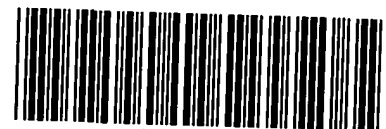


Registered number: 02976727
Charity number: 1048236

AVALON GROUP (SOCIAL CARE)
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

TUESDAY



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COMPANIES HOUSE

AVALON GROUP (SOCIAL CARE)
(A company limited by guarantee)

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AVALON GROUP (SOCIAL CARE)
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2025

Trustees

Stephen Fox, Chair of the Board (resigned 15 August 2024)^{2,4,6,7}
Keith Nurcombe, Chair of the Board (appointed 15 August 2024)
Joseph Bradley^{1,4,8}
Naomi Carey (appointed 28 November 2024)⁵
Susan Carr (resigned 22 April 2024)⁵
James Dunmore (appointed 28 November 2024, resigned 10 June 2025)
Susan Howard (resigned 1 May 2024)
Jonathan May (appointed 5 June 2025)
Kirsty Needham⁶
Stephen Perry (appointed 15 August 2024)⁷
Michael Purvis^{2,3}
Karen Tyrell (resigned 27 February 2025)^{2,4,8}

- ¹ Chair of Audit and Risk Committee
² Member of Audit and Risk Committee
³ Chair of Business Development Committee
⁴ Member of Business Development Committee
⁵ Chair of People Committee
⁶ Member of People Committee
⁷ Chair of Remuneration Committee
⁸ Member of Remuneration Committee

Company registered number 02976727

Charity registered number 1048236

Registered office 6 Grove Park Court
Harrogate
HG1 4DP

Independent auditor BHP LLP
Chartered Accountants
Rievaulx House
1 St Mary's Court
York
YO24 1AH

Solicitors Hempsons
The Exchange
Station Parade
Harrogate
HG1 1DY

Senior management team Emma Williams, Chief Executive Officer and Company Secretary
Lisette Robinson, Director of Finance and Corporate Services
Bev Wilson, Director of Operations (until 4 October 2024)
Tom Pick, Directors of Operations (appointed 13 February 2025)
Kelly Winham, Service Development Director (appointed 7 May 2024)

Trustees' Report for the Year ended 31 March 2025

I am pleased to present our Annual Report and Accounts for the year ended 31 March 2025 which provide a full summary of the charity's key achievements during 2024/25 and some of the challenges we faced as an organisation during this period.

Transformational change continues at Avalon as we navigate the challenges within the sector and work towards operating sustainably in the medium to longer term.

To support the successful implementation of the five year plan, created and launched during 2023/24, which safeguards the future growth and sustainability of the charity, we welcomed four new trustees to the board during the financial year and the months following. Their appointment further strengthens the financial, commercial and human resources strategic leadership of the organisation.

The challenging economic outlook and continued pressure on local Councils continues to direct Avalon resources towards developing and sustaining care solutions that meet the greatest unmet need. This year, designated funds have been invested in strengthening the operating infrastructure at Avalon, including resource to grow and develop services and ICT projects to underpin digital transformation work over the medium term.

As we reflect on the achievements of the past year, we extend a very sincere thank you to everyone at Avalon who has made these accomplishments possible. With a special appreciation expressed to our talented and committed colleagues who make a difference to so many lives every day. For more information on all topics please visit our website, where you will find more stories, details of the support we can provide, and also how to contact your local Avalon office.

Keith Nurcombe

Chair of Trustees

Trustees' Report for the Year ended 31 March 2025

The Trustees present their annual report together with the audited financial statements of the Avalon Group (Social Care) (the company) for the year ended 31 March 2025.

Reference and administrative information set out on page 1 forms part of this report.

The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" in preparing the annual report and financial statements of the charity. The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 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 published in October 2019. This report also meets the requirements of the Strategic Report for Companies Act 2006 purposes.

Strategic Report

A. Avalon's Objectives and Activities

Purposes and aims

Avalon Group's vision is that the people we support will achieve their best life experience. We provide high quality social care services and solutions in the North of England, providing Community Support, Supported Living and Shared Lives services to disabled people of a working age, older adults and young people in transition.

Our mission is to promote inclusive, personalised support in our local communities, helping individuals and families improve their lives. *This means tackling loneliness, promoting choice, control and independent living, and empowering people to live the lives they want to live.*

In order to make this vision a reality, we are committed to the following values which influence our strategic priorities and guide our day to day work:

- We are kind and respectful to everyone
- We are honest and trustworthy
- We are always learning and developing
- We are inclusive; everyone has a voice
- We work in partnership with our communities

The charity reviews its aims, objectives and activities each year to ensure it remains focused on its stated purposes. This report looks at what the charity has achieved and the outcomes of its work within the previous twelve months. The Trustees report on the success of each key activity and the benefits they have brought to those groups of people the charity was set up to support.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and when planning its future activities.

Trustees' Report for the Year ended 31 March 2025

B. Achievements and performance

During the year ended 31 March 2025, the Avalon Group supported more than 320 people with learning disabilities, autism, people living with dementia and/or mental health challenges, commissioned by 12 Local Authorities and NHS bodies across Yorkshire and the North East of England. Services included Supported Living, Community Support and Shared Lives long term and short term breaks and Day Services. We supported people with a wide spectrum of needs, including mild to moderate learning disabilities, autism, mental health challenges and people with profound and multiple learning disabilities, sensory and physical disabilities and complex health needs.

Key successes in the year include:

- **Good CQC ratings** – all locality offices have continued to be rated “Good”.
- **Investors in People** - During the year we were awarded Investors in People accreditation for the first time in 10 years, reflecting our ongoing commitment to create a workplace where everyone thrives and feels valued.
- **Satisfaction surveys** – provides vital insight into our performance from the perspective of our key stakeholders. Examples of feedback are:
 - 99% of the people we support were satisfied with our overall support
 - 99% of the people we support would recommend Avalon as a support provider
 - 100% of the people we support felt they have choice in their everyday life
 - 94% of the people we support feel like they are part of the community where they live
 - 87% of our staff and 91% of Shared Lives carers feel motivated to give their best
 - 73% of our staff 85% of Shared Lives carers agree that Avalon supports them to be their best
- **Service Development** – during the year we were also successful in joining key frameworks in Redcar and Cleveland and East Riding enabling us to expand and grow our Supported Living services in these new areas.

Set out below is a summary of the specific activities from the year 2024/25 along with the objectives we set for that year, the first year of our five year plan. Our plan was split into five pathways, which allow us to achieve our vision. The table below sets out the key plans associated with each pathway and performance during the year.

Aim	Activities planned	
<p>Outstanding co-produced support – we will respond to increasingly varied and complex needs, co-producing support that achieves the best possible outcome.</p>	<ul style="list-style-type: none"> • Community mapping and training in community networking within localities to share systemically existing best practice across local teams. • Roadmap to outstanding created for each locality. • Board composition: skills and succession review. 	<ul style="list-style-type: none"> • Locality offices have local community networking information available to all staff and people supported. Locality Managers are active members of local Skills for Care Registered Manager networks and actively share local and regional knowledge across Avalon to generate new ideas and reinforce existing best practice. • Internal quality inspections now take place bi-annually at each locality generating an action plan that is monitored monthly. • Board skills audit undertaken and four new trustees were recruited and onboarded in the year with strategic financial management, HR and commercial experience of the sector.

Trustees' Report for the Year ended 31 March 2025

<p>A great place to work – we will recognise and continuously develop our people as valued leaders of quality services.</p>	<ul style="list-style-type: none"> • Relaunch the Employee Forum in a format that improves engagement across all localities and roles. • Begin work towards Investors in People accreditation as independent measure of employee engagement, wellbeing and culture. • Review of clinical governance infrastructure to ensure fit for purpose as the organisation develops. 	<ul style="list-style-type: none"> • The Employee Forum was relaunched in February 2025, chaired by the CEO with representatives from each locality and a range of different job roles. The annual plan of agenda items focuses on well-being and support, leadership, workplace improvement and feedback and recognition and celebrations. • Awarded Investors in People accreditation in December 2024 along with detailed action plan for continual improvement being incorporated into the longer term People Plan. • Initial independent review of clinical governance structure completed identifying areas of best practice and development areas to focus on as the charity grows.
<p>Technology for all – we will invest in digital solutions for the benefit of everyone.</p>	<ul style="list-style-type: none"> • Implementation of digital care records for all Community Support and Supported Living services. • Identify and implement Shared Lives digital system. • Identify and implement digital Board management system. 	<ul style="list-style-type: none"> • A new MSP (Jungle IT) was on-boarded in May 2024 enabling projects to streamline the virtual desktop, Intune and improve Teams end-user experience during the year. • Implementation of digital care records is ongoing across all services. ICB funding of £57,941 was secured to fund the initial resource required to fund the new care system for one year. • Charms has been selected as the Shared Lives digital system which will be implemented across all Shared Lives services during 2025/26. • Digital Board management has been postponed pending the completion of other digital projects. This is scheduled for 2025/26.
<p>Sustainable futures – we will create support options that meet people's needs and we will be embedded within communities.</p>	<ul style="list-style-type: none"> • Draft and launch the Business Development strategy to support the five year plan. • Review of Marketing & Communications to ensure most effective use of resource. 	<ul style="list-style-type: none"> • The Business Development strategy was approved by the Board of Trustees in August 2024. The Plan covers 2024-2029 and sets out priorities for the next 5 years and actions that will enable us to achieve scalable operations, ensuring a sustainable future for the charity and supporting more people to live independently. • A review of the internal Marketing & Communications resource was undertaken during 2024/25 and changes were made to the team as a result of this. During 2025/26, a Marketing & Communications strategy will be drafted by the restructured team to align resource to the requirements of the remainder of the five year plan.

Trustees' Report for the Year ended 31 March 2025

C. Financial Review

Avalon continues to operate in a financially challenging environment, as wage costs increase and pressures on funding escalate across the sector. During the year, £156,827 was invested from designated funds into projects to further enhance the operating infrastructure of the charity. In addition to this, an operating deficit for the year of £126,785 was incurred compared to a surplus of £44,118 in 2024.

Income from charitable activities was £11.6m (2024: £12.3m) for the year ended 31 March 2025. Income from supported living and community support increased by 10% from £8.0m in 2024 to £8.8m. This reflects organic growth of support compared to prior year in all localities. Shared Lives income fell from £4.2m in 2024 to £2m in 2025 following a full year operating Shared Lives without the North Yorkshire Shared Lives contract.

Free reserves at 31 March 2025 are £1,011,120 compared to £1,114,672 at 31 March 2024.

Despite the deficit for the year, our cash position remains strong at £1,383,474 (2024: £1,299,817) although the ageing profile of debtors owed from Local Authorities continues to require significant finance resource to chase.

Risk

Avalon Group's principal objectives for managing risks are to:

- aid achievement of its strategic objectives
- ensure business continuity and service to its customers
- protect the organisation's wider reputation and other assets
- sustain its commercial viability
- be compliant with statute and regulatory obligations

We have identified the principal High Risks at 31 March 2025 as:

Trustees' Report for the Year ended 31 March 2025

Risk	Mitigants
<p>Cultural transformation Magnitude of change required to deliver essential organisational strategic development is underestimated and/or not achieved.</p>	<ul style="list-style-type: none"> • Investors in People accreditation and People Plan including the relaunch of the Employee Forum and ongoing locality Business Partnering meetings to engage and support all staff and carers in transformational change. • Partnership working to develop networks of support for key roles and initiatives such as Assisted Technology in care. • Recruitment of Project Manager experienced in change management to drive forward transformation projects such as digital care records. • Updated organisational structure and clear vision statement of Avalon's future culture.
<p>Reliance on key personnel Given the strategic importance of growth and cultural transformation to Avalon, risk of reliance on the individual members of the Senior Leadership Team.</p>	<ul style="list-style-type: none"> • Salaries are benchmarked to appeal to candidates and retain talent. • Board of Trustees leading on succession planning for the Board and the Senior Leadership Team.
<p>Financial sustainability Delivered hours for the year to date are in line with budget but growth restricted by availability of resource.</p>	<ul style="list-style-type: none"> • Strong focus on recruitment and retention of staff to minimise use of agency staff. • Early budget process including scenario planning potential cost saving actions. • Underperforming teams monitored closely to ensure value for money from all roles. • Service redesign towards a sustainable target operating model, including digital operations and associated efficiencies.
<p>Tender risk Current tender activity is not enough to meet our growth targets and / or tender submissions are not successful and / or sustainable BD strategy is not successful.</p>	<ul style="list-style-type: none"> • BD function structure reviewed and updated to both develop and mobilise sustainable service delivery. • Updated BD strategy developed in year with supporting annual BD plans to support and monitor organisational growth.
<p>Economic outlook Steep cost of living and inflation rises impacting on staff financial wellbeing and Avalon's financial sustainability, particularly in relation to food and fuel price increases.</p>	<ul style="list-style-type: none"> • Cost of living initiatives to retain staff and higher pay award that in prior years as well as real time benchmarking of pay rates for all roles to remain competitive. • Ongoing dialogue with commissioners on impact of current rates if a shortfall to actual cost of care. • Challenges made to annual uplifts that do not cover the increase in the cost of delivery. • Business Development planning to target scale of operations and services to enable longer term sustainability of the charity.

Trustees' Report for the Year ended 31 March 2025

Our Risk Register contains detailed explanations for each risk, a score for both impact and likelihood and the existing mitigants, which reduce our exposure to the overall risk.

Principal funding sources

The majority of our income is from Local Authorities who continue to face their own challenges in relation to availability of funding at the same time as an increase in demand from those in need. We continue to work well with the local authorities, building on solid relationships to work together through these pressures. We have developed relationships with additional Local Authorities in the North East and Yorkshire during the year, including East Riding and Redcar & Cleveland, as we seek to support more people across our operating geography.

Fundraising

The Avalon Group does not engage in large scale levels of public fundraising and does not use professional fundraisers or commercial participators. The charity nevertheless observes and complies with the relevant fundraising regulations and codes. During the year there was no non-compliance of these regulations and codes and the charity received no complaints relating to its fundraising practice.

Reserves Policy

Free reserves at 31 March 2025 are £1,011,120 (2024: £1,114,672). These are the net funds of £1,710,755 available after deducting fixed assets (which have no associated bank loans) of £583,297 Restricted Funds of £36,860 (2024: £47,023) and Designated Funds of £79,478 (2024: £236,305).

The Trustees have reviewed the level of reserves required to take account of known liabilities and possible contingencies. The Risk Register is reviewed on a regular basis and informs the Reserves Policy to ensure that we consider funds that enable us to deal with situations in a sustainable way, for example the loss of a major contract, a short term cash flow problem due to late payment for a significant contract or the long term sickness of a key member of staff.

The required reserves estimate at 31 March 2025 have been estimated at £1.1m. This means that our free reserves at 31 March 2025 are £89k below target reserves following the operating deficit of £126,785. Steps have been planned for the early part of 2025/26 to reorganise the charity in light of this and the significant increase in operating costs the charity will incur as a result of the increase in Employers' National Insurance and National Living Wage from 1 April 2025.

At 31 March 2025, £79,478 is designated funds for the purpose of strengthening the long term future of Avalon and for significant IT projects. During the year to 31 March 2025 these funds were spent in line with planned investment into strategic projects during the years ending 31 March 2025, as part of the five year strategy. This included strengthening of the ICT infrastructure in readiness for digital care records and key Service Development resource.

Our Reserves policy, which has been reviewed this year, also states that reserves should be held in the form of cash and near cash investments. We review our Reserves policy at least annually and more frequently if we perceive there are significant changes in our risk exposure.

Trustees' Report for the Year ended 31 March 2025

D. Plans for future periods

Changes in the sector continually require us to revisit strategic priorities and ways of working. The five year plan, launched in 2023/24, is the framework that underpins planned strategic projects each year and is guided by four key aims. The table below sets out the goals associated with each aim and how we will measure success.

Aim	Goals	How we will measure success
Outstanding co-produced support – we will respond to increasingly varied and complex needs, co-producing support that achieves the best possible outcome.	<ul style="list-style-type: none"> We will be accountable to those we support, providing person-centred care and support. We will be creative, exploring strengths, capacities and networks of support to promote wellbeing and positive outcomes for all. 	<ul style="list-style-type: none"> Customer feedback. Quality of life outcomes. CQC ratings.
A great place to work – we will recognise and continuously develop our people as valued leaders of quality services.	<ul style="list-style-type: none"> We will develop a culture where people feel confident to innovate and make decisions. Training & development will nurture talents and create future leaders. 	<ul style="list-style-type: none"> Staff/carer retention. Staff/carer satisfaction.
Technology for all – we will invest in digital solutions for the benefit of everyone.	<ul style="list-style-type: none"> Design and implement simple, effective internal systems for all that enable efficient, high quality person-centred care and support. Digital and assistive technology will form a key part in designing support with people. 	<ul style="list-style-type: none"> Number of services operating fully paper-free. Number of people benefiting from technology as part of their support.
Sustainable futures – we will create support options that meet people's needs and we will be embedded within communities.	<ul style="list-style-type: none"> Collaborate with people we support, partners, commissioners and local communities to develop new and innovative ways to provide support. Generate income growth to deliver the 5 year plan. 	<ul style="list-style-type: none"> Income growth. Financial reserves.

During the year commencing 1 April 2025, the following activities are planned in order to achieve progress towards the five year plan.

Aim	Activities planned
Outstanding co-produced support – we will respond to increasingly varied and complex needs, co-producing support that achieves the best possible outcome.	<ul style="list-style-type: none"> Develop and implement an annual Quality Plan to support the future needs of services, including responding to the CQC's Assessment Framework as locality's undergo external inspections going forward. Develop and implement standard target operating model for each service type responsive to future changes in key variables such as complexity of service and cost base. Review sustainability of all services based on achievable target operating model.
A great place to work – we will recognise and continuously develop our people as valued leaders of quality services.	<ul style="list-style-type: none"> People Plan to support the five year plan and implement Investors In People action plan, to focus on: <ul style="list-style-type: none"> Culture transformation to working agile, at pace and creatively Trusted leadership and communication Living Avalon values

Trustees' Report for the Year ended 31 March 2025

Technology for all – we will invest in digital solutions for the benefit of everyone.	<ul style="list-style-type: none">• Implementation of digital care records for all Community Support and Supported Living services.• Implementation Shared Lives digital system “Charms”.• Source and implement Learning & Development Management system.• Technology to support quality of life – draft Avalon’s strategy for ensuring all support solutions maximise use of technology.
Sustainable futures – we will create support options that meet people’s needs and we will be embedded within communities.	<ul style="list-style-type: none">• Refresh of Business Development plan to support the five year plan, including remodelling of target income growth.• Draft and implement Marketing & Communications strategy to ensure most effective use of resource and support the delivery of the five year plan.

E. Structure, Governance and Management

Legal

The Avalon Group is a charitable company limited by guarantee.

- The company was incorporated on 7 October 1994 with the name Adult Placement Services Ltd, trading under the name The Avalon Group. On 12 November 2020 a special resolution was passed to change the legal entity name Avalon Group (Social Care).
- The company was registered as a charity on 26 July 1995. In the event of the Company being wound up, each member is required to contribute an amount not exceeding £10.
- The company was established under a Memorandum of Association dated September 2002 which established the objects and powers of the charitable company and is governed under its Articles of Association.
- On 12 November 2020 updated Articles of Association were adopted by Special Resolution.

Responsibility of the Board and Committees

The Trustees (who are also directors of Avalon for the purposes of company law) are responsible for preparing the Trustees’ Annual 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. 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;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue on that basis.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Trustees' Report for the Year ended 31 March 2025

They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Key Management Pay and Remuneration

Pay for senior managers is determined by reference to market salary rates, taking into account individual's experience and skills. Pay scales are set for all posts within Avalon, including those of senior managers. The Remuneration Committee agrees the pay for all Directors and also any major changes to pay scales for other staff.

Employee Engagement

During November 2024, all employees were invited to complete the Investors In People staff survey and a sample of staff covering all roles and localities was selected independently by Investors In People to individual focus sessions. This feedback generated the Investors In People action plan that is a key component of Avalon's People Plan. Avalon's annual staff survey continued to be circulated as in previous years. This ensures all staff have the opportunity to feed back anonymously and feedback is analysed per role and per locality compared to the prior year for trends and themes.

The Employee Forum was relaunched in February 2025, chaired by the CEO and acts as a key vehicle for staff engagement with member representatives from each locality ensuring all teams' input is incorporated. The agenda includes key priorities identified by the Investors In People report and began with a focussed exercise on trusted leadership and communication that generated Avalon's own Leadership Charter; an agreed set of principles and behaviours for all Avalon staff to measure themselves against. Building on Avalon's values, the Forum also created and launched Avalon's culture statement during the year:

"We are committed to building a culture that is open, inclusive, and grounded in trust. Where everyone – whether team member, volunteer, or person we support – is valued, heard, and empowered. We believe that every voice matters, every idea counts, and everyone deserves to be treated with respect and kindness. In our work, openness isn't just encouraged, it's essential.

We foster honest communication, continuous learning, and shared leadership. We celebrate diversity and encourage curiosity, feedback, and innovation. In every interaction, we strive to be transparent, respectful, and kind – because real change happens when people feel safe to be themselves.

This is our culture; Let's keep shaping it together."

Employment of the Disabled

Avalon holds and works to Disability Confident Employer standards. These include ensuring our recruitment process is inclusive and accessible by advertising using diverse methods and accepting applications in different formats. Avalon promotes being committed to offering an interview to anyone who meets the minimum standards of the role specification and ensures that reasonable adjustments are considered and put in place where practical and necessary for interviews, such as video conferencing or allowing additional time for practical tasks.

Trustees' Report for the Year ended 31 March 2025

Avalon's blended training offer is more accessible for people with disabilities, using technology through eLearning and online webinars. Line managers work closely with Learning & Development to ensure that the particular training needs for disabled individuals are understood and met.

Avalon provides a suite of training to staff including a number of Mental Health sessions, Equality & Diversity and Recruitment, which all focus on providing support to disabled colleagues. Avalon has Mental Health First Aiders to provide additional support to employees and has signed the Mindful Employer Charter. Able Futures provide confidential mental health support to employees and Avalon works closely with Occupational Health and Access to Work to ensure that disabled colleagues are provided with the resources they need to do their job.

Statement of Trustees

In accordance with company law, we, the company's Directors, certify that as far as we are aware, there is no relevant audit information of which the company's auditor is unaware. In addition, the Directors have taken all the necessary steps that they ought to have taken as Directors, in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

After making appropriate enquiries, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

Committees

There are four Committees, made up of Trustees and senior managers:

- **Audit and Risk Committee** – provides oversight, review and advisory role to the Board on all financial affairs of Avalon.
- **Business Development and Fundraising Committee** – provides oversight, review and an advisory role to the Board on the Business Development strategy and its implementation.
- **Remuneration Committee** – provides oversight, review and an advisory role to the Board on the remuneration of the CEO and staff within Avalon.
- **People & Operations Committee** – provides oversight, review and an advisory role to the Board on the People Strategy and Operations and their progress against plan.

Recruitment and Appointment to the Board

Under the requirements of the Memorandum and Articles of Association, the Trustees are elected to serve for 3 years and retire by rotation. Retiring Trustees, if willing to continue to serve, may be re-elected by members' resolution.

Since April 2024 we welcomed 4 new Trustees whose experience and expertise, along with their passion for adult social care, added additional strength to our Board.

Trustee Training and Induction

The Board of Trustees regularly reviews the skills and expertise of the group. This is led by the Chair in consultation with the Chief Executive Officer. The recruitment process for Trustees aims to fill the identified voids and the key skills necessary to support the organisation's strategic needs.

Trustees' Report for the Year ended 31 March 2025

The number of Trustees is subject to a minimum of 3 members with no maximum. Each prospective trustee is interviewed initially by the Chief Executive Officer, a Customer and the Chair of the Board. If successful, they undergo a full induction programme including meeting with Avalon staff, as well as being provided with ongoing training and an information pack.

Voluntary support

The Trustees involvement with Avalon is in a purely voluntary capacity. The Trustees provide a range of skills, including but not limited to; legal matters, new and existing business growth strategies, good governance and risk strategies.

No trustee has received any remuneration or any other benefits in the current or previous year for these activities. During the year to 31 March 2025 we paid Trustees expenses of £nil (2024: £nil), which was to cover travel and mileage charges.

Auditor

The auditor, BHP, Chartered Accountants, have indicated their willingness to continue in office. The Designated Trustees will propose a motion re-appointing the auditors at a meeting of the Trustees in 4 December 2025.

This report including the strategic report was approved by the Trustees on 4 December 2025 and signed on their behalf by:

Keith Nurcombe

Signer ID: HP7PFDOON8...
Keith Nurcombe

Chair of the Board of Trustees

AVALON GROUP (SOCIAL CARE)
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AVALON GROUP (SOCIAL CARE)

We have audited the financial statements of Avalon Group (Social Care) (the 'charitable company') for the year ended 31 March 2025, which comprise the statement of financial activities, the balance sheet, the statement of cash flows and 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, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 2025, 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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 charitable company'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 trustees' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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 the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

AVALON GROUP (SOCIAL CARE)
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AVALON GROUP (SOCIAL CARE) (CONTINUED)

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report, which includes the strategic report and the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report included within the trustees' report.

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company 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, 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 charitable company'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 responsibilities for the audit of the financial statements

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.

AVALON GROUP (SOCIAL CARE)
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AVALON GROUP (SOCIAL CARE) (CONTINUED)

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:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charitable company through discussions with management and trustees, and from our knowledge and experience of this sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Companies Act 2006, Charities Act 2011, CQC regulations, safeguarding, health and safety, data protection and employment law;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and directors;
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by;

- making enquiries of management and directors as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risks of fraud through management override controls, we:

- performed analytical procedures to identify any unusual or unexpected variances;
- tested journal entries to identify unusual transactions;
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

AVALON GROUP (SOCIAL CARE)
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AVALON GROUP (SOCIAL CARE) (CONTINUED)

Use of our report

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

Laura Masheder

Signer ID: CRZCVPKXXZ...

Laura Masheder (Senior statutory auditor)

for and on behalf of

BHP LLP

Chartered Accountants

Statutory Auditor

Rievaulx House

1 St Mary's Court

York

YO24 1AH

Date: 15/12/2025 GMT

AVALON GROUP (SOCIAL CARE)
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2025

	Note	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Income from:					
Donations and grants	4	43,293	20,572	63,865	57,260
Charitable activities	5	11,560,576	-	11,560,576	12,258,357
Investments	6	40,440	-	40,440	40,652
Other income	7	-	-	-	5,000
Total income		11,644,309	20,572	11,664,881	12,361,269
Expenditure on:					
Charitable activities	8	11,917,758	30,735	11,948,493	12,317,151
Total expenditure		11,917,758	30,735	11,948,493	12,317,151
Net movement in funds		(273,449)	(10,163)	(283,612)	44,118
Reconciliation of funds:					
Total funds brought forward		1,947,344	47,023	1,994,367	1,950,249
Net movement in funds		(273,449)	(10,163)	(283,612)	44,118
Total funds carried forward	16	1,673,895	36,860	1,710,755	1,994,367

The Statement of financial activities complies with the requirements for an income and expenditure account under Companies Act 2006 and includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

AVALON GROUP (SOCIAL CARE)
(A company limited by guarantee)
REGISTERED NUMBER: 02976727

BALANCE SHEET
AS AT 31 MARCH 2025

	Note	2025 £	2024 £
Fixed assets			
Intangible assets	12	-	535
Tangible assets	13	583,297	595,832
		583,297	596,367
Current assets			
Debtors	14	1,880,690	2,098,042
Cash at bank and in hand	20	1,383,474	1,299,817
		3,264,164	3,397,859
Current liabilities			
Creditors: amounts falling due within one year	15	(2,136,706)	(1,999,859)
Net current assets		1,127,458	1,398,000
Total net assets		1,710,755	1,994,367
Charity funds			
Restricted funds	16	36,860	47,023
Unrestricted funds	16	1,673,895	1,947,344
Total funds		1,710,755	1,994,367

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Keith Nurcombe
Signer ID: HP7PFDOON8...

Keith Nurcombe
(Chair of Trustees)
Date: 4 December 2025

The notes on pages 21 to 39 form part of these financial statements.

AVALON GROUP (SOCIAL CARE)
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2025

	Note	2025 £	2024 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	19	63,091	(138,900)
Cash flows from investing activities			
Bank interest		33,032	40,652
Purchase of tangible fixed assets		(12,466)	(2,649)
Net cash provided by investing activities		20,566	38,003
Change in cash and cash equivalents in the year		83,657	(100,897)
Cash and cash equivalents at the beginning of the year		1,299,817	1,400,714
Cash and cash equivalents at the end of the year	20	1,383,474	1,299,817

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

1. General information

The Avalon Group is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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) (issued in October 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Avalon Group (Social Care) meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

2.2 Going concern

The Trustees have considered their forecasts of income and expenditure for the period to 31 March 2027 and subjected these forecasts to sensitivity analysis which shows that they have sufficient reserves to be able to continue for the foreseeable future. The Trustees therefore continue to adopt the going concern basis of preparation for these financial statements.

2.3 Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

AVALON GROUP (SOCIAL CARE)
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

2. Accounting policies (continued)

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the charity's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6 Intangible assets and amortisation

Intangible assets are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

Amortisation is provided on the following basis:

Software licenses - 33 % on cost

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

2. Accounting policies (continued)

2.7 Tangible fixed assets and depreciation

Tangible fixed assets are capitalised when the cost is £1,000 or more and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Freehold property	- 2% straight line
Leasehold improvements	- over lease term
Motor vehicles	- 20% straight line
Fixtures and fittings	- 20% reducing balance
Office equipment	- 25% straight line

Freehold land is not depreciated.

2.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.10 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

2. Accounting policies (continued)

2.11 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.12 Operating leases

Rentals paid under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.13 Pensions

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

2.14 Employee benefits

The cost of short-term employee benefits are recognised as a liability and an expense.

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

2.15 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

AVALON GROUP (SOCIAL CARE)
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

3. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Debtor related provisions:

Management judgement is required in considering the recoverability of debtors. Provisions have been made relating to specific debtor balances where these balances are significantly aged. These are based on management judgement from historic experience and ongoing discussions with commissioners.

4. Income from donations and legacies

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Donations	1,463	-	1,463	23,079
Grant income	41,830	20,572	62,402	34,181
	43,293	20,572	63,865	57,260
Total 2024	23,079	34,181	57,260	

AVALON GROUP (SOCIAL CARE)
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

5. Income from charitable activities

	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Supported Living	8,805,401	8,805,401	7,965,017
Shared Lives	2,016,398	2,016,398	4,153,368
Short Breaks	721,515	721,515	120,172
Other income	17,262	17,262	19,800
	<u>11,560,576</u>	<u>11,560,576</u>	<u>12,258,357</u>
Total 2024	<u>12,258,357</u>	<u>12,258,357</u>	

6. Investment income

	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Bank interest	40,440	40,440	40,652
	<u>40,440</u>	<u>40,440</u>	<u>40,652</u>
Total 2024	<u>40,652</u>	<u>40,652</u>	

AVALON GROUP (SOCIAL CARE)
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

7. Other income

	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Profit on disposal of fixed assets	-	-	5,000
Total 2024	5,000	5,000	

8. Charitable activities

	Supported lives 2025 £	Shared lives 2025 £	Short breaks 2025 £	Governance 2025 £	Total funds 2025 £	Total funds 2024 £
Staff and providers	7,572,540	2,000,995	664,239	-	10,237,774	10,788,114
Housing	56,216	-	-	-	56,216	70,851
Premises	165,656	44,573	88,566	-	298,795	196,222
Office and consumables	284,759	76,619	-	-	361,378	273,646
Compliance	16,722	4,499	-	-	21,221	23,191
Other Costs	11,485	3,090	-	-	14,575	9,385
Group allocated (support)	739,231	198,902	-	-	938,133	938,133
Governance costs	-	-	-	20,401	20,401	17,609
	8,846,609	2,328,678	752,805	20,401	11,948,493	12,317,151
Total 2024	7,688,218	4,557,528	53,796	17,609	12,317,151	

Expenditure on charitable activities includes restricted expenditure of £30,735 (2024: £2,590) and designated expenditure of £156,827 (2024: £nil).

AVALON GROUP (SOCIAL CARE)
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

Group allocated costs breakdown

	2025	2024
	£	£
Staff and provider costs	748,376	760,366
Premises	56,010	77,980
Office and consumables	31,367	49,349
Other	102,380	50,438
	<u>938,133</u>	<u>938,133</u>

9. Auditor's remuneration

	2025	2024
	£	£
Fees payable to the charity's auditor for the audit of the charity's annual accounts	15,730	14,980
Fees payable to the charity's auditor in respect of: All non-audit services not included above	<u>1,430</u>	<u>1,390</u>

10. Staff costs

	2025	2024
	£	£
Wages and salaries	7,778,755	7,013,857
Social security costs	653,719	560,367
Other pension costs	204,479	158,178
	<u>8,636,953</u>	<u>7,732,402</u>

During the year total redundancy costs amounted to £nil (2024: £9,665).

AVALON GROUP (SOCIAL CARE)
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

10. Staff costs (continued)

The average number of persons employed by the charity during the year was as follows:

	2025	2024
	No.	No.
Support workers	278	265
Charitable activities	40	45
Management and administration of the charity	24	26
	<hr/> 342 <hr/>	<hr/> 336 <hr/>

The average headcount expressed as full-time equivalents was:

	2025	2024
	No.	No.
Support workers	168	151
Charitable activities	29	31
Management and administration of the charity	28	30
	<hr/> 225 <hr/>	<hr/> 212 <hr/>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2025	2024
	No.	No.
In the band £60,001 - £70,000	2	2
In the band £90,001 - £100,000	1	1

The value of pension contributions to staff within the above bands is £9,511 (2024: £13,095).

The total amount of employee benefits (including employer pension contributions and national insurance) received by key management personnel is £338,121 (2024: £274,060). Key management personnel comprise the senior management team as detailed on page 1.

11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2024 - £NIL).

During the year ended 31 March 2025, no Trustee expenses have been incurred (2024 - £NIL).

AVALON GROUP (SOCIAL CARE)
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

12. Intangible assets

	Software licenses £
Cost	
At 1 April 2024	49,100
At 31 March 2025	49,100
Amortisation	
At 1 April 2024	48,565
Charge for the year	535
At 31 March 2025	49,100
Net book value	
At 31 March 2025	-
At 31 March 2024	535

AVALON GROUP (SOCIAL CARE)
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

13. Tangible fixed assets

	Freehold property £	Short-term leasehold improvements £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation						
At 1 April 2024	683,880	20,647	11,005	75,954	182,341	973,827
Additions	-	5,373	-	3,967	3,126	12,466
At 31 March 2025	683,880	26,020	11,005	79,921	185,467	986,293
Depreciation						
At 1 April 2024	124,749	11,567	11,005	56,663	174,011	377,995
Charge for the year	10,673	5,041	-	3,655	5,632	25,001
At 31 March 2025	135,422	16,608	11,005	60,318	179,643	402,996
Net book value						
At 31 March 2025	548,458	9,412	-	19,603	5,824	583,297
At 31 March 2024	559,131	9,080	-	19,291	8,330	595,832

Freehold land with a historic cost of £150,000 (2024: £150,000) is not depreciated.

AVALON GROUP (SOCIAL CARE)
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

14. Debtors

	2025	2024
	£	£
<i>Due within one year</i>		
Trade debtors	1,317,484	1,643,982
Other debtors	88,802	88,265
Prepayments and accrued income	474,404	365,795
	<u>1,880,690</u>	<u>2,098,042</u>

15. Creditors: Amounts falling due within one year

	2025	2024
	£	£
Trade creditors	90,153	174,159
Other taxation and social security	185,113	160,942
Other creditors	688,863	553,654
Accruals and deferred income	1,172,577	1,111,104
	<u>2,136,706</u>	<u>1,999,859</u>

Barclays Bank has a fixed, floating charge and negative pledge in place over all the property and undertakings of the company. No amounts are due to Barclays at year end.

	2025	2024
	£	£
Deferred income at 1 April 2024	294,978	391,914
Income deferred during the year	327,305	294,978
Amounts released from previous periods	(294,978)	(391,914)
	<u>327,305</u>	<u>294,978</u>

Deferred income relates to amounts received in advance of care services provided.

AVALON GROUP (SOCIAL CARE)
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

16. Statement of funds

Statement of funds - current year

	Balance at 1 April 2024 £	Income £	Expenditure £	Balance at 31 March 2025 £
Unrestricted funds				
Designated funds				
Funds to strengthen the long term future of Avalon	203,398	-	(156,827)	46,571
Funding for beneficial significant IT projects	32,907	-	-	32,907
	<u>236,305</u>	<u>-</u>	<u>(156,827)</u>	<u>79,478</u>
General funds				
General funds	1,711,039	11,644,309	(11,760,931)	1,594,417
	<u>1,947,344</u>	<u>11,644,309</u>	<u>(11,917,758)</u>	<u>1,673,895</u>
Restricted funds				
Digital Social Care Records Funds	31,711	17,230	(30,211)	18,730
Other restricted funds	15,312	3,342	(524)	18,130
	<u>47,023</u>	<u>20,572</u>	<u>(30,735)</u>	<u>36,860</u>
Total of funds	<u><u>1,994,367</u></u>	<u><u>11,664,881</u></u>	<u><u>(11,948,493)</u></u>	<u><u>1,710,755</u></u>

AVALON GROUP (SOCIAL CARE)
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

16. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 April 2023 £	Income £	Expenditure £	Balance at 31 March 2024 £
Unrestricted funds				
Designated funds				
Funds to strengthen the long term future of Avalon	203,398	-	-	203,398
Funding for beneficial significant IT projects	32,907	-	-	32,907
	<u>236,305</u>	<u>-</u>	<u>-</u>	<u>236,305</u>
General funds				
General funds	1,698,512	12,327,088	(12,314,561)	1,711,039
	<u>1,934,817</u>	<u>12,327,088</u>	<u>(12,314,561)</u>	<u>1,947,344</u>
Restricted funds				
Digital Social Care Records Funds	-	31,711	-	31,711
Other restricted funds	15,432	2,470	(2,590)	15,312
	<u>15,432</u>	<u>34,181</u>	<u>(2,590)</u>	<u>47,023</u>
Total of funds	<u><u>1,950,249</u></u>	<u><u>12,361,269</u></u>	<u><u>(12,317,151)</u></u>	<u><u>1,994,367</u></u>

Description of funds

Designated funds

Funds to strengthen the long term future of Avalon - Investments in new services to increase the security and longevity of Avalon. It is anticipated that this fund will be used within the next 2 years, subject to financial scrutiny and Board approval.

Funding for beneficial significant IT projects - Investments to eventually save management time in localities. Short term funding would be required to reap the benefits. It is anticipated that this fund would be spent by the end of May 2027 at the latest.

Restricted funds

Digital Social Care Records Funds - these funds support the implementation of Digital Social Care Software from the NHS Approved Supplier List. Avalon is implementing Digital Social Care Software in the 2024-25 period.

Other Restricted funds - includes Harrogate/ Northallerton/ Scarborough/ Teesside/ West Yorkshire/ Northallerton/Skipton and Head office locality fundraising held for the use of each locality office and their customers. Also includes Northallerton Covid-19 communities fund, Out and About fundraising, Avarark Fundraising, Wakefield Rotary club grant income, inclusion donations and Middlesbrough SHL Recruitment funding.

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17. Summary of funds

Summary of funds - current year

	Balance at 1 April 2024 £	Income £	Expenditure £	Balance at 31 March 2025 £
Designated funds	236,305	-	(156,827)	79,478
General funds	1,711,039	11,644,309	(11,760,931)	1,594,417
Restricted funds	47,023	20,572	(30,735)	36,860
	<u>1,994,367</u>	<u>11,664,881</u>	<u>(11,948,493)</u>	<u>1,710,755</u>

Summary of funds - prior year

	Balance at 1 April 2023 £	Income £	Expenditure £	Balance at 31 March 2024 £
Designated funds	236,305	-	-	236,305
General funds	1,698,512	12,327,088	(12,314,561)	1,711,039
Restricted funds	15,432	34,181	(2,590)	47,023
	<u>1,950,249</u>	<u>12,361,269</u>	<u>(12,317,151)</u>	<u>1,994,367</u>

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £
Tangible fixed assets	583,297	-	583,297
Current assets	3,227,304	36,860	3,264,164
Creditors due within one year	(2,136,706)	-	(2,136,706)
Total	<u>1,673,895</u>	<u>36,860</u>	<u>1,710,755</u>

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18. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Tangible fixed assets	595,832	-	595,832
Intangible fixed assets	535	-	535
Current assets	3,350,836	47,023	3,397,859
Creditors due within one year	(1,999,859)	-	(1,999,859)
Total	1,947,344	47,023	1,994,367

19. Reconciliation of net movement in funds to net cash flow from operating activities

	2025 £	2024 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(283,612)	44,118
Adjustments for:		
Depreciation charges	25,001	26,814
Amortisation charges	535	6,417
Bank interest	(40,440)	(40,652)
Decrease/(increase) in debtors	224,760	(160,573)
Increase/(decrease) in creditors	136,847	(15,024)
Net cash provided by/(used in) operating activities	63,091	(138,900)

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20. Analysis of cash and cash equivalents

	2025 £	2024 £
Cash in hand	1,383,474	1,299,817
Total cash	1,383,474	1,299,817

21. Analysis of changes in net debt

	At 1 April 2024 £	Cash flows £	At 31 March 2025 £
Cash at bank and in hand	1,299,817	83,657	1,383,474
	1,299,817	83,657	1,383,474

There was no debt at the current or previous year end.

22. Pension commitments

The charity operates a defined contribution pension arrangement for the benefit of its employees. The assets of the scheme are held separately from those of the charity in independently administered private funds. The pension cost charge represents contributions payable by the charity to the fund. The amount recognised as an expense in the period was £204,479 (2024: £158,178). Contributions totalling £30,498 (2024: £23,926) were payable to the fund at the balance sheet date and are included in creditors.

23. Operating lease commitments

At 31 March 2025 the charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2025 £	2024 £
Not later than 1 year	79,278	74,202
Between 1 and 5 years	128,897	111,706
Later than 5 years	-	5,000
	208,175	190,908

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24. Related party transactions

There have been no related party transactions during either year.