

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 2019

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

Avocet Trust

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Avocet Trust

Report of the Trustees for the Year Ended 31 March 2019

The trustees present their report and financial statements for the year ended 31 March 2019.

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 increased during the year from 67 in April 2018 to 72 in March 2019.

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

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

Avocet Trust
Report of the Trustees
for the Year Ended 31 March 2019

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.

Our total funds as at 31 March 2019 are £3,715,508.

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 amend to allow for current governance arrangements on 22nd November 1995 and 16th October 2006. It is a charity registered with the Charities Commission.

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

Mrs S Baker
Mr C M Brown
Mrs L Cartwright
Mr J Cartwright
Mr P Jibson
Miss F L I Cartwright
Mr A D Tearle

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.

Avocet Trust

Report of the Trustees for the Year Ended 31 March 2019

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.

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.

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.

Avocet Trust

Report of the Trustees for the Year Ended 31 March 2019

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 provides a £12,000 annual grant to Five Senses Charity Expressive Arts & Education Centre. The Trust provides a comprehensive programme of training to all new staff in Five Senses Charity. Five Senses Charity offers free access to its facilities and services to all Avocet Trust residents.

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.

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.

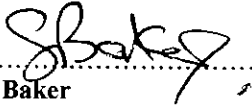
In so far as the Trustees are aware:

- 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.

Avocet Trust

**Report of the Trustees
for the Year Ended 31 March 2019**

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



.....
Mrs S Baker

Trustee

Dated 23 September 2019

Avocet Trust

Report of the Auditors for the Year Ended 31 March 2019

We have audited the group financial statements of Avocet Trust for the year ended 31 March 2019 set out on pages 7 to 19. 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.

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' 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 charity and its trustees 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 set out on page 4, the trustees, who are also the directors of Avocet Trust for the purposes of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

The trustees have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly we have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. 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 accounts

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 Trustees' Annual 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 charitable company's affairs as at 31 March 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Avocet Trust

**Report of the Auditors
for the Year Ended 31 March 2019**

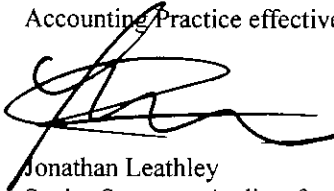
Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the financial statements are not in agreement with the accounting records and returns; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- we have not received all the information and explanations we require for our audit.

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with "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) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.



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

20 September 2019

Fawley Judge & Easton is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Avocet Trust

Consolidated Statement of Financial Activities and Income Expenses for the Year Ended 31 March 2019

		Unrestricted funds £	Restricted funds £	2019 Total funds £	2018 Restated Total funds £
	Notes				
INCOMING RESOURCES					
Incoming resources from generated funds					
Investment income	2	-	-	-	-
Incoming resources from charitable activities					
General	3	6,715,371	-	6,715,371	6,246,840
Donated assets		-	-	-	-
Total incoming resources		<u>6,715,371</u>	<u>-</u>	<u>6,715,371</u>	<u>6,246,840</u>
RESOURCES EXPENDED					
Costs of generating funds					
Fundraising trading: cost of goods sold and other costs	4	-	-	-	-
Charitable activities					
General	5	6,589,766	-	6,589,766	5,857,615
Governance costs	7	33,699	-	33,699	63,028
Total resources expended		<u>6,623,465</u>	<u>-</u>	<u>6,623,465</u>	<u>5,920,643</u>
NET INCOMING RESOURCES					
Gross transfers between funds		91,906	-	91,906	326,197
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		91,906	-	91,906	326,197
RECONCILIATION OF FUNDS					
Fund balances at 1 April 2018		<u>3,651,310</u>	<u>15,344</u>	<u>3,666,654</u>	<u>3,340,457</u>
TOTAL FUNDS CARRIED FORWARD		<u>3,743,216</u>	<u>15,344</u>	<u>3,758,560</u>	<u>3,666,654</u>

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 2019

	Notes	2019 Total funds £	2018 Total funds £
FIXED ASSETS			
Tangible assets	11	3,972,835	3,956,071
Investments	13	11	11
		3,972,846	3,956,082
 CURRENT ASSETS			
Debtors	16	1,389,121	1,175,306
Cash at bank and in hand		703,251	984,952
		2,092,372	2,160,528
 CREDITORS			
Amounts falling due within one year	17	(777,250)	(736,492)
 NET CURRENT ASSETS		1,315,122	1,423,766
 TOTAL ASSETS LESS CURRENT LIABILITIES		5,287,968	5,379,848
 CREDITORS			
Amounts falling due after more than one year	18	(1,529,408)	(1,704,172)
 NET ASSETS		3,758,560	3,675,676
 FUNDS			
Unrestricted funds		3,743,216	3,660,332
Restricted funds		15,344	15,334
 TOTAL FUNDS		3,758,560	3,675,676

The financial statements were approved by the Board of Trustees on 23 September 2019 and were signed on its behalf by Mrs S Baker – Trustee




The notes form part of these financial statements

Avocet Trust

Consolidated Balance Sheet At 31 March 2019

	Notes	2019 Total funds £	2018 Total funds £
FIXED ASSETS			
Tangible assets	11	3,972,836	3,956,071
Investment property		1,865,500	1,865,500
		<u>5,838,336</u>	<u>5,821,571</u>
CURRENT ASSETS			
Debtors	16	520,879	344,665
Cash at bank and in hand		705,379	984,457
		<u>1,226,258</u>	<u>1,332,122</u>
CREDITORS			
Amounts falling due within one year	17	(829,815)	(786,771)
NET CURRENT ASSETS		<u>396,443</u>	<u>545,351</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		6,234,779	6,366,922
CREDITORS			
Amounts falling due after more than one year	18	(2,476,219)	(2,700,268)
NET ASSETS		<u>3,758,560</u>	<u>3,666,654</u>
FUNDS	21		
Unrestricted funds		3,743,216	3,651,310
Restricted funds		15,344	15,344
TOTAL FUNDS		<u>3,758,560</u>	<u>3,666,654</u>

The financial statements were approved by the Board of Trustees on 23 September 2019 and were signed on its behalf by Mrs S Baker - Trustee


 The notes form part of these financial statements

Avocet Trust

Consolidated Cash Flow Statement for the Year Ended 31 March 2019

	Notes	2019 Group £	2018 Group £
Cash used in operating activity	1	<u>117,751</u>	<u>445,850</u>
Cash flows from investing activity			
Interest income		-	-
Proceeds on disposal of fixed assets		-	-
Proceeds on disposal of investment property		-	-
Purchase of tangible fixed assets		(164,440)	(110,131)
Cash provided by (used in) investing activities		<u>(147,760)</u>	<u>(110,131)</u>
Cash flows from financing activity			
Repayments of loans		(148,575)	871,507
Repayment of obligations under finance leases		(86,814)	(626,897)
Cash used in financing activities		<u>(235,389)</u>	<u>244,610</u>
Increase/(Decrease) in cash and cash equivalents in the year		<u>(282,078)</u>	<u>580,329</u>
Cash and cash equivalents at the beginning of the year		<u>987,457</u>	<u>407,128</u>
Total cash and cash equivalents at the end of the year		<u>705,379</u>	<u>987,457</u>

Avocet Trust

Notes to the Cash Flow Statement
for the Year Ended 31 March 2019

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

	2019	2018
	£	£
Net incoming resources	91,906	326,197
Depreciation charges	146,700	147,101
Loss on disposal of fixed assets	976	3,536
Decrease/(increase) in debtors	(171,063)	(69,777)
(Decrease)/increase in creditors	62,568	34,221
Increase in deferred income	(13,336)	4,572
Net cash inflow from operating activities	117,751	445,850

Avocet Trust

Notes to the Financial Statements for the Year Ended 31 March 2019

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.

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

Avocet Trust

Notes to the Financial Statements - continued for the Year Ended 31 March 2019

Basis of Consolidation - continued

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 year end 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.

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

Avocet Trust

Notes to the Financial Statements - continued for the Year Ended 31 March 2019

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.

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.

Avocet Trust

Notes to the Financial Statements - continued for the Year Ended 31 March 2019

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		2019 £	2018 £
Interest receivable - trading		-	-
3. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES		2019 £	2018 £
	Activity		
DSS Income	General	5,128,788	4,742,174
Residents Income	General	228,217	233,122
Respite & Sessional Income	General	1,095,519	1,041,379
Sundry Income	General	216,850	209,037
		6,669,374	6,225,712
4. FUNDRAISING TRADING: COST OF GOODS SOLD AND OTHER COSTS		2019 £	2018 £
Purchases		-	-

Avocet Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2019**

5. CHARITABLE ACTIVITIES COSTS

	Direct costs £	Grant funding of activities £	Totals £
General	6,628,729	-	6,628,729

6. GRANTS PAYABLE

	2019 £	2018 £
General	-	12,000

7. GOVERNANCE COSTS

	2019 £	2018 £
Accountancy	16,664	15,834
Legal fees	9,835	39,994
Auditors' remuneration	7,200	7,200
	33,699	63,028

8. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting):

	2019 £	2018 £
Auditors' remuneration	7,200	7,200
Depreciation – owned assets	142,958	136,823
Hire of plant and machinery	12,387	28,507
(Profit)/Deficit on disposal of fixed asset	976	3,536

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no Trustees' remuneration or other benefits for the year ended 31 March 2019 nor for the year ended 31 March 2018.

Trustees' expenses

There were no Trustees' expenses paid for the year ended 31 March 2019 nor for the year ended 31 March 2018.

Avocet Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2019**

10. STAFF COSTS

	2019 £	2018 £
Wages and salaries	4,750,372	4,066,185
Social security costs	315,966	271,804
Other pension costs	54,534	57,349
	4,396,338	4,396,338

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

	2019	2018
Residential care	239	239
Administration	28	28
	267	267

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

	2019	2018
£70,000-£80,000	1	1

11. TANGIBLE FIXED ASSETS – Company

	Freehold Property £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 April 2018	3,435,719	1,052,263	65,957	30,495	4,584,434
Additions	-	144,687	19,773	-	164,440
Disposals	-	-	(11,595)	-	(11,595)
At 31 March 2019	3,435,719	1,196,931	74,135	30,495	4,737,280
DEPRECIATION					
At 1 April 2018	10,148	526,790	60,934	30,491	628,363
Charge for year	-	143,551	3,150	-	146,701
Eliminated on disposal	-	-	(10,619)	-	(10,619)
At 31 March 2019	10,148	670,341	53,465	30,491	764,445
NET BOOK VALUE					
At 31 March 2019	3,425,571	526,590	20,670	4	3,972,835
At 31 March 2018	3,425,571	525,473	5,023	4	3,956,071

Avocet Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2019**

12. TANGIBLE FIXED ASSETS – Group

	Freehold Property £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 April 2018	3,435,719	1,062,014	70,703	30,495	4,598,931
Additions	-	144,687	19,773	-	164,440
Disposals	-	-	(11,595)	-	(11,595)
At 31 March 2019	<u>3,435,719</u>	<u>1,206,701</u>	<u>78,881</u>	<u>30,495</u>	<u>4,603,776</u>
DEPRECIATION					
At 1 April 2018	10,148	536,540	65,680	30,491	642,860
Charge for year	-	143,551	3,150	-	147,112
Eliminated on disposal	-	-	(10,619)	-	(10,619)
At 31 March 2019	<u>10,148</u>	<u>680,091</u>	<u>58,211</u>	<u>30,491</u>	<u>779,353</u>
NET BOOK VALUE					
At 31 March 2019	<u>3,425,571</u>	<u>526,591</u>	<u>20,670</u>	<u>4</u>	<u>3,972,836</u>
At 31 March 2018	<u>3,425,571</u>	<u>525,473</u>	<u>5,023</u>	<u>4</u>	<u>3,956,071</u>

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

Land and building in fixed assets were as at 31 March 2012. These properties were previously stated at historic cost.

13. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
MARKET VALUE	
At 1 April 2018 and 31 March 2019	11
NET BOOK VALUE	
At 31 March 2019	11
At 31 March 2018	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
Brian Crosher Training Ltd

Avocet Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2019**

13. FIXED ASSET INVESTMENTS – continued

Nature of business: Property management

	%			
Class of share:	holding			
Ordinary	100		2019	2018
			£	£
Aggregate capital and reserves			(9,022)	(9,022)
Profit/(loss) for the year			39,788	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 2018	1,865,500
NET BOOK VALUE	
At 31 March 2019	1,865,500
At 31 March 2018	1,865,500

15. INVESTMENT PROPERTY – continued

Included in cost or valuation of investment property is freehold land of £692,000 (2018: £692,000) which is not depreciated

Cost or valuation at 31 March 2019 is represented by:

Valuation in 2016			(106,378)	
Cost			1,971,878	
				1,865,500

		2019	2018	
		£	£	
Cost		1,971,878	1,971,878	
		-----	-----	
Aggregate depreciation		(41,850)	(41,850)	
		-----	-----	

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

Avocet Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2019**

16. DEBTORS

	Group		Company	
	2019 £	2018 £	2019 £	2018 £
Amount falling due within one year:				
Trade debtors	435,351	267,353	435,351	267,351
Amounts owed by group undertakings	-	-	868,243	830,643
Other debtors	72,617	64,434	72,616	64,434
Prepayments	12,911	12,878	12,911	12,878
	<u>520,879</u>	<u>344,665</u>	<u>1,389,121</u>	<u>1,117,306</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2019 £	2018 £	2019 £	2018 £
Bank loans and overdrafts	140,067	141,307	96,424	97,664
Trade creditors	52,590	49,551	52,590	49,551
Social security and other taxes	69,435	58,706	69,435	58,706
Accruals and deferred income	488,143	450,393	479,221	443,757
Obligations under finance lease	79,580	86,814	79,580	86,814
	<u>829,815</u>	<u>786,771</u>	<u>777,250</u>	<u>736,492</u>

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

	Group		Company	
	2019 £	2018 £	2019 £	2018 £
Bank loans	2,476,219	2,620,688	1,529,408	1,624,592
Obligations under finance lease	-	79,580	-	79,580
	<u>2,476,219</u>	<u>2,700,268</u>	<u>1,529,408</u>	<u>1,704,172</u>

Avocet Trust

Notes to the Financial Statements - continued for the Year Ended 31 March 2019

19. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Amounts falling due within one year:				
Bank loans	140,067	141,307	96,424	52,054
Amounts falling due:				
Bank loans – 1-2 years	146,333	146,333	97,664	97,664
Bank loans – 2-5 years	439,900	439,900	292,992	292,992
Bank loans after 5 years	1,889,986	2,034,455	1,138,752	1,233,936
	2,476,219	2,620,688	1,529,408	1,624,592

20. SECURED DEBTS

The following secured debts are included within creditors:

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Bank loans	2,616,286	2,761,995	1,625,832	1,722,256

The Co-operative Bank plc holds a first legal charge over the property known as Neat Marsh House and Nursery. The bank also holds a specific charge over the book of debts of the company.

21. MOVEMENT IN FUNDS

	Net movement		
	At 1.4.18	in funds	At 31.3.19
	£	£	£
Unrestricted funds			
General fund	3,651,310	91,906	3,743,216
Restricted funds			
St Georges	268	-	268
Sensory Gardens	7,124	-	7,124
Respite Vehicle	3,000	-	3,000
Walking Groups	1,347	-	1,347
Matthew Batty Fund	3,000	-	3,000
Matthews Enterprise	605	-	605
	15,344	-	15,344
TOTAL FUNDS	3,666,654	15,344	3,758,560

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

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Unrestricted funds			
General fund	6,715,371	(6,623,465)	91,906

Avocet Trust

Notes to the Financial Statements - continued for the Year Ended 31 March 2019

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.

Avocet Trust has undertaken an agreement with 5 Senses, which is a charity which was formerly part of the Avocet Trust, in which Avocet Trust has agreed to fund 5 Senses for the next 3 years starting April 2015, at a rate of £12,000 per annum in respect of services provided to Avocet, and a contingency of a further £12,000 per annum in the event of 5 Senses being unable to obtain sufficient funding to meet its current obligations.

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

	2019	2018
	£	£
Rents paid	190,000	190,000
Grants paid	-	20,000
Loan Interest received	16,680	16,680
Management charge	42,752	-

The above transactions were at market value.

At 31 March 2019 Kingfisher owed Avocet Trust £825,491 (2018: £830,643)