

Registered Company Number: 2647631 (England and Wales)
Registered Charity Number: 1004537

Avocet Trust
Report of the Trustees and Consolidated
Financial Statements
For the Year Ended 31 March 2021

Fawley Judge & Easton
Chartered Certified Accountants
1 Parliament Street
Hull
HU1 2AS

Avocet Trust

Contents of the Financial Statements for the Year Ended 31 March 2021

| | |
|---|-----------------|
| Report of the Trustees | 1 to 4 |
| Report of the Independent Auditors | 5 to 7 |
| Statement of Financial Activities | 8 |
| Balance Sheets | 9 to 10 |
| Cash Flow Statement | 11 to 12 |
| Notes to the Cash Flow Statement | 13 |
| Notes to the Financial Statements | 14 to 23 |

Avocet Trust

Report of the Trustees for the Year Ended 31 March 2021

The trustees present their report and financial statements for the year ended 31 March 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1.1 to the financial statements and comply with Avocet Trust's governance documents, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016)

Objectives and activities

Avocet Trust's objectives are set out in the company's Memorandum and Articles of Association and are as follows: -

- The provision of facilities to people who are handicapped, disabled, or otherwise disadvantaged, including housing, calculated to relieve their needs.
- The provision and/or assistance with providing accommodation and support to people, particularly young people who are homeless or threatened with homelessness.

During the past financial year the Charity has continued to carry out its objectives of providing care and support for those people who are disadvantaged. There has been no change in these during the year.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the Avocet Trust should undertake.

The main client group which Avocet Trust supports the profound learning disabilities which are often associated with physical disability and other health problems. We also look after clients on the autistic spectrum.

The main objective is to continue with our fundamental aim to assist clients, many with limited communication skills, to be able to express their needs and wants and to have enjoyable company and support from staff they like and trust.

The strategies employed to achieve the Charity's objectives are to:

- Offer opportunities for clients to live in a quality environment through the purchasing of domestic properties appropriate to the client's needs.
- Provide highly qualified staff specifically employed to support clients to realise their interests and choices in their personal life and to maximise client's personal developments.
- Provide full and valued life opportunities through community involvement and integration and by creating opportunities and choice for Avocet's clients.

The major areas of activity are:

The majority of Avocet Trust's income is generated by residential clients housed in well-appointed domestic housing of high standard, appropriate to our client's needs. We ensure that clients are comfortable and secure in a pleasant and welcoming environment. Clients are able to stay in the house of their choice or to move to a more appropriate accommodation as their needs change.

Neat Marsh Farm market garden facility continues to be well used and is a much valued facility in the community.

Achievements and performance

We would advise that the residential numbers have been maintained during the year at 72 (2020 - 72). There is a continuous review of provisioning requirements by the management to ensure there is sufficient capacity to meet the demands placed by the commissioning authorities.

The Trust once again was successful in achieving Constructors Health & Safety Assessment Scheme accreditation.(CHAS)

Avocet Trust

Report of the Trustees for the Year Ended 31 March 2021

The Trust was also successful in achieving National Autistic Society (NAS) Accreditation for the standard of services it provides for people on the Autistic Spectrum.

Through the Covid 19 Pandemic, the Trust effectively supported in excess of 30 day clients and their families in their homes throughout the lockdown period. Avocet staff provided verbal support over the telephone including facetime etc. They also offered practical support including collections for those without transport. Avocet staff also delivered weekly free food supplies grown on the farm as well as Fair Share food supplies for clients and other vulnerable people in the community identified as being in need.

Avocet Trust staff also designed, manufactured, and distributed face shields to the local Authority services, local health services and care homes free of charge.

Financial review

Funding continues to be difficult. Financial constraints imposed by the local authorities means that our services are being continually stretched and each case is being dealt with on an individual basis.

With the "Mencap sleeps" decision finding in favour of the employer, for now the night sleep rate formula remains as budgeted.

During the year all the property and plant assets were revalued. This resulted in a net surplus on revaluation of £710,560.

Our total funds as at 31 March 2021 is £4,006,780.

Risk management

The Trustees have a duty to identify and review the risks to which the Charity is exposed and to ensure appropriate controls are in place to give assurance against error and fraud. The Trustees have a risk management strategy that encompasses the revised Statement of Recommended Practice (SORP) issued by the Charity Commission in March 2005 and includes a requirement that the Report of Trustees should include: -

- An annual review of the risks the Charity may face, including financial, governance, operational or reputational.
- The establishment of systems and procedures to identify, assess and mitigate those risks identified in the plan in accordance with Avocet Trust's charitable objectives.
- The implementation of procedures designed to minimise any impact on the Charity should those risks materialise.

The Trust has well developed management procedures, governance protocols and has a systematic programme of review in place. In addition, the Trust has achieved a number of nationally recognised accreditations, including the Contractors Health & Safety Assessment Scheme (CHAS), Positive about Disabled People, The Fund Raising Standards Board. It is also registered with the British Quality Foundation. Avocet is also registered with the New Deal Employment Agency. The Trust has also achieved the National Autism Society Accreditation for a number of its services for clients on the Autistic Spectrum.

It is Avocet's policy to give full consideration to applications for employment from disabled persons when a disabled person can adequately fulfil the requirements of the job.

Should an existing employee become disabled, it is the Charity's policy to provide continued employment under normal terms and conditions and to provide training and career development and promotion wherever possible.

Structure, governance, and management

Avocet Trust is a company limited by guarantee which is governed by its Memorandum and Articles of Association dated 20th September 1991 and amended to allow for current governance arrangements on 22nd November 1995 and 16th October 2006. It is a charity registered with the Charities Commission.

Avocet Trust

Report of the Trustees for the Year Ended 31 March 2021

The trustees, who are also the directors for the purpose of company law, and who served during the year were:

Ms S Baker
Mr C M Brown
Mrs L Cartwright
Ms F L I Cartwright
Mr A D Tearle
Mrs J Comerford
Mrs W D Holmes
Mr R Dibb
Mrs J G Hyam

(Appointed 2 March 2021)

As set out in Articles of Association the trustees will remain in office until an Annual General Meeting. At the annual General Meeting of the company one third of the trustees shall be eligible for re-election as a trustee. The retiring trustee shall, if offering to be re-elected be deemed to have been re-elected. The aforesaid statements can be viewed in full and complete within the Article of Association. When considering the appointment of trustees, the board has regard to the requirement for any specialist knowledge and skills required by the trust.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

The Board of Trustees, which must have a minimum of five members, administers the charity: they are responsible for the policies, activities and assets of the charity.

The board meets quarterly, to enable it to fulfil its responsibilities, review developments and make policy and strategic decisions. Such strategic decisions include, for example, agreeing the trusts business plan, new contracts of employment and staff training strategies

There are a number of Trust Board sub-committees each chaired by a trust board trustee to address specific areas of the trust's business. The standing Trust Board sub-committees include business development, health & safety, quality assurance, human resources, risk management, finance, and ICT. There is also a parents and relatives sub-committee as well as a Staff Consultative Committee.

The day-to-day management of the Charity and the implementation of its policies are delegated to the Chief Executive, (Mr LC Howell) and members of the senior management team. To facilitate effective operations, the Chief Executive has delegated authority, within terms of delegation approved by the trustees, for operational matters including the management of client services, finance, employment, and other related activities.

Related parties

Avocet Trust has a subsidiary company, Kingfisher Housing (Hull) Limited. The principal activity of Kingfisher Housing (Hull) Limited is that of the development and rental of property. The properties are occupied by the clients of Avocet Trust. Brian Crosher Training is a further subsidiary company of Avocet Trust. This company provides specialist training to the parent Trust and to other care companies and to companies not involved directly with care.

Avocet Trust

Report of the Trustees for the Year Ended 31 March 2021

Public Benefit Statement

The public benefit commitment of the Trust includes the provision of financial support for a Short Stay Respite service. The initial provision of this service was to provide respite service for hard pressed families. It has been successful in this regard. When necessary, the Trust will provide funds to access this service at a discounted rate.

The Trust has funded a holiday home on the east coast where our clients and their families can stay. This facility is free and is well used.

The Trust has a second holiday home facility on the Neat Marsh site in the East Yorkshire village of Preston. This facility is available free of charge to any vulnerable person.

In an effort to continually improve our support to vulnerable people and their families we offer them training courses free of charge.

Employee involvement

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the Avocet Trust continues and that the appropriate training is arranged. It is the policy of the Avocet Trust that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Statement of Trustees Responsibilities

The trustees, who are also the directors of Avocet Trust for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Avocet Trust and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Avocet Trust will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Avocet Trust 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 Avocet Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Trustees' report was approved by the Board of Trustees.

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Mr A Tearle

Trustee

25 November 2021

Avocet Trust

Report of the Auditors for the Year Ended 31 March 2021

Opinion

We have audited the group and company financial statements of Avocet Trust for the year ended 31 March 2021 which comprise the statement of financial activities, the balance sheet, the statement of cashflows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102.

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis of opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on our work we have performed, we conclude that there is a material misstatement of this information, we are required to report that fact.

We have nothing to report.

Avocet Trust

Report of the Auditors for the Year Ended 31 March 2021

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of Trustees' responsibilities, the trustees, who are also the directors of the Avocet Trust 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the Avocet Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was considered capable of detecting irregularities, including fraud
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We considered the nature of the company's industry and its control environment and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

Avocet Trust

Report of the Auditors for the Year Ended 31 March 2021

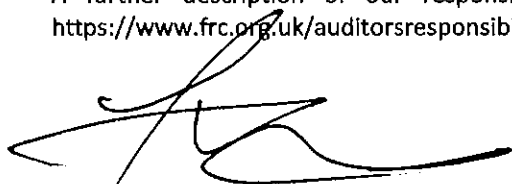
We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



Jonathan Leathley (Senior Statutory Auditor)
for and on behalf of Fawley Judge & Easton
Chartered Certified Accountants
Statutory Auditor
1 Parliament Street
Hull
HU1 2AS

25 November 2021

Fawley Judge & Easton is eligible for appointment as auditor of the Avocet Trust by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

Avocet Trust

Consolidated Statement of Financial Activities and Income Expenses for the Year Ended 31 March 2021

| | | | | 2021 | 2020 |
|---|-------|----------------------------|--------------------------|---------------------|---------------------|
| | Notes | Unrestricted funds £ | Restricted funds £ | Total funds £ | Total funds £ |
| INCOMING RESOURCES | | | | | |
| Incoming resources from generated funds | | | | | |
| Investment income | 2 | - | - | - | - |
| Incoming resources from charitable activities | | | | | |
| General | 3 | 6,122,463 | - | 6,122,463 | 6,606,363 |
| Grants | | 275,597 | - | 275,597 | 32,336 |
| Surplus on disposal of fixed asset | | 21,020 | - | 21,020 | - |
| Total incoming resources | | 6,419,080 | - | 6,419,080 | 6,638,699 |
| RESOURCES EXPENDED | | | | | |
| Costs of generating funds | | | | | |
| Fundraising trading: cost of goods sold and other costs | 4 | - | - | - | - |
| Charitable activities | | | | | |
| General | 5 | 6,202,946 | - | 6,202,946 | 6,669,839 |
| Governance costs | 7 | 38,250 | - | 38,250 | 36,838 |
| Total resources expended | | 6,241,196 | - | 6,241,196 | 6,706,677 |
| Revaluation | | 738,958 | - | 738,958 | - |
| Loss on disposal of fixed asset | | (593,266) | - | (593,266) | - |
| NET INCOMING RESOURCES | | 323,576 | - | 323,576 | (67,978) |
| RECONCILIATION OF FUNDS | | | | | |
| Fund balances at 1 April 2020 | | 3,690,582 | - | 3,690,582 | 3,758,560 |
| TOTAL FUNDS CARRIED FORWARD | | 4,014,158 | - | 4,014,158 | 3,690,582 |

CONTINUING OPERATIONS

All incoming resources and resources expended arise from continuing activities.

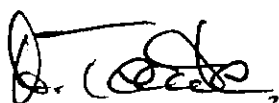
The notes form part of these financial statements

Avocet Trust

**Charity Balance Sheet
at 31 March 2021**

| | Notes | 2021 Total funds £ | 2020 Total funds £ |
|--|-------|-----------------------------|-----------------------------|
| FIXED ASSETS | | | |
| Tangible assets | 11 | 4,227,138 | 4,140,199 |
| Investments | 13 | 11 | 11 |
| | | <u>4,227,149</u> | <u>4,140,210</u> |
| CURRENT ASSETS | | | |
| Debtors | 16 | 1,393,403 | 1,335,931 |
| Cash at bank and in hand | | 603,391 | 289,606 |
| | | <u>1,996,794</u> | <u>1,625,537</u> |
| CREDITORS | | | |
| Amounts falling due within one year | 17 | <u>(740,515)</u> | <u>(645,773)</u> |
| NET CURRENT ASSETS | | | |
| | | <u>1,256,279</u> | <u>979,764</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | |
| | | 5,483,428 | 5,119,974 |
| CREDITORS | | | |
| Amounts falling due after more than one year | 18 | <u>(1,476,648)</u> | <u>(1,429,392)</u> |
| NET ASSETS | | | |
| | | <u>4,006,780</u> | <u>3,690,582</u> |
| FUNDS | | | |
| Unrestricted funds | | 4,006,780 | 3,690,582 |
| TOTAL FUNDS | | | |
| | | <u>4,006,780</u> | <u>3,690,582</u> |

The financial statements were approved by the Board of Trustees on 25 November 2021 and were signed on its behalf by Mr A Tearle – Trustee

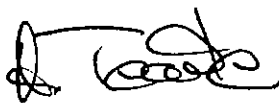


The notes form part of these financial statements

Avocet Trust
Consolidated Balance Sheet
at 31 March 2021

| | Notes | 2021 Total funds £ | 2020 Total funds £ |
|--|-------|-----------------------------|-----------------------------|
| FIXED ASSETS | | | |
| Tangible assets | 11 | 4,227,138 | 4,140,200 |
| Investment property | 14 | 1,895,115 | 1,865,500 |
| | | <u>6,122,253</u> | <u>6,005,700</u> |
| CURRENT ASSETS | | | |
| Debtors | 16 | 200,591 | 412,975 |
| Cash at bank and in hand | | 697,800 | 289,864 |
| | | <u>898,391</u> | <u>702,839</u> |
| CREDITORS | | | |
| Amounts falling due within one year | 17 | (801,127) | (691,040) |
| | | <u>97,264</u> | <u>11,799</u> |
| NET CURRENT ASSETS | | | |
| | | <u>97,264</u> | <u>11,799</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | |
| | | 6,219,517 | 6,017,499 |
| CREDITORS | | | |
| Amounts falling due after more than one year | 18 | (2,205,359) | (2,326,917) |
| | | <u>4,014,158</u> | <u>3,690,582</u> |
| NET ASSETS | | | |
| | | <u>4,014,158</u> | <u>3,690,582</u> |
| FUNDS | | | |
| Unrestricted funds | 21 | 4,014,158 | 3,690,582 |
| | | <u>4,014,158</u> | <u>3,690,582</u> |
| TOTAL FUNDS | | | |
| | | <u>4,014,158</u> | <u>3,690,582</u> |

The financial statements were approved by the Board of Trustees on 25 November 2021 and were signed on its behalf by Mr A Tearle - Trustee



The notes form part of these financial statements

Avocet Trust

Consolidated Cash Flow Statement for the Year Ended 31 March 2021

| | Notes | 2021 Group £ | 2020 Group £ |
|---|-------|--------------------|--------------------|
| Cash used in operating activity | 1 | <u>660,764</u> | <u>128,654</u> |
| Cash flows from investing activity | | | |
| Interest income | | - | - |
| Proceeds on disposal of fixed assets | | 193,288 | - |
| Proceeds on disposal of investment property | | - | - |
| Purchase of tangible fixed assets | | (175,256) | (317,083) |
| Cash provided by (used in) investing activities | | <u>18,032</u> | <u>(317,083)</u> |
| Cash flows from financing activity | | | |
| Repayments of loans | | (270,860) | (147,506) |
| Repayment of obligations under finance leases | | - | (79,580) |
| Cash used in financing activities | | <u>(270,860)</u> | <u>(227,086)</u> |
| Increase/(Decrease) in cash and cash equivalents in the year | | <u>407,936</u> | <u>(415,515)</u> |
| Cash and cash equivalents at the beginning of the year | | <u>289,864</u> | <u>705,379</u> |
| Total cash and cash equivalents at the end of the year | | <u>697,800</u> | <u>289,864</u> |

Avocet Trust

Notes to the Cash Flow Statement
for the Year Ended 31 March 2021

1. RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES

| | 2021 | 2020 |
|--|----------------|----------------|
| | £ | £ |
| Net incoming resources | 323,576 | (67,978) |
| Depreciation charges | 22,691 | 149,719 |
| Loss on disposal of fixed assets | - | - |
| Decrease/(increase) in debtors | 212,384 | 53,190 |
| (Decrease)/Increase in creditors | 93,018 | (126,163) |
| Increase in deferred Income | 329 | 9,154 |
| Net cash inflow from operating activities | 660,764 | 128,654 |

Avocet Trust

Notes to the Financial Statements for the Year Ended 31 March 2021

1. ACCOUNTING POLICIES

Charity information

Avocet Trust is a private company limited by guarantee incorporated in England and Wales. The registered office is Clarence House, 60-62 Clarence Street, Hull, East Yorkshire, HU9 1DN.

Accounting convention

The financial statements have been prepared in accordance with the Avocet Trust's [governing document], the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The Avocet Trust is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the Avocet Trust. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares.
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures.
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income.
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements.
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

Going Concern

The financial statements have been prepared on a going concern basis.

The Trustees continue to be confident that both the Charity, operating in its own right and its trading subsidiaries will achieve their forecasts for the next twelve months. The Trustees are also aware of their continued dependence on the grants and contracts issued from the Public Sector and continue to seek other forms of income by maximising their resources and infrastructure.

A meeting has taken place between Avocet Trust and Hull City Council to review the funding currently received from Hull City Council. Hull City Council are attempting to reduce the amounts paid to Avocet Trust for the care of clients. Whilst this would have a negative impact on Avocet Trust the Trustees believe that the Charity can continue to operate.

Avocet Trust

Notes to the Financial Statements - continued for the Year Ended 31 March 2021

Basis of Consolidation

In the parent company Avocet Trust, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued, and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent

consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Kingfisher Housing (Hull) Limited has been included in the group financial statements using the purchase method of accounting. Accordingly, the group statement of financial activities and statement of cash flows include the results and cash flows of Kingfisher Housing (Hull) Limited for the 12-month period from its acquisition. The purchase consideration has been allocated to the assets and liabilities on the basis of fair value at the date of acquisition.

Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates. In the group financial statements, associates are accounted for using the equity method.

Entities in which the group holds an interest, and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. In the group Avocet Trust, joint ventures are accounted for using the equity method.

Incoming resources

Income is recognised when Avocet Trust is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the Avocet Trust has been notified of the donation unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if Avocet Trust has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT, and other sales related taxes.

Resources

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of resources. Grants offered subject to conditions which have not been met at the yearend date are noted as a commitment but not accrued as expenditure.

Governance costs

Governance costs are those costs which have been identified as constitutional and statutory requirements, as opposed to generating funds, service delivery, and programmes of project work. Governance costs include legal advice and audit of the statutory accounts.

Avocet Trust

Notes to the Financial Statements - continued for the Year Ended 31 March 2021

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

| | |
|-----------------------|---------------------------------------|
| Fixtures and fittings | -25% on reducing balance, 20% on cost |
| Motor vehicles | -25% on cost |

Impairment of fixed assets

At each reporting end date, Avocet Trust reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Financial Instruments

The Avocet Trust has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments

Financial instruments are recognised in Avocet Trust's balance sheet when Avocet Trust becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Avocet Trust

Notes to the Financial Statements - continued for the Year Ended 31 March 2021

Derecognition of financial liabilities

Financial liabilities are derecognised when Avocet Trust's contractual obligations expire or are discharged or cancelled.

Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when Avocet Trust is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in market value is transferred to a revaluation reserve.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the Trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Hire purchase and leasing commitments

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to net income/(expenditure) for the year so as to produce a constant periodic rate of interest on the remaining balance of the liability

Deferred grant

Included in creditors is a provision for deferred income in respect of a grant received from SEIF. The deferral is being amortised at a rate which matches the depreciation of the assets purchased with the grant.

2. INVESTMENT INCOME

| | 2021 | 2020 |
|-------------------------------|------|------|
| | £ | £ |
| Interest receivable - trading | - | - |

Avocet Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2021**

3. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

| | | 2021 £ | 2020 £ |
|----------------------------|-----------------|------------------|------------------|
| | Activity | | |
| DSS Income | General | 5,423,818 | 5,216,314 |
| Residents Income | General | 229,874 | 515,647 |
| Respite & Sessional Income | General | 406,085 | 614,800 |
| Sundry Income | General | <u>62,659</u> | <u>259,602</u> |
| | | <u>6,122,436</u> | <u>6,606,363</u> |

4. FUNDRAISING TRADING: COST OF GOODS SOLD AND OTHER COSTS

| | 2021 £ | 2020 £ |
|-----------|-----------|-----------|
| Purchases | - | - |

5. CHARITABLE ACTIVITIES COSTS

| | Direct costs £ | Grant funding of activities £ | Totals £ |
|---------|-------------------|-------------------------------------|------------------|
| General | <u>5,928,349</u> | <u>274,597</u> | <u>6,202,946</u> |

6. GRANTS PAYABLE

| | 2021 £ | 2020 £ |
|---------|-----------|-----------|
| General | <u>-</u> | <u>-</u> |

7. GOVERNANCE COSTS

| | 2021 £ | 2020 £ |
|------------------------|---------------|---------------|
| Accountancy | 15,900 | 16,200 |
| Legal fees | 15,150 | 13,438 |
| Auditors' remuneration | 7,200 | 7,200 |
| | <u>38,250</u> | <u>36,838</u> |

Avocet Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2021**

8. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting):

| | 2021 | 2020 |
|---|---------------|---------|
| | £ | £ |
| Auditors' remuneration | 7,200 | 7,200 |
| Depreciation – owned assets | 22,691 | 149,719 |
| Hire of plant and machinery | 15,497 | 11,559 |
| (Profit)/Deficit on disposal of fixed asset | <u>25,520</u> | - |

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no Trustees' remuneration or other benefits for the year ended 31 March 2021 nor for the year ended 31 March 2020.

Trustees' expenses

There were no Trustees' expenses paid for the year ended 31 March 2021 nor for the year ended 31 March 2020.

10. STAFF COSTS

| | 2021 | 2020 |
|--------------------|------------------|------------------|
| | £ | £ |
| Wages and salaries | <u>5,027,347</u> | <u>5,366,427</u> |
| | <u>5,027,347</u> | <u>5,366,427</u> |

The average monthly number of employees during the year was as follows:

| | 2021 | 2020 |
|------------------|------------|------------|
| Residential care | 182 | 239 |
| Administration | <u>20</u> | <u>28</u> |
| | <u>202</u> | <u>267</u> |

One member of staff was paid in excess £60,000, in the following bands:

| | 2021 | 2020 |
|-----------------|----------|----------|
| £70,000-£80,000 | <u>1</u> | <u>1</u> |

Avocet Trust

Notes to the Financial Statements - continued
for the Year Ended 31 March 2021

11. TANGIBLE FIXED ASSETS – Charity

| | Freehold Property £ | Assets under construction £ | Motor vehicles £ | F&F & computers £ | Totals |
|------------------------|---------------------------|-----------------------------------|------------------------|-------------------------|-------------|
| COST | | | | | |
| At 1 April 2020 | 3,455,244 | 173,664 | 88,130 | 1,337,324 | 5,054,362 |
| Additions | - | - | - | 2,808 | 2,808 |
| Disposals | - | (173,664) | - | (1,202,717) | (1,376,381) |
| Revaluation | 700,412 | - | - | - | 700,412 |
| At 31 March 2021 | 4,155,656 | - | 88,130 | 137,415 | 4,381,201 |
| DEPRECIATION | | | | | |
| At 1 April 2020 | 10,148 | - | 57,673 | 846,343 | 914,164 |
| Charge for year | - | - | 9,632 | 13,059 | 22,691 |
| Eliminated on disposal | - | - | - | (772,644) | (772,644) |
| Revaluation | (10,148) | - | - | - | (10,148) |
| At 31 March 2021 | - | - | 67,305 | 86,758 | 154,063 |
| NET BOOK VALUE | | | | | |
| At 31 March 2021 | 4,155,656 | - | 20,825 | 50,657 | 4,227,138 |
| At 31 March 2020 | 3,445,096 | 173,664 | 30,457 | 490,982 | 4,140,199 |

12. TANGIBLE FIXED ASSETS – Group

| | Freehold Property £ | Assets under construction £ | Motor vehicles £ | F&F & computers £ | Totals |
|------------------------|---------------------------|-----------------------------------|------------------------|-------------------------|-------------|
| COST | | | | | |
| At 1 April 2020 | 3,455,244 | 173,664 | 88,130 | 1,337,324 | 5,054,362 |
| Additions | - | - | - | 2,808 | 2,808 |
| Disposals | - | (173,664) | - | (1,202,717) | (1,376,381) |
| Revaluation | 700,412 | - | - | - | 700,412 |
| At 31 March 2021 | 4,155,656 | - | 88,130 | 137,415 | 4,381,201 |
| DEPRECIATION | | | | | |
| At 1 April 2020 | 10,148 | - | 57,673 | 846,343 | 914,164 |
| Charge for year | - | - | 9,632 | 13,059 | 22,691 |
| Eliminated on disposal | - | - | - | (772,644) | (772,644) |
| Revaluation | (10,148) | - | - | - | (10,148) |
| At 31 March 2021 | - | - | 67,305 | 86,758 | 154,063 |
| NET BOOK VALUE | | | | | |
| At 31 March 2021 | 4,155,656 | - | 20,825 | 50,657 | 4,227,138 |
| At 31 March 2020 | 3,445,096 | 173,664 | 30,457 | 490,982 | 4,140,199 |

Avocet Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2021**

Included in cost or valuation of land and buildings is freehold land of £194,000.

Land and buildings in fixed assets were at 31 March 2020. These properties were previously stated at historic cost.

13. FIXED ASSET INVESTMENTS

| | Shares in group undertakings £ |
|-----------------------------------|---|
| MARKET VALUE | |
| At 1 April 2020 and 31 March 2021 | 11 |
| NET BOOK VALUE | |
| At 31 March 2021 | 11 |
| At 31 March 2020 | 11 |

There were no investment assets outside the UK.

The company's investments at the balance sheet date in the share capital of companies include the following:

Kingfisher Housing (Hull) Ltd – 10 shares of £1
Brian Crosher Training Ltd – dormant – 1 share of £1

Nature of business: Property management

| | |
|-----------------|---------|
| Class of share: | % |
| Ordinary | holding |
| | 100 |

| | | 2021 | 2020 |
|--------------------------------|---|-------|---------|
| | £ | £ | |
| Aggregate capital and reserves | | 7,388 | (9,022) |
| Profit/(loss) for the year | | 7,378 | 39,788 |

Investments, which represent shares held in the subsidiary company, are stated at cost.

14. INVESTMENT PROPERTY

| | Total £ |
|--------------------------|------------|
| COST OR VALUATION | |
| At 1 April 2021 | 1,895,115 |
| NET BOOK VALUE | |
| At 31 March 2021 | 1,895,115 |
| At 31 March 2020 | 1,895,115 |

Avocet Trust

Notes to the Financial Statements - continued
for the Year Ended 31 March 2021

15. INVESTMENT PROPERTY – continued

Included in cost or valuation of investment property is freehold land of £633,667 (2020: £692,000) which is not depreciated

Cost or valuation at 31 March 2021 is represented by:

| | |
|-------------|------------------|
| Cost | 1,971,878 |
| Additions | 173,664 |
| Disposals | (172,448) |
| Revaluation | <u>(77,980)</u> |
| | <u>1,865,500</u> |

| | 2021 £ | 2020 £ |
|------------------------|------------------|------------------|
| Cost | <u>1,971,270</u> | <u>1,971,878</u> |
| Aggregate depreciation | <u>(41,850)</u> | <u>(41,850)</u> |

Land and buildings were valued on an open market basis on 31 March 2016 by Allied Chartered Surveyors.

16. DEBTORS

| | Group | | Company | |
|-------------------------------------|----------------|----------------|------------------|------------------|
| | 2021 £ | 2020 £ | 2021 £ | 2020 £ |
| Amount falling due within one year: | | | | |
| Trade debtors | 157,494 | 296,796 | 157,494 | 296,796 |
| Amounts owed by group undertakings | - | - | 1,192,812 | 922,957 |
| Other debtors | 1,783 | 100,940 | 1,783 | 100,940 |
| Prepayments | 41,314 | 15,239 | 41,314 | 15,239 |
| | <u>200,591</u> | <u>412,975</u> | <u>1,393,403</u> | <u>1,335,932</u> |

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | Group | | Company | |
|---------------------------------|----------------|----------------|----------------|----------------|
| | 2021 £ | 2020 £ | 2021 £ | 2020 £ |
| Bank loans and overdrafts | 158,834 | 141,863 | 98,220 | 98,220 |
| Trade creditors | 88,148 | 12,167 | 88,148 | 12,167 |
| Social security and other taxes | 81,945 | 67,915 | 81,945 | 67,915 |
| Accruals and deferred income | 472,201 | 469,095 | 472,202 | 467,471 |
| Obligations under finance lease | - | - | - | - |
| | <u>801,128</u> | <u>691,040</u> | <u>740,515</u> | <u>645,773</u> |

Avocet Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2021**

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | Group | | Company | |
|---------------------------------|------------------|------------------|------------------|------------------|
| | 2021 £ | 2020 £ | 2021 £ | 2020 £ |
| Bank loans | 2,205,359 | 2,326,917 | 1,476,648 | 1,429,392 |
| Obligations under finance lease | - | - | - | - |
| | <u>2,205,359</u> | <u>2,326,917</u> | <u>1,476,648</u> | <u>1,429,392</u> |

19. LOANS

An analysis of the maturity of loans is given below:

| | Group | | Company | |
|--------------------------------------|------------------|------------------|------------------|------------------|
| | 2021 £ | 2020 £ | 2021 £ | 2020 £ |
| Amounts falling due within one year: | | | | |
| Bank loans | 158,834 | 141,863 | 98,220 | 98,220 |
| Amounts falling due: | | | | |
| Bank loans – 1-2 years | 158,834 | 141,863 | 98,220 | 98,220 |
| Bank loans – 2-5 years | 476,502 | 439,900 | 292,992 | 292,992 |
| Bank loans after 5 years | 1,570,023 | 1,745,154 | 1,085,436 | 1,038,180 |
| | <u>2,205,359</u> | <u>2,476,219</u> | <u>1,476,648</u> | <u>1,429,392</u> |

20. SECURED DEBTS

The following secured debts are included within creditors:

| | Group | | Company | |
|------------|-----------|-----------|-----------|-----------|
| | 2021 £ | 2020 £ | 2021 £ | 2020 £ |
| Bank loans | 2,205,359 | 2,326,917 | 1,476,643 | 1,429,392 |

The Co-operative Bank and Unity Trust Bank hold a legal charge over the property of Avocet Trust and Kingfisher Housing Limited

The bank also holds a specific charge over the book of debts of the company.

Avocet Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2021**

21. MOVEMENT IN FUNDS

| | At 1.4.20 | Net movement in funds | At 31.3.21 |
|---------------------------|-----------|--------------------------|------------|
| | £ | £ | £ |
| Unrestricted funds | | | |
| General fund | 3,690,582 | 316,198 | 4,006,780 |
| TOTAL FUNDS | 3,690,582 | 316,198 | 4,006,780 |

Net movement in funds, included in the above are as follows:

| | Incoming resources | Resources expended | Net gains/loss | Movement in funds |
|---------------------------|-----------------------|-----------------------|----------------|----------------------|
| | £ | £ | £ | £ |
| Unrestricted funds | | | | |
| General fund | <u>6,419,080</u> | <u>(6,241,186)</u> | <u>117,294</u> | <u>323,576</u> |

22. CONTINGENT LIABILITIES

In addition to the security over the assets of the company described above, the Co-operative Bank plc also holds a first legal charge over the assets of Avocet's subsidiary company Kingfisher Housing (Hull) Limited.

23. RELATED PARTY DISCLOSURES

Kingfisher Housing (Hull) Limited ("Kingfisher") is a wholly owned subsidiary of Avocet Trust. Kingfisher purchased several houses from Avocet Trust in a previous year and Avocet Trust made a loan to Kingfisher for that purpose. The loan is subject to an agreement setting out repayment terms. In addition, Avocet Trust has made an informal loan by way of inter-company balance in respect of Kingfisher's start up costs. Avocet Trust pay rent for the use of properties owned by Kingfisher.

Transactions between Kingfisher and Avocet Trust are as follows

| | 2021 | 2020 |
|------------------------|----------------|---------------|
| | £ | £ |
| Rents paid | 166,000 | 190,000 |
| Grants paid | - | - |
| Loan Interest received | 20,185 | 16,680 |
| Management charge | <u>149,670</u> | <u>42,752</u> |

The above transactions were at market value.

At 31 March 2021 Kingfisher owed Avocet Trust £1,192,811 (2020: £922,957)