing balances of present value of the fair value of Fund assets	Year to: 31.03.17 £'000s	*31.03.16 £'000s*
Opening fair value of Fund assets	**1,547**	***1,631***
Interest on assets	50	*48*
Return on assets less interest	229	*(54)*
Other actuarial gains/(losses)	(0)	-
Administration expenses	(1)	*(1)*
Contributions by employer including unfunded	6	*6*
Contributions by Scheme participants and other employers	3	*2*
Estimated benefits paid plus unfunded net of transfers in	(70)	*(85)*
Closing fair value of Fund assets	**1,763**	***1,547***

Amounts for current & previous periods	31.03.17 £'000s	31.03.16 £'000s	31.03.15 £'000s	31.03.14 £'000s	31.03.13 £'000s
Defined benefit obligation	(2,241)	(1,958)	(2,104)	(1,865)	(1,818)
Scheme assets	1,763	1,547	1,631	1,506	1,202
Surplus/(deficit)	(477)	(411)	(473)	(359)	(616)
Experience adj on scheme assets	-	-	-	-	82
Experience adj on scheme liabilities	-	-	-	-	-
Cumulative actuarial gain/(loss)	-	-	-	-	(152)

	Year to:	31.03.18
Projected expense		£'000s
Service cost		21
Net interest on the defined liability (asset)		11
Administration expenses		2
		34
Employer contributions		7

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:	31.03.17	
		£'000s	
Adjustment to discount rate		+0.1%	(0.1%)
Present value total obligation		2,213	2,269
Projected service cost		21	22

	31.03.17	*31.03.16*
Remeasurement of the net assets / (defined liability)	£'000s	*£'000s*
Return on Fund assets in excess of interest	229	*(54)*
Other actuarial gains/(losses) on assets	(0)	-
Change in financial assumptions	(344)	*140*
Change in demographic assumptions	14	-
Experience gain/(loss) on defined benefit obligation	60	-
Changes in effect of asset ceiling	-	-
Remeasurement of the net assets / (defined liability)	**(42)**	***86***

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. Therefore 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 occupation 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.

	31.03.17	31.03.16	31.03.15
	£'000s	£'000s	£'000s
Present value of provision	1,138	1,231	958

	Year to:	31.03.17	*31.03.16*
Reconciliation of opening and closing provisions		£'000s	*£'000s*
Provision at start of period		**1,231**	***958***
Unwinding of the discount factor (interest expense)		24	*17*
Deficit contribution paid		(149)	*(111)*
Remeasurements - impact of any change in assumptions		32	*(7)*
Remeasurements - amendments to the contribution schedule		-	*374*
Provision at end of period		**1,138**	***1,231***

	Year to:	31.03.17	*31.03.16*
Income and expenditure impact		£'000s	*£'000s*
Interest expense		24	*17*
Remeasurements - impact of any change in assumptions		32	*(7)*
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.

	31.03.17	31.03.16	31.03.15
	% pa	% pa	% pa
Rate of discount	1.33	2.06	1.92

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	31.03.17 £'000s	31.03.16 £'000s	31.03.15 £'000s
Year 1	155	149	111
Year 2	161	155	115
Year 3	168	161	120
Year 4	145	168	125
Year 5	121	145	130
Year 6	125	121	107
Year 7	106	125	81
Year 8	85	106	84
Year 9	88	85	64
Year 10	45	88	42
Year 11	-	45	44
Year 12	-	-	22
Year 13	-	-	-
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.

17 Related parties

There have been no related party transactions that require disclosure other than transactions with the wholly owned subsidiary company, Avante Care Services Ltd (a limited company that carries out trading activities on behalf of the charity registered in England & Wales no. 09402720). Transactions as below:

	Avante Care Services Ltd 2017 £	*2016 £*
Balance at 01.04.16	832,025	-
Recharges to Subsidiary	13,346,420	*3,598,075*
Management charge to Subsidiary	133,464	
Repayments from Subsidiary	(12,681,919)	*(2,766,050)*
Gift Aid due to parent	279,311	-
Balance at 31.03.17	**1,909,301**	***832,025***