

AFFINITY TRUST

England & Wales · Charity number 1139891

Details

Status Registered

Legal form Charitable company

Company number [06893564](#)

Registered 2011-01-18

Register [View on the Charity Commission register](#)

Contact

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Activities

Objects: THE CHARITY'S OBJECTS ("THE OBJECTS") ARE THE RELIEF OF PERSONS WITH LEARNING DIFFICULTIES OR DISABILITIES, MENTAL OR PHYSICAL DIFFICULTIES OR DISABILITIES, THE ELDERLY, THOSE WHO ARE CHRONICALLY SICK AND PERSONS WHO ARE SOCIALLY, MENTALLY AND PHYSICALLY VULNERABLE BY: (A) THE MANAGEMENT AND PROVISION EITHER DIRECTLY OR INDIRECTLY BY ARRANGEMENTS SUBCONTRACT OR OTHERWISE WITH OTHER PERSONS FIRMS BODIES TRUSTS NI-IS TRUSTS AGENCIES, LOCAL AUTHORITIES PUBLIC AUTHORITIES OR GOVERNMENT DEPARTMENTS OF SUCH COMPREHENSIVE SUPPORT SERVICES AND BENEFITS OF HIGH QUALITY AS MAY BE REQUIRED BY THE BENEFICIARIES; (B) THE MANAGEMENT AND PROVISION AND OWNERSHIP (INCLUDING CO-OWNERSHIP) FOR SUCH PERSONS AS AFORESAID IN NEED THEREOF OF HOUSES, HOSTELS, HOSPITALS OR OTHER ESTABLISHMENTS OR FACILITIES OR ACCOMMODATION AND ANY ASSOCIATED AMENITIES SPECIALLY DESIGNED OR ADAPTED TO MEET THE HANDICAPS AND DISABILITIES AND REQUIREMENTS OF THE BENEFICIARIES; (C) THE MANAGEMENT AND PROVISION OF SERVICES, ADVICE OR ASSISTANCE UPON TERMS APPROPRIATE TO THEIR MEANS TO SUCH PERSONS AS AFORESAID IN NEED THEREOF IN ARRANGING OR CARRYING OUT WORKS OF IMPROVEMENT, REPAIR OR MAINTENANCE TO HOUSES OCCUPIED BY THEM, AND PROVIDING ANY ASSOCIATED AMENITIES SPECIALLY DESIGNED OR ADAPTED TO MEET THE HANDICAPS DISABILITIES AND REQUIREMENTS OF THE BENEFICIARIES.

Activities: Affinity Trust supports people with learning disabilities. The main model of support is Supported Living but Day Opportunities and a small number of Residential places are also provided. Affinity Trust supports people with a wide range of support needs and has considerable experience of supporting people with complex support needs such as challenging behaviour.

Classification

- **How:** Provides Services
- **What:** Disability, Accommodation/housing
- **Who:** People With Disabilities

Geography

- **Area of benefit:** UNDEFINED. IN PRACTICE, NATIONAL
- Scotland
- Throughout England

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£72,359,541	£72,312,471	£14,408,051	2162
2024-03-31	£66,224,795	£64,296,387	£14,360,981	2253
2023-03-31	£93,123,509	£96,378,240	£12,343,007	2283
2021-09-30	£58,377,492	£57,235,958	£15,051,965	2285
2020-09-30	£57,033,321	£56,830,124	£13,378,515	2306

Trustees

Name	Role	Appointed
Caroline Tracey king		2021-07-16
Christopher Oseji Akpakwu		2021-07-16
Hanah Burgess		2020-05-27
JENNIFER EDWARDS		2018-01-11
James Robert Greene		2026-02-16
Richard David Parry		2022-08-15
Sian Rees		2018-12-31
Tanya Barron		2019-06-01

AFFINITY TRUST

England & Wales - Charity number 1139891

Accounts



Trustees' Report

and Financial

Statements 2024-25

affinitytrust.org



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Welcome

There's no doubt that the adult social support sector continues to face challenges, in particular around staffing and funding and we continue to rise to those challenges.

Affinity Trust is an organisation that works from the heart. Colleagues live the values every day, whether they support people themselves, or play a vital role elsewhere in the organisation. We are deeply committed to person-centred, high-quality support delivered in a meaningful way.

No two people we support are the same. And as we adapt support to meet the needs of the person, so the organisation is adapting and growing to meet those external challenges. Because it all comes down to one thing: supporting people with disabilities is life changing.

Everyone with a support need has a right to a vibrant life filled with things that bring them joy. It is our role to ensure they can do that.

When they thrive, we thrive.

Affinity Trust in Numbers



We support
973
people
(at March 2025)
of which 111 are children and young people.

We provide support in

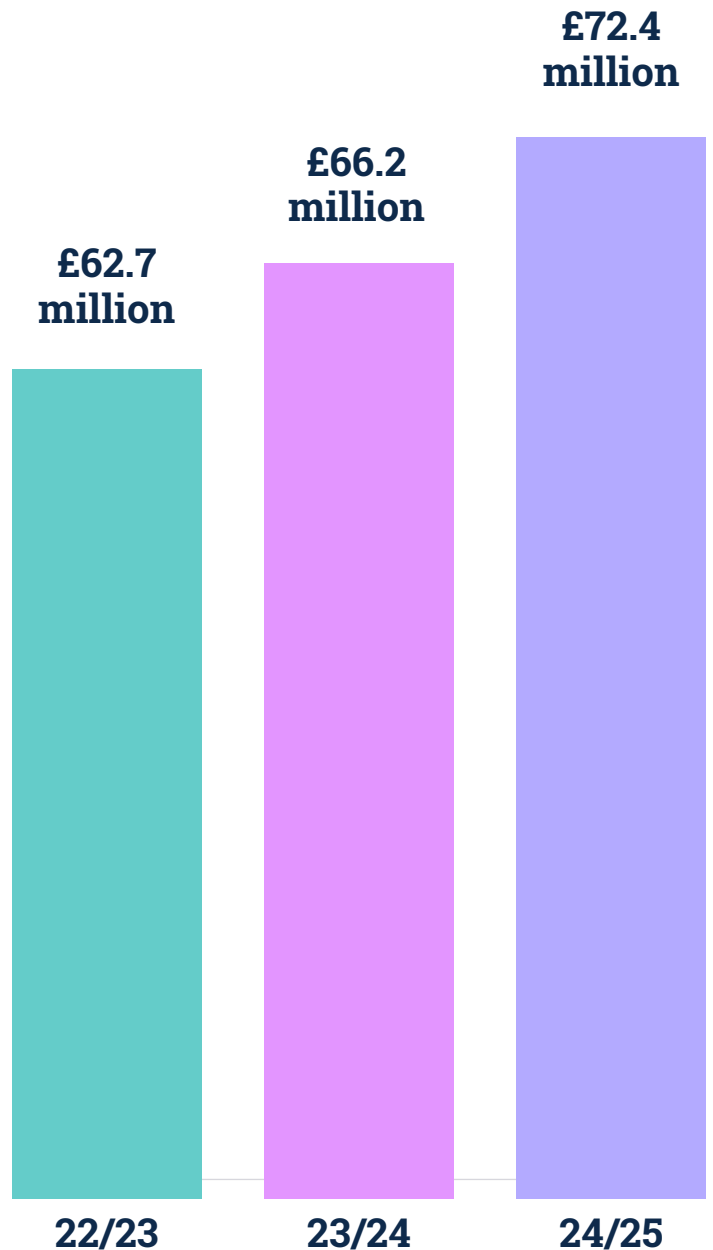
229
locations



We provide

56,600
weekly hours of support (at March 2025)

**Total
Income:**



We work with

37
local authorities
across England
and Scotland



Storytelling on our **social media channels** has helped us make more meaningful connections:



256,540

views of our content

85%

CQC ratings are Good or higher

Supporting people to live their life their way

In the words of the people we support...

I love living here, it's a nice place to go to. I love this place. I love living here. So nice to have people round me to look after me. **Matt, Dunstable.**

Without Affinity Trust, I don't think we'd be here today. It is a life. I have a life. And so does Jensen. He can go out in the community. He can do most things independently. I even shock myself some days when I look at him, because he's, he's almost perfect. And it's wonderful.

Gillian, parent, Wakefield.

I never thought there would be anyone who could come close to looking after Sam as well as I can. But Jamie's commitment to his role and his genuine vocational approach and attitude is helping me to think to the contrary. **Sally, parent, Loughborough.**





People are at the **heart** of everything we do.

- ✓ We listen, we learn, we build on strengths.



We give our **best**.

- ✓ What we do matters.
- ✓ Good days and bad. We take responsibility.



We work **together**.

- ✓ We are one team and value people's strengths and differences.
- ✓ We are open and trusting with each other.



We have **courage**.

- ✓ We try new things.
- ✓ We are creative and adaptable.

Supporting people to live their life their way

Message from Tanya Barron, Chair of the Board of Trustees



This year marks a significant moment in Affinity Trust's story, one of progress, reflection, and change.

We've continued to support nearly a thousand people with learning disabilities, autism and mental health needs to live full and independent lives. In communities across the UK, we've seen people thrive — starting jobs, making new connections, and achieving goals that matter to them. These individual journeys remain at the very heart of what we do.

We've also faced challenges, like many others in the social care sector. Pressures on funding and recruitment have continued, but through it all, our employees have shown remarkable resilience, care and professionalism. I want to say a heartfelt thank you to every colleague across Affinity Trust. Your dedication has made a real difference this year.

This year also brought a moment of change in our leadership. After 18 years at the helm, our Chief Executive, Leo Sowerby, retired. Leo has been a tireless advocate for people with disabilities and a calm, values-driven leader through periods of both growth and uncertainty. Under his guidance, Affinity Trust has matured into a trusted, respected charity, known for its person-centred support and high standards. We are deeply grateful for Leo's contribution and wish him the very best in his retirement.

At the same time, we were delighted to welcome Kerry Dearden as our new Chief Executive. Kerry brings experience, energy and a strong track record of leadership in health and social care. Most importantly, she shares our values, and our vision of a world where everyone with a learning disability can live their life their way. We're excited to work with her as we build on strong foundations and look to the future.

As we move forward, our focus remains clear: to listen, to learn, and to lead with purpose. We'll continue to stand alongside the people we support, championing their rights, supporting their choices and celebrating their potential.

Thank you for being part of this journey.

**Warm wishes,
Tanya Barron Chair of the Board of Trustees, Affinity Trust**

Message from Kerry Dearden, Chief Executive



I'm delighted to share my first message as Chief Executive of Affinity Trust. Since joining earlier this year, I've had the privilege of visiting many of our locations across our divisions. I've met many of the people we support and the dedicated colleagues who support them every day. These visits have given me a rich and inspiring insight into the work we do and the impact it has. Work rooted in deep relationships, person-centred practice, and a shared belief in people's right to live their lives their way.

I've seen first-hand the range and quality of our support, from a few hours a week to 24/7 support for people with more complex needs. I've met people gaining independence, finding paid work, volunteering, and building lives shaped by their own goals and choices. Most of all, I've shared in the joy of being part of something that is making a difference every day; an organisation full of people who believe in possibilities.

What I've discovered is an organisation with real confidence and clarity about its future. Our strategy to 2028 is well defined. We are financially secure. We're recognised for delivering high-quality support by regulators, including Care Quality Commission and the Scottish Care Inspectorate. In recent years, we have grown sustainably and also delivered strategic operational change through our successful completion of our Transform 21 digital programme.

And the golden thread running through it all is a commitment to our shared values. Our values are not just talked about; they're lived every day by our colleagues at every level. It's also clear that we never stand still and there is a shared commitment to continual improvement and learning.

Despite a sector under pressure, I look to the future with positivity and ambition for what we can achieve working with the Board, my Executive Team and all colleagues. I am confident that working in partnership with Local Authorities, Integrated Care Boards, housing associations, schools and other key partners, together we will support people to be the best version of themselves that they want to be, living independent and enriched lives. With the right people, the right values, and a clear vision, we're not here to simply respond to change, I am determined we will shape it. I'm proud to lead an organisation so ready to push forward and so committed to making a lasting difference because ultimately, we are all here for the same reason: to support people to live their life, their way.

Thank you for your warm welcome and your continued support.

Kerry Dearden, Chief Executive, Affinity Trust



Our five-year strategy 2023-2028



Enable people to live great lives

- ✓ We will provide person-centred support driven by choice an opportunity for everyone, with regulator ratings of GOOD or better in both England and Scotland.
- ✓ Our technology will enable evidence of great outcomes for people we support.



Support more people to live at home

- ✓ We will help people to transition from hospital back into the community.
- ✓ We will increase the number of people living in their own homes in communities of their choice.



Be a workplace where our people will grow and develop

- ✓ As part of our core values we will continue to be an inclusive and diverse workplace, and recruit more managers with protected characteristics.
- ✓ Through our investments in technology we will improve our employee experience.
- ✓ We will focus on the health and wellbeing of our people and provide continued development opportunities.



Actively partner, collaborate and influence

- ✓ We will be a collaborative and useful partner for evolving health systems, local authorities and other providers to improve outcomes for people we support.
- ✓ We will advocate alongside the people we support and their families to transform social care policy and practice.



Be financially fit to meet our ambitions

- ✓ We will ensure financial sustainability and healthy reserves enabling us to continue to grow, innovate and invest to improve the lives of people we support.
- ✓ We will continue to find more efficient ways of working, making every pound count.

**Together,
we will achieve:**

Good or better

regulator ratings in England and Scotland.

85% of people we support, or their families, say that Affinity Trust is delivering good support.

85% of people we support progress towards their goals and aspirations.

250 new people

(including at least 20 people identified as having complex needs) have moved from hospital back into their homes and communities.

15%

increase in employment of managers with protected characteristics.

Reduced employee turnover to no more than:

30%

Our strategy, two years in

We Listen, We Learn, We Build on Strengths

If year one of our current strategy was one of establishing the foundations, year two has been one of consolidation and change.

We have continued to make steady progress against achieving our strategic objectives, while navigating sector challenges, like the changing political landscape and the continuing question of recruitment and retention.

We have worked to embed our new digital systems into daily practice, including our rota management system (Sona), quality and assurance system (Radar), and support records on our care management system (Nourish).

This too has been a year where the voices of the people we support have gained impact. We have recruited a cohort of people we support from across our divisions who will work with us to develop our co-production offering, which in turn will ensure that people truly are at the heart of all we do.





Leigh Binns, winner of Giving Our Best National Star Award, 2024

Leigh constantly strives for the best, whether that is Affinity Trust policies and procedures, new tools, the way we work or how we provide support in the Children & Young People (CYP) division.

Leigh has helped develop co-production which in turn means better ways to include children's and young people's voices. Autistic herself, Leigh is a vocal advocate for neurodiverse colleagues and has been working with the HR team to develop neurodiversity policies and procedures for Affinity Trust.

She will always bring new ideas to her team and is constantly looking to improve quality standards, like reviewing how the division models strategies to external stakeholders

Leigh is dedicated to providing a high-quality service and is recognised as a role model in CYP. She believes that how others view the Service is important and reflects this through her professionalism and the support she provides regardless of who it is directed at.

A parent she works with said: *"Leigh is fab. I'm impressed by her knowledge and how she applies her personal experience of neurodiversity to my son. Leigh is very balanced and plays devil's advocate when she needs to - in a professional manner. She is very honest and 100% reliable."*

Strategic aim - enable people to live great lives

We will provide person-centred support driven by choice and opportunity for everyone, with regulator ratings of GOOD or better in both England and Scotland. Our technology will enable evidence of great outcomes for people we support.

KPIs

Target: 90% of CQC/CI Good, with a further **5%** Outstanding

CI Inspection Rating for Scotland
Current ratings at March 2025



CQC Inspection Rating for England
Current ratings at March 2025



CQC Ratings – we have 14 registrations, of which:

12 have an overall rating of Good (**86%** of total)

1 has an overall rating of Requires Improvement

1 hasn't been inspected yet

CI Ratings – all registrations have a rating of Good or higher.

Our focus in 2024/25 was on getting the basics right, and how we evidence that. We were delighted to achieve our objective of 85% of CQC and two thirds of CI ratings rated GOOD or better.

We're not resting on our laurels though - we have set more ambitious targets for 2025 onwards.

Embedding Radar, our quality and audit software, and establishing the new Quality team has been very successful and gives us a strong platform to support continuous improvement.

Central to supporting people to live great lives is understanding exactly what that means to them; what their dreams are, what they most enjoy, and who is important in their life. During the last year, we've run coproduction sessions across the organisation, including during mobilisation of new contracts, ensuring we start as we mean to go on.

We've also introduced Big Plan methodology to person-centred planning, which brings together people we support, family members or advocates, and support teams to work together in an interactive way.

We've recruited a number of lived experience volunteers to join regional co-production panels, and during 2025/26 they will produce a manifesto that sets out Affinity Trust's approach to co-production, ensuring it is authentic and led by the voices of the people it most impacts.

While we had an ambition to increase the number of people we support benefitting from assistive technology, this has been deprioritised to after year three of the strategy.

We continue to concentrate on embedding the digital systems recently implemented so that we have a sound basis to explore how people we support can use more assistive technology in the future, to achieve maximum benefit.



Gordon's Royal day out (in his own words)



Tom [Operations Manager] told us that Prince Edward and Princess Sophie, The Duke and Duchess of Edinburgh, the Capital city of Scotland, were going to visit the Isle of Seil outside Oban.

My Dad is originally from Oban in Argyll and Bute but we now live in West Kilbride, over 3 hours away.

Dad and Mum took a day off and we drove up to wave at them. We had lunch at the Tigh an Truish and someone told the Duke and Duchess that we had come a long way.

Both of them came to talk to me. I was very excited. Afterwards we drove into Oban to see Tom in his office. It was a really great day. We did a 6 and a half hour round trip. I love the Royal family. I have also met Princess Anne.

Strategic aim - support more people to live at home

We will help people to transition from hospital back into the community.

We will increase the number of people living in their own homes in communities of their choice.

KPIs

Target: support 50 more people in 2024/25



Our 24/25 target to support 50 more people would mean a total of 1,044 people supported by March 2025.

We ended 24/25 supporting 966 people: 861 adults and 105 children & young adults. This is a net increase of 8 compared to March 24.

We have won two new contracts in September and February, but handed one back in July.

Sadly several people we support have passed away and young people no longer require support as they have reached the end of their interventions.

2024/25

In 2024/25, revenue increased by £2.8m as a result of organic growth as well as winning some significant new contracts.

Areas of growth have included supporting more children and young people (CYP) along with more adults in Norfolk, and Lancashire.

Our 'Flourishing Lives' contract expands on the very successful young person's positive behaviour support (PBS) service. It is a 2-year pilot jointly commissioned across the Bristol, North Somerset and South Gloucester Local Authorities and the Integrated Care System (ICS) across the six Integrated Care Partnerships (ICPs). This is to provide PBS Services for 40 young people and adults over a period of 2 years.



Sally's home of her own

As part of the assessment for Sally to move to supported living, we identified what support she needed to live independently. We put together a progression plan focused on safety and personal growth, which was presented to Social Services, who agreed a support package that would meet Sally's needs. Then she was able to move in.

Sally had lots of input into how she wanted her new home. Sally chose furniture and where she wanted it to be. She chose decoration and was so excited to have a RED carpet – her favourite colour. She was able to have her home the way she wanted!

Routine is very important to Sally, but moving to a new home naturally comes with lots of disruption.

A small team of key support colleagues carefully planned the move, creating visual routine boards. So, instead of it being stressful and challenging, Sally was excited about moving to her own home.

Since moving in, Sally has worked very hard to build her new routines. She really enjoys shopping and swimming, and ensures her home is safe by helping with the health and safety checks.

Sally is absolutely thriving in her home and is growing in confidence and life skills all the time. So much so, she no longer has an active social worker.





Strategic aim - be a workplace where our people will grow and develop

As part of our core values, we will continue to be an inclusive and diverse workplace and recruit more managers with protected characteristics. Through our investments in technology, we will improve our employee experience.

We will focus on the health and wellbeing of our people and provide continued development opportunities.

KPIs

Target: reduce staff turnover to no more than **30%**

Staff Turnover was very slightly over target at **30.9%** at March 25.

This is a substantial improvement from turnover of **40.8%** reported at March 24.



We have introduced new staff benefits like Vivup, and a new applicant tracking system has improved the experience for people applying to work at Affinity Trust.

Following the roll out of our new values in 2023, we have seen their organic adoption across Affinity Trust. “Together we make it possible” is part of the heartbeat of Affinity Trust, embodying what it is to support someone to lead a great life.

The Star Awards, our employee recognition programme, was reimaged following extensive internal research and relaunched to better represent the values. The response was overwhelming: over 400 individual nominations for exceptional work and living the values. For the first time, we asked people we support, families and professionals we work with to also nominate colleagues that had lived our values going above and beyond in the support they provide.

The awards had two stages: divisional awards with a localised event to announce the winners. These were then judged again by the Executive to declare overall winners for each of six categories which were announced at a celebratory dinner. Representing their division was a source of great pride for our finalists.

In addition to the awards dinner, we held the first Managers' Conference since the pandemic. The theme was creating a culture to be proud of, and the keynote speaker, Owen Eastwood struck a chord with everyone when he spoke of what it means to belong. The conference was very well received, with **84%** of managers rating it good or very good.

We have been successful in attracting significant new talent with some key appointments, which will ensure Affinity Trust never stands still. The creation of a new Head of Recruitment and Inclusion role has enabled us to review what makes Affinity Trust an inclusive environment where people feel safe, valued and able to progress in their careers.

This has seen a new approach to inclusion, and the first of a proposed series of internal communities launched – the Network, where neurodiverse colleagues can come together to share experience, offer support and raise issues as a collective voice. Tapping into what we know about the power of authentic lived experience, these communities will grow in both number and membership to become an integral part of what inclusion and equity look like at Affinity Trust.

Recruitment and retention continue to be a challenge throughout the sector. However, we were able to reduce employee turnover (excluding TUPE) to **30.9%**, and Support Worker turnover to **35%**. This remains a focus as we review how we attract the right people into a role, and our new applicant tracking system, Tribepad, will improve the candidate experience as well as the data available to us to monitor the impact of campaigns.



With the retirement of our long-standing CEO Leo Sowerby and other changes in senior leadership, we have made some exciting new appointments. Our new Chief Executive Kerry Dearden has travelled extensively around the organisation, meeting people, listening and learning about what we do best and what we could do better. She now leads a refreshed Executive with new ideas into the new financial year.

Kome passes her Level 5

Kome Udu, a support manager in Dunstable, has been with Affinity Trust for five years. She is also a Life Carer which led her to choose care and support as a career; she has worked in the sector for 21 years now.

Kome successfully completed her Level 5 diploma in Leadership and Management in Health and Social Care, passing it with distinction, after 18 months of hard work.

She says, “I really wanted to advance myself. I love to research, and I wanted to improve myself and the team. When I got in, I was “whoa”, but I had good coaches who explained things. It’s intense, hard work, but worth it.”

Speaking of people considering taking a diploma while at Affinity Trust, she added, *“I would encourage anyone to please go for it. You will become a better version of yourself.”* Kome may not be finished there either; she is keen to do both a Masters, which she will start in 2026, and a doctorate in International Health Management.

“I want to look intently at person-centred care, and see how it can be a force to be reckoned with in the coming future. I want to play my role in that, so this [the diploma] is my stepping stone to actualise that.”



Strategic aim - actively partner, collaborate and influence

KPIs

Target: we will form at least 5 new strategic partnerships or collaborations, linked to improving the quality of life of people we support – to be measured from March 2025.

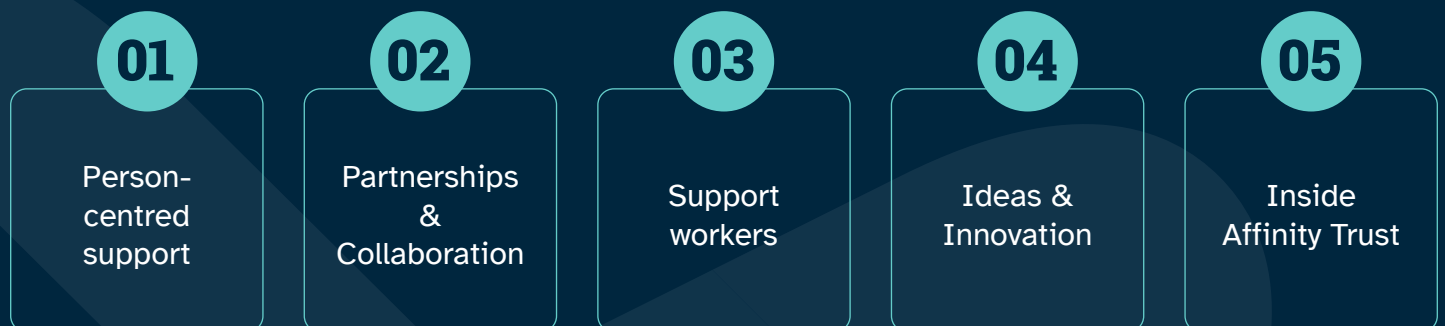


The General Election was announced on 22 May 2024. Affinity Trust is a signatory to the My Vote My Voice campaign, designed to support people with learning disabilities to engage with politics and exercise their right to vote.

We held events to support people to sign up to the electoral roll, and Leeds Opportunities hosted local Prospective Parliamentary Candidates so that people we support could speak to them about their priorities and experiences.

Support teams were equipped with “voting passports”, which people with disabilities can take to a polling station to request adjustments, along with easy read information about the parties.

From May, we partnered with leading digital marketing agency Social for Good, to improve Affinity Trust's social media channels and increase our external reputation. Social for Good specialises in working with nonprofit and charity organisations, and following consultation produced a strategy revolving around five pillars of content.



This relationship has had a profound impact on our digital visibility. We've seen steady and meaningful growth across our channels, with more people engaging, connecting, and learning about the work Affinity Trust does. Nearly 33,200 engagements, a 42% rise in impressions, and close to 1,000 new followers show the power of authentic storytelling, lived experience, and a connected community.

Regular monthly reporting has shown us that storytelling is one of the most powerful ways to create meaningful connections with our audience. From recruitment and awareness days to celebrating the people we support, our strongest-performing content consistently centred on real people, real stories, and real outcomes.

The changing political landscape and Government proposals offer increasing opportunities to advocate for people we support and amplify their voice. We remain committed and enthusiastic members of the Adult Social Care All Party Parliamentary Group, and have a person we support contributing to the lived experience group.

Shobi goes to Westminster

Shobi, who we support in Leeds, went to Westminster to attend a meeting of the Social Care All Party Parliamentary Group (APPG). He was one of the people there at the coffee morning to share his lived experience and speak with MPs directly. He met Leeds MP Richard Burgon.

We asked Shobi what he most wanted to tell the MPs. He said “I want a job. Because it’s good for me.”

He also got some time in London to see the sights, like the London Eye.



Strategic aim - be financially fit to meet our ambitions

KPIs

Target:

Financially sustainable income increased to **£73m** (assuming annual inflation of **5%**)

£73m



Total income grew to £71.9m representing 9% growth Year on Year

Target: New business growth of **£20m** by 2027/28 from tenders, negotiated commissioning, organic growth

£20m



We have secured **£4.5 million** of new business. This is **113%** of our full year target of **£4 million**.

In 2024/25, income grew by £6.2m or 9% Year on Year driven by fee increases and new contracts. We continue to focus on our operational efficiency and on our long-term financial sustainability so that we are here for as long as the people we support need us. Further details are included in the Financial Review section.

We do what matters - social value at Affinity Trust

Contributing to vibrant communities is fundamental to supporting people well. We've made progress on social value this year:

Wellbeing Programme Access – We cover wellbeing in team meetings, as well as making webinars available for colleagues. And our benefits package supports wellbeing, including flexible working, Wagestream to support financial wellbeing, SimplyHealth health cash plan and our employee assistance programme provided by Health Assured.

Investment in mental health – we have made some fantastic initiatives and webinars available to colleagues to help them understand and improve their mental health.

Co-production – we work with people we support through tenants' meetings, events and parties, and our Star Awards recognising excellent support. We are expanding the ways we do this so that more people we support can have greater influence on what we do.

Local supply chain – we're keeping spend in the community and supporting local businesses where we can.

In the coming year, we aim to:

- 01** Give each social value measure a clear owner in the right department.
- 02** Share simple guides so we can collect consistent evidence of our impact
- 03** Expand social value measures to more areas

We've made a strong start, and we are focused on growing our impact and delivering real value for each of our local communities.

Year 3: gaining momentum, embracing change

Affinity Trust is not standing still. With changes in the sector, both within and beyond our influence, we will focus year three of our strategy on strengthening our position as a leading provider of adult social support.

We will be looking to have even more services rated good and aim to move more of our good services to outstanding. We will implement the Outcomes framework in our care management system Nourish, so we can understand exactly what a great life looks like for every person we support, and show measurable progress that centres on the person, not the statistics.

We will be looking to give people we support more influence in what good support looks like too – launching inclusive, coproduced feedback tools.

We will continue to grow, both in terms of people we support and income, and we will maximise occupancy where we have vacancies and voids.

Central to achieving all of this, are our people. We are committed to reducing employee turnover even further through retaining our wonderful colleagues and ensuring they have career paths and training to meet their ambitions.

We will launch a new leadership development programme and improve recruitment pathways to increase diversity. We will also use our levy to create new apprenticeship opportunities, and new pulse surveys will ensure that we are keeping on track.



Looking ahead: challenges and change

Organisations like Affinity Trust are facing a complex and evolving set of challenges. Against a backdrop of workforce issues, we also need to navigate funding constraints, potential reform and increasing demand. All of these affect the sector's ability to deliver consistently excellent, person-centred care.

Whilst recruitment and retention has long been a sector issue, further changes to immigration requirements have added to recruitment pressures, with domestic recruitment simply not bridging the gap. Our support workers are very special people: they carry out emotionally and physically demanding work, achieve qualifications to better their support and ensure they are safe to issue medications, lift someone or work with behaviours of concern, and they do so for remuneration that is often lower than less emotionally demanding jobs in the retail sector and elsewhere.

The recent increases to national living wage and employers' National Insurance Contributions have had considerable impact to costs. Local authorities, our primary source of funding, have faced years of budget cuts themselves, which in turn have had a knock on effect on providers as we are required to deliver high quality support on ever-tighter margins.

We are committed to working in partnership with Local Authorities, ICBs and other strategic partners to innovate and effect change. As the new Government's agenda is rolled out, we are taking an active role in the consultations that affect our people: people we support and our colleagues. Affinity Trust will continue to amplify the voice of people with lived experience and advocate for people with support needs. The forthcoming Casey Commission is an opportunity to create a social care service that truly meets the changing needs of disabled people.

Perhaps the biggest challenge – and opportunity – that lies ahead is the increasing demand for adult social support. We are getting better at diagnosing autism. Life expectancy for people with complex conditions is increasing. And there are still many hundreds of people living in secure environments who should be supported to live independently as part of a community.

Meeting these challenges will require coordinated action across government and local authority, health and social care systems, and of course ensuring that front and centre are the people with learning disabilities, Autism and other support needs. We are ready to play our part, because...

Together we make it possible.

Governance report

Financial review

The care sector continues to face significant financial pressures and Affinity Trust is not immune to this.

Financial headwinds include rising employment costs, a competitive job market and reliance on agency workers to fill permanent staff vacancies.

Affinity Trust is working hard to respond to these challenges including by focusing on staff recruitment and retention, and by leveraging recent investments in new IT business systems to achieve more efficient ways of working. We are making progress but there is more we need to do.

Total income for the year ended 31 March 2025 was **£72.3m** (2023/24: £66.2m), a **9%** increase on the prior year driven by new contracts that we won in line with our growth strategy, and inflationary uplifts by local authorities.

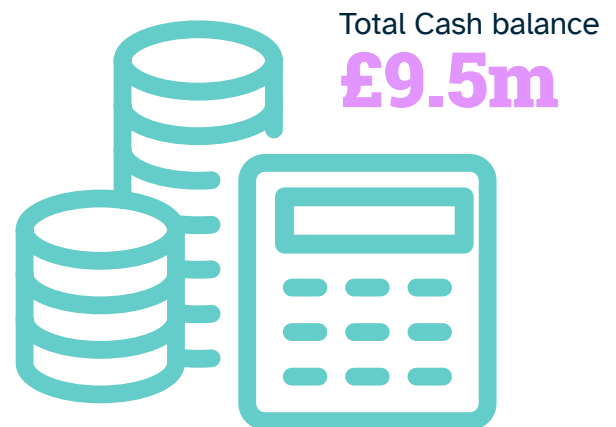
Total expenditure for the year ended 31 March 2025 was **£71.9m** (2023/24: **£64.3m**), a **12%** increase on the prior period driven by higher staff costs and other inflationary increases.

Debtor days were **21** at March 2025, unchanged from March 2024.

Affinity Trust achieved a net surplus of **£46k** for the year ended 31 March 2025. For the prior year the net surplus was **£2.0m** which included a **£1.1m** restricted capital grant from the NHS.



Total Cash balance (including cash investments) was **£9.5m** at March 2025, this was **£0.9m** lower than Cash balances at March 2024 driven by investments in new IT mobile devices for frontline Operations staff and investments in our supported housing properties and offices.



Reserves policy

Affinity Trust sets a reserves policy that aims to ensure our work is protected from the risk of disruption due to a sudden or unexpected loss of funds, to be able to fund strategic opportunities in the future that maximise our impact, and so that we remain a resilient and financially sustainable organisation.

Affinity Trust operates a liquidity-based reserves policy, as we see liquidity as a key measure of financial sustainability for the organisation. Our reserves policy sets a target range for Cash and Investments based upon an assessment of key financial risks and uncertainties faced by Affinity Trust. The policy sets a target range for Cash and Investments of £6m to £15m.

At March 2025 Affinity Trust held Cash and Investments totalling £9.5m.

Total Reserves are £14.4m at March 2025 (23/24: £14.4m). This comprises General funds £10.1m, Designated funds £2.8m and Restricted funds £1.5m.

Total designated funds are £2.8m at March 2025. This relates to the net book value of Tangible Fixed Assets, mainly for our portfolio of supported housing properties.

Restricted funds consist of £1m which is an NHS capital grant received to fund the capital works at Copton Ash in Leicestershire, a capital grant of £0.3m and a small number of voluntary donations from friends and family of people we support and members of the public (see fundraising policy below).

Going Concern

The accounts have been prepared on a going concern basis. The Trustees have reviewed budgets and cash-flow forecasts until 31 March 2027 which support the preparation of the financial statements on this basis.

The organisation has significant cash and investment balances and many costs are linked to services. If the organisation was to no longer provide a service for any reason then these costs would no longer be incurred. Further details on the going concern accounting policy are included in Note 1d.

Investment policy

Affinity Trust's investment policy is documented within the Treasury Management and Investment Policy, which is reviewed annually by the Finance Committee.

To summarise the policy, a widely diversified investment portfolio is established within which a range of investments across the whole risk spectrum from high to low may be held with the expectation that there will be no concentration of assets at the high or low end of the risk spectrum at any point in time.

The policy requires Environmental, Social and Governance (ESG) factors to be taken into consideration.

The Finance Committee is responsible for determining a suitable investment strategy using this approach. The objective is to invest the portfolio to provide a return that exceeds the real (inflation adjusted) value of capital over the longer term.

The investment portfolio was liquidated in August 2023 and the funds placed in fixed term deposit bank accounts. The Trustees approved this change in approach to achieve attractive returns that were available on the money markets with low levels of risk, following the Bank of England raising of interest rates.

We plan to review our investment strategy approach during 25/26.

Fundraising

Donors to Affinity Trust can be assured that we comply with the regulatory standards for fundraising.

We are registered with the Fundraising Regulator and are committed to the Fundraising Promise and adherence to the Code of Fundraising Practice. We also hold organisational membership of the Chartered Institute of Fundraising.

We use third-party suppliers to support our fundraising aims where appropriate. We currently use a will writing company to promote online gifts in wills.

We have safeguards in place when working with suppliers so that we protect our supporters and the reputation of our charity.

Affinity Trust is committed to promoting best practice and demonstrating compliance with the law, in all our fundraising approaches to individual supporters.

Affinity Trust commits to fundraising in an honest and transparent way. Therefore, it is vital that the relationship we build with our supporters and potential supporters is a positive one, this is particularly so for vulnerable people. We will ensure that vulnerable people are treated fairly and with compassion and integrity.

This policy demonstrates our commitment to the fair treatment of our supporters (or potential supporters) who may lack capacity or find themselves in vulnerable circumstances.

Affinity Trust will abide with the requirements set out in the Code of Fundraising Practice and the Charities (Protection and Social Investment) Act 2016 on vulnerable people.

We are also committed to our Supporter Promise.

Our website outlines our feedback, compliments and complaints policy for the public and clearly explains how an individual can complain.

In the 2024/25 financial year we received no complaints in relation to fundraising.

We have a Vulnerable Supporters' Policy and a Supporter Promise. We are also signed up to the Fundraising Preference Service to enable individuals to opt out from receiving fundraising communications from us.

Principal risks and uncertainties

During the year the Board of Trustees reviewed the key strategic and operational risks faced by Affinity Trust, and determined specific activities to be carried out in order to reduce and manage these risks.

The Board uses a framework that identifies key risks and assesses the probability of the risk materialising and the impact on Affinity Trust if it did.

This generates ratings for all key risks which enables risks and associated action plans to be prioritised and monitored.

The principal risks and uncertainties managed during the year were:

Risk	Mitigating Actions
High levels of staff turnover	<p>Development and implementation of a People strategy that aims to improve both recruitment and retention. Specific actions include:</p> <ul style="list-style-type: none"> • Implementation of both leadership and management development programmes, and a focus on career pathways • Developments in our approach to wellbeing and resilience • Developments in our approach to engagement and communications • A broad range of flexible benefits • Continued development of our infrastructure and systems
Failure to recruit the workforce we need	<p>Development and implementation of a People strategy that aims to improve both recruitment and retention. Specific actions include:</p> <ul style="list-style-type: none"> • Enhancing the capacity and capability in our recruitment team, including appointing a new Head of Recruitment and Inclusion role • Improving our approach to employer branding and our value proposition • Developing our social media presence • Implementing a new candidate focussed applicant tracking system
Risk of a cyber incident	<ul style="list-style-type: none"> • Annual penetration testing is undertaken. • Embedding our new e-mail monitoring and blocking system. • Requiring use of multi-factor authentication across the organisation. • Regular off-site system back-ups are made to enable the system to be restored in the event of an outage. • We will maintain Cyber Essential Plus accreditation.
Risk of harm to people we support	<ul style="list-style-type: none"> • Development of new Quality Assurance tool using RADAR, with improved reporting focusing on good practise and areas for improvement. • A summary quarterly Safeguarding report is reviewed by the Executive Team, the Quality Committee and the Board.
Untoward death of someone we support	<ul style="list-style-type: none"> • The organisation ensures mandatory training is up to date and reported monthly. • Lessons Learned initiatives are implemented following serious incidents. • External Care Management assessments are sought to inform training needs.
Loss of high value contracts	<ul style="list-style-type: none"> • Operational staff review high value contracts as part of business review and 121 meetings. • Robust tender development and review process. • New service Quality Assurance framework and auditing tool implemented.
Breach of GDPR regulations	<ul style="list-style-type: none"> • All managers complete GDPR training. • The organisation regularly raises awareness and the importance of data privacy and communicates at appropriate levels within the organisation. • Privacy Impact Assessments are undertaken for all significant changes in the way personal data is processed. • Work is overseen by Data Protection specialist consultancy.

Risk	Mitigating Actions
Risk that regulators may lower ratings	<ul style="list-style-type: none"> • Mock inspections have been carried out to identify locations at risk and actions required. • New service Quality Assurance framework and auditing tool implemented.
Failure to be financially sustainable	<ul style="list-style-type: none"> • Trustees approve balanced or surplus budget with financial performance monitored regularly. • Robust controls over cash management, including debt management. • Periodic portfolio reviews, with action planning for contracts with poor financial viability • Ensuring Support Worker pay reflects market conditions, subject to affordability.

The Board of Trustees acknowledges that the work in which Affinity Trust is engaged is never risk free, and nor would the Board wish to completely avoid risk, but it is satisfied that the identified risks are being positively managed.

Structure, governance and management

Affinity Trust, the parent company, is a charitable company limited by guarantee and is registered with the Charity Commission and the Office of the Scottish Charity Regulator (“OSCR”). Governance is led by a Board of Trustees, who are the Directors of the company and who serve fixed terms of office. The company is governed by its Articles of Association which establish the objects and powers of the company.

The objectives of the organisation are the provision of support and other services for people with learning disabilities and other groups who need support.

The non-charitable subsidiary, Affinity Trust Support Limited, commenced trading on 27 January 2023. Affinity Trust Support Limited currently holds seven local authority contracts, with Affinity Trust responsible for all care and support provision, and this structure has enabled Affinity Trust to achieve annual cost savings of approximately £200k.

On 24 April 2025, HMRC published a briefing indicating that the use of VAT group structures by state regulated care providers involving a non-regulated entity are considered tax avoidance schemes. Following this HMRC briefing, we expect to unwind the scheme during 2025/26.

Status	The organisation is a company limited by guarantee, incorporated on 30 April 2009 in the name of Affinity Trust.
Company number	06893564
Charity number	1139891
OSCR number	SC043881
Country of registration	England & Wales and Scotland
Country of incorporation	United Kingdom
Governing document	The organisation is governed by its articles of association dated 30 April 2009 as amended by special resolution registered at Companies House on 11 January 2011.
Registered office and operational address	Unit B St Andrew's Court Wellington Street Thame Oxfordshire OX9 3WT
Executive Team	
Kerry Dearden	Chief Executive (joined February 2025)
Michael Baines	Interim Director of Operations (joined March 2025)
Robert Butler	Director of Finance
Aileen Everett	Director of People (joined October 2024)
Deanna Westwood	Interim Director of Quality Improvement & Compliance (joined April 2025)
David O'Neill	Interim Director of Business Development and Innovation (joined July 2025)
Trustees	Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:
Tanya Barron	Chair of Trustees and Chair of the Nominations Committee
Jenny Edwards	
Sian Rees	Chair of the Quality Committee
Hanah Burgess	Chair of the Finance Committee
Chris Akpakwu	Co-chair of the People Committee
Caroline King	Co-chair of the People Committee
Colbert Ncube	
Richard Parry	



Appointment of trustees

Recruitment of new Trustees takes place through a formal open recruitment process.

Trustee role, induction and training

A formal induction process for new Trustees is in place which includes the visiting of services delivered and meeting all levels of staff. Annual appraisals are conducted for individual Trustees by the Chair of the Board of Trustees and Trustees are able to access relevant conferences and training as required.

The Board of Trustees has established some Committees which receive more detailed information and provide greater scrutiny of their designated areas than would be possible by the Board itself. However, the Board continues to receive regular reports and information concerning these areas.

The Committees are:

- » The Finance Committee which meets four times a year and reviews management accounts, draft financial statements, annual budgets and forecasts, compliance with financial regulations, appointment of auditors, bankers, investment managers and other external advisors, management and performance of the investment portfolio, financial risk assessments and the Treasury Management and Investment Policy and Reserves Policy.
- » The Quality Committee which meets four times a year to review quality assurance of support services, safeguarding, health and safety and other areas relating to and affecting the quality of support which is delivered.
- » The Remuneration Committee meets annually to review and determine the remuneration of the Executive Team; and
- » The Nominations Committee and meets as required to facilitate the recruitment of new Trustees and other such matters.

Trustees are remunerated and are able to claim expenses for any work undertaken on behalf of the charity and such remuneration is reviewed and recommended by the Independent Panel for Trustees Remuneration. Remuneration and expenses reclaimed from the charity are set out in Note 6 to the financial statements.

The Board of Trustees delegates day-to-day responsibility for the management of the organisation to the Chief Executive and Executive Team consisting of the Director of Finance, the Director of People, the Director of Operations, the Director of Quality Improvement and Compliance and the Director of Business Development and Innovation. The charity's operational activities are structured into six geographic operating divisions each headed by a Divisional Director plus a division for Children and Young People.

The divisions and their related Councils for whom we provided services in the year are:

Central – Leicester, Leicestershire, Sheffield, Herefordshire

East – Norfolk, Suffolk, Cambridgeshire and Peterborough City Council

North – Leeds, Wakefield, Bradford, Staffordshire, East Riding, Wolverhampton, Hereford

Scotland – Argyll and Bute, South Ayrshire, North Ayrshire, Aberdeen

South – Surrey, Portsmouth, Southampton, Central Bedfordshire, Dorset

West – Bristol, West Berkshire, Oxfordshire, Somerset

Children and Young People – Bradford, Gloucestershire, Greater Manchester, Wakefield

Remuneration policy for key management personnel

As outlined above under Structure, Governance and Management, the Remuneration Committee is a sub-committee of the Board comprised of two Trustees who meet annually to review and determine the remuneration of the Executive Team. The Committee uses all available relevant benchmark data to determine levels of remuneration including any comparable sector remuneration information. As Trustees are also key management personnel, remuneration and expenses reclaimed from the charity by the Trustees are set out in Note 6 to the financial statements.

Engagement with our Stakeholders

Affinity Trust engages with a wide group of stakeholders through a variety of channels.

We hugely value the insight, opinions and feedback of the people we support and their families in our planning and decision making. We do this through our people we support and family forums, surveys and our new Family Connection website.

All Board meetings commence with a session with someone we support so that Trustees can learn about how they live their life, their aspirations and what feedback they might wish to share. We have established a new coproduction group to codesign new support models and other aspects of our work.

The Children and Young People team continue to refine their services by listening to the parents, carers and young people they support for example through co-production events. The team continue to offer PBS level 1 & 2 training to parents, carers, schools, respite providers and social care.

In addition, the team has developed a schools model that they plan to pilot with the aim of reducing exclusions and the numbers of young people with special educational needs and disabilities placed on a reduced timetable.

Affinity Trust engages with its employees through regular staff forums, team meetings, employee surveys and our internal newsletter, Stargazer.

We use the Equality, Diversity and Inclusion group to connect with colleagues with protected characteristics and create a culture of belonging.

In 2024/25 we brought together all of our managers to consult on our strategic plans and leadership development.

We celebrated the work of our staff through the annual Star Awards programme.

We collaborate with Commissioners and other care providers, for example within provider forums at a local level and by actively contributing to market engagement events.

We are an active member of the All Party Parliamentary Group for Adult Social Care, working alongside other care providers and Government representatives including at Minister level on advocacy and policy matters.

We are members of several umbrella groups such as the Voluntary Organisations Disability Group (VODG) and the National Care Forum (NCF) and actively contribute to their work.

We regularly engage with our key suppliers, for example by providing feedback on their products and services, understanding new market developments, risks and opportunities.

Anti-Corruption and Bribery Policy

Affinity Trust is committed to achieving the highest standard of probity, accountability and openness. This is achieved through a formal policy that is communicated to all staff to ensure that everyone is aware of and has complete clarity about what is acceptable in our dealings with our operating partners, be they suppliers, customers/commissioners or the people we support and their friends and families.

Affinity Trust regards bribery and corruption as completely unacceptable. No bribe or inducement should ever be made to any person, or accepted from any other person, in any circumstance, whether or not such inducements result in personal gain.

Environmental Policy

The Trustees are aware of the importance of protecting the local environments where services operate and Affinity Trust is committed to ensuring that the activities of the organisation have a minimal adverse impact on the environment.

Wherever possible, travel related environmental impacts are minimised through the provision of technology to facilitate meetings and/or online training provision and whilst the organisation only operates from a relatively small number of properties (for accommodation or office use), each of these locations has been the subject of an energy audit under the first and second phases of the Energy Saving Opportunities Scheme (“ESOS” & “ESOS2”).



Energy and Carbon Reporting

As part of the obligations set out under the Energy and Carbon Report Regulations 2018, the charity is required to disclose the energy and carbon created as an organisation over the reporting period. We have measured our UK Energy and greenhouse gas emissions as classified within scope 1 and 2 of the Streamlined Energy and Carbon Reporting (SECR) standard which are presented in tables 1 to 3 below.

Energy Consumption and Greenhouse Gases

The methodology used for determining energy and carbon emissions within this section of the report are as per the regulations above. The calculations include a number of sources of our greenhouse emissions:

- ▶ Natural gas used for heating the buildings we occupy and for the provision of hot water.
- ▶ Electricity used for lighting, cooling and air conditioning.
- ▶ Fuel consumption in vehicles that are used for business including staff vehicles and hire cars.
- ▶ Gas and electricity consumption have been taken from invoices and sub-meter readings as appropriate.
- ▶ Fuel consumption is measured from mileage incurred by employees travelling to and from locations.

The charity's consumption and associated greenhouse gas emissions for the year ended 31 March 2025 and prior period comparatives are shown in tables 1 and 2

Table 1: Total energy consumption and associated greenhouse gas emissions.

Energy Type	Energy Use (kWh) 2024/25	Energy Use (kWh) 2023/24	Emissions (tCO2e/yr) 2024/25	Emissions (tCO2e/yr) 2023/24
Gas	293,230	273,744	54	50
Electricity	182,115	134,460	42	28
Transport	930,752	797,236	214	185
Total	1,406,097	1,205,440	310	263

Table 2: Energy and Carbon Conversion Factors

Activity	Fuel	Unit	Year	kg CO2e
Combustion of fuel	Natural Gas	kWh	2024/25	0.18500
Electricity generation	UK Electricity	kWh	2024/25	0.233000
Transport (average car)	Petrol	Mile	2024/25	0.26087
Combustion of fuel	Natural Gas	kWh	2023/24	0.18256
Electricity generation	UK Electricity	kWh	2023/24	0.207074
Transport (average car)	Petrol	Mile	2023/24	0.2627

Vehicle use is based on fleet vehicles and employee travel using their own vehicles for business use. An assumption has been made in both years that all vehicles use standard petrol. Both years assumed an engine transmission of 2 litres or less.

Intensity Ratio

Intensity ratios compare emissions data with an appropriate business metric or financial indicator. This allows a comparison of energy efficiency performance over time and with other similar types of organisation. We have chosen to compare our overall emissions with our annual turnover.

Table 3: Intensity Ratio

	Energy Consumption	Total greenhouse gases emissions	Annual Turnover	Intensity Ratio	Intensity Ratio
Year	(kWh)	(tCO2e)	£ million	(kWh/£100,000 turnover)	(tCO2e/£100,000)
2024/25	1,406,097	310	72	1,945	0.43
2023/24	1,205,440	263	65	1,855	0.40

Energy Efficiency Actions

Affinity Trust's overall energy usage increased by 17% in 2024/25 compared to prior year driven by business growth including new contracts in Oxfordshire and West Berkshire as well as increased staff travel and collaboration including for the management conference.

Since February 2022 we have only had one building for Head Office use instead of two as Head Office staff now work from home for part of the week, and we continue to identify and deliver opportunities to further reduce energy consumption and to be more efficient in how we run our properties and incur business travel. Affinity Trust recognises that supporting people is at the core of what the organisation does and therefore a significant amount of travel for staff will always be appropriate and required so our staff and the people we support have face to face interaction.

In 2024/25 we developed an Environmental Sustainability plan for Affinity Trust, with the goal of being more energy efficient, including through increased awareness-raising and carbon reduction initiatives. During the year we commissioned an external Energy Saving Opportunity Scheme (ESOS) compliance review to ensure we met our regulatory obligations and to develop a set of actions that will further improve our energy efficiency.





Trustees' duty to promote the success of the Trust – section 172 statement

The Trustees are required to report how they have performed their duties under section 172 of the Companies Act 2006. Section 172 provides that for charitable companies where the purpose of the company is something other than the benefit of its members, the Trustees must act in the way they consider in good faith, would be most likely to achieve its charitable purpose. Specifically, Trustees must have regard to the the following:

- » The likely consequences of any decision in the long term. All key decisions that will have an impact on the long-term future of the charity are discussed at the relevant Board Committee and Board. Major and long running projects are overseen on behalf of the Board by the Finance Committee to ensure that there is appropriate oversight and that appropriate action is taken where necessary, with regular reports to the full Board.
- » The interest of the company's employees. The impact of major decisions on staff are discussed by the Board who also receive regular updates on staff pay, health and safety, and safeguarding.
- » The need to foster the company's business relationships with suppliers, customers and others. The Board receives information on numbers of compliments and complaints and on underlying themes. The Board discusses the nature of the relationships it wants with key stakeholders and there are clear processes for engagement with suppliers and customers.
- » The impact of Affinity Trust's operations on the community and the environment. Affinity Trust's key objective is to support people with learning disabilities, including those with intensive or specialist needs, to live fulfilling lives as active members of their communities. The Board receives regular quality updates on the services provided to ensure funds are used efficiently and effectively with particular attention paid to CQC, Care Inspectorate and our own internal audit ratings.
- » The desirability of the organisation for maintaining a reputation for high standards of business conduct. The nature of Affinity Trust's work as a charity requires that we maintain a reputation for high standards of business, and systems and processes are in place that underpin this. The Executive Team update the Trustees on matters that may have given rise to a reputational risk including any mitigating actions being taken.
- » The need to act fairly between members of Affinity Trust. As a registered charity Affinity Trust does not have shareholders. The Trustees, who are members of the company, ensure that any surpluses are invested back into the business for the benefit of those for whom we provide care and support.

Charity Governance Code

The Trustees follow the Charity Governance Code and have reviewed their approach to governance during the period, including its reviews of strategy and risk and the use of Key Performance Indicators (KPIs), and has developed a KPI dashboard which is reviewed at every Board Meeting.

Statement of responsibilities of the Trustees

The Trustees (who are also directors of Affinity Trust for the purposes of company law) are responsible for preparing the Trustees' annual report including the strategic 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 accounting estimates that are reasonable and prudent
- » State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- » Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The Trustees are responsible for keeping adequate 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. The Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). 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 corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. In so far as the Trustees are aware:

- » There is no relevant audit information of which the charitable company's auditor is unaware
- » 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 auditor is aware of that information

Guarantees

Members of the company guarantee to contribute an amount not exceeding £1 to the assets of the company in the event of winding up. The total number of guarantors at 31 March 2025 was 22 (2023/24: 22). Members of the Board of Trustees have no beneficial interest in the organisation.

Professional Indemnity Insurance

Affinity Trust holds professional indemnity insurance which includes indemnity for members of the Board of Trustees and officers. This policy also includes fidelity guarantee insurance.

The Trustees' annual report, incorporating the strategic report, has been approved by the Trustees in their capacity as directors on 18 September 2025.

Tanya Barron
Chair

Independent Auditor's Report to the members of Affinity Trust

Opinion

We have audited the financial statements of Affinity Trust (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2025 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 group's and of the parent charitable company's affairs as at 31 March 2025 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulation 2006 (as amended)

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's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 Affinity Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other Information

The other information comprises the information included in the trustees' annual report, including the strategic report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, 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.

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' annual report, including the strategic report, for the financial period for which the financial statements are prepared is consistent with the financial statements
- » The trustees' annual report, including the strategic report, has 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 group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report, including the strategic report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

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

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the parent 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 group's and the parent 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 group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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.

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 are set out below.



Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- » We enquired of management, and the finance committee, which included obtaining and reviewing supporting documentation, concerning the group's policies and procedures relating to:
 - » Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - » Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - » The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- » We inspected the minutes of meetings of those charged with governance.
- » We obtained an understanding of the legal and regulatory framework that the group operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the group from our professional and sector experience.
- » We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- » We reviewed any reports made to regulators.
- » We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- » We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- » In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

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 Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities.

This description forms part of our auditor's report.

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 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005.

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.

Fleur Holden (Senior statutory auditor)

Date: 16 October 2025

for and on behalf of Sayer Vincent LLP, Statutory Auditor

110 Golden Lane, LONDON, EC1Y 0TG

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006



Financial Statements

for the year ended 31 March 2025

Affinity Trust

Consolidated statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2025

	Note	Unrestricted £	Restricted £	2025 Total £	Unrestricted £	Restricted £	2024 Total £
Income from:							
Donations and grants	2	-	131,986	131,986	-	1,064,000	1,064,000
Charitable activities							
Supported living	3	63,512,780	-	63,512,780	56,287,111	-	56,287,111
Shared living	3	4,500,319	-	4,500,319	4,362,418	-	4,362,418
Outreach services	3	1,783,211	-	1,783,211	2,281,647	-	2,281,647
Supported employment & day opportunities	3	711,248	-	711,248	650,724	-	650,724
Social enterprises	3	576,273	-	576,273	599,387	-	599,387
Housing	3	772,221	-	772,221	659,267	-	659,267
Investments		371,503	-	371,503	320,241	-	320,241
Total income		72,227,555	131,986	72,359,541	65,160,795	1,064,000	66,224,795
Expenditure on:							
Raising funds							
Investment manager's fees	4	-	-	-	14,330	-	14,330
Charitable activities							
Supported living	4	63,919,127	45,172	63,964,299	55,890,690	-	55,890,690
Shared living	4	4,467,957	-	4,467,957	4,169,718	-	4,169,718
Outreach services	4	1,784,263	2,200	1,786,463	1,774,544	-	1,774,544
Supported employment & day opportunities	4	875,963	742	876,705	848,434	-	848,434
Social enterprises	4	576,958	-	576,958	589,197	884	590,081
Housing	4	640,089	-	640,089	1,008,590	-	1,008,590
Total expenditure		72,264,357	48,114	72,312,471	64,295,503	884	64,296,387
Net (expenditure) / income before net gains on		(36,802)	83,872	47,070	865,292	1,063,116	1,928,408
Net gains on investments	12	-	-	-	89,566	-	89,566
Net movement in funds	5	(36,802)	83,872	47,070	954,858	1,063,116	2,017,974
Reconciliation of funds:							
Total funds brought forward		12,992,808	1,368,173	14,360,981	12,037,950	305,057	12,343,007
Total funds carried forward	20	12,956,006	1,452,045	14,408,051	12,992,808	1,368,173	14,360,981

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 20 to the financial statements.

Affinity Trust

Balance sheets

Company no. 6893564

As at 31 March 2025

		The group		The charity	
	Note	2025 £	2024 £	2025 £	2024 £
Fixed assets:					
Land	10	1,664,639	1,664,639	1,664,639	1,664,639
Housing properties	10	2,150,493	1,975,113	2,150,493	1,975,113
Other tangible fixed assets	11	386,401	372,687	386,401	372,687
Investments	12	-	-	1	1
		4,201,533	4,012,439	4,201,534	4,012,440
Current assets:					
Stocks	14	97,390	96,049	97,390	96,049
Debtors	15	7,136,730	6,162,056	7,566,353	5,983,515
Short term deposits		5,241,584	5,014,195	5,241,584	5,014,195
Cash at bank and in hand		4,244,928	5,364,916	3,298,998	5,131,049
		16,720,632	16,637,216	16,204,325	16,224,808
Liabilities:					
Creditors: amounts falling due within one year	16	6,031,956	5,806,516	5,515,650	5,394,109
Net current assets		10,688,676	10,830,700	10,688,675	10,830,699
Total assets less current liabilities		14,890,209	14,843,139	14,890,209	14,843,139
Creditors: amounts falling due after one year	18	482,158	482,158	482,158	482,158
Total net assets		14,408,051	14,360,981	14,408,051	14,360,981
The funds of the charity:					
Restricted funds	20a	1,452,045	1,368,173	1,452,045	1,368,173
Unrestricted funds:					
Designated funds	20a	2,837,533	2,648,439	2,837,533	2,648,439
General funds	20a	10,118,473	10,344,369	10,118,473	10,344,369
Total unrestricted funds		12,956,006	12,992,808	12,956,006	12,992,808
Total charity funds		14,408,051	14,360,981	14,408,051	14,360,981

Approved by the trustees on 18 September 2025 and authorised for issue and signed on their behalf by

Tanya Barron
Trustee and Chair

Hanah Burgess
Trustee and Chair of the Finance Committee

Affinity Trust

Consolidated statement of cash flows

For the year ended 31 March 2025

	£	2025 £	£	2024 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	47,070		2,017,974	
Gains on investments	-		(89,566)	
Dividends and interest from investments	(371,503)		(320,241)	
Interest payable	9,000		11,830	
Depreciation charges	345,231		269,489	
(Increase) / Decrease in stocks	(1,341)		4,875	
Increase in debtors	(974,674)		(1,168,860)	
Increase / (Decrease) in creditors	225,440		(684,306)	
Net cash (used in) / provided by operating activities		(720,777)		41,195
Cash flows from investing activities:				
Dividends and interest from investments	371,503		320,241	
Purchase of fixed assets	(534,325)		(199,005)	
Proceeds from sale of investments	-		688,870	
Purchase of investments	-		(859,346)	
Net cash used in investing activities		(162,822)		(49,240)
Cash flows from financing activities:				
Repayments of borrowing	-		(95,429)	
Interest paid	(9,000)		(11,830)	
Net cash used in financing activities		(9,000)		(107,259)
Change in cash and cash equivalents in the period		(892,599)		(115,304)
Cash and cash equivalents at the beginning of the period		10,379,111		10,467,455
Change in cash and cash equivalents in respect of cash held by investment manager		-		26,960
Cash and cash equivalents at the end of the period		9,486,512		10,379,111

Analysis of changes in net funds / (debt)

	1 April 2023 £	Cash flow £	1 April 2024 £	Cash flow £	31 March 2025 £
Cash at bank and in hand	5,453,260	(88,344)	5,364,916	(1,119,988)	4,244,928
Short Term deposits	-	-	5,014,195	227,389	5,241,584
Bank loans payable less than one year	(47,188)	47,188	-	-	-
Debt due within one year	(47,188)	47,188	-	-	-
Bank loans payable more than one year	(198,241)	48,240	(150,001)	-	(150,001)
Debt due after one year	(198,241)	48,240	(150,001)	-	(150,001)
Total net funds	5,207,831	7,084	10,229,110	(892,599)	9,336,511

Notes to the financial statements

For the year ended 31 March 2025

1 Accounting policies

a) Statutory information

Affinity Trust is a charitable company limited by guarantee and is incorporated in England.

The registered office address is Unit B, St Andrew's Court, Wellington Street, Thame, OX9 3WT. Refer to Trustees Report for principal activities.

b) Basis of preparation

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

These financial statements consolidate the results of the charity and its wholly-owned subsidiary Affinity Trust Support Ltd on a line by line basis. Transactions and balances between the charity and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two entities are disclosed in the notes of the charity's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006. A summary of the result for the year is disclosed in the notes to the accounts.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note. The financial statements are presented in (£) Sterling which is also the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £1.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102 and has therefore applied the relevant public benefit requirements of FRS102.

d) Going concern

The Trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern as the Trustees have reviewed budgets and forecasts for the 12 months following the end of the reporting period which support the fact that the charity is a going concern. In addition the organisation has sufficient reserves available to meet its liabilities as they fall due and has sufficient cash and liquid reserves available to meet its needs.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

f) Income from investments and bank deposits

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 bank.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment advisor of the dividend yield of the investment portfolio.

g) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other income received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the Trustees for particular purposes.

Notes to the financial statements

For the year ended 31 March 2025

1 Accounting policies (continued)

h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charitable company in generating investment income via its investment portfolio managed by Coutts & Co.
- Expenditure on charitable activities includes the costs of delivering the supported living, registered care and outreach/opportunities services in addition to the cost of the social enterprise and housing activities and support costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

i) Allocation of support and governance costs

Expenditure is allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function is apportioned based on staff cost attributable to each activity.

j) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

k) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds limits as follows: portable buildings £2,000, software, electrical equipment and fixture & fittings £1,000, computer & telephone equipment £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life on a straight line basis. The depreciation rates in use are as follows:

▪ Freehold land	0%
▪ Freehold property	2%
▪ Property alterations	10%
▪ Cars	25% - 33%
▪ Office equipment	10% - 50%

An annual impairment review is undertaken in accordance with FRS102. When the carrying amount of the asset is higher than the recoverable amount the asset is written down. Should the recoverable amount of the asset then exceed its carrying amount, the impairment provision will be reversed.

l) Listed investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Net gains/(losses) on investments' in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

m) Stocks

Stocks are stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes transport and handling costs. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. Provision is made where necessary for obsolete, slow moving and defective stocks.

n) Debtors

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

o) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term deposits. Cash balances exclude any funds held by the charitable company on behalf of the people supported. At 31 March 2025: £582,623 (31 March 2024: £745,412) was held by Affinity Trust on behalf of people we support.

Notes to the financial statements

For the year ended 31 March 2025

1 Accounting policies (continued)

p) Creditors

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

q) 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.

r) Pensions

Affinity Trust operates a defined contribution pension scheme. The assets of the scheme are held separately from those of Affinity Trust in an independently administered fund. The pension cost charge represents contributions payable under the scheme by Affinity Trust to the fund. Affinity Trust has no liability under the scheme other than for the payment of those contributions.

Certain employees are members of the NHS Pension Scheme, a defined benefit scheme. The company makes contributions on behalf of employees who are members in accordance with the requirements of the scheme. Other than those contributions there is no additional liability to Affinity Trust in respect of the scheme (See details in note 24).

In addition the charity makes contributions to the West Yorkshire Pension Fund and the Oxfordshire Pension Fund (both defined benefit schemes). The South Yorkshire Pension Fund (also defined benefit) was closed in June 2023. The employer's contributions are determined in relation to the current service period only, and consequently the charity accounts for contributions to the schemes as if they were defined contribution schemes (See details in note 24).

s) Contingent liabilities

The payment of interest accrued on grants payable to the Secretary of State for Health is contingent on Affinity Trust intending to sell the properties purchased with the grants. The accrued interest is therefore disclosed as a contingent liability. The substance of the agreements Affinity Trust has with the Secretary of State for Health is for the Secretary of State to receive their share of the increase in the value of the properties (see note 23).

t) Key judgements and estimates

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are readily apparent from other sources. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

The Trustees do not consider that there are any sources of estimation uncertainty, including from reviewing any impact of the contingent liabilities in note 23, at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

2 Income from donations and grants

	Unrestricted	Restricted	2025 Total £	2024 Total £
	£	£	£	£
NHS capital grant Copton Ash	-	-	-	1,064,000
Dennis Taylor	-	86,712	86,712	-
Cliff Park Ormiston Academy	-	1,000	1,000	-
Norfolk Market Sustainability and Improvement Fund Application	-	44,274	44,274	-
	-	131,986	131,986	1,064,000

See Note 20 for details on the Restricted NHS capital grant.

Notes to the financial statements

For the year ended 31 March 2025

3 Income from charitable activities

	2025 £	2024 £
Supported living		
Local and NHS authorities	62,076,615	55,007,680
Contributions from the people we support	1,175,457	1,279,431
Government Grants	260,708	-
	<hr/>	<hr/>
Sub-total for Supported living	63,512,780	56,287,111
Shared living		
Local authorities	4,455,853	4,257,625
Contributions from the people we support	44,466	104,793
	<hr/>	<hr/>
Sub-total for Shared living	4,500,319	4,362,418
Outreach services		
Local authorities	1,617,348	2,112,891
Contributions from the people we support	165,863	168,756
	<hr/>	<hr/>
Sub-total for Outreach services	1,783,211	2,281,647
Supported employment & day opportunities		
Local authorities	589,989	584,775
Contributions from the people we support	120,714	53,555
Government Grants	545	12,394
	<hr/>	<hr/>
Sub-total for Supported employment & day opportunities	711,248	650,724
Social enterprises		
Local authorities	10,962	8,968
Contributions from the people we support	16,674	5,971
Trading sales	548,637	584,448
	<hr/>	<hr/>
Sub-total for Social enterprises	576,273	599,387
Housing		
Local authorities	281,542	203,553
Housing benefit	358,043	393,104
Contributions from the people we support	132,636	62,610
	<hr/>	<hr/>
Sub-total for Housing	772,221	659,267
	<hr/>	<hr/>
Total income from charitable activities	71,856,052	64,840,554

Affinity Trust

Notes to the financial statements

For the year ended 31 March 2025

4a Analysis of expenditure (current period)

	Charitable activities									2025	2024
	Cost of raising funds £	Supported Living £	Shared Living £	Outreach services £	Supported employment & day opportunities £	Social enterprises £	Housing £	Support costs £	Governance £	Total £	Total £
Staff Costs (Note 5)	-	53,541,618	3,289,519	1,463,255	600,242	173,953	84,328	5,922,591	53,395	65,128,901	58,050,066
Training	-	331,555	19,993	8,893	3,648	1,057	513	35,995	325	401,979	432,518
Recruitment	-	407,532	25,049	11,142	4,571	1,325	642	45,098	407	495,766	398,308
Insurance	-	317,756	20,122	8,684	4,726	1,032	694	35,148	317	388,479	464,177
Transport and Travel Costs	-	270,575	100,989	44,571	23,626	24	4,285	334,914	9,205	788,189	669,736
Property	-	136,835	300,511	6,988	137,687	51,611	341,861	384,002	-	1,359,495	1,502,815
Office	-	663,429	76,645	20,123	9,202	2,442	1,049	66,076	596	839,562	633,733
IT Software, Equipment and Repairs	-	759	788	24	-	280	319	1,159,408	-	1,161,578	934,619
Audit & Professional Fees	-	170,025	47,748	11,483	1,018	29,666	193,816	565,208	62,496	1,081,460	716,648
Trading	-	-	-	-	-	287,804	-	-	-	287,804	305,149
Activities	-	-	-	-	-	-	-	-	-	-	2,065
Food and Household Goods	-	222,815	94,811	6,265	2,663	1,262	89	22,331	-	350,236	225,906
Bad Debt Charge	-	(30,750)	4,442	(11,745)	208	(1,370)	-	(173,450)	-	(212,665)	(162,296)
Sundries	-	-	-	-	188	2,101	-	239,398	-	241,687	122,943
	-	56,032,149	3,980,617	1,569,683	787,779	551,187	627,596	8,636,719	126,741	72,312,471	64,296,387
Support costs	-	7,817,432	480,292	213,645	87,640	25,398	12,312	(8,636,719)	-	-	-
Governance costs	-	114,718	7,048	3,135	1,286	373	181	-	(126,741)	-	-
Total expenditure 2025	-	63,964,299	4,467,957	1,786,463	876,705	576,958	640,089	-	-	72,312,471	
Total expenditure 2024	14,330	55,890,690	4,169,718	1,774,544	848,434	590,081	1,008,590	-	-		64,296,387

Affinity Trust

Notes to the financial statements

For the year ended 31 March 2025

4b Analysis of expenditure (prior year)

	Charitable activities									2024
	Cost of raising funds	Supported Living	Shared Living	Outreach services	Supported employment & day opportunities	Social enterprises	Housing	Support costs	Governance	Total
	£	£	£	£	£	£	£	£	£	£
Staff Costs (Note 5)	-	47,471,976	3,089,449	1,427,201	647,380	166,436	72,737	5,125,232	49,655	58,050,066
Training	-	264,567	28,490	25,705	3,944	2,372	39	107,402	-	432,518
Recruitment	-	285,294	21,348	16,481	3,692	469	-	71,023	-	398,308
Insurance	-	175,841	14,019	7,207	3,943	597	26,154	236,135	281	464,177
Transport and Travel Costs	-	297,708	85,439	44,468	31,571	-	4,162	202,222	4,165	669,736
Property	-	125,411	301,353	1,079	56,023	39,871	529,800	449,278	-	1,502,815
Office	-	262,420	86,327	15,324	7,099	3,742	70,914	187,524	383	633,733
IT Software, Equipment and Repairs	-	12,693	1,770	-	34	1,749	-	918,374	-	934,619
Audit & Professional Fees	-	265,521	44,651	17,830	2,449	43,122	294,286	-	48,789	716,648
Trading	-	-	-	-	-	305,149	-	-	-	305,149
Activities	-	-	-	-	1,436	-	-	630	-	2,065
Food and Household Goods	-	124,550	66,349	4,196	655	848	368	28,940	-	225,906
Bad Debt Charge	-	(12,811)	29	15,368	-	1,090	(5)	(165,968)	-	(162,296)
Sundries	14,330	2,619	-	814	-	1,444	-	103,736	-	122,943
	14,330	49,275,789	3,739,224	1,575,673	758,226	566,889	998,455	7,264,528	103,273	64,296,387
Support costs	-	6,522,181	424,460	196,083	88,944	22,867	9,993	(7,264,528)	-	-
Governance costs	-	92,720	6,034	2,788	1,264	325	142	-	(103,273)	-
Total expenditure 2024	14,330	55,890,690	4,169,718	1,774,544	848,434	590,081	1,008,590	-	-	64,296,387

Notes to the financial statements

For the year ended 31 March 2025

5 Net income / (expenditure) for the period

This is stated after charging / (crediting):

	2025 £	2024 £
Depreciation	345,231	269,489
Inventory recognised as an expense	287,804	305,149
Interest payable on loans	9,000	11,830
Operating lease rentals:		
Property	450,309	360,441
Other	23,514	22,488
Auditor's remuneration (excluding VAT):		
Audit - Affinity Trust	29,500	28,000
Audit - Affinity Trust Support Limited ("ATSL")	10,500	10,000
Other services - corporation tax ATSL	1,175	1,500
Internal Audit	17,040	-
	<u>345,231</u>	<u>269,489</u>

6 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2025 £	2024 £
Salaries and wages	53,496,615	46,803,452
Redundancy and termination costs	88,423	143,810
Social security costs	4,708,435	4,106,361
Employer's contribution to defined contribution pension schemes	1,141,378	977,343
Operating costs of defined benefit pension schemes treated as defined contribution pension schemes	206,398	235,271
	<u>59,641,249</u>	<u>52,266,237</u>
Agency costs	5,487,652	5,783,829
	<u>65,128,901</u>	<u>58,050,066</u>

£237,064 of pension costs were included within creditors (2024: £245,063).

The following number of employees received employee benefits (excluding employer's national insurance and employer pension costs) over £60,000 during the period between:

	2025 No.	2024 No.
£60,000 - £69,999	8	7
£70,000 - £79,999	5	1
£80,000 - £89,999	-	5
£90,000 - £99,999	-	2
£100,000-£109,999	2	1
£110,000-£119,999	1	-
£130,000 - £139,999	-	1
£160,000 - £169,999	1	-
	<u>1</u>	<u>-</u>

Notes to the financial statements

For the year ended 31 March 2025

6 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel (continued)

The total employee benefits (including employer pension contributions and employer's national insurance) of the key management personnel who are the senior management team as defined on page 1 plus Trustees was £827,991 (2024: £648,566). The following was paid to trustees:

	2025 £	2024 £
Board of trustees' remuneration	51,413	49,393
Board of trustees' expenses	1,511	1,216
	<u>52,924</u>	<u>50,609</u>

Board members (other than the Chair) were paid £5,998 on average for the year (2024: £5,935). Board members who are also members of the Finance Committee were paid £5,998 for the year (2024: £5,980) each and Board members who are also members of the Quality Committee were paid £5,998 for the year (2024: £5,980) on average. The Chair was paid £9,390 for the year (2024: £9,062). The basis for Trustees' remuneration is set out in the Articles of Association of Affinity Trust. Trustees' remuneration is reviewed annually by an Independent Panel and approved by the Board.

Travel, subsistence, phone and IT expenses of £1,511 were incurred by 6 Trustees (2024: £1,216 by 7) in the course of their duties. There were no retirement benefits accruing for the Trustees.

Affinity Trust holds professional indemnity insurance which includes indemnity for members of the Board of Trustees and officers. This policy also includes fidelity guarantee insurance.

Individual amounts paid to each Trustee for the current period and prior year were as follows:-

	2025 £	2024 £
T Barron (Chair)	9,522	9,062
J Edwards	6,143	5,826
S Rees	6,731	5,995
H Burgess	6,048	5,943
C Akpakwu	5,998	5,803
C King	6,200	6,287
C Ncube	5,998	5,766
R Parry	6,284	5,927
	<u>52,924</u>	<u>50,609</u>

7 Staff numbers

The average number of employees (head count based on actual number of staff employed, not FTE) during the period was as follows:

	2025 No.	2024 No.
Shared living	114	115
Supported living	1,739	1,620
Outreach services	121	157
Supported employment & day opportunities	30	29
Social enterprises	17	18
Housing	1	1
Children's Services	34	37
Support	106	98
	<u>2,162</u>	<u>2,075</u>

8 Related party transactions

Other than Trustee remuneration as detailed in Note 6 there are no related party transactions to disclose for 2025 (2024: none). There were no donations from related parties and no restricted donations from related parties (2024: none).

Notes to the financial statements

For the year ended 31 March 2025

9 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiary Affinity Trust Support Limited has distributed profits of £443,264 (2024: £223,164) to Affinity Trust within 9 months of the financial year end which alleviates the corporation tax liability.

10 Tangible fixed assets

Housing Assets Owned Outright

The group and charity	Freehold Land £	Freehold property £	Alterations £	Total £
Cost				
At the start of the period	1,377,139	2,105,643	334,704	3,817,486
At the end of the period	1,377,139	2,105,643	334,704	3,817,486
Depreciation				
At the start of the period	-	411,444	219,906	631,350
Charge for the period	-	42,888	16,795	59,683
At the end of the period	-	454,332	236,701	691,033
Net book value				
At the end of the period	1,377,139	1,651,311	98,003	3,126,453
At the start of the period	1,377,139	1,694,199	114,798	3,186,136

Other Housing Assets

The group and charity	Freehold Land £	Freehold property £	Leasehold property £	Alterations £	Total £
Cost					
At the start of the period	287,500	287,500	-	185,498	760,498
Additions in period	-	-	236,314	4,864	241,178
At the end of the period	287,500	287,500	236,314	190,362	1,001,676
Depreciation					
At the start of the period	-	121,384	-	185,498	306,882
Charge for the period	-	5,750	-	365	6,115
At the end of the period	-	127,134	-	185,863	312,997
Net book value					
At the end of the period	287,500	160,366	236,314	4,499	688,679
At the start of the period	287,500	166,116	-	-	453,616

Housing assets which are the subject of a legal charge in favour of the Secretary of State are shown separately from those which are owned outright by Affinity Trust.

Total Housing Assets

The group and charity	Freehold Land £	Freehold property £	Leasehold property £	Alterations £	Total £
Net book value					
At the end of the period	1,664,639	1,811,677	236,314	102,502	3,815,132
At the start of the period	1,664,639	1,860,315	-	114,798	3,639,752

All fixed assets are used for charitable purposes. Except as noted above trustees are comfortable there are no other indicators of impairment. There were no property valuations carried out during the year (2024: 2 properties).

Notes to the financial statements

For the year ended 31 March 2025

11 Other tangible fixed assets

The group and charity	Office equipment £	Total £
Cost		
At the start of the period	899,858	899,858
Additions in period	293,147	293,147
At the end of the period	<u>1,193,005</u>	<u>1,193,005</u>
Depreciation		
At the start of the period	527,171	527,171
Charge for the period	279,433	279,433
At the end of the period	<u>806,604</u>	<u>806,604</u>
Net book value		
At the end of the period	<u>386,401</u>	<u>386,401</u>
At the start of the period	<u>372,687</u>	<u>372,687</u>

All fixed assets are used for charitable purposes. Trustees are comfortable there are no indicators of impairment.

12 Investments

	The group		The charity	
	2025 £	2024 £	2025 £	2024 £
Value at the start of the period	-	4,658,724	-	4,658,724
Capital withdrawals during the period	-	(4,823,500)	-	(4,823,500)
Purchases within the portfolio	-	715,771	-	715,771
Sales within the portfolio	-	(688,870)	-	(688,870)
Income reinvested in the portfolio	-	62,639	-	62,639
Fees	-	(14,330)	-	(14,330)
Net gain on change in fair value	-	89,566	-	89,566
Fair value at the end of the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Investments comprise:				
	The group	2024	The charity	2024
	2025	£	2025	£
Investment in subsidiary company	-	-	1	1
	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>

Affinity Trust

Notes to the financial statements

For the year ended 31 March 2025

13 Subsidiary undertaking

The charity owns the whole of the issued ordinary share capital of Affinity Trust Support Ltd, a company registered in England and Wales. The company number is 13109670. The registered office address is Unit B, St Andrews Court, Wellington Street, Thame, OX9 3WT.

The subsidiary is used for the provision of support services and commenced trading on 27th January 2023. All activities have been consolidated on a line by line basis in the statement of financial activities. Available profits are distributed under Gift Aid to the parent charity.

Further details on the trustees' appraisal of going concern is included in the Trustees' annual report.

The Trustees Tanya Barron, Hanah Burgess and Keith Cameron are also Directors of the subsidiary.

A summary of the results of the subsidiary is shown below:

	2025 £	2024 £
Turnover	10,195,653	5,635,695
Cost of sales	(9,757,480)	(5,376,511)
Gross profit	438,173	259,184
Administrative expenses	(6,367)	(40,542)
Operating profit	431,806	218,642
Interest receivable	11,459	4,522
Interest payable	-	-
Profit on ordinary activities	443,265	223,164
Taxation on profit on ordinary activities	-	-
Total comprehensive income	443,265	223,164
Retained earnings		
Total retained earnings brought forward	-	-
Total comprehensive income	443,265	223,164
Distribution under Gift Aid to parent charity	(443,265)	(223,164)
Total retained earnings carried forward	-	-
The aggregate of the assets, liabilities and reserves was:		
Assets	2,189,819	1,632,218
Liabilities	(2,189,818)	(1,632,217)
Share Capital and Reserves	1	1

Amounts owed to the parent undertaking are shown in note 15.

Included within cost of sales above are staff costs of £9,889,783 (2024: £5,462,216) from the parent entity.

Parent charity

The parent charity's gross income and the results for the year are disclosed as follows:

	2025 £	2024 £
Gross income	72,496,935	66,274,480
Result for the year	49,398	2,022,751

Notes to the financial statements

For the year ended 31 March 2025

14 Stocks

	Group		Charity	
	2025	2024	2025	2024
	£	£	£	£
Stocks held at Englefield Garden Centre	97,390	96,049	97,390	96,049
	97,390	96,049	97,390	96,049

15 Debtors

	Group		Charity	
	2025	2024	2025	2024
	£	£	£	£
Trade debtors	4,652,502	3,815,713	3,580,275	2,659,266
Amounts due from group undertakings	-	-	1,673,511	1,219,801
Other debtors	50,934	62,372	50,925	62,372
Prepayments and accrued income	2,433,294	2,283,971	2,261,642	2,042,076
	7,136,730	6,162,056	7,566,353	5,983,515

16 Creditors: amounts falling due within one year

	Group		Charity	
	2025	2024	2025	2024
	£	£	£	£
Trade creditors	2,426,567	1,790,178	2,420,207	1,785,318
Taxation and social security	1,781,239	1,809,877	1,339,119	1,412,030
Other creditors	338,279	370,468	338,279	370,468
Accruals	1,379,822	1,485,948	1,311,996	1,476,248
Deferred income (Note 17)	106,049	350,045	106,049	350,045
	6,031,956	5,806,516	5,515,650	5,394,109

17 Deferred income

Deferred income included within "creditors: amounts falling due within one year" comprises income that has been invoiced in advance for services.

	Group		Charity	
	2025	2024	2025	2024
	£	£	£	£
Balance at the beginning of the period	350,045	194,420	350,045	194,420
Amount released to income in the period	(286,036)	(194,420)	(286,036)	(194,420)
Amount deferred in the period	42,040	350,045	42,040	350,045
Balance at the end of the period	106,049	350,045	106,049	350,045

18 Creditors: amounts falling due after one year

	Group		Charity	
	2025	2024	2025	2024
	£	£	£	£
Bank loans	150,001	150,001	150,001	150,001
Repayable grants: Secretary of State for Health	332,157	332,157	332,157	332,157
	482,158	482,158	482,158	482,158

Notes to the financial statements

For the year ended 31 March 2025

18 Creditors: amounts falling due after one year (Continued)

Amounts owed to the Secretary of State for Health are secured by a second charge on the properties shown as Other Housing Assets in note 10. Any ultimate sale proceeds from these houses will be used to repay the Secretary of State for Health to a maximum of the original input in addition to rolled up compound interest of four percent above bank base rate, but only to the maximum amount of any proceeds received.

	Group		Charity	
	2025	2024	2025	2024
	£	£	£	£
Maturity of total debt is as follows				
Over five years	482,158	482,158	482,158	482,158
	482,158	482,158	482,158	482,158

19a Analysis of group net assets between funds (current period)

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	-	2,837,533	1,364,000	4,201,533
Net current assets	10,600,631	-	88,045	10,688,676
Creditors due after more than one year	(482,158)	-	-	(482,158)
Net assets at 31 March 2025	10,118,473	2,837,533	1,452,045	14,408,051

19b Analysis of group net assets between funds (prior year)

	General Unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	-	2,648,439	1,364,000	4,012,439
Net current assets	10,826,527	-	4,173	10,830,700
Creditors due after more than one year	(482,158)	-	-	(482,158)
Net assets at 31 March 2024	10,344,369	2,648,439	1,368,173	14,360,981

Notes to the financial statements

For the year ended 31 March 2025

20a Movements in funds (current period)

	At the start of the year £	Income & gains £	Expenditure & losses £	Transfers £	At the end of the year £
Restricted funds:					
<u>Capital Funding</u>					
NHS Grant Copton Ash	1,064,000	-	-	-	1,064,000
Little Glen Road	300,000	-	-	-	300,000
Total Capital Funding	1,364,000	-	-	-	1,364,000
<u>Revenue Funding</u>					
Ayrshire Activity club	2,200	-	(2,200)	-	-
Score Fund	1,857	-	(742)	-	1,115
Reading Services	116	-	(98)	-	18
Dennis Taylor	-	86,712	(800)	-	85,912
Cliff Park Ormiston Academy	-	1,000	-	-	1,000
Norfolk Market Sustainability and Improvement Fund Application	-	44,274	(44,274)	-	-
Total Revenue Funding	4,173	131,986	(48,114)	-	88,045
Total restricted funds	1,368,173	131,986	(48,114)	-	1,452,045
Unrestricted funds:					
Designated funds:					
Fixed Assets	2,648,439	-	-	189,094	2,837,533
Total designated funds	2,648,439	-	-	189,094	2,837,533
General funds	10,344,369	72,227,555	(72,264,357)	(189,094)	10,118,473
Total unrestricted charitable funds	12,992,808	72,227,555	(72,264,357)	-	12,956,006
Total funds at 31 March 2025	14,360,981	72,359,541	(72,312,471)	-	14,408,051

Affinity Trust obtained a Grant of £1,064,000 from the NHS to support the construction of 4 bungalows plus staff accommodation for Supported Living in Leicestershire. The Grant is repayable if the property is sold or no longer used as accommodation for individuals with learning disability or mental health needs. During the year to 31 March 2024 the Grant was realised in the statement of financial activities and a corresponding amount moved to restricted reserves.

Notes to the financial statements

For the year ended 31 March 2025

20b Movements in funds (prior year)

	At the start of the period £	Income & gains £	Expenditure & losses £	Transfers £	At the end of the period £
Restricted funds:					
<u>Capital Funding</u>					
NHS Grant Copton Ash	-	1,064,000	-	-	1,064,000
Little Glen Road	300,000	-	-	-	300,000
Total Capital Funding	300,000	1,064,000	-	-	1,364,000
<u>Revenue Funding</u>					
Ayrshire Activity club	2,200	-	-	-	2,200
Score Fund	1,857	-	-	-	1,857
Reading Services	1,000	-	(884)	-	116
Total Revenue Funding	5,057	-	(884)	-	4,173
Total restricted funds	305,057	1,064,000	(884)	-	1,368,173
Unrestricted funds:					
Designated funds:					
Fixed Assets	3,782,923	-	-	(1,134,484)	2,648,439
Total designated funds	3,782,923	-	-	(1,134,484)	2,648,439
General funds	8,255,027	65,250,361	(64,295,503)	1,134,484	10,344,369
Total unrestricted funds	12,037,950	65,250,361	(64,295,503)	-	12,992,808
Total funds at 31 March 2024	12,343,007	66,314,361	(64,296,387)	-	14,360,981

Purposes of restricted funds

Ayrshire Activity Club: A club set up for the use of people with learning disabilities in Ayrshire.

Score Fund: Donations to provide opportunities for People with Learning Disabilities.

Little Glen Road: Grant given to cover a bond repayable to the Local Authority upon the sale of the property.

Reading Services: A donation was made by a private individual to be used for any purpose within the Reading services.

Dennis Taylor: A legacy was left specifically to be used to fund activities within the Central Division.

Purposes of designated funds

Fixed assets: In 2020 the Trustees made the decision to designate the Net Book Value of fixed assets, excluding the capital restricted funds which recognises the different liquidity profile of these funds, to other unrestricted funds included within the General Funds.

Affinity Trust

Notes to the financial statements

For the year ended 31 March 2025

21 Operating lease commitments

The group's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Land and Buildings		Other items	
	2025 £	2024 £	2025 £	2024 £
Less than one year	335,563	217,154	18,141	37,708
One to two years	215,766	105,966	18,066	31,107
Two to five years	262,080	87,594	13,200	36,493
Over five years	25,480	-	-	-
	838,889	410,714	49,407	105,308

22 Post balance sheet events

There were no post balance sheet events to report.

23 Contingent liabilities

Affinity Trust has a contingent liability with regard to grants used to purchase five properties. Affinity Trust will be liable to pay the interest accrued on grants to the Secretary of State for Health if the properties are sold, but only to the maximum amount of any proceeds received.

The substance of the agreements Affinity Trust has with the Secretary of State for Health is for the Secretary of State for Health to retain ownership over any change in the value of the properties and consequently the interest paid is offset against the sale proceeds.

At the current and prior period ends, the contingent liability due to the Secretary of State for Health in the event of Affinity Trust selling all of the properties was:

	Group and charity	
	2025 £	2024 £
Accrued interest payable to the Secretary of State for Health	<u>2,937,502</u>	<u>2,662,070</u>

24 Defined benefit pension schemes

NHS Pension Scheme

Contributions to this scheme, which are charged against net income, are set by the Government Actuary as set out below. The pension charge for the year in respect of this scheme was £194,217 (2024: £230,187). The amount outstanding at 31 March 2025 was £15,454 (2024 £15,524).

Past and present employees are covered by the provisions of the NHS Pension Scheme(s) relevant to their membership. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at: www.nhsbsa.nhs.uk/pensions.

Both the 1995/2008 and 2015 schemes are accounted for, and the scheme liability valued, as a single combined scheme.

Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS Body of participating in the scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the Financial Reporting Manual (FRM) requires that "the period between formal valuations shall be four years, with approximate assessments in intervening years".

An outline of these follows:

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2025, is based on valuation data as 31 March 2023, updated to 31 March 2024 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FRM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2020. The results of this valuation set the employer contribution rate payable from April 2024 to 23.7% of pensionable pay.

West Yorkshire Pension Fund

Following the transfer of services from the Bradford and District Care Trust in December 2011, of the 8 employees that retained their membership of the West Yorkshire Pension Fund (WYPF) which is a defined benefit scheme and operates under the provisions of the Local Government Pension Scheme Regulations 2013 there are currently only 3 remaining with active scheme membership. The employer's normal contribution rate is 0% and employees pay between 5.8% and 6.5%. Total employer contributions to the WYPF for the year ended March 2025 were £0 (2024:£0) as Affinity Trust received confirmation from the actuary that no 'deficit funding' payment were required. Affinity Trust and the City of Bradford Metropolitan District Council entered into an Admission Agreement and a separate commercial contract dated December 2012 and the substance of these agreements in relation to pension costs is that Affinity Trust's only liability is to pay the monthly employer contributions as determined from time to time by the Scheme actuary. Any actuarial deficit relating to the 8 employees at the end of the contract remains with the Council. The financial statements therefore reflect only the value of the monthly employer contributions described above. Following a triannual actuarial revaluation of the scheme, Affinity Trust were advised that an actuarial surplus had accumulated since the contract commenced and as a result no monthly contributions were required to be paid after March 2014.

Oxfordshire Pension Fund

After the transfer of a number of services in Oxfordshire in February 2024, two employees retained their membership of the Oxfordshire Pension Fund which is a defined benefit scheme and operates under the provisions of the Local Government Pension Scheme (Administration) Regulations 2008 (as amended). The employer's normal contribution rate was 26.1% of salary and employee paid 5.8% and we continue to use this rate until we hear otherwise from the pension provider. Total employer contributions to the Oxfordshire Pension Fund for the year ended March 2025 were £8,496 (2024:£0)

Notes to the financial statements

For the year ended 31 March 2025

25 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

26 Financial instruments

The carrying amount of the group's financial instruments was

	Charity	Group and charity
	£	£
Financial assets		
Assets measured at Cost	<u>1</u>	<u>-</u>

27 Capital Commitments

Capital commitments as at 31st March 2025 were £114,000 (2024: £0).

Bankers	<p>NatWest Willow Court Minns Business Park 7 West Way Oxford OX2 0JB</p> <p>Nationwide Kings Park Road, Moulton Park, Northampton NN3 6NW</p> <p>Coutts & Co 440 Strand London WC2R 0QS</p>
Solicitors	<p>Simons Muirhead & Burton LLP 8-9 Frith Street London W1D 3JB</p>
Auditor	<p>Sayer Vincent LLP Chartered Accountants and Statutory Auditor</p> <p>110 Golden Lane London EC1Y 0TG</p>
Internal Auditor	<p>BDO LLP 2 City Place Beehive Ring Road Gatwick West Sussex RH6 0PA</p>

AFFINITY TRUST

England & Wales - Charity number 1139891

Accounts



Company number: 06893564
Charity Commission number: 1139891
Office for Scottish Charities Regulator number: SC043881
VAT number 381364491

Affinity Trust

Report and financial statements

For the year ended 31 March 2024

Affinity Trust

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For the year ended 31 March 2024

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Affinity Trust

Reference and administrative information

For the year ended 31 March 2024

Status	The organisation is a company limited by guarantee, incorporated on 30 April 2009 in the name of Affinity Trust.
Company number	06893564
Charity number	1139891
OSCR number	SC043881
Country of registration	England & Wales and Scotland.
Country of incorporation	United Kingdom
Governing document	The organisation is governed by its articles of association dated 30 April 2009 as amended by special resolution registered at Companies House on 11 January 2011.

Registered office and operational address 1 St Andrew's Court
Wellington Street
Thame
Oxfordshire
OX9 3WT

Executive Team

L Sowerby	Chief Executive and Company Secretary
A Beland	Director of Operations
R Butler	Interim Finance Director (joined May 2024)
J Kenny	Interim Director of People (joined March 2024)
D Leedham	Director of Quality
S Wight	Director of Business Development and Innovation

Trustees Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

T Barron	Chair of Trustees and Chair of the Nominations Committee
J Edwards	
S Rees	Chair of the Quality Committee
H Burgess	Chair of the Finance Committee
C Akpakwu	
C King	
C Ncube	
R Parry	

Affinity Trust

Reference and administrative information

For the year ended 31 March 2024

Bankers

NatWest
Willow Court
Minns Business Park
7 West Way
Oxford
OX2 0JB

Nationwide
Kings Park Road,
Moulton Park,
Northampton
NN3 6NW

Coutts & Co
440 Strand
London
WC2R 0QS

Solicitors

Simons Muirhead & Burton LLP
8-9 Frith Street
London
W1D 3JB

Auditor

Sayer Vincent LLP
Chartered Accountants and Statutory Auditor

110 Golden Lane
London
EC1Y 0TG

Affinity Trust

Trustees' annual report

For the period ended 31 March 2024

The Trustees present their report and the audited financial statements for the year ended 31 March 2024.

Reference and administrative information set out on pages 1 and 2 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association, the requirements of a directors' report as required under company law, and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Objectives and activities

Purpose and aims

The Board has set the following as Affinity Trust's purpose statement and values:

Purpose Statement

Supporting people to live their life, their way. Together we make it possible.

Values

People are at the heart of everything we do.

We listen, we learn, we build on strengths.

We give our best.

What we do matters. Good days and bad, we take responsibility.

We work together.

We are one team and value people's strengths and differences. We are open and trusting with each other.

We have courage.

We try new things. We are creative and adaptable.

Affinity Trust supports approximately 900 people in communities across England and Scotland with support arrangements which range from a few hours per month to "24/7" intensive support. A key part of our ethos is to help support people to live in their own homes and as part of their communities. The main activities of the organisation have been the provision of: -

Supported living services - providing personalised support for people living in their own home. The levels of support are substantial but flexible to meet the needs of the individual.

Outreach services - providing smaller amounts of support on a flexible basis.

Children and Young People - including the Positive Behaviour Support services.

Shared living services - support to small numbers of people who live together.

Day opportunities - supporting people with learning disabilities to access work, sporting, leisure, creative and other opportunities in the community.

Housing - Affinity Trust owns several properties, most of which provide accommodation for people in our supported living services. We also work with our commissioning partners to help find accommodation that

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Affinity Trust does not own, typically via Housing Associations or occasionally through private landlord short term leasing arrangements.

Social Enterprise - Affinity Trust runs a social enterprise garden centre that provides employment and day opportunities for the people that we support.

The main source of funding for the organisation is Local Government contractual income, and to a much lesser extent income from the NHS, in addition to contributions from the people we support (as shown in Note 3).

Beneficiaries of our services

The beneficiaries of Affinity Trust are primarily the people to whom we provide direct support in our services across England and Scotland, whereby people are provided with the person-centred support that they need to achieve their personal goals. As a result there is a direct and tangible benefit for each person in terms of being more independent and enabled to live a valued and fulfilled life in the particular community where they choose to live, with equality of access to services and the same opportunities and choices that all citizens have. There is also an indirect benefit for the families and friendship groups of the people we support and the obvious wider benefits as a result of integrating people into their local communities. This is particularly the case where Affinity Trust helps support people to move back to their local community, for example where they may have been placed in a hospital setting, often remote from family and friends and at a greater financial cost.

Our Strategic Plan for 2023-28

2023-24 marked the first year of our new Strategic Plan for 2023 – 2028, which has been developed by the Trustees and the Executive. The Strategic Plan has five overarching strategic aims which are to:

1. Enable people to live great lives.

We will provide person-centred support driven by choice and opportunity for everyone, with regulator ratings of GOOD or better. We will leverage our technology to evidence the great outcomes for the people that we support.

2. Support more people to live at home.

We will help people transition from hospital back into the community. We will increase the number of people living in their own homes in the communities of their choice.

3. Be a workplace where people can grow and develop.

We will be an inclusive and diverse organisation, and we will recruit more managers with protected characteristics. We will improve our employee experience through investments in technology. We will focus on the health and wellbeing of our people and provide continued development opportunities.

4. Actively partner, collaborate and influence.

We will be a collaborative and valued partner for evolving health systems, local authorities and other providers to improve the outcomes for people we support. We will advocate alongside the people we support and their families to transform social care policy.

5. Be financially fit to meet our ambitions.

We will ensure we are financially sustainable and maintain a healthy level of reserves enabling us to continue to grow, innovate and invest to improve the lives of those we support. We will continue to find more efficient ways of working, and to ensure that every pound counts.

For each year of our strategy we develop a business plan that sets out the key objectives for the year, along with a set of Key Performance Indicators to track and evidence the delivery of those objectives.

Organisational achievements for 2023-24

This was the first year of our new five year strategic plan, and we are proud of what our people achieved together during the year.

Strategic Aim 1. Enable people to live great lives.

What we set out to do in 2023-24	What we achieved
Establish a new organisational approach to coproduction	We piloted coproduction in ten locations to help us learn what works
Redesign our in-house service quality audit provision	We configured risk, quality and compliance software, RADAR as our new audit and assurance tool designed to evidence and improve service quality and compliance
Evaluate our use of assistive technology	Learned where we are using assistive technology and its impact on people's independence
Maintain CQC and CI ratings with 90% rated Good and a further 5% Outstanding	We maintained our CQC and CI ratings, with only 2 locations requiring improvement
Invest in our technology to improve ways of working and evidence outcomes for the people we support	We automated our rota management and designed a new Outcomes tool

Strategic Aim 2. Support more people to live at home.

What we set out to do in 2023-24	What we achieved
Support 50 more people	We increased our reach with an additional 91 people receiving support
Win new contracts from tenders and negotiations with Commissioners	We secured nearly £10 million in new contracts

Strategic Aim 3. Be a workplace where our people will grow and develop.

What we set out to do in 2023-24	What we achieved
Launch our new organisational values	We launched our new organisational values alongside our new strategic plan and brand
Create a new staff development and training plan	Commenced the development of a new management development programme
Achieve minimum of 85% training compliance	We exceeded the target, with 89% training compliance

Develop our Equality, Diversity and Inclusion (EDI) plan	We developed our EDI action plan, overseen by the ERDI working group
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Strategic Aim 4. Actively partner, collaborate and influence.

What we set out to do in 2023-24	What we achieved
Refresh and launch our brand and website	We launched our new brand and website, reflecting our new organisational values
Establish relationships with the new Integrated Care Boards and Systems, as well as provider collaboratives	We began to develop our presence in the Integrated Care Systems where we work, and gained a better understanding of the changes in our sector
Actively work with two new housing providers	We connected with new social housing developers and housing associations to help us deliver our growth ambitions

Strategic Aim 5. Be financially fit to meet our ambitions.

What we set out to do in 2023-24	What we achieved
Exit any contracts that are unsustainable or do not align with our long-term growth objectives	We completed the work to exit contracts that were not financially sustainable
Lease our property portfolio to a specialist housing provider	We continued the work to lease our property portfolio
Achieve or exceed the annual budget for 2023-24	We exceeded our 2023-24 budget

Our People

In line with the sector, staff turnover continues to be a primary concern because of the associated impact on costs and quality of support. Our turnover in the 12 months to April 2024 has remained high, albeit we are now seeing signs that it is reducing, and it currently stands at 38% compared to 43% for the prior year. We will be launching our new people strategy in 2024-25, a large part of which focusses on staff recruitment and retention. This will encapsulate the initiatives we already have in place, plus new ones to tackle turnover and other staffing priorities. Several new initiatives were introduced in 2023-24 including:

- New Refer a Friend scheme.
- Condensed Working Trial (compressed hours)
- Celebrating Equality, Diversity and Inclusion (EDI) and relaunching the EDI working group.
- Implementation of online payslips and ability to book annual leave online.
- Outsourcing exit interviews to a specialist agency to improve the quality & completeness of feedback.
- We made further enhancements to Wagestream, which helps employees to better manage their finances by allowing them to access up to 40% of their wages prior to payday.
- Introduction of an electronic rota system.

In 2024-25 we will be introducing a holiday buying and selling scheme and a Health Care Plan for all employees. We are also launching a staff mentoring scheme whereby new starters will be mentored by an existing staff member to help them successfully navigate through their first 6 months with us.

Under our Transform 21 change programme we have made huge strides in modernising our IT technology. We have replaced manual, paper-based tasks with more streamlined processes, enabling our people to work more efficiently and effectively in delivering impact for the people that we support. We have implemented a new support management system (Nourish), new rota management system (Sona), new service quality and compliance tool (RADAR), as well as new HR and Payroll systems (iTrent). We have a roadmap to deliver further benefits in the coming months.

Promoting the Purpose of Affinity Trust

The Trustees confirm that throughout the year they have acted in a way most likely to promote the purpose of Affinity Trust in achieving its charitable objectives, as set out in the Purposes and Aims section of this report.

In doing so the Trustees have taken a long-term view, have endeavoured to achieve the highest standards of business conduct and have taken into account the interests of beneficiaries, employees, suppliers, the community and other stakeholders as set out in this report.

The trustees 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 in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.

Our plans for 2024-25

2024-25 will be the second year of our five-year strategic plan. The focus remains on being a provider of high quality with a strong desire to support more people with learning disabilities, especially those who may have more complex needs.

There remain numerous challenges facing the broader social care sector at the current time. Affinity Trust intends to continue to work with all stakeholders to tackle these issues and ensure that it continues to support people safely and with a personalised approach and to grow in pursuit of these overall objectives for the benefit of more people with learning disabilities, their families and their friends.

In 2024-25 we plan to focus on areas including the following:

- Continuing to grow the number of locations using assistive technologies.
- Implementing a new Outcomes tool in our Nourish, ensuring that everyone has clearly defined outcomes and linked goals.
- Win new contracts and grow the number of people that we support.
- Commence implementation of our new People strategy and the findings from our external recruitment review.
- Implement a new staff development and training programme including long term leadership development plan.

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- Maintain reserves equivalent to at least one month's operating expenditure. Achieve or exceed the 2024-25 annual budgeted surplus.

Financial review

For the year ended 31 March 2024, Affinity Trust achieved a surplus of £1.9m before investments (prior period 18 month net loss of £2.4m). The total surplus for the period was £2m and this was after recognising a restricted capital grant from the NHS of £1.06m.

Internal financial reviews of management performance are based on key performance indicators as follows:

- Income, costs and surplus comparisons to budget, prior year amounts and forecasts;
- Staff turnover and absence management;
- Payroll and agency staff costs, trend and comparison to targets;
- Aged debtor management;
- Cash balances.

Total income for the year ended 31 March 2024 was £66.2m (prior period: £62.7m when restated for 12 months) with growth driven by a £1m capital grant, council inflationary uplifts and new contracts.

Total expenditure for the year ended 31 March 2024 was £64.3m, a slight increase over the prior period (prior period £64.2m when restated for 12 months) principally due to the prior period including the early pay rise in August 2023 for front line staff.

Debtors days increased to 21 days from 19 days in the prior period despite active management of receivables which continues. Cash and Investment balances increased by £0.2m during the year as a result of the operating surplus. The investment portfolio was liquidated in August 2023 and the funds are now invested in treasury reserve accounts.

Affinity Trust Support Limited commenced trading in January 2023 with the aim of achieving efficiencies through cost savings. The turnover for the year ended 31 March 2024 was £5.6m (2023: £370k) with the growth in the year being due to contract novations and securing two new contracts in the final quarter in the name of Affinity Trust Support Limited. The subsidiary made a profit of £223k (2023: £4k) which will be distributed in full to the parent company Affinity Trust by way of gift aid in September 2024 within the 9 month deadline.

Reserves policy

Affinity Trust operates a reserves policy that sets a target range for General Reserves equivalent to one month and three months of total operating expenditure. This allows Affinity Trust to manage the liquidity risk arising from delays between the timing of staff related payments and income receipts from Local Authorities. Our reserves policy ensures that our work is protected from the risk of disruption at short notice due to a lack of funds. It allows us to be able to fund strategic opportunities in the future and so that we remain a resilient and financially sustainable organisation.

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At March 2024 Affinity Trust held £10.3m of General Reserves. This is equivalent to 1.7 months of total operating expenditure and therefore within the reserves target range of 1-3 months.

Total funds at 31 March 2024 were £14.4m.

Total designated funds are £2.6m relating to the Net Book Value of Tangible Fixed Assets. The majority of designated fixed assets are properties that are people's homes that could not easily be realised in the short or medium term.

Restricted funds consist of £1m which is an NHS capital grant received to fund the capital works at Copton Ash in Leicestershire, a capital grant of £0.3m and a small number of voluntary donations from friends and family of people we support and members of the public (see fundraising policy below).

Going Concern

The accounts have been prepared on a going concern basis. The Trustees have reviewed budgets and cash-flow forecasts until 31 March 2027 which support the preparation of the financial statements on this basis. The organisation has significant cash and investment balances and many costs are linked to services. If the organisation was to no longer provide a service for any reason then these costs would no longer be incurred. Further details on the going concern accounting policy are included in Note 1d.

Investment policy

Affinity Trust's investment policy is documented within the Treasury Management and Investment Policy, which is reviewed annually by the Finance Committee. To summarise the policy, a widely diversified investment portfolio is established within which a range of investments across the whole risk spectrum from high to low may be held with the expectation that there will be no concentration of assets at the high or low end of the risk spectrum at any point in time. The policy requires Environmental, Social and Governance (ESG) factors to be taken into consideration.

The Finance Committee is responsible for determining a suitable investment strategy using this approach. The objective is to invest the portfolio to provide a return that exceeds the real (inflation adjusted) value of capital over the longer term. The investment portfolio was liquidated in August 2023 and the funds placed in fixed term deposit bank accounts. The Trustees approved this change in approach to achieve attractive returns that were available on the money markets with low levels of risk, following the Bank of England raising of interest rates. We plan to review our investment strategy approach during 24/25.

Fundraising

Donors to Affinity Trust can be assured that we comply with the regulatory standards for fundraising. We are registered with the Fundraising Regulator and are committed to the Fundraising Promise and adherence to the Code of Fundraising Practice. We also hold organisational membership of the Chartered Institute of Fundraising.

We use third-party suppliers to support our fundraising aims where appropriate. We currently use a will writing company to promote online gifts in wills. We have safeguards in place when working with suppliers so that we protect our supporters and the reputation of our charity. Affinity Trust is committed to promoting best practice and demonstrating compliance with the law, in all our fundraising approaches to individual supporters. Affinity Trust commits to fundraising in an honest and transparent way. Therefore, it is vital that the relationship we build with our supporters and potential supporters is a positive one, this is particularly so for vulnerable people. We will ensure that vulnerable people are treated fairly and with compassion and integrity. This policy demonstrates our commitment to the fair treatment of our supporters (or potential supporters) who may lack capacity or find themselves in vulnerable circumstances. Affinity Trust will abide with the requirements set out in the Code of Fundraising Practice and the Charities (Protection and Social Investment) Act 2016 on vulnerable people. We are also committed to our Supporter Promise.

Our website outlines our feedback, compliments and complaints policy for the public and clearly explains how an individual can complain. In the 2024 financial year we received no complaints in relation to fundraising.

We have a Vulnerable Supporters' Policy and a Supporter Promise. We are also signed up to the Fundraising Preference Service to enable individuals to opt out from receiving fundraising communications from us.

Principal risks and uncertainties

During the year the Board of Trustees has reviewed the risks facing the organisation and determined specific activities to be carried out in order to reduce and manage these risks. The Board uses an assessment method which identifies risk and then assesses the probability of the risk materialising and the impact on Affinity Trust if it did. This produces a rating for each aspect of risk which enables risks to be prioritised for action and actions are agreed which are designed to manage the risk. The principal risks and uncertainties managed during the year were:

Risk	Mitigating Actions
High Staff Turnover	Development and implementation of a people strategy that aims to improve both recruitment and retention. Specific actions include: <ul style="list-style-type: none">- Implementation of both leadership and management development programmes, and a focus on career pathways- Developments in our approach to wellbeing and resilience- Developments in our approach to engagement and communications- A broad range of flexible benefits- Continued development of our infrastructure and systems
Failure to recruit the workforce we need	Development and implementation of a people strategy that aims to improve both recruitment and retention. Specific actions include: <ul style="list-style-type: none">- Enhancing the capacity and capability in our recruitment team, including appointing a new Head of Recruitment and Inclusion role- Improving our approach to employer branding and our value proposition

	<ul style="list-style-type: none"> - Developing our social media presence - Implementing a new candidate focussed applicant tracking system - Improving and developing our approach to sponsorship and overseas recruitment
Cyber Attack	<ul style="list-style-type: none"> - Annual penetration testing is undertaken. - The new e-mail monitoring and blocking system continues to be effective. - Multi-factor authentication has been rolled out across the organisation. - Regular off-site system back-ups are made to enable the system to be restored in the event of an outage. - We will maintain Cyber Essential accreditation.
Abuse of people we support	<ul style="list-style-type: none"> - Development of new Quality Assurance tool using RADAR, with improved reporting focusing on good practise and areas for improvement. - A summary quarterly Safeguarding report is reviewed by the Executive Team, the Quality Committee and the Board.
Untoward death of someone we support	<ul style="list-style-type: none"> - The organisation ensures mandatory training is up to date and reported monthly. - Lessons Learned initiatives are implemented following serious incidents. - External Care Management assessments are sought to inform training needs.
Loss of high value contracts	<ul style="list-style-type: none"> - Operational staff review high value contracts as part of business review and 121 meetings. - Creation of a Director role with responsibility for service quality and compliance. - Tenders are prepared for in advance. - New service Quality Assurance framework and auditing tool implemented.
Breach of GDPR requirements	<ul style="list-style-type: none"> - All managers complete GDPR training. - The organisation regularly raises awareness and the importance of data privacy and communicates at appropriate levels within the organisation. - Privacy Impact Assessments are undertaken for all significant changes in the way personal data is processed. - Work is overseen by Data Protection specialist consultancy.
Reduced ratings by Regulators	<ul style="list-style-type: none"> - Mock inspections have been carried out to identify locations at risk and actions required. - A Quality Team has been established under the newly created role of Director of Quality and Compliance.
Failure to be financially sustainable	<ul style="list-style-type: none"> - Trustees approve balanced or surplus budget with financial performance monitored regularly.

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	<ul style="list-style-type: none">- Ensuring robust controls over cash management are in place, including debt management.- Ensuring Support Worker pay reflects market conditions, subject to affordability.
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The Board of Trustees acknowledges that the work in which Affinity Trust is engaged is never risk free, and nor would the Board wish to completely avoid risk, but it is satisfied that the identified risks are being positively managed.

Structure, governance and management

Affinity Trust, the parent company, is a charitable company limited by guarantee and is registered with the Charity Commission and the Office of the Scottish Charity Regulator ("OSCR"). Governance is led by a Board of Trustees, who are the directors of the company and who serve fixed terms of office. The company is governed by its Articles of Association which establish the objects and powers of the company.

The objectives of the organisation are the provision of support and other services for people with learning disabilities and other groups who need support.

The non-charitable subsidiary, Affinity Trust Support Limited, commenced trading on 27 January 2023. It currently holds seven local authority contracts and this is expected to continue to grow during 2024-25. All care and support is provided by Affinity Trust staff.

Appointment of trustees

Recruitment of new Trustees takes place through a formal open recruitment process.

Trustee role, induction and training

A formal induction process for new Trustees is in place which includes the visiting of services delivered and meeting all levels of staff. Annual appraisals are conducted for individual Trustees by the Chair of the Board of Trustees and Trustees are able to access relevant conferences and training as required.

The Board of Trustees has established some Committees which receive more detailed information and provide greater scrutiny of their designated areas than would be possible by the Board itself. However, the Board continues to receive regular reports and information concerning these areas.

The Committees are:

- The Finance Committee which meets four times a year and reviews management accounts, draft financial statements, budgets and forecasts, compliance with financial regulations, appointment of auditors, bankers investment managers and other external service providers, management and performance of the investment portfolio financial risk assessments and the Treasury Management and Investment Policy and Reserves Policy.

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- The Quality Committee which meets four times a year to review quality assurance of support services, safeguarding, health and safety and other areas relating to and affecting the quality of support which is delivered.
- The Remuneration Committee meets annually to review and determine the remuneration of the Executive Team; and
- The Nominations Committee and meets as required to facilitate the recruitment of new Trustees and other such matters.

Trustees are remunerated and are able to claim expenses for any work undertaken on behalf of the charity and such remuneration is reviewed and recommended by the Independent Panel for Trustees Remuneration. Remuneration and expenses reclaimed from the charity are set out in note 6 to the financial statements.

The Board of Trustees delegates day-to-day responsibility for the management of the organisation to the Chief Executive and Executive Team consisting of the Finance Director, the Director of Operations, the Director of Quality Improvement and Compliance and the Director of Business Development and Innovation. The charity's operational activities are structured into five geographic operating divisions each headed by a Divisional Director plus a division for Children and Young People.

The divisions and their related Councils for whom we provided services in the year are:

Scotland – Argyll and Bute, South Ayrshire, North Ayrshire, Aberdeen

North – Leeds, Wakefield, Bradford, Staffordshire, East Riding, Wolverhampton, Hereford

Central – Leicester, Leicestershire, Sheffield and Loughborough, Herefordshire

East – Norfolk, Suffolk, Cambridgeshire, Peterborough, Surrey, Oxfordshire, West Berkshire

South – Kent, East Sussex, Portsmouth, Southampton, Somerset, Central Bedfordshire, Bristol, Dorset

Children and Young People – Bradford, Gloucestershire, Greater Manchester, Wakefield

Remuneration policy for key management personnel

As outlined above under Structure, Governance and Management, the Remuneration Committee is a sub-committee of the Board comprised of two Trustees who meet annually to review and determine the remuneration of the Executive Team. The Committee uses all available relevant benchmark data to determine levels of remuneration including any comparable sector remuneration information. As Trustees are also key management personnel, remuneration and expenses reclaimed from the charity by the Trustees are set out in note 6 to the financial statements.

Employee engagement

Affinity Trust engages and consults with colleagues using various mechanisms including staff forums, team meetings, surveys and a newsletter, Stargazer.

Further engagement with and related to colleagues with protected characteristics is led by the Equality Diversity and Inclusion group.

Anti-Corruption and Bribery Policy

Affinity Trust is committed to achieving the highest standard of probity, accountability and openness. This is achieved through a formal policy that is communicated to all staff to ensure that everyone is aware of and has complete clarity about what is acceptable in our dealings with our operating partners, be they suppliers, customers/commissioners or the people we support and their friends and families. Affinity Trust regards bribery and corruption as completely unacceptable. No bribe or inducement should ever be made to any person, or accepted from any other person, in any circumstance, whether or not such inducements result in personal gain.

Engagement with Suppliers, Customers and Others

Affinity Trust engages in a variety of ways with a wide range of interests and stakeholders in the community. We regularly engage with our major suppliers. We engage with the people we support and their families in a variety of ways including via people we support and family forums and seeking their opinions and feedback via annual surveys. We work with commissioners and other providers e.g. within provider forums at a local level and by actively contributing to market engagement events related to new growth opportunities. Affinity Trust is a member of the All Party Parliamentary Group for Adult Social Care, working alongside other providers and Government representatives including at Minister level. We are also active contributors of forums such as VODG (Voluntary Organisations Disability Group).

We utilise our website and social media channels. Within our Children and Young People division we actively engage with local parent's forums and have provided foundation level PBS training free of charge to over 200 health and social care professionals in the Bradford area. At a community level we engage with a wide range of organisations including businesses, leisure facilities and community groups to enable opportunities for the people we support to develop their skills and independence, become active participants in their local community and develop pathways to education, training and employment.

Environmental Policy

The Trustees are aware of the importance of protecting the local environments where services operate and Affinity Trust is committed to ensuring that the activities of the organisation have a minimal adverse impact on the environment. Wherever possible, travel related environmental impacts are minimised through the provision of technology to facilitate meetings and/or online training provision and whilst the organisation only operates from a relatively small number of properties (for accommodation or office use), each of these locations has been the subject of an energy audit under the first and second phases of the Energy Saving Opportunities Scheme ("ESOS" & "ESOS2").

Energy and Carbon Reporting

As part of the obligations set out under the Energy and Carbon Report Regulations 2018, the charity is required to disclose the energy and carbon created as an organisation over the last reporting year. To fulfil this, we have measured our UK Energy and greenhouse gas emissions as classified within scope 1 and 2 (Streamlined Energy and Carbon Reporting (SECR)) which are presented in tables 1 to 5 below.

Energy Consumption and Greenhouse Gases

The methodology used for determining energy and carbon emissions within this section of the report are as per the regulations above. The calculations include a number of sources of our greenhouse emissions:

- Natural gas used for heating the buildings we occupy and for the provision of hot water.
- Electricity used for lighting, cooling and air conditioning.
- Fuel consumption in vehicles that are used for business including staff vehicles and hire cars.
- Gas and electricity consumption have been taken from invoices and sub-meter readings as appropriate.
- Fuel consumption is measured from mileage incurred by employees travelling to and from locations.

The charity's consumption and associated greenhouse gas emissions for the period April 2023 to March 2024 are shown in Tables 1 and 2 with the prior financial reporting figures (April 2022 to March 2023) in tables 3 – 4

Table 1: Total energy consumption and associated greenhouse gas emissions for SECR Year 3 reporting period

Energy Type	Energy Use (kWh)	% Split kWh	Emissions (tCO2e/yr)	% Split CO2e
Gas	321,832	26%	59	21%
Electricity	146,891	9%	30	11%
Transport	797,236	65%	185	68%
Total	1,265,959	100%	274	100%

Table 2: Energy and Carbon Conversion Factors

Activity	Fuel	Unit	Year	kg CO2e
Combustion of fuel	Natural Gas	kWh	2023	0.18256
Electricity generation	UK Electricity	kWh	2023	0.207074
Transport (average car)	Petrol	Mile	2023	0.2627

Table 3: Total energy consumption and associated greenhouse gas emissions for SECR Year 2 reporting period 1st April 2022 – 31st March 2023 – restated to cover properties in scope only.

Energy Type	Energy Use (kWh)	% Split kWh	Emissions (tCO2e/yr)	% Split CO2e
Gas	500,078	34%	91	28%
Electricity	153,574	8%	30	9%
Transport	848,168	58%	208	63%
Total	1,501,820	100%	329	100%

Table 4: Energy and Carbon Conversion Factors

Activity	Fuel	Unit	Year	kg CO2e
Combustion of fuel	Natural Gas	kWh	2022	0.18219
Electricity generation	UK Electricity	kWh	2022	0.19338
Transport (average car)	Petrol	Mile	2022	0.27436

Vehicle use is based on fleet vehicles and employee travel using their own vehicles for business use. An assumption has been made in both years that all vehicles use standard petrol. Both years assumed an engine transmission of 2 litres or less.

Intensity Ratio

Intensity ratios compare emissions data with an appropriate business metric or financial indicator. This allows a comparison of energy efficiency performance over time and with other similar types of organisation. We have chosen to compare our overall emissions with our annual turnover.

Table 5: Intensity Ratio

	Energy Consumption	Total greenhouse gases emissions	Annual Turnover	Intensity Ratio	Intensity Ratio
Year	(kWh)	(tCO2e)	£ million	(kWh/£100,000 turnover)	(tCO2e/£100,000)
2023-24	1,229,461	267	65	1890	0.41
2022-23	1,455,411	320	62	2347	0.52

Energy Efficiency Actions

Overall Affinity Trust's energy usage decreased by 17% in the SECR year 3 figures. Since February 2022 we have only had one building for Head Office use instead of two as Head Office staff now work from home for part of the week, and we continue to identify and deliver opportunities to further reduce energy consumption and to be more efficient in how we run our properties and incur business travel. Affinity Trust recognises that supporting people is at the core of what the organisation does and therefore a significant amount of travel for staff will always be appropriate and required so our staff and the people we support have face to face interaction.

During 2024-25 we plan to develop an Environmental Sustainability plan for Affinity Trust, with the goal of being more energy efficient through awareness-raising and reduction initiatives. We have appointed an Energy Saving Opportunity Scheme "ESOS" compliance consultant to complete our ESOS assessment and notify our compliance to the Environment Agency.

Trustees' duty to promote the success of the Trust – section 172 statement

Trustees have a duty to promote the success of the Trust, and in doing so, are required by section 172(1) of the Companies Act 2006 to have regard to the following specific factors:

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- The likely consequences of any decision in the long term
All key decisions that will have an impact on the long-term future of the charity are discussed at the relevant sub-committee and Board. Major and long running projects are overseen on behalf of the Board by the Finance Committee to ensure that there is appropriate oversight and that appropriate action is taken where necessary, with regular reports to the full Board.
- The interest of the company's employees
The impact of major decisions on staff are discussed by the Board who also receive regular updates on staff pay, health and safety, and safeguarding.
- The need to foster the company's business relationships with suppliers, customers and others
The Board receives information on compliment and complaint levels and any underlying themes. The Board discusses the nature of the relationships it wants with key stakeholders and there are clear processes for engagement with suppliers and customers.
- The impact of the Trust's operations on the community and the environment
The Trust's key objective is to support people with learning disabilities, including those with intensive or specialist needs, to live fulfilled lives as active members of their communities. The Board receives regular quality updates on the services provided to ensure funds are used efficiently and effectively with particular attention paid to CQC, Care Inspectorate and our own internal audit ratings.
- The desirability of the organisation maintaining a reputation for high standards of business conduct
The nature of the Trust's work as a charity makes the maintenance of its reputation for keeping high standards of particular importance. Appropriate systems and processes are in place to ensure the highest standards in business conduct. The Executive Team will also update the board with any matters that may have given rise to a reputational risk including any mitigating actions being taken.
- The need to act fairly between members of the Trust
As a registered charity the Trust does not have shareholders. The Trustees, who are members of the company, ensure that any surpluses are invested back into the business for the benefit of those for whom we provide care and support.

Charity Governance Code

The Trustees follow the Charity Governance Code and have reviewed their approach to governance during the period, including its reviews of strategy and risk and the use of Key Performance Indicators (KPIs), and has developed a KPI dashboard which is reviewed at every Board Meeting.

Statement of responsibilities of the Trustees

The Trustees (who are also directors of Affinity Trust for the purposes of company law) are responsible for preparing the Trustees' annual report including the strategic 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

Affinity Trust

Trustees' annual report

For the period ended 31 March 2024

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 accounting estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The Trustees are responsible for keeping adequate 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, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). 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 corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. In so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware
- 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 auditor is aware of that information

Guarantees

Members of the company guarantee to contribute an amount not exceeding £1 to the assets of the company in the event of winding up. The total number of guarantors at 31 March 2024 was 22 (2023 - 22).

Members of the Board of Trustees have no beneficial interest in the organisation.

Professional Indemnity Insurance

Affinity Trust holds professional indemnity insurance which includes indemnity for members of the Board of Trustees and officers. This policy also includes fidelity guarantee insurance.

The Trustees' annual report, incorporating the strategic report, has been approved by the Trustees in their capacity as directors on 26 September 2024.

Tanya Barron
Chair

Opinion

We have audited the financial statements of Affinity Trust (the 'parent charitable company') and its subsidiary (the 'group') for the period ended 31 March 2024 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 group's and of the parent charitable company's affairs as at 31 March 2024 and of the group's incoming resources and application of resources, including its income and expenditure, for the period then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulation 2006 (as amended)

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's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 Affinity Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other Information

The other information comprises the information included in the trustees' annual report, including the strategic report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, 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.

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' annual report, including the strategic report, for the financial period for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report, including the strategic report, has 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 group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report, including the strategic report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the parent 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 group's and the parent 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 group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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.

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 are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, and the finance committee, which included obtaining and reviewing supporting documentation, concerning the group's policies and procedures relating to:

- Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
- The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the group operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the group from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

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 Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. 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.

Fleur Holden (Senior statutory auditor)

Date: 22 October 2024

for and on behalf of Sayer Vincent LLP, Statutory Auditor

110 Golden Lane, LONDON, EC1Y 0TG

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

Affinity Trust

Consolidated statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2024

	Note	12 months ended 31 March 2024			18 months ended 31 March 2023		
		Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
Income from:							
Donations and grants	2	-	1,064,000	1,064,000	-	-	-
Charitable activities							
Supported living	3	56,287,111	-	56,287,111	80,347,177	-	80,347,177
Shared living	3	4,362,418	-	4,362,418	6,006,977	-	6,006,977
Outreach services	3	2,281,647	-	2,281,647	3,931,267	-	3,931,267
Supported employment & day opportunities	3	650,724	-	650,724	954,332	-	954,332
Social enterprises	3	599,387	-	599,387	752,900	-	752,900
Housing	3	659,267	-	659,267	971,098	-	971,098
Investments		320,241	-	320,241	159,758	-	159,758
Surplus on disposal of fixed assets		-	-	-	856,423	-	856,423
Total income		65,160,795	1,064,000	66,224,795	93,979,932	-	93,979,932
Expenditure on:							
Raising funds							
Investment manager's fees	4	14,330	-	14,330	62,883	-	62,883
Charitable activities							
Supported living	4	55,890,690	-	55,890,690	83,669,887	-	83,669,887
Shared living	4	4,169,718	-	4,169,718	5,836,820	-	5,836,820
Outreach services	4	1,774,544	-	1,774,544	3,982,180	-	3,982,180
Supported employment & day opportunities	4	848,434	-	848,434	1,159,872	2,032	1,161,904
Social enterprises	4	589,197	884	590,081	758,405	-	758,405
Housing	4	1,008,590	-	1,008,590	906,161	-	906,161
Total expenditure		64,295,503	884	64,296,387	96,376,208	2,032	96,378,240
Net income before net gains on investments		865,292	1,063,116	1,928,408	(2,396,276)	(2,032)	(2,398,308)
Net gains on investments	12	89,566	-	89,566	(310,650)	-	(310,650)
Net movement in funds	5	954,858	1,063,116	2,017,974	(2,706,926)	(2,032)	(2,708,958)
Reconciliation of funds:							
Total funds brought forward		12,037,950	305,057	12,343,007	14,744,876	307,089	15,051,965
Total funds carried forward	20	12,992,808	1,368,173	14,360,981	12,037,950	305,057	12,343,007

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 20 to the financial statements.

Affinity Trust

Balance sheets

Company no. 6893564

As at 31 March 2024

	Note	The group		The charity	
		31 March 2024 £	31 March 2023 £	31 March 2024 £	31 March 2023 £
Fixed assets:					
Land	10	1,664,639	1,664,639	1,664,639	1,664,639
Housing properties	10	1,975,113	2,008,285	1,975,113	2,008,285
Other tangible fixed assets	11	372,687	409,999	372,687	409,999
Investments	12	-	4,685,684	1	4,685,685
		4,012,439	8,768,607	4,012,440	8,768,608
Current assets:					
Stocks	14	96,049	100,924	96,049	100,924
Debtors	15	6,162,056	4,993,196	5,983,515	5,045,743
Short term deposits		5,014,195	-	5,014,195	-
Cash at bank and in hand		5,364,916	5,453,260	5,131,049	5,337,653
		16,637,216	10,547,380	16,224,808	10,484,320
Liabilities:					
Creditors: amounts falling due within one year	16	5,806,516	5,381,868	5,394,109	5,318,809
		10,830,700	5,165,512	10,830,699	5,165,511
Net current assets					
		14,843,139	13,934,119	14,843,139	13,934,119
Total assets less current liabilities					
Creditors: amounts falling due after one year	18	482,158	1,591,112	482,158	1,591,112
		14,360,981	12,343,007	14,360,981	12,343,007
Total net assets					
The funds of the charity:					
Restricted funds	20	1,368,173	305,057	1,368,173	305,057
Unrestricted funds:					
Designated funds	20a	2,648,439	3,782,923	2,648,439	3,782,923
General funds	20a	10,344,369	8,255,027	10,344,369	8,255,027
Total unrestricted funds		12,992,808	12,037,950	12,992,808	12,037,950
		14,360,981	12,343,007	14,360,981	12,343,007
Total charity funds					

Approved by the trustees on 26 September 2024 and authorised for issue and signed on their behalf by

Tanya Barron
Trustee and Chair

Hanah Burgess
Trustee and Chair of the Finance Committee

Affinity Trust

Consolidated statement of cash flows

For the year ended 31 March 2024

	12 months ended 31 March 2024		18 months ended 31 March 2023	
	£	£	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	2,017,974		(2,708,958)	
(Gains)/losses on investments	(89,566)		310,650	
Dividends and interest from investments	(320,241)		(159,758)	
Interest payable	11,830		63,416	
Depreciation charges	269,489		298,267	
Impairment	-		254,866	
Surplus on the disposal of properties	-		(856,423)	
Decrease/ (increase) in stocks	4,875		(23,793)	
(Increase) / decrease in debtors	(1,168,860)		1,630,853	
Decrease in creditors	(684,306)		(856,842)	
Net cash provided by/ (used in) operating activities		41,195		(2,047,722)
Cash flows from investing activities:				
Dividends and interest from investments	320,241		159,758	
Proceeds from the sale of property fixed assets	-		1,895,532	
Purchase of fixed assets	(199,005)		(545,707)	
Proceeds from sale of investments	688,870		3,923,952	
Purchase of investments	(859,346)		(2,568,057)	
Net cash (used in) / provided by investing activities		(49,240)		2,865,479
Cash flows from financing activities:				
Repayments of borrowing	(95,429)		(344,355)	
Interest paid	(11,830)		(63,416)	
Net cash used in financing activities		(107,259)		(407,771)
Change in cash and cash equivalents in the period		(115,304)		409,986
Cash and cash equivalents at the beginning of the period		5,453,260		4,991,472
Change in cash and cash equivalents in respect of cash held by investment manager		26,960		51,802
Cash and cash equivalents at the end of the period		5,364,916		5,453,260

Analysis of changes in net funds / (debt)

	1 October 2021	Cash flow	1 April 2023	Cash flow	31 March 2024
	£	£	£	£	£
Cash at bank and in hand	4,991,472	461,788	5,453,260	(88,344)	5,364,916
Bank loans payable less than one year	(91,053)	43,865	(47,188)	47,188	-
Debt due within one year	(91,053)	43,865	(47,188)	47,188	-
Bank loans payable more than one year	(363,802)	165,561	(198,241)	48,241	(150,001)
Debt due after one year	(363,802)	165,561	(198,241)	48,241	(150,001)
Total net funds	4,536,617	671,214	5,207,831	7,085	5,214,916

1 Accounting policies

a) Statutory information

Affinity Trust is a charitable company limited by guarantee and is incorporated in England.

The registered office address is 1 St Andrew's Court, Wellington Street, Thame, OX9 3WT. Refer to Trustees Report for principal activities.

b) Basis of preparation

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

These financial statements consolidate the results of the charity and its wholly-owned subsidiary Affinity Trust Support Ltd on a line by line basis. Transactions and balances between the charity and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two entities are disclosed in the notes of the charity's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006. A summary of the result for the year is disclosed in the notes to the accounts.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note. The financial statements are presented in (£) Sterling which is also the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £1.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102 and has therefore applied the relevant public benefit requirements of FRS102.

d) Going concern

The Trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern as the Trustees have reviewed budgets and forecasts for the 12 months following the end of the reporting period which support the fact that the charity is a going concern. In addition the organisation has sufficient reserves available to meet its liabilities as they fall due and has sufficient cash and liquid reserves available to meet its needs. Further details on the trustees' appraisal of going concern is included in the Trustees' annual report.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

f) Income from investments and bank deposits

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 bank.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment advisor of the dividend yield of the investment portfolio.

g) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other income received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the Trustees for particular purposes.

1 Accounting policies (continued)

h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charitable company in generating investment income via its investment portfolio managed by Coutts & Co.
- Expenditure on charitable activities includes the costs of delivering the supported living, registered care and outreach/opportunities services in addition to the cost of the social enterprise and housing activities and support costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

i) Allocation of support and governance costs

Expenditure is allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function is apportioned based on staff cost attributable to each activity.

j) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

k) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds limits as follows: portable buildings £2,000, software, electrical equipment and fixture & fittings £1,000, computer & telephone equipment £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life on a straight line basis. The depreciation rates in use are as follows:

▪ Freehold land	0%
▪ Freehold property	2%
▪ Property alterations	10%
▪ Cars	25% - 33%
▪ Office equipment	10% - 50%

An annual impairment review is undertaken in accordance with FRS102. When the carrying amount of the asset is higher than the recoverable amount the asset is written down. Should the recoverable amount of the asset then exceed its carrying amount, the impairment provision will be reversed.

l) Listed investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Net gains/(losses) on investments' in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

m) Stocks

Stocks are stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes transport and handling costs. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. Provision is made where necessary for obsolete, slow moving and defective stocks.

n) Debtors

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

o) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term deposits. Cash balances exclude any funds held by the charitable company on behalf of the people supported. At 31 March 2024: £745,412 (31 March 2023: £528,717) was held by Affinity Trust on behalf of people we support.

Notes to the financial statements

For the year ended 31 March 2024

1 Accounting policies (continued)**p) Creditors**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

q) 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.

r) Pensions

Affinity Trust operates a defined contribution pension scheme. The assets of the scheme are held separately from those of Affinity Trust in an independently administered fund. The pension cost charge represents contributions payable under the scheme by Affinity Trust to the fund. Affinity Trust has no liability under the scheme other than for the payment of those contributions.

Certain employees are members of the NHS Pension Scheme, a defined benefit scheme. The company makes contributions on behalf of employees who are members in accordance with the requirements of the scheme. Other than those contributions there is no additional liability to Affinity Trust in respect of the scheme (See details in note 24).

In addition the charity makes contributions to the West Yorkshire Pension Fund and the Oxfordshire Pension Fund (both defined benefit schemes). The South Yorkshire Pension Fund (also defined benefit) was closed in June 2023. The employer's contributions are determined in relation to the current service period only, and consequently the charity accounts for contributions to the schemes as if they were defined contribution schemes (See details in note 24).

s) Contingent liabilities

The payment of interest accrued on grants payable to the Secretary of State for Health is contingent on Affinity Trust intending to sell the properties purchased with the grants. The accrued interest is therefore disclosed as a contingent liability. The substance of the agreements Affinity Trust has with the Secretary of State for Health is for the Secretary of State to receive their share of the increase in the value of the properties (see note 23).

t) Key judgements and estimates

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are readily apparent from other sources. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

The Trustees do not consider that there are any sources of estimation uncertainty, including from reviewing any impact of the contingent liabilities in note 23, at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

2 Income from donations and grants

	Unrestricted	Restricted	12 months ended 31 March 2024 Total	18 months ended 31 March 2023 Total
	£	£	£	£
NHS capital grant Copton Ash	-	1,064,000	1,064,000	-
	-	1,064,000	1,064,000	-

See Note 20 for details on the NHS capital grant.

3 Income from charitable activities

	12 months ended 31 March 2024	18 months ended 31 March 2023
	Total £	Total £
Supported living		
Local and NHS authorities	55,007,680	76,967,962
Contributions from the people we support	1,279,431	2,373,955
Government Grants	-	1,005,260
Sub-total for Supported living	56,287,111	80,347,177
Shared living		
Local authorities	4,257,625	5,861,782
Contributions from the people we support	104,793	21,129
Government Grants	-	124,066
Sub-total for Shared living	4,362,418	6,006,977
Outreach services		
Local authorities	2,112,891	3,577,821
Contributions from the people we support	168,756	275,550
Government Grants	-	77,896
Sub-total for Outreach services	2,281,647	3,931,267
Supported employment & day opportunities		
Local authorities	584,775	809,557
Contributions from the people we support	53,555	129,648
Government Grants	12,394	15,127
Sub-total for Supported employment & day opportunities	650,724	954,332
Social enterprises		
Local authorities	8,968	11,820
Contributions from the people we support	5,971	3,818
Trading sales	584,448	737,262
Sub-total for Social enterprises	599,387	752,900
Housing		
Local authorities	203,553	295,666
Housing benefit	393,104	586,560
Contributions from the people we support	62,610	88,872
Sub-total for Housing	659,267	971,098
Total income from charitable activities	64,840,554	92,963,751

Some prior period numbers have been changed for consistency with current classifications.

Affinity Trust

Notes to the financial statements

For the year ended 31 March 2024

4a Analysis of expenditure (current period)

	Charitable activities									12 months ended 31 March 2024 Total	18 months ended 31 March 2023 Total
	Cost of raising funds	Supported Living	Shared Living	Outreach services	Supported employment & day	Social enterprises	Housing	Support costs	Governance		
	£	£	£	£	£	£	£	£	£	£	£
Staff Costs		47,471,976	3,089,449	1,427,201	647,380	166,436	72,737	5,125,232	49,655	58,050,066	87,356,758
Training		264,567	28,490	25,705	3,944	2,372	39	107,402	-	432,518	771,789
Recruitment		285,294	21,348	16,481	3,692	469	-	71,023	-	398,308	660,190
Insurance		175,841	14,019	7,207	3,943	597	26,154	236,135	281	464,177	408,812
Transport and Travel Costs		297,708	85,439	44,468	31,571	-	4,162	202,222	4,165	669,736	929,076
Property		125,411	301,353	1,079	56,023	39,871	529,800	449,278	-	1,502,815	1,492,609
Office		262,420	86,327	15,324	7,099	3,742	70,914	187,524	383	633,733	1,081,909
IT Software, Equipment and Repairs		12,693	1,770	-	34	1,749	-	918,374	-	934,619	1,621,780
Audit & Professional Fees		265,521	44,651	17,830	2,449	43,122	294,286	-	48,789	716,648	921,188
Trading		-	-	-	-	305,149	-	-	-	305,149	397,397
Activities		-	-	-	1,436	-	-	630	-	2,065	24,698
Food and Household Goods		124,550	66,349	4,196	655	848	368	28,940	-	225,906	357,493
Bad Debt Charge		(12,811)	29	15,368	-	1,090	(5)	(165,968)	-	(162,296)	77,274
Sundries	14,330	2,619	-	814	-	1,444	-	103,736	-	122,943	277,267
	14,330	49,275,789	3,739,224	1,575,673	758,226	566,889	998,455	7,264,528	103,273	64,296,387	96,378,240
Support costs	-	6,522,181	424,460	196,083	88,944	22,867	9,993	(7,264,528)	-	-	-
Governance costs	-	92,720	6,034	2,788	1,264	325	142	-	(103,273)	-	-
Total expenditure 2024	14,330	55,890,690	4,169,718	1,774,544	848,434	590,081	1,008,590	-	-	64,296,387	
Total expenditure 2023	62,883	83,669,887	5,836,820	3,982,180	1,161,904	758,405	906,161	-	-		96,378,240

The bad debt charge is a credit in the year as the bad debt provision has fallen.

Affinity Trust

Notes to the financial statements

For the year ended 31 March 2024

4b Analysis of expenditure (prior year)

	Charitable activities									18 months ended 31 March 2023 Total £
	Cost of raising funds £	Supported Living £	Shared Living £	Outreach services £	Supported employment & day £	Social enterprises £	Housing £	Support costs £	Governance £	
Staff Costs	-	68,971,472	4,400,748	3,221,792	899,508	217,293	-	9,558,115	87,830	87,356,758
Training	-	676,388	18,455	33,884	6,653	1,513	-	34,896	-	771,789
Recruitment	-	262,976	15,482	14,907	3,299	856	10,808	329,562	22,300	660,190
Insurance	-	292,064	12,895	15,033	4,903	879	41,025	41,601	412	408,812
Transport and Travel Costs	-	479,973	90,126	81,990	21,993	110	3,970	241,452	9,462	929,076
Property	-	370,099	350,384	3,062	77,608	53,873	279,269	358,314	-	1,492,609
Office	-	223,206	16,072	17,117	2,875	2,778	287,061	532,656	144	1,081,909
IT Software, Equipment and Repairs	-	210,969	45,573	13,197	4,122	9,017	54,163	1,284,740	-	1,621,780
Audit & Professional Fees	-	284,123	29,628	16,149	2,735	33,660	122,852	371,687	60,354	921,188
Trading	-	-	-	-	-	397,397	-	-	-	397,397
Activities	-	5,043	10,658	-	8,236	-	-	761	-	24,698
Food and Household Goods	-	195,703	102,494	26,804	5,266	1,365	866	24,995	-	357,493
Bad Debt Charge	-	1,131	-	68,195	46	225	5,350	2,327	-	77,274
Sundries	62,883	12,805	646	2,385	1,476	2,721	100,798	92,835	718	277,267
	62,883	71,985,952	5,093,162	3,514,515	1,038,720	721,686	906,161	12,873,941	181,220	96,378,240
Support costs	-	11,521,750	733,335	461,173	121,474	36,209	-	(12,873,941)	-	-
Governance costs	-	162,185	10,323	6,492	1,710	510	-	-	(181,220)	-
Total expenditure 2023	62,883	83,669,887	5,836,820	3,982,180	1,161,904	758,405	906,161	-	-	96,378,240

Some prior period numbers have been changed for consistency with current classifications.

5 Net income / (expenditure) for the period

This is stated after charging / (crediting):

	12 months ended 31 March 2024	18 months ended 31 March 2023
	£	£
Depreciation	269,489	298,267
Impairment	-	254,866
Inventory recognised as an expense	305,149	397,397
Interest payable on loans	11,830	63,416
Operating lease rentals:		
Property	360,441	465,624
Other	22,488	11,008
Auditor's remuneration (excluding VAT):		
Audit - Affinity Trust	28,000	24,000
Audit - Affinity Trust Support Limited ("ATSL")	10,000	6,000
Other services - corporation tax ATSL	1,500	1,050

6 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	12 months ended 31 March 2024	18 months ended 31 March 2023
	£	£
Salaries and wages	46,803,452	71,812,296
Redundancy and termination costs	143,810	441,799
Social security costs	4,106,361	6,248,045
Employer's contribution to defined contribution pension schemes	977,343	1,678,421
Operating costs of defined benefit pension schemes treated as defined contribution pension schemes	235,271	325,579
	52,266,237	80,506,140
Agency costs	5,783,829	6,850,618
	58,050,066	87,356,758

£245,063 of pension costs were included within creditors (2023: £132,706).

The following number of employees received employee benefits (excluding employer's national insurance and employer pension costs) over £60,000 during the period between:

	12 months ended 31 March 2024	18 months ended 31 March 2023
	No.	No.
£60,000 - £69,999	7	55
£70,000 - £79,999	1	18
£80,000 - £89,999	5	7
£90,000 - £99,999	2	9
£100,000-£109,999	1	1
£130,000 - £139,999	1	2
£160,000 - £169,999	-	1
£190,000 - £199,999	-	1

The total employee benefits (including employer pension contributions and employer's national insurance) of the key management personnel who are the senior management team as defined on page 1 plus Trustees was £648,566 (2023: £1,035,630). The following was paid to trustees:

	12 months ended 31 March 2024	18 months ended 31 March 2023
	£	£
Board of trustees' remuneration	49,393	84,486
Board of trustees' expenses	1,216	2,807
	50,609	87,293

6 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel (continued)

Board members (other than the Chair) were paid £5,935 on average for the year (18 month period 2023: £6,758). Board members who are also members of the Finance Committee were paid £5,980 for the year (18 month period 2023: £6,020) each and Board members who are also members of the Quality Committee were paid £5,980 for the year (18 month period 2023: £6,485) on average. The Chair was paid £9,062 for the year (18 month period 2023: £12,960). The basis for Trustees' remuneration is set out in the Articles of Association of Affinity Trust. Trustees' remuneration is reviewed annually by an Independent Panel and approved by the Board.

Travel, subsistence, phone and IT expenses of £1,216 were incurred by 7 Trustees (2023: £2,807 by 8) in the course of their duties. There were no retirement benefits accruing for the Trustees.

Affinity Trust holds professional indemnity insurance which includes indemnity for members of the Board of Trustees and officers. This policy also includes fidelity guarantee insurance.

Individual amounts paid to each Trustee for the current period and prior year were as follows:-

	12 months ended 31 March 2024	18 months ended 31 March 2023
	£	£
T Barron (Chair)	9,062	12,960
J Edwards	5,826	8,277
S Rees	5,995	8,579
H Burgess	5,943	8,277
C Akpakwu	5,803	8,375
C King	6,287	8,556
C Ncube	5,766	3,946
R Parry	5,927	3,680
S Ross (Retired 31st March 2023)	-	9,519
T Tamblyn (Retired 30 September 2022)	-	5,623
D Walden (Retired 30 September 2022)	-	6,039
A Anketell (Retired 15 May 2022)	-	3,462
	50,609	87,293

7 Staff numbers

The average number of employees (head count based on actual number of staff employed, not FTE) during the period was as follows:

	12 months ended 31 March 2024	18 months ended 31 March 2023
	No.	No.
Shared living	115	130
Supported living	1,798	1,802
Outreach services	157	155
Supported employment & day opportunities	29	32
Social enterprises	18	19
Housing	1	2
Chidrens Services	37	33
Support	98	110
	2,253	2,283

8 Related party transactions

Other than Trustee remuneration as detailed in Note 6 there are no related party transactions to disclose for 2024 (2023: none).

There were no donations from related parties and no restricted donations from related parties.

9 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiary Affinity Trust Support Limited has distributed profits of £223,164 to Affinity Trust within 9 months of the financial year end which alleviates the corporation tax liability.

10 Tangible fixed assets

Housing Assets Owned Outright

The group and charity

	Freehold Land £	Freehold property £	Alterations £	Total £
Cost				
At the start of the period	1,377,139	2,163,071	247,950	3,788,160
Additions	-	-	29,326	29,326
Disposals in period	-	-	-	-
Reclassification in year	-	(57,428)	57,428	
At the end of the period	1,377,139	2,105,643	334,704	3,817,486
Depreciation				
At the start of the period	-	368,736	205,866	574,602
Charge for the period	-	43,654	13,094	56,748
Impairment	-	-	-	-
Eliminated on disposals	-	-	-	-
Reclassified in year	-	(946)	946	
At the end of the period	-	411,444	219,906	631,350
Net book value				
At the end of the period	1,377,139	1,694,199	114,798	3,186,136
At the start of the period	1,377,139	1,794,335	42,084	3,213,558

Other Housing Assets

The group and charity

	Freehold Land £	Freehold property £	Alterations £	Total £
Cost				
At the start of the period	287,500	287,500	185,498	760,498
Disposals in period	-	-	-	-
At the end of the period	287,500	287,500	185,498	760,498
Depreciation				
At the start of the period	-	115,634	185,498	301,132
Charge for the period	-	5,750	-	5,750
Eliminated on disposal	-	-	-	-
At the end of the period	-	121,384	185,498	306,882
Net book value				
At the end of the period	287,500	166,116	-	453,616
At the start of the period	287,500	171,866	-	459,366

Housing assets which are the subject of a legal charge in favour of the Secretary of State are shown separately from those which are owned outright by Affinity Trust.

Total Housing Assets

The group and charity

	Freehold Land £	Freehold property £	Alterations £	Total £
Net book value				
At the end of the period	1,664,639	1,860,315	114,798	3,639,752
At the start of the period	1,664,639	1,966,201	42,084	3,672,924

All fixed assets are used for charitable purposes. Except as noted above trustees are comfortable there are no other indicators of impairment. A valuation exercise was carried out on two properties during the year (2023: all properties) and no properties were valued at less than net book value (2023: only one property was valued at less than net book value. Impairment was booked in the prior period for this one property).

11 Other tangible fixed assets

The group and charity

	Office equipment £	Total £
Cost		
At the start of the period	1,269,167	1,269,167
Additions in period	169,679	169,679
Disposals in period	(538,988)	(538,988)
At the end of the period	<u>899,858</u>	<u>899,858</u>
Depreciation		
At the start of the period	859,168	859,168
Charge for the period	206,991	206,991
Eliminated on disposal	(538,988)	(538,988)
At the end of the period	<u>527,171</u>	<u>527,171</u>
Net book value		
At the end of the period	<u><u>372,687</u></u>	<u><u>372,687</u></u>
At the start of the period	<u><u>409,999</u></u>	<u><u>409,999</u></u>

All fixed assets are used for charitable purposes. Trustees are comfortable there are no indicators of impairment.

12 Investments

	The group		The charity	
	2024 £	2023 £	2024 £	2023 £
Value at the start of the period	4,658,724	6,325,269	4,658,724	6,325,269
Capital withdrawals during the period	(4,823,500)	(1,500,000)	(4,823,500)	(1,500,000)
Purchases within the portfolio	715,771	3,968,403	715,771	3,968,403
Sales within the portfolio	(688,870)	(3,923,952)	(688,870)	(3,923,952)
Income reinvested in the portfolio	62,639	140,398	62,639	140,398
Fees	(14,330)	(40,744)	(14,330)	(40,744)
Net gain/(loss) on change in fair value	89,566	(310,650)	89,566	(310,650)
	-	4,658,724	-	4,658,724
Cash balance held by investment manager	-	26,960	-	26,960
Fair value at the end of the period	<u>-</u>	<u>4,685,684</u>	<u>-</u>	<u>4,685,684</u>

Investments comprise:

	The group		The charity	
	2024 £	2023 £	2024 £	2023 £
Common investment funds	-	4,658,724	-	4,658,724
Investment in subsidiary company	-	-	1	1
Cash	-	26,960	-	26,960
	<u>-</u>	<u>4,685,684</u>	<u>1</u>	<u>4,685,685</u>

13 Subsidiary undertaking

The charity owns the whole of the issued ordinary share capital of Affinity Trust Support Ltd, a company registered in England and Wales. The company number is 13109670. The registered office address is 1 St Andrews Court, Wellington Street, Thame, OX9 3WT.

The subsidiary is used for the provision of support services and commenced trading on 27th January 2023. All activities have been consolidated on a line by line basis in the statement of financial activities. Available profits are distributed under Gift Aid to the parent charity.

The Trustees Tanya Barron, Hanah Burgess and Keith Cameron, together with the Chief Executive, are also Directors of the subsidiary.

A summary of the results of the subsidiary is shown below:

	12 months ended 31 March 2024	18 months ended 31 March 2023
	£	£
Turnover	5,635,695	369,704
Cost of sales	(5,376,511)	(358,613)
Gross Profit	259,184	11,091
Administrative expenses	(40,542)	(7,200)
Operating profit/(loss)	218,642	3,891
Interest receivable	4,522	-
Interest payable	-	-
Profit/(loss) on ordinary activities	223,164	3,891
Taxation on profit/(loss) on ordinary activities	-	-
Total comprehensive income	223,164	3,891
Retained earnings		
Total retained earnings brought forward	-	-
Total comprehensive income	223,164	3,891
Distribution under Gift Aid to parent charity	(223,164)	(3,891)
Total retained earnings carried forward	-	-
The aggregate of the assets, liabilities and reserves was:		
Assets	1,632,218	425,564
Liabilities	(1,632,217)	(425,563)
Share Capital and Reserves	1	1

Amounts owed to the parent undertaking are shown in note 15.

Included within administrative expenses above is a management charge of £5,462,216 (2023: £353,613) from the parent entity.

Parent charity

The parent charity's gross income and the results for the year are disclosed as follows:

	12 months ended 31 March 2024	18 months ended 31 March 2023
	£	£
Gross income	71,910,175	94,353,526
Result for the year	2,022,751	(2,703,036)

14 Stocks

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Stocks held at Englefield Garden Centre	96,049	100,924	96,049	100,924
	96,049	100,924	96,049	100,924

15 Debtors

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Trade debtors	3,815,713	2,286,102	2,659,266	2,066,554
Amounts due from group undertakings	-	-	1,219,801	362,503
Other debtors	62,372	85,006	62,372	85,006
Prepayments and accrued income	2,283,971	2,622,088	2,042,076	2,531,680
	6,162,056	4,993,196	5,983,515	5,045,743

16 Creditors: amounts falling due within one year

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Bank loans	-	47,188	-	47,188
Trade creditors	1,790,178	1,566,769	1,785,318	1,566,769
Taxation and social security	1,809,877	1,268,080	1,412,030	1,212,221
Other creditors	370,468	263,281	370,468	263,281
Accruals and deferred income	1,835,993	2,236,550	1,826,293	2,229,350
	5,806,516	5,381,868	5,394,109	5,318,809

17 Deferred income

Deferred income included within "creditors: amounts falling due within one year" comprises income that has been invoiced in advance for services.

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Balance at the beginning of the period	194,420	160,155	194,420	160,155
Amount released to income in the period	(194,420)	(160,155)	(194,420)	(160,155)
Amount deferred in the period	350,045	194,420	350,045	194,420
	350,045	194,420	350,045	194,420

18 Creditors: amounts falling due after one year

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Bank loans	150,001	198,241	150,001	198,241
Repayable grants:				
NHS Grant	-	1,064,000	-	1,064,000
Secretary of State for Health	332,157	328,871	332,157	328,871
	482,158	1,591,112	482,158	1,591,112

Bank loans secured by first mortgages held by NatWest plc on Affinity Trust's housing properties owned outright were repaid during the year. Interest was accruing on these NatWest loans at rates between 1.25% and 2.25% above base rate.

Amounts owed to the Secretary of State for Health are secured by a second charge on the properties shown as Other Housing Assets in note 10. Any ultimate sale proceeds from these houses will be used to repay the Secretary of State for Health to a maximum of the original input in addition to rolled up compound interest of four percent above bank base rate, but only to the maximum amount of any proceeds received.

Affinity Trust obtained a Grant of £1,064,000 from the NHS to support the construction of 4 bungalows plus staff accommodation for Supported Living in Leicestershire. The Grant is repayable if the property is sold or no longer used as accommodation for individuals with learning disability or mental health needs. During the year to 31 March 2024 the Grant was realised in the statement of financial activities and a corresponding amount moved to restricted reserves.

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Maturity of total debt is as follows				
In one year or less	-	47,188	-	47,188
Between one and two years	-	119,293	-	119,293
Between two and five years	-	264,721	-	264,721
Over five years	482,158	1,207,098	482,158	1,207,098
	482,158	1,638,300	482,158	1,638,300

19a Analysis of group net assets between funds (current period)

	General	Designated	Restricted	Total funds
	unrestricted			
	£	£	£	£
Tangible fixed assets	-	2,648,439	1,364,000	4,012,439
Net current assets	10,826,527	-	4,173	10,830,700
Creditors due after more than one year	(482,158)	-	-	(482,158)
Net assets at 31 March 2024	10,344,369	2,648,439	1,368,173	14,360,981

19b Analysis of group net assets between funds (prior year)

	General	Designated	Restricted	Total funds
	Unrestricted			
	£	£	£	£
Tangible fixed assets	-	3,782,923	300,000	4,082,923
Investments	4,685,684	-	-	4,685,684
Net current assets	5,160,455	-	5,057	5,165,512
Creditors due after more than one year	(1,591,112)	-	-	(1,591,112)
Net assets at 31 March 2023	8,255,027	3,782,923	305,057	12,343,007

Affinity Trust

Notes to the financial statements

For the year ended 31 March 2024

20a Movements in funds (current period)

	At the start of the year £	Income & gains £	Expenditure & losses £	Transfers £	At the end of the year £
Restricted funds:					
Ayrshire Activity club	2,200	-	-	-	2,200
Score Fund	1,857	-	-	-	1,857
Little Glen Road	300,000	-	-	-	300,000
Reading Services	1,000	-	(884)	-	116
NHS Grant Copton Ash	-	1,064,000	-	-	1,064,000
Total restricted funds	305,057	1,064,000	(884)	-	1,368,173
Unrestricted funds:					
Designated funds:					
Fixed Assets	3,782,923	-	-	(1,134,484)	2,648,439
Total designated funds	3,782,923	-	-	(1,134,484)	2,648,439
General funds	8,255,027	65,250,361	(64,295,503)	1,134,484	10,344,369
Total unrestricted charitable funds	12,037,950	65,250,361	(64,295,503)	-	12,992,808
Total funds at 31 March 2024	12,343,007	66,314,361	(64,296,387)	-	14,360,981

Affinity Trust obtained a Grant of £1,064,000 from the NHS to support the construction of 4 bungalows plus staff accommodation for Supported Living in Leicestershire. The Grant is repayable if the property is sold or no longer used as accommodation for individuals with learning disability or mental health needs. During the year to 31 March 2024 the Grant was realised in the statement of financial activities and a corresponding amount moved to restricted reserves.

20b Movements in funds (prior year)

	At the start of the period £	Income & gains £	Expenditure & losses £	Transfers £	At the end of the period £
Restricted funds:					
Ayrshire Activity club	2,200	-	-	-	2,200
Score Fund	3,889	-	(2,032)	-	1,857
Little Glen Road	300,000	-	-	-	300,000
Reading Services	1,000	-	-	-	1,000
Total restricted funds	307,089	-	(2,032)	-	305,057
Unrestricted funds:					
Designated funds:					
Fixed Assets	4,563,865	-	-	(780,942)	3,782,923
Total designated funds	4,563,865	-	-	(780,942)	3,782,923
General funds	10,181,011	93,669,282	(96,376,208)	780,942	8,255,027
Total unrestricted funds	14,744,876	93,669,282	(96,376,208)	-	12,037,950
Total funds at 31 March 2023	15,051,965	93,669,282	(96,378,240)	-	12,343,007

The transfer from designated funds in 2023 arose on the sale of a property (Pymhurst).

Purposes of restricted funds

Ayrshire Activity Club: A club set up for the use of people with learning disabilities in Ayrshire.

Score Fund: Donations to provide opportunities for People with Learning Disabilities.

Little Glen Road: Grant given to cover a bond repayable to the Local Authority upon the sale of the property.

Reading Services: A donation was made by a private individual to be used for any purpose within the Reading services.

20b Movements in funds (prior year) (continued)**Purposes of designated funds**

Fixed assets: In 2020 the Trustees made the decision to designate the Net Book Value of fixed assets, excluding the Little Glen restricted funds which recognises the different liquidity profile of these funds, to other unrestricted funds included within the General Funds.

21 Operating lease commitments

The group's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Land and Buildings		Other items	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
	£	£	£	£
Less than one year	217,154	310,416	37,708	7,484
One to two years	105,966	394,898	31,107	7,217
Two to five years	87,594	-	36,493	1,429
	410,714	705,314	105,308	16,130

22 Post balance sheet events

There were no post balance sheet events to report.

23 Contingent liabilities

Affinity Trust has a contingent liability with regard to grants used to purchase five properties (31 March 2023: five properties). Affinity Trust will be liable to pay the interest accrued on grants to the Secretary of State for Health if the properties are sold, but only to the maximum amount of any proceeds received.

The substance of the agreements Affinity Trust has with the Secretary of State for Health is for the Secretary of State for Health to retain ownership over any change in the value of the properties and consequently the interest paid is offset against the sale proceeds.

At the current and prior period ends, the contingent liability due to the Secretary of State for Health in the event of Affinity Trust selling all of the properties was:

	Group and charity	
	31 March 2024	31 March 2023
	£	£
Accrued interest payable to the Secretary of State for Health	2,662,070	2,394,568

24 Defined benefit pension schemes

NHS Pension Scheme

Contributions to this scheme, which are charged against net income, are set by the Government Actuary as set out below. The pension charge for the year in respect of this scheme was £230,187 (18 month period 2023: £311,803). The amount outstanding at 31 March 2024 was £15,524 (2023 £14,175).

Past and present employees are covered by the provisions of the NHS Pension Scheme(s) relevant to their membership. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at: www.nhsbsa.nhs.uk/pensions.

Both the 1995/2008 and 2015 schemes are accounted for, and the scheme liability valued, as a single combined scheme.

Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS Body of participating in the scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the Financial Reporting Manual (FRoM) requires that "the period between formal valuations shall be four years, with approximate assessments in intervening years".

An outline of these follows:

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2024, is based on valuation data as 31 March 2023, updated to 31 March 2024 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FRoM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2020. The results of this valuation set the employer contribution rate payable from April 2024 to 23.7% of pensionable pay.

24 Defined benefit pension schemes (continued)

West Yorkshire Pension Fund

Following the transfer of services from the Bradford and District Care Trust in December 2011, Of the 8 employees that retained their membership of the West Yorkshire Pension Fund (WYPF) which is a defined benefit scheme and operates under the provisions of the Local Government Pension Scheme Regulations 2013 there are currently only 3 remaining with active scheme membership. The employer's normal contribution rate is 0% and employees pay between 5.8% and 6.5%. Total employer contributions to the WYPF for the year ended March 2024 were £0 (2023:£0) as Affinity Trust received confirmation from the actuary that no 'deficit funding' payment were required. Affinity Trust and the City of Bradford Metropolitan District Council entered into an Admission Agreement and a separate commercial contract dated December 2012 and the substance of these agreements in relation to pension costs is that Affinity Trust's only liability is to pay the monthly employer contributions as determined from time to time by the Scheme actuary. Any actuarial deficit relating to the 8 employees at the end of the contract remains with the Council. The financial statements therefore reflect only the value of the monthly employer contributions described above. Following a triannual actuarial revaluation of the scheme, Affinity Trust were advised that an actuarial surplus had accumulated since the contract commenced and as a result no monthly contributions were required to be paid after March 2014.

South Yorkshire Pension Fund

After the transfer of a number of services in Sheffield in November 2017, one employee retained their membership of the South Yorkshire Pension Fund (SYPF) which is a defined benefit scheme and operates under the provisions of the Local Government Pension Scheme Regulations 2013. The employer's normal contribution rate was 22.2% of salary and employee paid 6.8%. The employee left on 25th November 2022 and the scheme was closed in June 2023.

Oxfordshire Pension Fund

After the transfer of a number of services in Oxfordshire in February 2024, two employees retained their membership of the Oxfordshire Pension Fund which is a defined benefit scheme and operates under the provisions of the Local Government Pension Scheme (Administration) Regulations 2008 (as amended). The employer's normal contribution rate was 26.1% of salary and employee paid 5.8% and we continue to use this rate until we hear otherwise from the pension provider.

25 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

26 Financial instruments

The carrying amount of the group's financial instruments was

	Charity	Group and charity
	£	£
Financial assets		
Assets measured at Fair Value	1	4,685,684

27 Capital Commitments

There are no capital commitments as at 31st March 2024. At 31st March 2023 there was a capital commitment of £70k for a new website and branding as at 31 March 2023. The total cost at 31st March 2023 was £84k of which £70k had not yet been paid .

AFFINITY TRUST

England & Wales - Charity number 1139891

Accounts

Company number: 06893564
Charity Commission number: 1139891
Office for Scottish Charities Regulator number: SC043881

Affinity Trust

Report and financial statements

For the 18-month period ending 31 March 2023

Affinity Trust

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For the 18-month period ended 31 March 2023

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Affinity Trust

Reference and administrative information

For the 18-month period ended 31 March 2023

Status	The organisation is a company limited by guarantee, incorporated on 30 April 2009 in the name of Affinity Trust.
Company number	06893564
Charity number	1139891
OSCR number	SC043881
Country of registration	England & Wales and Scotland.
Country of incorporation	United Kingdom
Governing document	the organisation is governed by its articles of association dated 30 April 2009 as amended by special resolution registered at Companies House on 11 January 2011.

Registered office and operational address 1 St Andrew's Court
Wellington Street
Thame
Oxfordshire
OX9 3WT

Executive Team

L Sowerby	Chief Executive and Company Secretary
A Beland	Director of Operations
G Law	Director of Finance and Resources (joined June 2023)
D Leedham	Director of Quality
S Wight	Director of Business Development and Innovation (joined February 2022)
N Brittle	Development Director (left December 2021)
S Hubble	Finance Director (from May 2022 Director of Finance and HR; left April 2023))
A Kippax	Human Resources Director (left May 2022)

Trustees

Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

T Barron	Chair of Trustees and Chair of the Nominations Committee
J Edwards	
A Anketell	Retired September 2022
Dr S Ross	Retired March 2023
T Tamblyn	Retired September 2022
D Walden	Retired September 2022
S Rees	Chair of the Quality Committee
H Burgess	Chair of the Finance Committee (formerly known as the Finance and Audit Panel)
C Akpakwu	
C King	
C Ncube	Appointed July 2022
R Parry	Appointed July 2022

Affinity Trust

Reference and administrative information

For the 18-month period ended 31 March 2023

Bankers

NatWest
Willow Court
Minns Business Park
7 West Way
Oxford
OX2 0JB

Bank of Scotland
Phase 2
Canons House
Canons Way
Bristol
BS99 7LB

Bankers & Investment

Manager

Coutts & Co
440 Strand
London
WC2R 0QS

Solicitors

Simons Muirhead & Burton LLP
8-9 Frith Street
London
W1D 3JB

Auditor

Sayer Vincent LLP
Chartered Accountants and Statutory Auditor
Invicta House
108 – 114 Golden Lane
London
EC1Y 0TL

The Trustees present their report and the audited financial statements for the 18 month period ended 31 March 2023.

Reference and administrative information set out on pages 1 and 2 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association, the requirements of a directors' report as required under company law, and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Objectives and activities

Purposes and aims

The Board has set the following as Affinity Trust's purpose statement and values:

Purpose Statement

Supporting people to live their life, their way. Together we make it possible.

Values

People are at the heart of everything we do.

We listen, we learn, we build on strengths.

We give our best.

What we do matters. Good days and bad, we take responsibility.

We work together.

We are one team and value people's strengths and differences. We are open and trusting with each other.

We have courage.

We try new things. We are creative and adaptable.

Affinity Trust supports 874 people in communities across England and Scotland with support arrangements which range from a few hours per month to "24/7" intensive support. A key part of our ethos is to help support people to live in their own homes and as part of their communities. The main activities of the organisation have been the provision of: -

Supported living services - providing personalised support for people living in their own home. The levels of support are substantial but flexible to meet the needs of the individual. Increasingly, the emphasis on support is more towards people who have more complex and specialist needs, for example people with a dual diagnosis of mental health and learning disability, learning disability with autism and/or people with behaviours which challenge.

Outreach services - providing smaller amounts of support on a flexible basis.

Children and Young People - including the Positive Behaviour Support services

Shared living services - support to small numbers of people who live together.

Day opportunities - helping people with learning disabilities to access work, sporting, leisure, creative and other opportunities in the community.

Housing - Affinity Trust owns a number of properties, most of which provide accommodation for people in our supported living services. We also work with our commissioning partners to help find accommodation that Affinity Trust does not own, typically via Housing Associations or occasionally through private landlord short term leasing arrangements.

Social Enterprise - Affinity Trust runs a social enterprise garden centre that provides employment and day opportunities for the people that we support.

The main source of funding for the organisation is Local Government contractual income, and to a much lesser extent income from the NHS, in addition to contributions from the people we support (as shown in Note 3).

Strategic Plan

The Trustees and the Executive Team have developed a new five year Strategic Plan for 2023 – 2028. The plan has five overarching strategic aims which are to:

- Enable people to live great lives
- Support more people to live at home
- Be a workplace where people can grow and develop
- Actively partner, collaborate and influence
- Be financially fit to meet our ambitions

The aims each have performance indicators to enable progress to be assessed during the year.

Achievements and performance

The charity's main activities and beneficiaries are described below. Its charitable activities focus on people with learning and other disabilities and are undertaken to further Affinity Trust's charitable purposes for the public benefit.

Beneficiaries of our services

The beneficiaries of Affinity Trust are primarily the people to whom we provide direct support in our services across England and Scotland, whereby people are provided with the person centred support that they need to achieve their personal goals. As a result there is a direct and tangible benefit for each person in terms of being more independent and enabled to live a valued and fulfilled life in the particular community where they choose to live, with equality of access to services and the same opportunities and choices that all citizens have. There is also an indirect benefit for the families and friendship groups of the people we support and beyond this the obvious wider benefits as a result of integrating people into their local communities. This is particularly the case where Affinity Trust helps support people to move back to their local community e.g. where they may have been placed in a hospital setting, often remote from family and friends and at a greater financial cost.

Main Achievements against strategic objectives

STRATEGIC OBJECTIVES	INDICATORS	2021-2023 TARGET	End of period performance
IMPROVE QUALITY			
	CQC ratings	85% Good	92% Good
	Key Quality Audits	Complete and implement review of KQA January 2022	Interim KQA implemented pending new system
	Feedback from people we support	Collate feedback from quality audits	Feedback obtained and acted upon
	Implementation of new operations system via Transform 21	Implementation by April 2022	New system implemented across the organisation
SKILLED & ENGAGED WORKFORCE			
	Staff turnover	32%	43%
	Staff vacancies	10% fewer vacancies than at September 2021	Vacancies reduced by 3%
	Staff training	85%	87% achieved
	Health & wellbeing	Implementation of health and wellbeing champions	Health & wellbeing champions appointed in operational areas
	Equality, Diversity & Inclusion	Development of EDI Action Plan	Plan developed and EDI staff working group established
	Pay drawdown facility	Implement Wagestream so staff can draw wages before pay day	Implemented in November 2022 and being used
STRATEGIC GROWTH			
	Value of new contracts	£4.5m new contracts £3.4m net growth	New contracts value £2m
	Number of new people supported	40	19
FINANCIAL RESILIENCE			
	Surplus	Achieve budget surplus	Not achieved due to staff pay increase
	Agency cost on budget	3.5% of income	Agency costs were 7.4% of income

Trustees' annual report

For the period ended 31 March 2023

	New rota system	Implementation of rota system	New rota system was implemented
	Improved efficiency	Implementation of new HR/Payroll, Operations and Finance systems in time and on budget	The new systems were all implemented creating £1m of efficiency savings
	Income from legacies	50 people using our free wills service	Website launch was delayed Six wills have been completed
	VAT implementation	£100k saving	Savings of £0.7k achieved

Staff Turnover and Staff Vacancies

In line with the sector, staff turnover continues to be a primary concern because of the associated impact on costs and quality of support. At times the turnover rate has approached 50% but has reduced during the latter part of the period. A Recruitment and Retention Strategy Group was created to focus on turnover and review business initiatives to support retention. A number of new initiatives were therefore introduced including: Cycle to Work Scheme, Pension Salary Sacrifice Scheme, new Refer a Friend scheme, Condensed Working Trial (compressed hours), celebrating Equality, Diversity and Inclusion (“EDI”) and relaunching the EDI group, online payslips, booking annual leave online, outsourcing exit interviews, Wagestream (allowing employees to access up to 40% of their wages prior to payday) and an introduction of an electronic rota system. Further initiatives are being reviewed with a view to implementation during 2023.

Promoting the Purpose of Affinity Trust

The Trustees confirm that throughout the year they have acted in a way most likely to promote the purpose of Affinity Trust in achieving its charitable objectives, as set out in the Purposes and Aims section of this report.

In doing so the Trustees have taken a long-term view, have endeavoured to achieve the highest standards of business conduct and have taken into account the interests of beneficiaries, employees, suppliers, the community and other stakeholders as set out in this report.

Plans for the future

Affinity Trust is now in the first year of a five-year strategic plan. The focus remains on being a provider of high quality with a strong desire to support more people with learning disabilities, especially those who may have more complex needs.

The strategic aims and objectives 2023-2028 are:

- Enable people to live great lives;
- Support more people to live at home;
- Be a workplace where you will grow and develop;
- Actively partner, collaborate & influence;
- Be financially fit to meet our ambitions.

Trustees' annual report

For the period ended 31 March 2023

There remain numerous challenges facing the broader social care sector at the current time and Affinity Trust intends to continue to work with all stakeholders to tackle these and ensure that it continues to support people safely and with a personalised approach and to continue to grow in pursuit of these overall objectives for the benefit of more people with learning disabilities, their families and their friends.

Financial review

Affinity Trust decided to change the year end to 31st March to be in line with Local Authorities and make providing financial information to them easier. This has resulted in an 18 month period to 31st March 2023. For the 18-month period ended 31 March 2023, Affinity Trust recorded a net loss of £2.4m before investments (prior year positive movement £1.1m). The loss was planned and budgeted for and arose principally because Affinity Trust increased the wages paid to frontline staff in August 2022 in order to improve retention rates and reduce agency spend. Income from the councils did not increase until April 2023 and therefore Affinity Trust was making a loss on a substantial number of contracts. The loss for the period was £2.7m and this was after posting an £856k gain on the disposal of two properties during the period.

During the months leading to March 2023 a review of the performance of all contracts was carried out with the aim of withdrawing from contracts which were operating at a financial loss and where the Local Authority would not provide the necessary increase in the contract price. Ultimately, most of the increases for 2023/24 were sufficient to meet increased costs and only four contracts were or are being, for a variety of reasons, handed back.

The organisation made good progress on a significant Transformation programme, 'Transform 21' that started during 2021. This involved input from across the organisation on a bottom-up basis to identify solutions to challenges facing the organisation across a range of areas including recruitment, HR, payroll, finance and operations. This programme has resulted in changes in process and procedures and in the selection of new systems. The programme has enabled the organisation to move from paper-based ways of working to electronic ways of working with systems which interface and provide real time data to management. This has created a better and more comprehensive digital platform, is more efficient and effective leads to a better working experience for our staff and will deliver efficiencies for the organisation.

Internal financial reviews of management performance are based on key performance indicators as follows:

- Income, costs and surplus comparisons to budget, prior year amounts and forecasts;
- Staff turnover and absence management;
- Payroll and agency staff costs, trend and comparison to targets;
- Aged debtor management;
- Cash balances

After adjusting for an 18 month period overall income was still higher than the prior year principally due to growth in services including our Specialist Support Division.

Total expenditure was higher than the prior year principally due to the early pay rise for front line staff and inflationary cost pressures.

Affinity Trust

Trustees' annual report

For the period ended 31 March 2023

Total agency spend increased from £2.2m in 2021 to £6.9m for the 18 month period to 2023. The increase was driven by the challenging recruitment market.

Debtors days reduced to 19 days from 21 days in the prior year due to active management of receivables which continues. Cash and Investment balances fell by £1.18m during the period as a result of the operating losses. The portfolio generated an unrealised loss of £0.3m in the year. This represented a 4.9% loss, below the 5.5% - 7.5% targeted long-term return for the portfolio. The loss is in line with market conditions. The investment portfolio was liquidated in August 2023 and the funds are now invested in treasury reserve accounts.

Affinity Trust Support Limited commenced trading in January 2023 with the aim of recovering VAT on a proportion of expenditure. It made a profit of £3,891 which was distributed in full to the parent company Affinity Trust by way of gift aid in September 2023.

Reserves policy

The Board has reviewed the reserves policy and confirmed the need to hold reserves to meet all potential creditor obligations as they fall due. A minimum level of general reserves equivalent to one month's expenditure (c. £5.0m) is required to ensure staff payroll commitments are always met, as staff are typically paid in advance of Local Authorities paying for the support provided. General reserves of £8m were held at year-end and were therefore above the minimum amount. The Trustees took the decision to invest part of the reserves in above inflation pay increases from August 2022 in order to address the recruitment and retention challenges and ensure services remained appropriately staffed. This decision was funded by the use of reserves. Total funds at 31 March 2023 were £12.3m.

Total designated funds are £3.8m which relate to the Net Book Value of Tangible Fixed Assets. The majority are properties that are people's homes that could not easily be realised in the short or medium term.

Restricted funds consist of a capital grant of £0.3m and a small number of voluntary donations from friends and family of people we support and members of the public (see fundraising policy below).

Going Concern

The accounts have been prepared on a going concern basis. The Trustees have reviewed budgets and cash-flow forecasts until 31 March 2024 which support the preparation of the financial statements on this basis. The organisation has significant cash and investment balances and many costs are linked to services. If the organisation was to no longer provide a service for any reason then these costs would no longer be incurred. Further details on the going concern accounting policy are included in Note 1d.

Investment policy

Affinity Trust's investment policy is documented within the Treasury Management and Investment Policy, which is reviewed annually by the Finance Committee. To summarise the policy, a widely diversified investment portfolio is established within which a range of investments across the whole risk spectrum from high to low may be held with the expectation that there will be no concentration of assets at the high or low end of the risk spectrum at any point in time. The policy requires Environmental, Social and Governance (ESG) factors to be taken into consideration.

The Finance Committee is responsible for determining a suitable investment strategy using this approach. The objective is to invest the portfolio to provide a return that exceeds the real (inflation adjusted) value of capital over the longer term. The investment portfolio was liquidated in August 2023 and the funds placed in fixed term deposit bank accounts.

Fundraising

Donors to Affinity Trust can be assured that we comply with the regulatory standards for fundraising. We are registered with the Fundraising Regulator and are committed to the Fundraising Promise and adherence to the Code of Fundraising Practice. We also hold organisational membership of the Chartered Institute of Fundraising.

In 2021 we recruited a Legacy Development Manager to develop and grow a legacy giving programme for Affinity Trust. The aim was create a new income stream to generate additional funding to support people with learning disabilities and complex needs. This is a medium-long term ambition and no voluntary income was received in the financial period.

We use third-party suppliers to support our fundraising aims where appropriate. We currently use a will writing company to promote online gifts in wills. We have safeguards in place when working with suppliers so that we protect our supporters and the reputation of our charity. Affinity Trust is committed to promoting best practice and demonstrating compliance with the law, in all our fundraising approaches to individual supporters. Affinity Trust commits to fundraising in an honest and transparent way. Therefore, it is vital that the relationship we build with our supporters and potential supporters is a positive one, this is particularly so for vulnerable people. We will ensure that vulnerable people are treated fairly and with compassion and integrity. This policy demonstrates our commitment to the fair treatment of our supporters (or potential supporters) who may lack capacity or find themselves in vulnerable circumstances. Affinity Trust will abide with the requirements set out in the Code of Fundraising Practice and the Charities (Protection and Social Investment) Act 2016 on vulnerable people. We are also committed to our Supporter Promise.

Our website outlines our feedback, compliments and complaints policy for the public and clearly explains how an individual can complain. In the 2021-23 financial year we received no complaints in relation to fundraising.

We have a Vulnerable Supporters' Policy and a Supporter Promise. We are also signed up to the Fundraising Preference Service to enable individuals to opt out from receiving fundraising communications from us.

Principal risks and uncertainties

During the year the Board of Trustees has reviewed the risks facing the organisation and determined specific activities to be carried out in order to reduce and manage these risks. The Board uses an assessment method which identifies risk and then assesses the probability of the risk materialising and the impact on Affinity Trust if it did. This produces a rating for each aspect of risk which enables risks to be prioritised for action and actions are agreed which are designed to manage the risk. The principal risks and uncertainties managed during the year were:

Risk	Mitigating Actions
High Staff Turnover	<ul style="list-style-type: none"> - An above inflation pay increase was made in August 22 and sleep-in payments have been simplified - The transformation programme is improving work and induction processes - Staff recognition and reward schemes are in place
Recruitment	<ul style="list-style-type: none"> - Recruitment methods and processes have been reviewed
Cyber Attack	<ul style="list-style-type: none"> - Annual penetration testing is undertaken - The new e-mail monitoring and blocking system continues to be effective - Multi-factor authentication has been rolled out across the organisation - Regular off-site system back-ups are made to enable the system to be restored in the event of an outage
Abuse of people we support	<ul style="list-style-type: none"> - A Safeguarding Vulnerable Adults ("SOVA") incident reporting log is used to detail open, unresolved incidents - A summary quarterly SOVA report is reviewed by Senior Management, the Quality Committee and the Board
Untoward death of someone we support	<ul style="list-style-type: none"> - The organisation ensures mandatory training is up to date and reported monthly - Lessons Learned initiatives are implemented following serious incidents. - External care Management assessments are sought to inform training needs
Loss of high value contracts	<ul style="list-style-type: none"> - Operational staff review high value contracts as part of business review and 121 meetings - A Director role has been appointed to improve our offering around quality - Tenders are prepared for in advance
Breach of GDPR requirements	<ul style="list-style-type: none"> - All managers complete GDPR training - The organisation regularly raises awareness and the importance of data privacy and communicates at appropriate levels within the organisation - Privacy Impact Assessments are undertaken for all significant changes in the way personal data is processed

Affinity Trust

Trustees' annual report

For the period ended 31 March 2023

Reduced ratings by Regulators	<ul style="list-style-type: none">- Registered Managers are provided with support to enable them to understand the changes in regulatory approach- Mock inspections have been carried out to identify locations at risk and actions required.
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The Board of Trustees acknowledges that the work in which Affinity Trust is engaged is never risk free, and nor would the Board wish to completely avoid risk, but it is satisfied that the identified risks are being positively managed.

Structure, governance and management

Affinity Trust, the parent company, is a charitable company limited by guarantee and is registered with the Charity Commission and the Office of the Scottish Charity Regulator ("OSCR"). Governance is led by a Board of Trustees, who are the directors of the company and who serve fixed terms of office. The company is governed by its Articles of Association which establish the objects and powers of the company.

The objectives of the organisation are the provision of support and other services for people with learning disabilities and other groups who need support.

The non-charitable subsidiary, Affinity Trust Support Limited commenced trading on 27th January 2023. It currently holds two local authority contracts and this is expected to grow during 2023-24. All care and support is provided by Affinity Trust staff.

Appointment of trustees

Recruitment of new Trustees takes place through a formal open recruitment process.

Trustee role, induction and training

A formal induction process for new Trustees is in place which includes the visiting of services delivered and meeting all levels of staff. Annual appraisals are conducted for individual Trustees by the Chair of the Board of Trustees and Trustees are able to access relevant conferences and training as required.

The Board of Trustees has established some Committees which receive more detailed information and provide greater scrutiny of their designated areas than would be possible by the Board itself. However, the Board continues to receive regular reports and information concerning these areas.

The Committees are:

- The Finance Committee which meets four times a year and reviews management accounts, draft financial statements, budgets and forecasts, compliance with financial regulations, appointment of auditors, bankers investment managers and other external service providers, management and performance of the investment portfolio financial risk assessments and the Treasury Management and Investment Policy and Reserves Policy.
- The Quality Committee which meets four times a year to review quality assurance of support services, safeguarding, health and safety and other areas relating to and affecting the quality of support which is delivered.

Trustees' annual report

For the period ended 31 March 2023

- The Remuneration Committee meets annually to review and determine the remuneration of the Executive Team; and
- The Nominations Committee and meets as required to facilitate the recruitment of new Trustees and other such matters.

Trustees are remunerated and are able to claim expenses for any work undertaken on behalf of the charity and such remuneration is reviewed and recommended by the Independent Panel for Trustees Remuneration. Remuneration and expenses reclaimed from the charity are set out in note 6 to the financial statements.

The Board of Trustees delegates day-to-day responsibility for the management of the organisation to the Chief Executive and Executive Team consisting of the Director of Finance and Resources, the Director of Operations the Director of Quality and Performance and the Director of Business Development and Innovation. The charity's operational activities are structured into five geographic operating divisions each headed by a Divisional Director plus a division for Children and Young People.

The divisions and their related Councils for whom we provided services in the year are:

Scotland – Argyll and Bute, South Ayrshire, North Ayrshire, Aberdeen

North - Leeds, Wakefield, Bradford, Staffordshire, East Riding, Wolverhampton, Hereford

Central – Leicester, Leicestershire, Sheffield and Loughborough, Herefordshire

East – Norfolk, Suffolk, Cambridgeshire and Peterborough City Council

South – Surrey, Portsmouth, Southampton, Somerset, Central Bedfordshire, Oxfordshire, Bristol and Dorset

Children and Young People – Bradford, Gloucestershire, Greater Manchester, Wakefield

Remuneration policy for key management personnel

As outlined above under Structure, Governance and Management, the Remuneration Committee is a sub-committee of the Board comprised of four Trustees who meet annually to review and determine the remuneration of the Senior Management Team. The Committee uses all available relevant benchmark data to determine levels of remuneration including any comparable sector remuneration information. As Trustees are also key management personnel, remuneration and expenses reclaimed from the charity by the Trustees are set out in note 6 to the financial statements.

Employee engagement (including employment of disabled persons)

Affinity Trust aims to provide full and fair opportunities for employment of disabled applicants and to ensure, through training and practical assistance when required, their continued employment and promotion. Staff who become disabled will be given support and accorded every possible opportunity for maintaining their position or for retraining if appropriate. The organisation is committed to ensuring that those staff who require extra equipment, facilities or assistance, both routinely and in an emergency, will have such needs met.

All disabled employees have the opportunity to contribute to discussions about workplace health and safety through the staff group on Equality, Diversity and Inclusion and in individual meetings with their manager.

Newly appointed disabled staff and staff who become disabled will receive specific information and training on all relevant matters of health and safety. Affinity Trust will ensure that the information is presented in an accessible format.

The Equality, Diversity and Inclusion ("EDI") Forum engages with representatives across the workforce and continually reviews how EDI is being translated across the business, ensuring we are an accessible organisation for a range of backgrounds. The annual Business Plan is communicated to managers by the Executive Team at divisional meetings each autumn.

Anti-Corruption and Bribery Policy

Affinity Trust is committed to achieving the highest standard of probity, accountability and openness. This is achieved through a formal policy that is communicated to all staff to ensure that everyone is aware of and has complete clarity about what is acceptable in our dealings with our operating partners, be they suppliers, customers/commissioners or the people we support and their friends and families. Affinity Trust regards bribery and corruption as completely unacceptable. No bribe or inducement should ever be made to any person, or accepted from any other person, in any circumstance, whether or not such inducements result in personal gain.

Engagement with Suppliers, Customers and Others

Affinity Trust engages in a variety of ways with a wide range of interests and stakeholders in the community. We regularly engage with our major suppliers. We engage with the people we support and their families in a variety of ways including via people we support and family forums and seeking their opinions and feedback via annual surveys. We work with commissioners and other providers e.g. within provider forums at a local level and by actively contributing to market engagement events related to new growth opportunities. Affinity Trust is a member of the All Party Parliamentary Group for Adult Social Care, working alongside other providers and Government representatives including at Minister level. We are also active contributors of forums such as VODG (Voluntary Organisations Disability Group).

We utilise our website and social media channels. Within our Children and Young People division we actively engage with local parent's forums and have provided foundation level PBS training free of charge to over 200 health and social care professionals in the Bradford area. At a community level we engage with a wide range of organisations including businesses, leisure facilities and community groups to enable opportunities for the people we support to develop their skills and independence, become active participants in their local community and develop pathways to education, training and employment.

Environmental Policy

The Trustees are aware of the importance of protecting the local environments where services operate and Affinity Trust is committed to ensuring that the activities of the organisation have a minimal adverse impact on the environment. Wherever possible, travel related environmental impacts are minimised through the provision of technology to facilitate meetings and/or online training provision and whilst the organisation only operates from a relatively small number of properties (for accommodation or office use), each of these locations has been the subject of an energy audit under the first and second phases of the Energy Saving Opportunities Scheme ("ESOS" & "ESOS2").

Energy and Carbon Reporting

As part of the obligations set out under the Energy and Carbon Report Regulations 2018, the charity is required to disclose the energy and carbon created as an organisation over the last reporting year. To fulfil this, we have measured our UK Energy and greenhouse gas emissions as classified within scope 1 and 2 (Streamlined Energy and Carbon Reporting (SECR)) which are presented in tables 1 to 6 below.

Energy Consumption and Greenhouse Gases

The methodology used for determining energy and carbon emissions within this section of the report are as per the regulations above. The calculations include a number of sources of our greenhouse emissions:

Natural gas used for heating the building we occupy and for hot water.

- Electricity used for lighting, cooling and air conditioning.
- Fuel consumption in vehicles that are used for business including staff vehicles and hire cars.
- Gas and electricity consumption have been taken from invoices and sub-meter readings as appropriate.
- Fuel consumption is measured from mileage incurred by employees travelling to and from locations.

The charity's consumption and associated greenhouse gas emissions for the period April 2022 to March 2023 are shown in Tables 1 and 2 with the prior financial reporting figures (October 2020 to September 2021) in tables 3 – 4

Table 1: Total energy consumption and associated greenhouse gas emissions for SECR Year 3 reporting period

Energy Type	Energy Use (kWh)	% Split kWh	Emissions (tCO2e/yr)	% Split CO2e
Gas	1,031,064	46%	188	40%
Electricity	374,251	16%	72	16%
Transport	848,168	38%	208	44%
Total	2,253,483	100%	468	100%

Table 2: Energy and Carbon Conversion Factors

Activity	Fuel	Unit	Year	kg CO2e
Combustion of fuel	Natural Gas	kWh	2022	0.18219
Electricity generation	UK Electricity	kWh	2022	0.19338
Transport (average car)	Diesel	Mile	2022	0.27492
Transport (average car)	Petrol	Mile	2022	0.27436

Table 3: Total energy consumption and associated greenhouse gas emissions for SECR Year 2 reporting period 1st October 2020 – 30th September 2021

Energy Type	Energy Use (kWh)	% Split kWh	Emissions (tCO2e/yr)	% Split CO2e
Gas	1,089,968	51%	199	54%
Electricity	374,502	18%	79	21%
Transport	654,450	31%	92	25%
Total	2,118,920	100%	370	100%

Table 4: Energy and Carbon Conversion Factors

Activity	Fuel	Unit	Year	kg CO2e
Combustion of fuel	Natural Gas	kWh	2021	0.18282
Electricity generation	UK Electricity	kWh	2021	0.21016
Transport (average car)	Diesel	KWh	2021	0.14119
Transport (average car)	Diesel	Mile	2021	0.22722

Vehicle use is based on fleet vehicles and employee travel using their own vehicles for business use. An assumption has been made that all vehicles use standard petrol (year 1 assumption was diesel). Both years assumed an engine transmission of 2 litres or less (same assumption as in year 1).

Intensity Ratio

Intensity ratios compare emissions data with an appropriate business metric or financial indicator. This allows a comparison of energy efficiency performance over time and with other similar types of organisation. We have chosen to compare our overall emissions with our annual turnover.

Table 3: Intensity Ratio

	Energy Consumption	Total greenhouse gases emissions	Annual Turnover	Intensity Ratio	Intensity Ratio
Year	(kWh)	(tCO2e)	£ million	(kWh/£100,000 turnover)	(tCO2e/£100,000)
2021 - 22	2,253,483	468	62	3,635	0.75
2020 - 21	2,118,920	370	58	3,628	0.63

Energy Efficiency Actions

Overall Affinity Trust's energy usage increased by 6% in the SECR year 2 figures (year one they declined by 10% due to Covid – 19). The impact of this has been enhanced by COVID-19 restrictions being lifted which have required management, administrative and front-line staff to return to work in offices and the homes of people we support. Affinity Trust recognises that supporting people is at the core of what the organisation does and therefore a significant amount of travel for staff will always be appropriate and required so our staff and the people we support have face to face interaction.

Trustees' duty to promote the success of the Trust – section 172 statement

Trustees have a duty to promote the success of the Trust, and in doing so, are required by section 172(1) of the Companies Act 2006 to have regard to the following specific factors:

- The likely consequences of any decision in the long term

All key decisions that will have an impact on the long-term future of the charity are discussed at the relevant sub-committee and Board. Major and long running projects are overseen on behalf of the Board by the Finance Committee to ensure that there is appropriate oversight and that appropriate action is taken where necessary, with regular reports to the full Board.

- The interest of the company's employees

The impact of major decisions on staff are discussed by the Board who also receive regular updates on staff pay, health and safety, and safeguarding.

- The need to foster the company's business relationships with suppliers, customers and others

The Board receives information on compliment and complaint levels and any underlying themes. The Board discusses the nature of the relationships it wants with key stakeholders and there are clear processes for engagement with suppliers and customers.

- The impact of the Trust's operations on the community and the environment

The Trust's key objective is to support people with learning disabilities, including those with intensive or specialist needs, to live fulfilled lives as active members of their communities. The Board receives regular quality updates on the services provided to ensure funds are used efficiently and effectively with particular attention paid to CQC, Care Inspectorate and our own internal audit ratings.

- The desirability of the organisation maintaining a reputation for high standards of business conduct

The nature of the Trust's work as a charity makes the maintenance of its reputation for keeping high standards of particular importance. Appropriate systems and processes are in place to ensure the

Trustees' annual report

For the period ended 31 March 2023

highest standards in business conduct. The Senior Management Team will also update the board with any matters that may have given rise to a reputational risk including any mitigating actions being taken.

- The need to act fairly between members of the Trust

As a registered charity Trust does not have shareholders. The Trustees, who are members of the company, ensure that any surpluses are invested back into the business for the benefit of those for whom we provide care and support.

Charity Governance Code

The Trustees follow the Charity Governance Code and have reviewed their approach to governance during the period, including its use of KPIs, and has developed a KPI dashboard which is reviewed at every Board Meeting.

Statement of responsibilities of the Trustees

The Trustees (who are also directors of Affinity Trust for the purposes of company law) are responsible for preparing the Trustees' annual report including the strategic 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 accounting estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The Trustees are responsible for keeping adequate 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. 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 corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. In so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware

Affinity Trust

Trustees' annual report

For the period ended 31 March 2023

- 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 auditor is aware of that information

Guarantees

Members of the company guarantee to contribute an amount not exceeding £1 to the assets of the company in the event of winding up. The total number of guarantors at 31st March 2023 was 22 (2021 - 22). Members of the Board of Trustees have no beneficial interest in the organisation.

Professional Indemnity Insurance

Affinity Trust holds professional indemnity insurance which includes indemnity for members of the Board of Trustees and officers. This policy also includes fidelity guarantee insurance.

The Trustees' annual report which includes the strategic report has been approved by the Trustees in their capacity as directors on 28 September 2023.



Tanya Barron
Chair

Opinion

We have audited the financial statements of Affinity Trust (the 'parent charitable company') and its subsidiary (the 'group') for the period ended 31 March 2023 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 group's and of the parent charitable company's affairs as at 31 March 2023 and of the group's incoming resources and application of resources, including its income and expenditure, for the period then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulation 2006 (as amended)

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's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 Affinity Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other Information

The other information comprises the information included in the trustees' annual report, including the strategic report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, 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.

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' annual report, including the strategic report, for the financial period for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report, including the strategic report, has 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 group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report, including the strategic report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the parent 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 group's and the parent 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 group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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.

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 are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, and the finance committee, which included obtaining and reviewing supporting documentation, concerning the group's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;

- Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
- The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the group operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the group from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

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 Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. 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.

A handwritten signature in black ink that reads "Sayer Vincent LLP". The signature is written in a cursive, slightly slanted style.

Fleur Holden (Senior statutory auditor)

Date: 24 October 2023

for and on behalf of Sayer Vincent LLP, Statutory Auditor

Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

Affinity Trust

Consolidated statement of financial activities (incorporating an income and expenditure account)

For the period ended 31 March 2023

	Note	18 months ended 31 March 2023			12 months ended 30 September 2021		
		Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
Income from:							
Charitable activities							
Supported living	3	80,559,937	-	80,559,937	49,956,692	-	49,956,692
Shared living	3	6,006,977	-	6,006,977	4,290,888	-	4,290,888
Outreach services	3	3,931,267	-	3,931,267	2,298,648	-	2,298,648
Supported employment & day opportunities	3	741,572	-	741,572	675,049	-	675,049
Social enterprises	3	752,900	-	752,900	626,723	-	626,723
Housing	3	971,098	-	971,098	470,362	-	470,362
Investments		159,758	-	159,758	59,130	-	59,130
Surplus on disposal of fixed assets		856,423	-	856,423	-	-	-
Total income		93,979,932	-	93,979,932	58,377,492	-	58,377,492
Expenditure on:							
Raising funds							
Investment manager's fees	4	62,883	-	62,883	16,957	-	16,957
Charitable activities							
Supported living	4	83,872,198	-	83,872,198	49,197,275	-	49,197,275
Shared living	4	5,836,820	-	5,836,820	3,419,272	-	3,419,272
Outreach services	4	3,982,180	-	3,982,180	2,949,148	-	2,949,148
Supported employment & day opportunities	4	957,561	2,032	959,593	603,940	-	603,940
Social enterprises	4	758,405	-	758,405	545,656	-	545,656
Housing	4	906,161	-	906,161	503,710	-	503,710
Total expenditure		96,376,208	2,032	96,378,240	57,235,958	-	57,235,958
Net (expenditure)/income before net gains/(losses) on investments		(2,396,276)	(2,032)	(2,398,308)	1,141,534	-	1,141,534
Net (losses)/gains on investments	12	(310,650)	-	(310,650)	531,916	-	531,916
Net (expenditure)/income for the period and net movement in funds	5	(2,706,926)	(2,032)	(2,708,958)	1,673,450	-	1,673,450
Reconciliation of funds:							
Total funds brought forward		14,744,876	307,089	15,051,965	13,071,426	307,089	13,378,515
Total funds carried forward	20	12,037,950	305,057	12,343,007	14,744,876	307,089	15,051,965

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 20 to the financial statements.

Affinity Trust

Balance sheets

Company no. 6893564

As at 31 March 2023

	Note	The group		The charity	
		31 March 2023 £	30 September 2021 £	31 March 2023 £	30 September 2021 £
Fixed assets:					
Land	10	1,664,639	2,042,432	1,664,639	2,042,432
Housing properties	10	2,008,285	2,730,355	2,008,285	2,730,355
Other tangible fixed assets	11	409,999	91,078	409,999	91,078
Investments	12	4,685,684	6,325,269	4,685,685	6,325,270
		8,768,607	11,189,134	8,768,608	11,189,135
Current assets:					
Stocks	14	100,924	77,131	100,924	77,131
Debtors	15	4,993,196	6,624,049	5,045,743	6,624,048
Cash at bank and in hand		5,453,260	4,991,472	5,337,653	4,991,472
		10,547,380	11,692,652	10,484,320	11,692,651
Liabilities:					
Creditors: amounts falling due within one year	16	5,381,868	5,938,219	5,318,809	5,938,219
Net current assets		5,165,512	5,754,433	5,165,511	5,754,432
Total assets less current liabilities		13,934,119	16,943,567	13,934,119	16,943,567
Creditors: amounts falling due after one year	18	1,591,112	1,891,602	1,591,112	1,891,602
Total net assets		12,343,007	15,051,965	12,343,007	15,051,965
The funds of the charity:					
Restricted funds	20	305,057	307,089	305,057	307,089
Unrestricted funds:					
Designated funds	20a	3,782,923	4,563,865	3,782,923	4,563,865
General funds	20a	8,255,027	10,181,011	8,255,027	10,181,011
Total unrestricted funds		12,037,950	14,744,876	12,037,950	14,744,876
Total charity funds		12,343,007	15,051,965	12,343,007	15,051,965

Approved by the trustees on 28 September 2023 and authorised for issue and signed on their behalf by

Tanya Barron
Trustee and Chair



Hanah Burgess
Trustee and Chair of the Finance Committee



Affinity Trust

Consolidated statement of cash flows

For the period ended 31 March 2023

	18 months ended 31 March 2023		12 months ended 30 September 2021	
	£	£	£	£
Net (expenditure)/income for the reporting period (as per the statement of financial activities)	(2,708,958)		1,673,450	
Losses/(Gains) on investments	310,650		(531,916)	
Dividends and interest from investments	(159,758)		(59,130)	
Interest payable	63,416		24,796	
Depreciation charges	298,267		136,700	
Impairment	254,866		-	
Surplus on the disposal of properties	(856,423)		-	
(Increase)/decrease in stocks	(23,793)		93,797	
Decrease / (increase) in debtors	1,630,853		(736,817)	
(Decrease) / increase in creditors	(856,842)		414,763	
Net cash (used in)/provided by operating activities	(2,047,722)		1,015,643	
Cash flows from investing activities:				
Dividends and interest from investments	159,758		59,130	
Proceeds from the sale of property fixed assets	1,895,532		-	
Purchase of fixed assets	(545,707)		(566,052)	
Proceeds from sale of investments	3,923,952		2,591,781	
Purchase of investments	(2,568,057)		(5,607,347)	
Net cash provided by/(used in) investing activities	2,865,479		(3,522,488)	
Cash flows from financing activities:				
Repayments of borrowing	(344,355)		(106,155)	
Interest paid	(63,416)		(24,796)	
Cash flows from new borrowing	-		(298,737)	
Net cash used in financing activities	(407,771)		(429,688)	
Change in cash and cash equivalents in the period	409,986		(2,936,533)	
Cash and cash equivalents at the beginning of the period	4,991,472		7,953,774	
Change in cash and cash equivalents in respect of cash held by investment manager	51,802		(25,769)	
Cash and cash equivalents at the end of the period	5,453,260		4,991,472	

Analysis of changes in net funds / (debt)

	1 October 2020	Cash flow	1 October 2021	Cash flow	31 March 2023
	£	£	£	£	£
Cash at bank and in hand	7,953,774	(2,962,302)	4,991,472	461,788	5,453,260
Bank loans	(140,691)	49,638	(91,053)	43,865	(47,188)
Other loans	(617,070)	617,070	-	-	-
Debt due within one year	(757,761)	666,708	(91,053)	43,865	(47,188)
Bank loans	(420,319)	56,517	(363,802)	165,561	(198,241)
Other loans	(1,209,467)	(318,333)	(1,527,800)	134,930	(1,392,870)
Debt due after one year	(1,629,786)	(261,816)	(1,891,602)	300,490	(1,591,112)
Total net funds	5,566,227	(2,557,410)	3,008,817	806,143	3,814,960

Notes to the financial statements

For the period ended 31 March 2023

1 Accounting policies

a) Statutory information

Affinity Trust is a charitable company limited by guarantee and is incorporated in England.

The registered office address is 1 St Andrew's Court, Wellington Street, Thame, OX9 3WT. Refer to Trustees Report for principal activities.

b) Basis of preparation

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

These financial statements consolidate the results of the charity and its wholly-owned subsidiary Affinity Trust Support Ltd on a line by line basis. Transactions and balances between the charity and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two entities are disclosed in the notes of the charity's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006. A summary of the result for the year is disclosed in the notes to the accounts.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note. The financial statements are presented in (£) Sterling which is also the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £1.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102 and has therefore applied the relevant public benefit requirements of FRS102.

d) Going concern

The Trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern as the Trustees have reviewed budgets and forecasts for the 12 months following the end of the reporting period which support the fact that the charity is a going concern. In addition the organisation has sufficient reserves available to meet its liabilities as they fall due and has sufficient cash and liquid reserves available to meet its needs. Further details on the trustees' appraisal of going concern is included in the Trustees' annual report.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

f) Income from investments and bank deposits

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 bank.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment advisor of the dividend yield of the investment portfolio.

g) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other income received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the Trustees for particular purposes.

1 Accounting policies (continued)

h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charitable company in generating investment income via its investment portfolio managed by Coutts & Co.
- Expenditure on charitable activities includes the costs of delivering the supported living, registered care and outreach/opportunities services in addition to the cost of the social enterprise and housing activities and support costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

i) Allocation of support and governance costs

Expenditure is allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function is apportioned based on staff cost attributable to each activity.

j) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

k) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds limits as follows: portable buildings £2,000, software, electrical equipment and fixture & fittings £1,000, computer & telephone equipment £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life on a straight line basis. The depreciation rates in use are as follows:

▪ Freehold land	0%
▪ Freehold property	2%
▪ Property alterations	10%
▪ Cars	25% - 33%
▪ Office equipment	10% - 50%

An annual impairment review is undertaken in accordance with FRS102. When the carrying amount of the asset is higher than the recoverable amount the asset is written down. Should the recoverable amount of the asset then exceed its carrying amount, the impairment provision will be reversed.

l) Listed investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Net gains/(losses) on investments' in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

m) Stocks

Stocks are stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes transport and handling costs. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. Provision is made where necessary for obsolete, slow moving and defective stocks.

n) Debtors

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

o) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term deposits. Cash balances exclude any funds held by the charitable company on behalf of the people supported. At 31 March 2023: £528,717 (30 September 2021: £648,421) was held by Affinity Trust on behalf of people we support.

1 Accounting policies (continued)

p) Creditors

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

q) 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.

r) Pensions

Affinity Trust operates a defined contribution pension scheme. The assets of the scheme are held separately from those of Affinity Trust in an independently administered fund. The pension cost charge represents contributions payable under the scheme by Affinity Trust to the fund. Affinity Trust has no liability under the scheme other than for the payment of those contributions.

Certain employees are members of the NHS Pension Scheme, a defined benefit scheme. The company makes contributions on behalf of employees who are members in accordance with the requirements of the scheme. Other than those contributions there is no additional liability to Affinity Trust in respect of the scheme (See details in note 24).

In addition the charity makes contributions to the West Yorkshire Pension Fund and the South Yorkshire Pension Fund (both defined benefit schemes). The employer's contributions are determined in relation to the current service period only, and consequently the charity accounts for contributions to the schemes as if they were defined contribution schemes (See details in note 24).

s) Contingent liabilities

The payment of interest accrued on grants payable to the Secretary of State for Health is contingent on Affinity Trust intending to sell the properties purchased with the grants. The accrued interest is therefore disclosed as a contingent liability. The substance of the agreements Affinity Trust has with the Secretary of State for Health is for the Secretary of State to receive their share of the increase in the value of the properties (see note 23).

2 Key judgements and estimates

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are readily apparent from other sources. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

The Trustees do not consider that there are any sources of estimation uncertainty, including from reviewing any impact of the contingent liabilities in note 23, at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

Notes to the financial statements

For the period ended 31 March 2023

3 Income from charitable activities

	18 months ended 31 March 2023	12 months ended 30 Sept. 2021
	Total £	Total £
Supported living		
Local and NHS authorities	77,157,750	48,936,305
Contributions from the people we support	2,396,927	793,020
Government Grants	1,005,260	227,367
Sub-total for Supported living	80,559,937	49,956,692
Shared living		
Local authorities	5,861,782	4,272,659
Contributions from the people we support	21,129	17,498
Government Grants	124,066	731
Sub-total for Shared living	6,006,977	4,290,888
Outreach services		
Local authorities	2,861,177	2,214,619
Contributions from the people we support	992,194	10,151
Government Grants	77,896	73,878
Sub-total for Outreach services	3,931,267	2,298,648
Supported employment & day opportunities		
Local authorities	619,769	581,804
Contributions from the people we support	106,677	93,245
Government Grants	15,127	-
Sub-total for Supported employment & day opportunities	741,572	675,049
Social enterprises		
Local authorities	11,820	2,487
Contributions from the people we support	3,818	3,228
Trading sales	737,262	621,008
Sub-total for Social enterprises	752,900	626,723
Housing		
Local authorities	295,666	93,923
Housing benefit	586,560	309,786
Contributions from the people we support	88,872	66,653
Sub-total for Housing	971,098	470,362
Total income from charitable activities	92,963,751	58,318,362

All income for both years is unrestricted.

Affinity Trust

Notes to the financial statements

For the period ended 31 March 2023

4a Analysis of expenditure (current period)

	Charitable activities									18 months ended 31 March 2023	12 months ended 30 Sept 2021
	Cost of raising funds £	Supported Living £	Shared Living £	Outreach services £	Supported employment & day £	Social enterprises £	Housing £	Support costs £	Governance £	Total £	Total £
Staff Costs	-	69,142,011	4,400,748	3,221,792	728,969	217,293	-	9,558,115	87,830	87,356,758	50,523,138
Training	-	678,034	18,455	33,884	5,007	1,513	-	34,896	-	771,790	172,407
Recruitment	-	263,580	15,482	14,907	2,695	856	10,807.61	329,562	22,300	660,190	293,444
Insurance	-	293,873	12,895	15,033	3,094	879	41,025.23	41,601	412	408,812	226,678
Transport and Travel Costs	-	481,352	90,126	81,990	20,614	110	3,970.43	241,452	9,462	929,077	419,536
Property	-	605,722	395,958	16,259	57,076	62,889	333,431.29	1,643,054	-	3,114,389	2,466,020
Office	-	224,163	16,072	17,117	1,918	2,778	287,061.00	532,656	144	1,081,909	490,377
Audit & Professional Fees	-	284,686	29,628	16,149	2,172	33,660	122,852.12	371,687	60,354	921,188	1,035,075
Trading	-	-	-	-	-	397,397	-	-	-	397,397	318,844
Activities	-	5,043	10,658	-	8,236	-	-	761	-	24,698	17,312
Food and Household Goods	-	195,863	102,494	26,804	5,106	1,365	866.20	24,995	-	357,493	637,584
Bad Debt Charge	-	1,131	-	68,195	46	225	5,349.99	2,327	-	77,274	393,642
Sundries	62,883	12,806	646	2,384	1,477	2,718	100,797.32	92,835	718	277,265	241,901
	62,883	72,188,264	5,093,162	3,514,515	836,409	721,686	906,161	12,873,942	181,219	96,378,240	57,235,958
Support costs	-	11,521,749	733,336	461,174	121,475	36,210	-	(12,873,942)	-	-	-
Governance costs	-	162,185	10,323	6,492	1,710	510	-	-	(181,219)	-	-
Total expenditure 2023	62,883	83,872,198	5,836,820	3,982,180	959,593	758,405	906,161	-	-	96,378,240	
Total expenditure 2021	16,957	49,197,275	3,419,272	2,949,148	603,940	545,656	503,710	-	-		57,235,958

Notes to the financial statements

For the period ended 31 March 2023

4b Analysis of expenditure (prior year)

	Charitable activities									12 months ended 30 Sept 2021
	Cost of raising funds £	Supported Living £	Shared Living £	Outreach services £	Supported employment & day £	Social enterprises £	Housing £	Support costs £	Governance £	Total £
Staff Costs	- 39,722,280.00	2,547,512	2,311,614	426,200	136,448	-	5,321,101	57,983	50,523,138	
Training	- 122,623.00	19,411	15,027	5,225	829	-	9,292	-	172,407	
Recruitment	- 171,860.00	14,307	8,508	2,769	420	171	90,835	4,574	293,444	
Insurance	- 179,913.00	11,777	9,901	2,890	526	1,600	19,797	274	226,678	
Transport and Travel Costs	- 190,072.00	77,798	68,977	17,948	34	302	61,519	2,886	419,536	
Property	- 537,706.00	120,056	36,758	60,731	37,309	402,158	1,271,302	-	2,466,020	
Office	- 143,586.00	11,815	11,538	3,201	2,752	877	316,608	-	490,377	
Audit & Professional Fees	- 121,324.00	16,039	16,603	1,516	19,715	8,872	815,952	35,054	1,035,075	
Trading	- -	-	-	-	318,844	-	-	-	318,844	
Activities	- -	13,524	551	1,649	-	-	1,588	-	17,312	
Food and Household Goods	- 452,159.00	128,200	10,507	5,048	1,301	35	40,334	-	637,584	
Bad Debt Charge	- 267,158.44	-	124,571	-	-	1,913	-	-	393,642	
Sundries	16,957	134,189.56	-	70	-	2,902	87,782	-	241,901	
	16,957	42,042,871	2,960,439	2,614,625	527,177	521,080	503,710	7,948,328	100,771	57,235,958
Support costs	-	7,064,834	453,089	330,335	75,802	24,268	-	(7,948,328)	-	-
Governance costs	-	89,570	5,744	4,188	961	308	-	-	(100,771)	-
Total expenditure 2021	16,957	49,197,275	3,419,272	2,949,148	603,940	545,656	503,710	-	-	57,235,958

Notes to the financial statements

For the period ended 31 March 2023

5 Net income / (expenditure) for the period

This is stated after charging / (crediting):

	18 months ended 31 March 2023	12 months ended 30 Sept 2021
	£	£
Depreciation	298,267	136,700
Impairment	254,866	-
Inventory recognised as an expense	397,397	326,645
Interest payable on loans	63,416	24,796
Operating lease rentals:		
Property	465,624	521,325
Other	11,008	123,759
Auditor's remuneration (excluding VAT):		
Audit - Affinity Trust	24,000	22,500
Audit - Affinity Trust Support Limited ("ATSL")	6,000	-
Other services - corporation tax ATSL	1,050	-
	2,982,267	1,015,725

6 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	18 months ended 31 March 2023	12 months ended 30 Sept 2021
	£	£
Salaries and wages	71,812,296	43,361,611
Redundancy and termination costs	441,799	8,811
Social security costs	6,248,045	3,611,838
Employer's contribution to defined contribution pension schemes	1,678,421	1,017,074
Operating costs of defined benefit pension schemes treated as defined contribution pension schemes	325,579	297,246
	80,506,140	48,296,580
Agency costs	6,850,618	2,226,558
	87,356,758	50,523,138

£132,706 of pension costs were included within creditors (2021: £193,064).

The following number of employees received employee benefits (excluding employer's national insurance and employer pension costs) over £60,000 during the period between:

	18 months ended 31 March 2023	12 months ended 30 Sept 2021
	No.	No.
£60,000 - £69,999	55	5
£70,000 - £79,999	18	1
£80,000 - £89,999	7	3
£90,000 - £99,999	9	2
£100,000-£109,999	1	-
£120,000 - £129,999	-	1
£130,000 - £139,999	2	-
£160,000 - £169,999	1	-
£190,000 - £199,999	1	-
	104	13

The total employee benefits (including employer pension contributions and employer's national insurance) of the key management personnel who are the senior management team as defined on page 1 plus Trustees was £1,035,630 (2021: £738,789). The following was paid to trustees:

	18 months ended 31 March 2023	12 months ended 30 Sept 2021
	£	£
Board of trustees' remuneration	84,486	55,919
Board of trustees' expenses	2,807	771
	87,293	56,690

Notes to the financial statements

For the period ended 31 March 2023

6 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel (continued)

Board members were paid £7,041 on average for the 18 month period (2021: £5,169). Board members who are also members of the Finance Committee were paid £6,020 for 18 months (2021: £5,411) each and Board members who are also members of the Quality Committee were paid £6,485 for 18 months (2021: £5,411) on average. The Chair was paid £12,960 for 18 months (2021: £8,471). The basis for Trustees' remuneration is set out in the Articles of Association of Affinity Trust. Trustees' remuneration is reviewed annually by an Independent Panel and approved by the Board.

Travel, subsistence, phone and IT expenses were incurred by 8 Trustees (2021: 4) in the course of their duties. There were no retirement benefits accruing for the Trustees.

Affinity Trust holds professional indemnity insurance which includes indemnity for members of the Board of Trustees and officers. This policy also includes fidelity guarantee insurance.

Individual amounts paid to each Trustee for the current period and prior year were as follows:-

	18 months ended 31 March 2023	12 months ended 30 Sept 2021
	£	£
K Cameron (Vice Chair, Retired 30 March 2021)	-	2,706
S Ross	9,519	5,411
T Tamblyn (Retired 30 September 2022)	5,623	5,411
D Walden (Retired 30 September 2022)	6,039	5,411
A Anketell (Retired 15 May 2022)	3,462	5,411
M Moody (Retired 30 September 2021)	-	5,411
J Edwards	8,277	5,411
S Rees	8,579	4,610
T Barron (Chair)	12,960	8,471
H Burgess	8,277	5,411
C Akpakwu	8,375	1,127
C King	8,556	1,127
C Ncube	3,946	-
R Parry	3,680	-
	87,293	55,918

7 Staff numbers

The average number of employees (head count based on actual number of staff employed, not FTE) during the period was as follows:

	18 months ended 31 March 2023	12 months ended 30 Sept 2021
	No.	No.
Shared living	130	133
Supported living	1,802	1,686
Outreach services	155	206
Supported employment & day opportunities	32	68
Social enterprises	19	17
Housing	2	14
Chidrens Services	33	23
Support	110	138
	2,283	2,285

8 Related party transactions

Other than Trustee remuneration as detailed in Note 6 there are no related party transactions to disclose for 2023 (2021: none).

There were no donations from related parties and no restricted donations from related parties.

9 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiary Affinity Trust Support Limited has distributed profits of £3,891 to Affinity Trust in August 2023 which alleviates the corporation tax liability.

Notes to the financial statements

For the period ended 31 March 2023

11 Other tangible fixed assets

The group and charity	Cars and office equipment		Total £
	Cars £	Office equipment £	
Cost			
At the start of the period	62,178	760,813	822,991
Additions in period	-	508,354	508,354
Disposals in period	(62,178)	-	(62,178)
At the end of the period	-	1,269,167	1,269,167
Depreciation			
At the start of the period	62,178	669,735	731,913
Charge for the period	-	189,433	189,433
Eliminated on disposal	(62,178)	-	(62,178)
At the end of the period	-	859,168	859,168
Net book value			
At the end of the period	-	409,999	409,999
At the start of the period	-	91,078	91,078

All fixed assets are used for charitable purposes. Trustees are comfortable there are no indicators of impairment.

12 Investments

	The group		The charity	
	2023 £	2021 £	2023 £	2021 £
Value at the start of the period	6,325,269	2,699,025	6,325,269	2,699,025
Capital (withdrawals)/additions during the period	(1,500,000)	3,000,000	(1,500,000)	3,000,000
Purchases within the portfolio	3,968,403	2,566,012	3,968,403	2,566,012
Sales within the portfolio	(3,923,952)	(2,591,781)	(3,923,952)	(2,591,781)
Income reinvested in the portfolio	140,398	58,292	140,398	58,292
Fees	(40,744)	(16,957)	(40,744)	(16,957)
Net gain/(loss) on change in fair value	(310,650)	531,916	(310,650)	531,916
Cash balance held by investment manager	4,658,724	6,246,507	4,658,724	6,246,507
	26,960	78,762	26,960	78,762
Fair value at the end of the period	4,685,684	6,325,269	4,685,684	6,325,269

Investments comprise:

	The group		The charity	
	2023 £	2021 £	2023 £	2021 £
Common investment funds	4,658,724	6,246,507	4,658,724	6,246,506
Investment in subsidiary company	-	-	1	1
Cash	26,960	78,762	26,960	78,762
	4,685,684	6,325,269	4,685,685	6,325,270

Notes to the financial statements

For the period ended 31 March 2023

13 Subsidiary undertaking

The charity owns the whole of the issued ordinary share capital of Affinity Trust Support Ltd, a company registered in England and Wales. The company number is 13109670. The registered office address is 1 St Andrews Court, Wellington Street, Thame, OX9 3WT.

The subsidiary is used for the provision of support services and commenced trading on 27th January 2023. All activities have been consolidated on a line by line basis in the statement of financial activities. Available profits are distributed under Gift Aid to the parent charity.

The Trustees Tanya Barron and Keith Cameron, together with the Chief Executive and Finance Director are also Directors of the subsidiary.

A summary of the results of the subsidiary is shown below:

	2023 £	2021 £
Turnover	369,704	-
Cost of sales	(358,613)	-
Gross Profit	11,091	-
Administrative expenses	(7,200)	-
Operating profit/(loss)	3,891	-
Interest receivable	-	-
Interest payable	-	-
Profit/(loss) on ordinary activities	3,891	-
Taxation on profit/(loss) on ordinary activities	-	-
Total comprehensive income	3,891	-
Retained earnings		
Total retained earnings brought forward	-	-
Total comprehensive income	3,891	-
Distribution under Gift Aid to parent charity	(3,891)	-
Total retained earnings carried forward	-	-
The aggregate of the assets, liabilities and reserves was:		
Assets	425,564	-
Liabilities	(425,563)	-
Share Capital and Reserves	1	-

Amounts owed to the parent undertaking are shown in note 15.

Included within administrative expenses above is a management charge of £358,613 (2021: £nil) from the parent entity.

Parent charity

The parent charity's gross income and the results for the year are disclosed as follows:

	2023 £	2021 £
Gross income	94,353,526	58,377,492
Result for the year	(2,703,036)	1,673,450

Notes to the financial statements

For the period ended 31 March 2023

14 Stocks

	Group		Charity	
	2023 £	2021 £	2023 £	2021 £
Stocks held at Englefield Garden Centre	100,924	77,131	100,924	77,131
	100,924	77,131	100,924	77,131

15 Debtors

	Group		Charity	
	2023 £	2021 £	2023 £	2021 £
Trade debtors	2,286,102	3,296,414	2,066,554	3,296,413
Amounts due from group undertakings	-	-	362,503	1
Other debtors	85,006	22,868	85,006	22,868
Prepayments and accrued income	2,622,088	3,304,767	2,531,680	3,304,767
	4,993,196	6,624,049	5,045,743	6,624,049

16 Creditors: amounts falling due within one year

	Group		Charity	
	2023 £	2021 £	2023 £	2021 £
Bank loans	47,188	91,053	47,188	91,053
Trade creditors	1,566,769	1,773,684	1,566,769	1,773,684
Taxation and social security	1,268,080	904,381	1,212,221	904,381
Other creditors	263,281	723,606	263,281	723,606
Accruals and deferred income	2,236,550	2,445,495	2,229,350	2,445,495
	5,381,868	5,938,219	5,318,809	5,938,219

17 Deferred income

Deferred income included within "creditors: amounts falling due within one year" comprises income that has been invoiced in advance for services.

	Group		Charity	
	2023 £	2021 £	2023 £	2021 £
Balance at the beginning of the period	160,155	225,763	160,155	225,763
Amount released to income in the period	(160,155)	(225,763)	(160,155)	(225,763)
Amount deferred in the period	194,420	160,155	194,420	160,155
	194,420	160,155	194,420	160,155

Notes to the financial statements

For the period ended 31 March 2023

18 Creditors: amounts falling due after one year

	Group		Charity	
	2023 £	2021 £	2023 £	2021 £
Bank loans	198,241	363,802	198,241	363,802
Repayable grants:				
NHS Grant	1,064,000	1,064,000	1,064,000	1,064,000
Secretary of State for Health	328,871	463,800	328,871	463,800
	1,591,112	1,891,602	1,591,112	1,891,602

Bank loans are secured by first mortgages held by NatWest plc on Affinity Trust's housing properties owned outright. Interest is accruing on the NatWest loans at rates between 1.25% and 2.25% above base rate.

Amounts owed to the Secretary of State for Health are secured by a second charge on the properties shown as Other Housing Assets in note 10. Any ultimate sale proceeds from these houses will be used to repay the Secretary of State for Health to a maximum of the original input in addition to rolled up compound interest of four percent above bank base rate.

Affinity Trust obtained a Grant of £1,064,000 from the NHS to support the construction of 4 bungalows plus staff accommodation for Supported Living in Leicestershire. The Grant is repayable if the property is sold or no longer used as accommodation for individuals with learning disability or mental health needs. As at 31 March 2023 the Grant was fully drawn down.

	Group		Charity	
	2023 £	2021 £	2023 £	2021 £
Maturity of total debt is as follows				
In one year or less	47,188	91,053	47,188	91,053
Between one and two years	119,293	93,999	119,293	93,999
Between two and five years	264,721	265,338	264,721	265,338
Over five years	1,207,098	1,532,265	1,207,098	1,532,265
	1,638,300	1,982,655	1,638,300	1,982,655

19a Analysis of group net assets between funds (current period)

	General			Total funds £
	unrestricted £	Designated £	Restricted £	
Tangible fixed assets	-	3,782,923	300,000	4,082,923
Investments	4,685,684	-	-	4,685,684
Net current assets	5,160,455	-	5,057	5,165,512
Creditors due after more than one year	(1,591,112)	-	-	(1,591,112)
Net assets at 31 March 2023	8,255,027	3,782,923	305,057	12,343,007

19b Analysis of group net assets between funds (prior year)

	General			Total funds £
	Unrestricted £	Designated £	Restricted £	
Tangible fixed assets	-	4,563,865	300,000	4,863,865
Investments	6,325,269	-	-	6,325,269
Net current assets	5,747,344	-	7,089	5,754,433
Creditors due after more than one year	(1,891,602)	-	-	(1,891,602)
Net assets at 30 September 2021	10,181,011	4,563,865	307,089	15,051,965

Notes to the financial statements

For the period ended 31 March 2023

20a Movements in funds (current period)

	At the start of the period £	Income & gains £	Expenditure & losses £	Transfers £	At the end of the period £
Restricted funds:					
Ayrshire Activity club	2,200	-	-	-	2,200
Score Fund	3,889	-	(2,032)	-	1,857
Little Glen Road	300,000	-	-	-	300,000
Reading Services	1,000	-	-	-	1,000
Total restricted funds	307,089	-	(2,032)	-	305,057
Unrestricted funds:					
Designated funds:					
Fixed Assets	4,563,865	-	-	(780,942)	3,782,923
Total designated funds	4,563,865	-	-	(780,942)	3,782,923
General funds	10,181,011	93,669,282	(96,376,208)	780,942	8,255,027
Total unrestricted charitable funds	14,744,876	93,669,282	(96,376,208)	-	12,037,950
Total funds at 31 March 2023	15,051,965	93,669,282	(96,378,240)	-	12,343,007

The transfer from designated funds arose on the sale of a property (Pymhurst).

20b Movements in funds (prior year)

	At the start of the year £	Income & gains £	Expenditure & losses £	Transfers £	At the end of the year £
Restricted funds:					
Ayrshire Activity club	2,200	-	-	-	2,200
Score Fund	3,889	-	-	-	3,889
Little Glen Road	300,000	-	-	-	300,000
Reading Services	1,000	-	-	-	1,000
Total restricted funds	307,089	-	-	-	307,089
Unrestricted funds:					
Designated funds:					
Fixed Assets	4,134,513	-	-	429,352	4,563,865
Total designated funds	4,134,513	-	-	429,352	4,563,865
General funds	8,936,913	58,909,408	(57,235,958)	(429,352)	10,181,011
Total unrestricted funds	13,071,426	58,909,408	(57,235,958)	-	14,744,876
Total funds at 30 September 2021	13,378,515	58,909,408	(57,235,958)	-	15,051,965

Purposes of restricted funds

Ayrshire Activity Club: A club set up for the use of people with learning disabilities in Ayrshire.

Score Fund: Donations to provide opportunities for People with Learning Disabilities.

Little Glen Road: Grant given to cover a bond repayable to the Local Authority upon the sale of the property.

Reading Services: A donation was made by a private individual to be used for any purpose within the Reading services.

Purposes of designated funds

Fixed assets: In 2020 the Trustees made the decision to designate the Net Book Value of fixed assets, excluding the Little Glen restricted funds which recognises the different liquidity profile of these funds, to other unrestricted funds included within the General Funds.

Notes to the financial statements

For the period ended 31 March 2023

21 Operating lease commitments

The group's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Land and Buildings		Other items	
	31 March 2023 £	30 September 2021 £	31 March 2023 £	30 September 2021 £
Less than one year	310,416	249,835	7,484	42,877
One to two years	394,898	265,284	7,217	9,662
Two to five years	-	192,173	1,429	-
	705,314	707,292	16,130	52,539

22 Post balance sheet events

There were no post balance sheet events to report.

23 Contingent liabilities

Affinity Trust has a contingent liability with regard to grants used to purchase five properties (30th September 2021: six properties). Affinity Trust will be liable to pay the interest accrued on grants to the Secretary of State for Health if the properties are sold, but only to the maximum amount of any proceeds received.

The substance of the agreements Affinity Trust has with the Secretary of State for Health is for the Secretary of State for Health to retain ownership over any change in the value of the properties and consequently the interest paid is offset against the sale proceeds.

At the current and prior period ends, the contingent liability due to the Secretary of State for Health in the event of Affinity Trust selling all of the properties was:

	Group and charity	
	31 March 2023 £	30 September 2021 £
Accrued interest payable to the Secretary of State for Health	2,394,568	2,953,998

24 Defined benefit pension schemes

NHS Pension Scheme

Contributions to this scheme, which are charged against net income, are set by the Government Actuary as set out below. The pension charge for the period in respect of this scheme was £311,803 (2021: £297,246). The amount outstanding at 31 March 2023 was £14,175 (2021 £20,453).

Past and present employees are covered by the provisions of the NHS Pension Scheme(s) relevant to their membership. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at: www.nhsbsa.nhs.uk/pensions.

Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS Body of participating in the scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the Financial Reporting Manual (FRM) requires that "the period between formal valuations shall be four years, with approximate assessments in intervening years".

An outline of these follows:

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2023, is based on valuation data as 31 March 2022, updated to 31 March 2023 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FRM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019 to 20.6% of pensionable pay.

The actuarial valuation as at 31 March 2020 is currently underway and will set the new employer contribution rate due to be implemented from April 2024.

24 Defined benefit pension schemes (continued)**West Yorkshire Pension Fund**

Following the transfer of services from the Bradford and District Care Trust in December 2011, Of the 8 employees that retained their membership of the West Yorkshire Pension Fund (WYPF) which is a defined benefit scheme and operates under the provisions of the Local Government Pension Scheme (Administration) Regulations 2008 (as amended) there are currently only 4 remaining with active scheme membership. The employer's normal contribution rate is 0% and employees pay between 5.8% and 6.5%. Total employer contributions to the WYPF for the period ended March 2023 were £0 (2021:£0) as Affinity Trust received confirmation from the actuary that no 'deficit funding' payment were required. Affinity Trust and the City of Bradford Metropolitan District Council entered into an Admission Agreement and a separate commercial contract dated December 2012 and the substance of these agreements in relation to pension costs is that Affinity Trust's only liability is to pay the monthly employer contributions as determined from time to time by the Scheme actuary. Any actuarial deficit relating to the 8 employees at the end of the contract remains with the Council. The financial statements therefore reflect only the value of the monthly employer contributions described above. Following a triannual actuarial revaluation of the scheme, Affinity Trust were advised that an actuarial surplus had accumulated since the contract commenced and as a result no monthly contributions were required to be paid after March 2014.

South Yorkshire Pension Fund

After the transfer of a number of services in Sheffield in November 2017, one employee retained their membership of the South Yorkshire Pension Fund (SYPF) which is a defined benefit scheme and operates under the provisions of the Local Government Pension Scheme (Administration) Regulations 2008 (as amended). The employer's normal contribution rate was 22.2% of salary and employee paid 6.8%. The employee left on 25th November 2022 and the scheme is in the process of being closed.

25 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

26 Financial instruments

The carrying amount of the group's financial instruments was

	Group and charity	
	31 March 2023	30 September 2021
	£	£
Financial assets		
Assets measured at Fair Value	4,685,684	6,325,269

27 Capital Commitments

There is a capital commitment of £70k for a new website and branding as at 31 March 2023. The total cost is £84k of which £70k has not yet been paid . 30th September 2021 capital commitments were nil.

AFFINITY TRUST

England & Wales - Charity number 1139891

Accounts

Company number: 06893564

Charity number: 1139891

OSCR number: SC043881

Affinity Trust

Report and financial statements

For the year ended 30 September 2021



Supporting people with learning disabilities

Affinity Trust

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Affinity Trust

Reference and administrative information

For the year ended 30 September 2021

Status	The organisation is a company limited by guarantee, incorporated on 30 April 2009 in the name of Affinity Trust.
Company number	06893564
Charity number	1139891
OSCR number	SC043881
Country of registration	England & Wales and Scotland
Country of incorporation	United Kingdom
Governing document	The organisation is governed by its articles of association dated 30 April 2009 as amended by special resolution registered at Companies House on 11 January 2011.

Registered office and operational address 1 St Andrew's Court
Wellington Street
Thame
Oxfordshire
OX9 3WT

Senior Management Team	L Sowerby	Chief Executive and Company Secretary
	N Brittle	Development Director
	S Hubble	Finance Director
	D Leedham	Director of Operations and Quality
	A Beland	Director of Operations and Quality
	A Kippax	Human Resources Director

Trustees Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

T Barron	Chair of Trustees and Chair of the Nominations Committee
K Cameron	Retired 30 March 2021
J Edwards	
M Moody	Retired 30 September 2021
A Anketell	
Dr S Ross	Chair of the Quality Committee
T Tamblyn	Chair of the Finance and Audit Panel
D Walden	
S Rees	
H Burgess	
C Akpakwu	Appointed 16 July 2021
C King	Appointed 16 July 2021

Affinity Trust

Reference and administrative information

For the year ended 30 September 2021

Bankers	Bank of Scotland Phase 2 Canons House Canons Way Bristol BS99 7LB NatWest Willow Court Minns Business Park 7 West Way Oxford OX2 0JB
Investment Manager	Coutts & Co 440 Strand London WC2R 0QS
Solicitors	Simons Muirhead & Burton LLP 8-9 Frith Street London W1D 3JB
Auditor	Sayer Vincent LLP Chartered Accountants and Statutory Auditor Invicta House 108 – 114 Golden Lane London EC1Y 0TL

The Trustees present their report and the audited financial statements for the year ended 30 September 2021.

Reference and administrative information set out on pages 1 and 2 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association, the requirements of a directors' report as required under company law, and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Objectives and activities

Purposes and aims

The Board has set the following as Affinity Trust's mission statement and values:

Mission statement

To support people with learning disabilities, including those with intensive or specialist needs, to live fulfilled lives as active members of their communities.

Values

In all our dealings with everyone we work with, we will be:

Committed to doing our very best for the people we support and never giving up on someone we support;

Reliable and always do what we say we will do;

Honest and open in all of our relationships and transactions;

Respectful of others, their views and their rights;

Inclusive in how we value diversity, support equality of access to opportunities and challenge discrimination;

Creative and flexible in our thinking, in our work and in how we use our resources.

Affinity Trust supports just over 900 people in communities across England and Scotland with support arrangements which range from a few hours per month to "24/7" intensive support. A key part of our ethos is to help support people to live in their own homes. The main activities of the organisation have been the provision of: -

Supported living services - providing personalised support for people living in their own home. The levels of support are substantial but flexible to meet the needs of the individual. Increasingly, the emphasis on support is more towards people who have more complex and specialist needs, for example people with a dual diagnosis of mental health and learning disability, learning disability with autism and/or people with behaviours which challenge.

Outreach services - providing smaller amounts of support on a flexible basis.

Children and Young People - including the Positive Behaviour Support service for children and young people in Bradford, Greater Manchester, Wakefield and Gloucestershire.

Shared living services - support to small numbers of people who live together.

Day opportunities - helping people with learning disabilities to access work, sporting, leisure, creative and other opportunities in the community.

Housing - Affinity Trust owns a number of properties, most of which provide accommodation for people in our supported living services. We also work with our commissioning partners to help find accommodation that

Affinity Trust

Trustees' annual report

For the year ended 30 September 2021

Affinity Trust does not own, typically via Housing Associations or occasionally through private landlord short term leasing arrangements.

Social Enterprise - Affinity Trust runs a social enterprise garden centre that provides employment and day opportunities for the people that we support.

The main source of funding for the organisation is Local Government contractual income, and to a much lesser extent income from the NHS, in addition to contributions from the people we support (as shown in Note 3).

Strategic Report

The Trustees review the aims, objectives and activities of the charity each year. The review looks at the charity's achievements and the outcomes of its work in the reporting period. The Trustees review the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the Trustees ensure the charity's aims, objectives and activities remained focused on its stated purposes.

The Trustees 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 in planning its future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives that have been set.

Achievements and performance

The charity's main activities and beneficiaries are described below. Its charitable activities focus on people with learning disabilities and are undertaken to further Affinity Trust's charitable purposes for the public benefit.

Beneficiaries of our services

The beneficiaries of Affinity Trust are primarily the people to whom we provide direct support in our services across England and Scotland, whereby people are provided with the person centred support that they need to achieve their personal goals. As a result there is a direct and tangible benefit for each person in terms of being more independent and enabled to live a valued and fulfilled life in the particular community where they choose to live, with equality of access to services and the same opportunities and choices that all citizens have. There is also an indirect benefit for the families and friendship groups of the people we support and beyond this the obvious wider benefits as a result of integrating people into their local communities. This is particularly the case where Affinity Trust helps support people to move back to their local community e.g. where they may have been placed in a hospital setting, often remote from family and friends and at a greater financial cost.

In supporting people to live the lives they want, in the place they call home and with the people they want to be with we are conscious that people with learning disabilities have the same wish and need for relationships as we all do. This includes sexual relationships and during the year we began to review the work we do in this area of people's lives and to develop means by which we can support those who wish to have a sexual relationship to do so. For us this is an important part of enabling people with a learning disability to be recognised, accepted and respected and to experience companionship, love and fulfilment.

2020/21 marked the second year of the current three year Strategic Plan. The Strategic Plan identified four key objectives for the organisation:

Trustees' annual report

For the year ended 30 September 2021

1. To improve quality of support;
2. To provide skilled and engaged staff;
3. To support an increased number of people; and
4. To ensure the organisation is financially resilient.

Main Achievements against strategic objectives

The COVID-19 pandemic had a significant impact on the social care sector and Affinity Trust in the year ended 30 September 2021 which affected our operational ways of working as well as our finances. The pandemic impacted the organisations ability to meet all of its strategic objectives such as where COVID restrictions limited certain activities and where the post lockdown economy materially affected recruitment and retention. Despite the challenges of COVID-19 our staff continued to do a great job such that though the organisation did not achieve all of its targets it continued to operate effectively and delivered a financial surplus in a very difficult environment.

STRATEGIC OBJECTIVES	INDICATORS	2020-21 TARGET	End of year performance
IMPROVE QUALITY			
	CQC ratings	90% Good plus one Outstanding	100% Good.
	Key Quality Audits	70% scoring 85% or higher	64% were 85% or higher
	Active Support Training	10 additional teams trained	Training was not possible due to Covid restrictions.
	Involvement of people we support	Develop means of collating local feedback and of people engaging with the Board	Feedback was obtained in respect of Key Quality Audits in the locations in which we support people. The collation and presentation of this is ongoing.
SKILLED & ENGAGED WORKFORCE			
	Staff turnover	29%	39%
	Staff vacancies	10% fewer vacancies	54% increase
	Staff training	85%	85% achieved
	Health & wellbeing	Implementation of health and wellbeing training	Training programme was implemented
STRATEGIC GROWTH			
	Value of new contracts	£4.5m	£3.7m
	Number of new people supported	40	45 new people were supported from a combination of new contracts and referrals

Trustees' annual report

For the year ended 30 September 2021

	Access to housing	15 new people in sourced accommodation	7 people were homed in sourced accommodation
FINANCIAL RESILIENCE			
	Surplus	Achieve budget surplus	Achieved
	Agency cost on budget	Agency costs to be no more than 3.5% of payroll costs	3.8%
	Improved efficiency	Implementation of new software systems in time and on budget	New systems for HR/Payroll and Operations had been selected by the end of the financial year and the implementation phase is now underway.

Staff Turnover and Staff Vacancies

Job vacancies in the economy towards the end of the financial year were at a record high of 1.1 million. As the level of employment improves, staff turnover in social care increases and recruitment becomes more difficult. Social care is a skilled job which requires training and personal qualities and can be very demanding but as this is not reflected in rates of pay people choose other jobs when they are readily available.

Over recent months these problems were exacerbated because the labour market with which social care competes for staff has been very competitive coming out of the COVID-19 restrictions. There has been strong economic performance and lower levels of redundancies than had been anticipated as the furlough scheme ended. This appears to have been contributed to by Brexit which has reduced the availability of labour from the EU. In addition the overall competition for resource includes organisations outside the sector offering much more favourable terms than are possible under the current hourly rates paid by Local Authorities.

As a result of the challenging labour market we saw increases in both our turnover and staff vacancies. In September 2021 the Government announced plans to increase the funding of health and social care through a new health and social care levy. This increase in national insurance will not benefit providers of social care or enable them to increase pay for support workers but will increase costs for the organisation.

Affinity Trust has decided to significantly invest in our staff and increase our operational rates of pay in line with local markets to make us one of the leaders in the sector with regard to pay. This investment is aimed at rewarding and retaining our staff who have done such brilliant work, in particular over the last 18 months, and also to attract new people to work for us.

We also recognise that people working in social care have not received the pay they deserve for the skilled and dedicated work they do to deliver the best lives possible for people we support. We have been and continue to negotiate with local authorities to obtain better funding so that we can address this, but funding continues to lag behind where it needs to be. As a result we have decided that we have to take pre-emptive action, whilst negotiations with local authorities continue.

The organisation has previously handed back contracts which have been in deficit for a sustained period and may have to again reluctantly hand back contracts if it is not able to secure funding required to pay high enough hourly rates to be able to staff services.

Promoting the success of the Trust

The Trustees confirm that throughout the year they have acted in a way most likely to promote the success of the Trust in achieving its charitable objectives, as set out in the Purposes and Aims section of this report. In doing so the Trustees have taken a long term view, have endeavoured to achieve the highest standards of business conduct and have taken into account the interests of beneficiaries, employees, suppliers, the community and other stakeholders as set out in this report.

Financial review

For the year ended 30 September 2021 Affinity Trust achieved a positive net movement in funds of £1.7m being 2.9% on all its activities (prior year £0.2m being 0.3% on all activities). The improvement compared with the prior year is principally due to £1m of operating efficiencies delivered by the organisation as well as £0.5m of unrealised gains on the investment portfolio.

The COVID-19 pandemic continued to have a significant impact on the organisation with PPE costs of £0.5m in the year ended 30 September 2021 which was still much higher than the pre-pandemic annual costs of £0.1m. The organisation incurred additional costs on back-filling staff and maintaining COVID-19 infection control and in total recovered £0.8m of these costs from local authorities. Affinity Trust had a small number of staff on furlough during the year where staff were extremely vulnerable and had been advised to shield. The organisation recovered £0.2m from the Coronavirus Job Retention Scheme.

The organisation commenced a significant Transformation programme, 'Transform 21' during the year. This involved input from across the organisation on a bottom-up basis to identify solutions to challenges facing the organisation across a range of areas including recruitment, HR, payroll, finance and operations. This programme has resulted in changes in process and procedures and in the selection of new systems. The programme will enable the organisation to move from paper-based ways of working to electronic ways of working with systems which interface and provide real time data to management. This will be more efficient and effective, make for a better working experience for our staff and deliver efficiencies for the organisation.

Internal financial reviews of management performance are based on key performance indicators as follows:

- Income, costs and surplus comparisons to budget, prior year amounts and forecasts;
- Staff turnover and absence management;
- Payroll and agency staff costs, trend and comparison to targets;
- Aged debtor management;
- Cash balances

Overall income was £1.4m favourable to the prior year at £58.4m principally due to growth in services including our Specialist Support Division.

Trustees' annual report

For the year ended 30 September 2021

Total expenditure was slightly higher than the prior year at £57.2m (2020: £56.8m) principally due to inflationary cost pressures.

The challenging recruitment market resulted in an increase in the number of vacancies. Whole Time Equivalent vacancies increased from 170 in October 2020 to 312 in September 2021.

Due to the ongoing focus on reducing agency usage total agency spend reduced by £0.5m from £2.7m in 2020 to £2.2m in 2021. However, towards the end of the year the high levels of staff turnover and staff vacancies were resulting in increasing levels of agency spend and putting significant pressure on the gains made.

Debtors days reduced to 21 days from 24 days in the prior year due to active management of receivables. Towards the end of the year we saw increasing signs of later payment by some Local Authorities which could place pressure on our working capital going forwards. Cash balances decreased during the year by £3.0m as the result of the investment of £3.0m cash in the managed investment portfolio. The portfolio generated an unrealised gain of £0.5m in the year principally as a result of the increase in global equity prices. This represented a 17.7% return, well above the 5.5% - 7.5% targeted long-term return for the portfolio.

The social care sector received the outcome of the appeal hearing in February 2020 in the Royal Mencap Society vs Tomlinson-Blake case which confirmed that historical sleep-in shifts did not need to be paid at National Minimum Wage (NMW) rates. This removed a material risk from the organisation.

Reserves policy

The Board has reviewed the reserves policy and confirmed the need to hold reserves to meet all potential creditor obligations as they fall due. A minimum level of general reserves equivalent to one month's expenditure (c. £5.0m) is required to ensure staff payroll commitments are always met, as staff are typically paid in advance of Local Authorities paying for the support provided. General reserves of £10.2m were held at year-end and were therefore above the minimum amount. The Trustees have subsequently taken the decision to invest part of the reserves in above inflation pay increases in order to address the current recruitment and retention challenges and ensure services remain appropriately staffed. Total funds at 30 September 2021 were £15.1m.

Total designated funds are £4.6m which relate to the Net Book Value of Tangible Fixed Assets. The majority are properties that are people's homes that could not easily be realised in the short or medium term.

Restricted funds consist of a capital grant of £0.3m and a small number of voluntary donations from friends and family of people we support and members of the public (see fundraising policy below).

Going Concern

The accounts have been prepared on a going concern basis. The Trustees have reviewed budgets and cash-flow forecasts for a 2 year period which support the preparation of the financial statements on this basis. The organisation has significant cash and investment balances and many costs are linked to services. If the organisation was to no longer provide a service for any reason then these costs would no longer be incurred. Further details on the going concern accounting policy are included in Note 1d.

Investment policy

Affinity Trust's investment policy is documented within the Treasury Management and Investment Policy, which is reviewed annually by the Finance and Audit Panel. To summarise the policy, a widely diversified investment portfolio is established within which a range of investments across the whole risk spectrum from high to low may be held with the expectation that there will be no concentration of assets at the high or low end of the risk spectrum at any point in time. The policy requires environmental, social and Governance (ESG) factors to be taken into consideration. The Finance and Audit Panel is responsible for determining a suitable investment strategy using this approach. The objective is to invest the portfolio to provide a return that exceeds the real (inflation adjusted) value of capital over the longer term. The portfolio is well diversified and avoids over dependence on individual companies, industry sectors, geographic markets or asset classes. In managing the investments, Affinity Trust expects its fund manager to actively manage currency risk, credit risk and counter-party risk. In order to manage inflation risk, Affinity Trust follows an investment strategy that contains a reasonable proportion of equities and real assets.

Affinity Trust reserves the right to ask its fund manager to dispose of any collective investment where it is felt that the funds represent a conflict with Affinity Trust's values.

Fundraising

Donors to Affinity Trust can be assured that we comply with the regulatory standards for fundraising. We are registered with the Fundraising Regulator and are committed to the Fundraising Promise and adherence to the Code of Fundraising Practice. We also hold organisational membership of the Chartered Institute of Fundraising.

In 2021 we recruited a Legacy Development Manager to develop and grow a legacy giving programme for Affinity Trust. The aim is create a new income stream to generate additional funding to support people with learning disabilities and complex needs. This is a medium-long term ambition and no voluntary income was received in the last financial year.

We use third-party suppliers to support our fundraising aims where appropriate. We currently use a Will writing company to promote online gifts in Wills. We have safeguards in place when working with suppliers so that we protect our supporters and the reputation of our charity. Affinity Trust is committed to promoting best practice and demonstrating compliance with the law, in all our fundraising approaches to individual supporters. Affinity Trust commits to fundraising in an honest and transparent way. Therefore, it is vital that the relationship we build with our supporters and potential supporters is a positive one, this is particularly so for vulnerable people. We will ensure that vulnerable people are treated fairly and with compassion and integrity. This policy demonstrates our commitment to the fair treatment of our supporters (or potential supporters) who may lack capacity or find themselves in vulnerable circumstances. Affinity Trust will abide with the requirements set out in the Code of Fundraising Practice and the Charities (Protection and Social Investment) Act 2016 on vulnerable people. We are also committed to our Supporter Promise.

Our website outlines our feedback, compliments and complaints policy for the public and clearly explains how an individual can complain. In the 2020-21 financial year we received no complaints in relation to fundraising.

Trustees' annual report

For the year ended 30 September 2021

We have a Vulnerable Supporters' Policy and a Supporter Promise. We are also signed up to the Fundraising Preference Service to enable individuals to opt out from receiving fundraising communications from us.

Principal risks and uncertainties

During the year the Board of Trustees has reviewed the risks facing the organisation and determined specific activities to be carried out in order to reduce and manage these risks. The Board uses an assessment method which identifies risk and then assesses the probability of the risk materialising and the impact on Affinity Trust if it did. This produces a rating for each aspect of risk which enables risks to be prioritised for action and actions are agreed which are designed to manage the risk. The principal risks and uncertainties managed during the year were:

Risk	Mitigating Actions
High Staff Turnover	<ul style="list-style-type: none"> - An above inflation pay increase was made in December 2021 and sleep-in payments have been simplified - A retention bonus is in place for new joiners - The transformation programme is improving work and induction processes - Staff recognition and reward schemes are in place
Recruitment	<ul style="list-style-type: none"> - The above inflation pay award in December 2021 will assist recruitment - Recruitment methods and processes have been reviewed
Failure to achieve cost savings	<ul style="list-style-type: none"> - The Transform 21 programme has been implemented to improve ways of working and deliver financial efficiencies - The organisation is looking to sustain agency cost improvements - A reduction in VAT costs will be sought
Cyber Attack	<ul style="list-style-type: none"> - Annual penetration testing is undertaken - A new e-mail monitoring and blocking system was implemented in the current year - Multi-factor authentication is currently being rolled out across the organisation - Regular off-site system back-ups are made to enable the system to be restored in the event of an outage
Abuse of people we support	<ul style="list-style-type: none"> - A SOVA incident reporting log is used to detail open, unresolved incidents - A summary quarterly SOVA report is reviewed by Senior Management, the Quality Committee and the Board
Untoward death of someone we support	<ul style="list-style-type: none"> - The organisation ensures mandatory training is up to date and reported monthly - Lessons Learned initiatives are implemented following serious incidents. - External care Management assessments are sought to inform training needs

Loss of high value contracts	<ul style="list-style-type: none"> - Operational staff review high value contracts as part of business review and 121 meetings - A Head of Innovation role has been appointed to improve our offering around quality - Tenders are prepared for in advance
Loss making contracts	<ul style="list-style-type: none"> - Contracts are reviewed at Local Authority level as well as a more granular level - Local authorities have been approached for uplifts in hourly rates to cover the pay increases - The organisation will consider handing back contracts which cannot be run without making a loss to ensure the organisations long term sustainability is not put at risk.
Breach of GDPR requirements	<ul style="list-style-type: none"> - All managers complete GDPR training - The organisation regularly raises awareness and the importance of data privacy and communicates at appropriate levels within the organisation - Privacy Impact Assessments are undertaken for all significant changes in the way personal data is processed

The Board of Trustees acknowledges that the work in which Affinity Trust is engaged is never risk free, and nor would the Board wish to completely avoid risk, but it is satisfied that the identified risks are being positively managed.

Plans for the future

Affinity Trust is now in the third year of the three-year strategic plan and therefore its strategic objectives remained largely unchanged from those set out at the start of the year. The focus remains on being a provider of high quality with a strong desire to support more people with learning disabilities, especially those who may have more complex needs.

There are numerous challenges facing the broader social care sector at the current time and Affinity Trust intends to continue to work with all stakeholders to tackle these and ensure that it continues to support people safely and with a personalised approach and to continue to grow in pursuit of these overall objectives for the benefit of more people with learning disabilities, their families and their friends.

Structure, governance and management

The organisation is a charitable company limited by guarantee and is registered with the Charity Commission and OSCR. Governance is led by a Board of Trustees, who are the directors of the company and who serve fixed terms of office. The company was established and is governed by its Articles of Association which establish the objects and powers of the company.

The objectives of the organisation are the provision of support and other services for people with learning disabilities and other groups who need support.

Appointment of trustees

Recruitment of new Trustees takes place through a formal open recruitment process.

Trustee role, induction and training

A formal induction process for new Trustees is in place which includes the visiting of services delivered (as permitted by Coronavirus restrictions) and meeting all levels of staff. Annual appraisals are conducted for individual Trustees by the Chair of the Board of Trustees and Trustees are able to access relevant conferences and training as required.

The Board of Trustees has established a number of Committees which receive more detailed information and provide greater scrutiny of their designated areas than would be possible by the Board itself. However, the Board continues to receive regular reports and information concerning these areas. The Committees are:

The Finance and Audit Panel which meets four times a year and reviews management accounts, draft financial statements, budgets and forecasts, compliance with financial regulations, appointment of auditors, bankers investment managers and other external service providers, management and performance of the investment portfolio financial risk assessments and the Treasury Management and Investment Policy and Reserves Policy. The Finance and Audit Panel consists of five Trustees one of whom is the Chair of the Board as an ex-officio member;

The Quality Committee which meets four times a year to review quality assurance of support services, safeguarding, health and safety and other areas relating to and affecting the quality of support which is delivered. The Quality Committee consists of four Trustees including the Chair of the Board as an ex-officio member;

The Remuneration Committee which comprises of four Trustees including the Chair of the Board and meets annually to review and determine the remuneration of the Senior Management Team; and

The Nominations Committee consists of four Trustees including the Chair of the Board and meets as required to facilitate the recruitment of new Trustees and other such matters.

Trustees are remunerated and are able to claim expenses for any work undertaken on behalf of the charity and such remuneration is reviewed and recommended by the Independent Panel for Trustees Remuneration. Remuneration and expenses reclaimed from the charity are set out in note 6 to the financial statements.

The Board of Trustees delegates day-to-day responsibility for the management of the organisation to the Chief Executive and Senior Management Team consisting of the Finance Director, Human Resources Director, two Directors of Operations and Quality and the Development Director. For the year ended 30 September 2021 the charity's activities were structured into six geographic operating divisions each headed by a Divisional Director plus the divisions for Children and Young People and Specialist Support.

The 8 divisions and their related Councils for whom we provided services in the year are:-

Scotland – Argyll and Bute, South Ayrshire, North Ayrshire, Aberdeen

North - Leeds, Wakefield, Bradford, Staffordshire, East Riding, Wolverhampton, Hereford

Central – Leicester, Leicestershire, Sheffield and Loughborough, Herefordshire

East – Norfolk, Suffolk, Cambridgeshire and Peterborough City Council

South East – Kent, East Sussex, Bedford, Northamptonshire

South – Surrey, Portsmouth, Southampton, Somerset, Central Bedfordshire, Oxfordshire, Bristol and Dorset

Specialist Support – Yorkshire and Humber, Cheshire West, Sheffield, Leicestershire, Buckinghamshire, Barnsley, Kirklees, Barnsley, Calderdale.

Children and Young People – Bradford, Gloucestershire, Greater Manchester, Wakefield

Remuneration policy for key management personnel

As outlined above under Structure, Governance and Management, the Remuneration Committee is a sub-committee of the Board comprised of four Trustees who meet annually to review and determine the remuneration of the Senior Management Team. The Committee uses all available relevant benchmark data to determine levels of remuneration including any comparable sector remuneration information. As Trustees are also key management personnel, remuneration and expenses reclaimed from the charity by the Trustees are set out in note 6 to the financial statements.

Employee engagement (including employment of disabled persons)

Affinity Trust aims to provide full and fair opportunities for employment of disabled applicants and to ensure, through training and practical assistance when required, their continued employment and promotion. Staff who become disabled will be given support and accorded every possible opportunity for maintaining their position or for retraining if appropriate. The company's health and safety policy ensures safe and healthy work environments for all staff. The organisation is committed to ensuring that those staff who require extra equipment, facilities or assistance, both routinely and in an emergency, will have such needs met.

All disabled employees have the opportunity to contribute to discussions about workplace health and safety through the staff forum, team meetings and in individual meetings with their manager.

Newly appointed disabled staff and staff who become disabled will receive specific information and training on all relevant matters of health and safety. Affinity Trust will ensure that the information is presented in such a way as to be readily understood.

Affinity Trust involves its employees in the affairs, policy and performance of the organisation through a system of staff forums in each geographic division, team meetings, newsletters and staff surveys. The annual Business Plan is communicated to managers by the Senior Management Team at divisional meetings each autumn. Part of the feedback from the employee engagement survey was a request by staff to receive more support in relation to wellbeing and this was addressed by the introduction of well-being sessions including on managing stress.

Statement on Modern Slavery

Affinity Trust abhors the practice of any form of slavery and is committed to taking measures to prevent this occurring within the organisation or within any of its suppliers. The approach reflects a commitment to act ethically and responsibly in all business relationships and to ensure that slavery and human trafficking are not present in any part of our business or in our supply chain. We recognise that the nature of Affinity Trust's work does not make it a high risk business, but we accept and understand our obligations under the Act and are ensuring that we comply with the requirements of the Act and fulfil our obligations. Affinity Trust is committed

to ensuring that human trafficking is not taking place in any part of the organisation and is not being carried out by any of our suppliers. However, we recognise potential risk e.g. in suppliers of agency staff and are taking further measures to seek confirmation from our major suppliers that human trafficking is not taking place within their organisations.

If any supplier was found to have engaged in modern slavery, Affinity Trust would immediately cease using them as a supplier. To tackle slavery and human trafficking, Affinity Trust will:

1. Identify, monitor and assess categories of third party spend most at risk from slavery and human trafficking;
2. Incorporate anti-slavery and human trafficking obligations into procurement agreements and subcontracting arrangements on a risk assessed basis;
3. Provide training to relevant employees, to ensure a high level of understanding of the risks of slavery and human trafficking;
4. Publicise our whistleblowing policy.

Affinity Trust's work on this subject is led by our Human Resources Director and the work and our approach is implemented by a robust management structure throughout our organisation. The subject of modern slavery and human trafficking has been included in the induction training provided to all of our managers.

Anti-Corruption and Bribery Policy

Affinity Trust is committed to achieving the highest standard of probity, accountability and openness. This is achieved through a formal policy that is communicated to all staff to ensure that everyone is aware of and has complete clarity about what is acceptable in our dealings with our operating partners, be they suppliers, customers/commissioners or the people we support and their friends and families. Affinity Trust regards bribery and corruption as completely unacceptable. No bribe or inducement should ever be made to any person, or accepted from any other person, in any circumstance, whether or not such inducements result in personal gain.

Engagement with suppliers, Customers and Others

Affinity Trust engages in a variety of ways with a wide range of interests and stakeholders in the community. We regularly engage with our major suppliers. We engage with the people we support and their families in a variety of ways including via people we support and family forums and seeking their opinions and feedback via annual surveys. We work with commissioners and other providers e.g. within provider forums at a local level and by actively contributing to market engagement events related to new growth opportunities. Affinity Trust is a member of the All Party Parliamentary Group for Adult Social Care, working alongside other providers and Government representatives including at Minister level. We are also active contributors of forums such as VODG (Voluntary Organisations Disability Group).

We utilise our website and social media channels. Within our Children and Young People division we actively engage with local parent's forums and have provided foundation level PBS training free of charge to over 200 health and social care professionals in the Bradford area. At a community level we engage with a wide range of organisations including businesses, leisure facilities and community groups to enable opportunities for the people we support to develop their skills and independence, become active participants in their local community and develop pathways to education, training and employment.

Trustees' annual report

For the year ended 30 September 2021

Trustees' duty to promote the success of the Trust – section 172 statement

Trustees have a duty to promote the success of the Trust, and in doing so, are required by section 172(1) of the Companies Act 2006 to have regard to the following specific factors:

- The likely consequences of any decision in the long term

All key decisions that will have an impact on the long-term future of the charity are discussed at the relevant sub-committee and Board. Major and long running projects are overseen on behalf of the Board by the Finance and Audit Panel to ensure that there is appropriate oversight and that appropriate action is taken where necessary, with regular reports to the full Board.

- The interest of the company's employees

The impact of major decisions on staff are discussed by the Board who also receive regular updates on staff pay, health and safety, and safeguarding.

- The need to foster the company's business relationships with suppliers, customers and others

The Board receives information on compliment and complaint levels and any underlying themes. The Board discusses the nature of the relationships it wants with key stakeholders and there are clear processes for engagement with suppliers and customers.

- The impact of the Trust's operations on the community and the environment

The Trust's key objective is to support people with learning disabilities, including those with intensive or specialist needs, to live fulfilled lives as active members of their communities. The Board receives regular quality updates on the services provided to ensure funds are used efficiently and effectively with particular attention paid to CQC, Care Inspectorate and our own internal audit ratings.

- The desirability of the organisation maintaining a reputation for high standards of business conduct

The nature of the Trust's work as a charity makes the maintenance of its reputation for keeping high standards of particular importance. Appropriate systems and processes are in place to ensure the highest standards in business conduct. The Senior Management Team will also update the board with any matters that may have given rise to a reputational risk including any mitigating actions being taken.

- The need to act fairly between members of the Trust

As a registered charity Trust does not have shareholders. The Trustees, who are members of the company, ensure that any surpluses are invested back into the business for the benefit of those for whom we provide care and support.

Environmental Policy

The Trustees are aware of the importance of protecting the local environments where services are operated and Affinity Trust is committed to ensuring that the activities of the organisation have a minimal adverse impact on the environment. Wherever possible, travel related environmental impacts are minimised through the provision of technology to facilitate meetings and/or online training provision and whilst the organisation only

Trustees' annual report

For the year ended 30 September 2021

operates from a relatively small number of properties (for accommodation or office use), each of these locations has been the subject of an energy audit under the first and second phases of the Energy Saving Opportunities Scheme ("ESOS" & "ESOS2").

Energy and Carbon Reporting

As part of the obligations set out under the Energy and Carbon Report Regulations 2018, the charity is required to disclose the energy and carbon created as an organisation over the last reporting year. To fulfil this we have measured our UK Energy and greenhouse gas emissions as classified within scope 1 and 2 (Streamlined Energy and Carbon Reporting (SECR)) which are presented in tables 1 to 6 below.

Energy Consumption and Greenhouse Gases

The methodology used for determining energy and carbon emissions within this section of the report are as per the regulations above. The calculations include a number of sources of our greenhouse emissions:

Natural gas used for heating the building we occupy and for hot water.

- Electricity used for lighting, cooling and air conditioning.
- Fuel consumption in vehicles that are used for business including staff vehicles and hire cars.
- Gas and electricity consumption have been taken from invoices and sub-meter readings as appropriate.
- Fuel consumption is measured from mileage incurred by employees travelling to and from locations.

The charity's consumption and associated greenhouse gas emissions for the financial year October 2020 to September 2021 are shown in Tables 1 and 2 with the prior year figures in tables 3 – 4

Table 1: Total energy consumption and associated greenhouse gas emissions for SECR Year 2 reporting period

Energy Type	Energy Use (kWh)	% Split kWh	Emissions (tCO2e/yr)	% Split CO2e
Gas	1,089,968	51%	199	54%
Electricity	374,502	18%	79	21%
Transport	654,450	31%	92	25%
Total	2,118,920	100%	370	100%

Table 2: Energy and Carbon Conversion Factors

Activity	Fuel	Unit	Year	kg CO2e
Combustion of fuel	Natural Gas	kWh	2021	0.18282
Electricity generation	UK Electricity	kWh	2021	0.21016
Transport (average car)	Diesel	KWh	2021	0.14119
Transport (average car)	Diesel	Mile	2021	0.22722

Trustees' annual report

For the year ended 30 September 2021

Table 3: Total energy consumption and associated greenhouse gas emissions for SECR Year 1 (2020) reporting period

Energy Type	Energy Use (kWh)	% Split kWh	Emissions (tCO2e/yr)	% Split CO2e
Gas	739,325	30%	136	33%
Electricity	447,282	18%	103	25%
Transport	1,239,476	52%	174	42%
Total	2,426,083	100%	413	100%

Table 4: Energy and Carbon Conversion Factors

Activity	Fuel	Unit	Year	kg CO2e
Combustion of fuel	Natural Gas	kWh	2020	0.18352
Electricity generation	UK Electricity	kWh	2020	0.23104
Transport (average car)	Diesel	KWh	2020	0.14013
Transport (average car)	Diesel	Mile	2020	0.22552

Vehicle use is based on fleet vehicles and employee travel using their own vehicles for business use. An assumption has been made that all vehicles use standard diesel and have an engine transmission of 2L or less.

Intensity Ratio

Intensity ratios compare emissions data with an appropriate business metric or financial indicator. This allows a comparison of energy efficiency performance over time and with other similar types of organisation. We have chosen to compare our overall emissions with our annual turnover.

Table 3: Intensity Ratio

	Energy Consumption	Total greenhouse gases emissions	Annual Turnover	Intensity Ratio	Intensity Ratio
Year	(kWh)	(tCO2e)	£ million	(kWh/£100,000 turnover)	(tCO2e/£100,000)
2020 - 21	2,118,920	370	58	3,628	0.63
2019 - 20	2,426,083	413	57	4,264	0.73

Energy Efficiency Actions

Overall Affinity Trust's energy usage declined by 10% in the year ended 30 September 2021 with a similar level of improvement in intensity ratio. Affinity Trust implemented Microsoft Teams in January 2020 and encouraged meetings to be held via videoconference to reduce cost and carbon emissions from travel. The impact of this has been enhanced by COVID-19 restrictions which have required management and administrative staff to work from home where possible and required front-line support workers to minimise their travel between properties. As restrictions eased Affinity Trust has encouraged its staff to continue to use remote working practices for meetings where possible as this both reduces emissions, cost and stress for our staff compared to spending time travelling. Affinity Trust recognises that supporting people is at the core of

what the organisation does and therefore a significant amount of travel for staff will always be appropriate and required so our staff and the people we support have face to face interaction.

Charity Governance Code

The Trustees follow the Charity Governance Code and have reviewed their approach to governance during the year including its use of KPIs and has developed a KPI dashboard which is reviewed at every Board Meeting.

Statement of responsibilities of the Trustees

The Trustees (who are also directors of Affinity Trust for the purposes of company law) are responsible for preparing the Trustees' annual report including the strategic 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 accounting estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The Trustees are responsible for keeping adequate 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. 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 corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. In so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware
- 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 auditor is aware of that information

Affinity Trust

Trustees' annual report

For the year ended 30 September 2021

Guarantees

Members of the company guarantee to contribute an amount not exceeding £1 to the assets of the company in the event of winding up. The total number of guarantors at 30 September 2021 was 22 (2020 - 20). Members of the Board of Trustees have no beneficial interest in the organisation.

Professional Indemnity Insurance

Affinity Trust holds professional indemnity insurance which includes indemnity for members of the Board of Trustees and officers. This policy also includes fidelity guarantee insurance.

The Trustees' annual report which includes the strategic report has been approved by the Trustees in their capacity as directors on 13th January 2022.



Tanya Barron
Chair

Independent auditors' report

To the trustees and members of

Affinity Trust

Opinion

We have audited the financial statements of Affinity Trust (the 'charitable company') for the year ended 30 September 2021 which comprise the statement of financial activities, balance sheet, 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 FRS 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 30 September 2021 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
- Have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended)

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's 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 Affinity Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Independent auditors' report

To the trustees and members of

Affinity Trust

Other Information

The other information comprises the information included in the trustees' annual report, including the strategic report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, 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.

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' annual report, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual report, including the strategic report, has 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 trustees' annual report, including the strategic report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require 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 statement of trustees' responsibilities set out in the trustees' annual report, 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

Independent auditors' report

To the trustees and members of

Affinity Trust

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's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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.

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 are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management and the finance & audit panel which included obtaining and reviewing supporting documentation, concerning the Trust's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the Trust operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the Trust from our professional and sector experience.

Independent auditors' report

To the trustees and members of

Affinity Trust

- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

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 Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. 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.



Fleur Holden (Senior statutory auditor)

20 January 2022

for and on behalf of Sayer Vincent LLP, Statutory Auditor
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

Affinity Trust

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 30 September 2021

	Note	Unrestricted £	Restricted £	2021 Total £	Unrestricted £	Restricted £	2020 Total £
Income from:							
Charitable activities							
Supported living	3	49,956,692	-	49,956,692	48,926,737	-	48,926,737
Shared living	3	4,290,888	-	4,290,888	4,075,431	-	4,075,431
Outreach services	3	2,298,648	-	2,298,648	2,369,353	-	2,369,353
Supported employment & day opportunities	3	675,049	-	675,049	735,229	-	735,229
Social enterprises	3	626,723	-	626,723	416,863	-	416,863
Housing	3	470,362	-	470,362	440,868	-	440,868
Investments		59,130	-	59,130	33,779	-	33,779
Surplus on disposal of fixed assets		-	-	-	1,282	-	1,282
Total income		58,377,492	-	58,377,492	56,999,542	-	56,999,542
Expenditure on:							
Raising funds							
Investment manager's fees	4	16,957	-	16,957	10,706	-	10,706
Charitable activities							
Supported living	4	49,197,275	-	49,197,275	49,471,836	811	49,472,647
Shared living	4	3,419,272	-	3,419,272	3,500,581	-	3,500,581
Outreach services	4	2,949,148	-	2,949,148	2,308,748	-	2,308,748
Supported employment & day opportunities	4	603,940	-	603,940	638,801	-	638,801
Social enterprises	4	545,656	-	545,656	386,150	-	386,150
Housing	4	503,710	-	503,710	512,491	-	512,491
Total expenditure		57,235,958	-	57,235,958	56,829,313	811	56,830,124
Net income / (expenditure) before net gains on investments		1,141,534	-	1,141,534	170,229	(811)	169,418
Net gains/(losses) on investments		531,916	-	531,916	(14,807)	-	(14,807)
Net income/(expenditure) for the year and net movement in funds	5	1,673,450	-	1,673,450	155,422	(811)	154,611
Reconciliation of funds:							
Total funds brought forward		13,071,426	307,089	13,378,515	12,916,004	307,900	13,223,904
Total funds carried forward	20	14,744,876	307,089	15,051,965	13,071,426	307,089	13,378,515

Affinity Trust

Balance sheet

Company no. 6893564

As at 30 September 2021

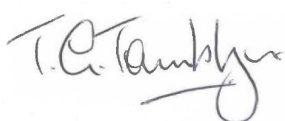
	Note	£	2021 £	£	2020 £
Fixed assets:					
Land	10		2,042,432		2,042,432
Housing properties	10		2,730,355		2,300,590
Other tangible fixed assets	11		91,078		91,491
Investments	12		6,325,269		2,752,018
			11,189,134		7,186,531
Current assets:					
Stocks	13	77,131		170,928	
Debtors	14	6,624,049		5,887,233	
Cash at bank and in hand		4,991,472		7,953,774	
		11,692,652		14,011,935	
Liabilities:					
Creditors: amounts falling due within one year	15	5,938,219		6,190,165	
Net current assets			5,754,433		7,821,770
Total assets less current liabilities			16,943,567		15,008,301
Creditors: amounts falling due after one year	17		1,891,602		1,629,786
Total net assets			15,051,965		13,378,515
The funds of the charity:					
Restricted funds	20		307,089		307,089
Unrestricted funds:					
Designated funds		4,563,865		4,134,513	
General funds		10,181,011		8,936,913	
Total unrestricted funds			14,744,876		13,071,426
Total charity funds			15,051,965		13,378,515

Approved by the Trustees on 13 January 2021 and authorised for issue and signed on their behalf by

Tanya Barron
Trustee and Chair



Timothy Tamblyn
Trustee and Chair of the Finance and Audit Panel



Affinity Trust

Statement of cash flows

For the year ended 30 September 2021

	Note	2021 £	£	2020 £	£
Net cash from operating activities	21 21		1,032,600		1,536,255
Cash flows from investing activities:					
Dividends from investments		-		11,076	
Interest received		838		22,703	
Proceeds from the sale of non-property fixed assets		-		1,282	
Purchase of fixed assets		(566,052)		(633,037)	
Proceeds from sale of investments		2,591,781		1,235,846	
Purchase of investments		(5,566,012)		(1,237,865)	
Net cash (used in) / from investing activities			(3,539,445)		(599,995)
Cash flows from financing activities:					
Repayments of borrowing		(106,155)		(76,511)	
Interest paid		(24,796)		(20,395)	
Cash flows from new borrowing		(298,737)		1,362,737	
Net cash (used in) / from financing activities			(429,688)		1,265,831
Change in cash and cash equivalents in the year			(2,936,533)		2,202,091
Cash and cash equivalents at the beginning of the year			7,953,774		5,749,664
Change in cash and cash equivalents in respect of cash held by investment manager			(25,769)		2,019
Cash and cash equivalents at the end of the year			4,991,472		7,953,774

Analysis of changes in net funds /(debt)

	1 October 2020 £	Cash flow £	30 September 2021 £
Cash at bank and in hand	7,953,774	(2,962,302)	4,991,472
Bank loans	(140,691)	49,638	(91,053)
Other loans	(617,070)	617,070	-
Debt due within one year	(757,761)	666,708	(91,053)
Bank loans	(420,319)	56,517	(363,802)
Other loans	(1,209,467)	(318,333)	(1,527,800)
Debt due after one year	(1,629,786)	(261,816)	(1,891,602)
Total net funds	5,566,227	(2,557,410)	3,008,817

	1 October 2019 £	Cash flow £	30 September 2020 £
Cash at bank and in hand	5,749,664	2,204,110	7,953,774
Bank loans	(121,758)	(18,933)	(140,691)
Other loans	-	(617,070)	(617,070)
Debt due within one year	(121,758)	(636,003)	(757,761)
Bank loans	(515,762)	95,443	(420,319)
Other loans	(463,800)	(745,667)	(1,209,467)
Debt due after one year	(979,562)	(650,224)	(1,629,786)
Total net cash funds	4,648,344	917,883	5,566,227

Notes to the financial statements

For the year ended 30 September 2021

1 Accounting policies

a) Statutory information

Affinity Trust is a private charitable company limited by guarantee and is incorporated in England.

The registered office address is 1 St Andrew's Court, Wellington Street, Thame, OX9 3WT. Refer to Trustees Report for principal activities.

b) Basis of preparation

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

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note. The financial statements are presented in (£) Sterling which is also the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £1.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102 and has therefore applied the relevant public benefit requirements of FRS102.

d) Going concern

The Trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern as the Trustees have reviewed budgets and forecasts for the 24 months following the end of the reporting period which support the fact that the charity is a going concern. In addition the organisation has sufficient reserves available to meet its liabilities as they fall due and has sufficient cash and liquid reserves available to meet its needs. Further details on the trustees' appraisal of going concern is included in the Trustees' annual report.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

f) Income from investments

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 bank.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment advisor of the dividend yield of the investment portfolio.

g) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other income received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the Trustees for particular purposes.

h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charitable company in generating investment income via its investment portfolio managed by Coutts & Co.
- Expenditure on charitable activities includes the costs of delivering the supported living, registered care and outreach/opportunities services in addition to the cost of the social enterprise and housing activities and support costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

1 Accounting policies (continued)

i) Allocation of support and governance costs

Expenditure is allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function is apportioned based on staff cost attributable to each activity.

j) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

k) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds limits as follows: portable buildings £2,000, software, electrical equipment and fixture & fittings £1,000, computer & telephone equipment £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life on a straight line basis. The depreciation rates in use are as follows:

▪ Freehold land	0%
▪ Freehold property	2%
▪ Property alterations	10%
▪ Cars	25% - 33%
▪ Office equipment	10% - 50%

The carrying value of freehold property has been split into its component parts of freehold land and freehold property. Freehold land continues to be depreciated at 0% as it is considered to have an unlimited life. Freehold property was depreciated at a rate of 2% from 1 October 2020 reflecting the revised estimate of useful economic life.

An annual impairment review is undertaken in accordance with Financial Reporting Standard 102. When the carrying amount of the asset is higher than the recoverable amount the asset is written down. Should the recoverable amount of the asset then exceed its carrying amount, the impairment provision will be reversed.

l) Listed investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Net gains/(losses) on investments' in the statement of financial activities.

m) Stocks

Stocks are stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes transport and handling costs. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. Provision is made where necessary for obsolete, slow moving and defective stocks.

n) Debtors

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

o) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term deposits. Cash balances exclude any funds held by the charitable company on behalf of the people supported. As at 30 September 2021 £648,421 (2020: £640,087) was held by Affinity Trust on behalf of people we support.

p) Creditors

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

q) 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.

1 Accounting policies (continued)

r) Pensions

Affinity Trust operates a defined contribution pension scheme. The assets of the scheme are held separately from those of Affinity Trust in an independently administered fund. The pension cost charge represents contributions payable under the scheme by Affinity Trust to the fund. Affinity Trust has no liability under the scheme other than for the payment of those contributions.

Certain employees are members of the NHS Pension Scheme, a defined benefit scheme. The company makes contributions on behalf of employees who are members in accordance with the requirements of the scheme. Other than those contributions there is no additional liability to Affinity Trust in respect of the scheme (See details in note 25).

In addition the charity makes contributions to the West Yorkshire Pension Fund and the South Yorkshire Pension Fund (both defined benefit schemes). The employer's contributions are determined in relation to the current service period only, and consequently the charity accounts for contributions to the schemes as if they were defined contribution schemes (See details in note 25).

s) Contingent liabilities

The payment of interest accrued on grants payable to the Secretary of State for Health is contingent on Affinity Trust intending to sell the properties purchased with the grants. The accrued interest is therefore disclosed as a contingent liability. The substance of the agreements Affinity Trust has with the Secretary of State for Health is for the Secretary of State to receive their share of the increase in the value of the properties (see note 24).

2 Key judgements and estimates

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are readily apparent from other sources. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

The Trustees do not consider that there are any sources of estimation uncertainty, including from reviewing any impact of the contingent liabilities in note 24, at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

Notes to the financial statements

For the year ended 30 September 2021

3 Income from charitable activities

	Unrestricted £	Restricted £	2021 Total £	2020 Total £
Supported living				
Local and NHS authorities	48,936,305	-	48,936,305	46,848,846
Contributions from the people we support	793,020	-	793,020	1,625,035
Government Grants	227,367	-	227,367	452,856
Sub-total for Supported living	<u>49,956,692</u>	-	<u>49,956,692</u>	<u>48,926,737</u>
Shared living				
Local authorities	4,272,659	-	4,272,659	3,919,096
Contributions from the people we support	17,498	-	17,498	143,553
Government Grants	731	-	731	12,782
Sub-total for Shared living	<u>4,290,888</u>	-	<u>4,290,888</u>	<u>4,075,431</u>
Outreach services				
Local authorities	2,214,619	-	2,214,619	2,318,375
Contributions from the people we support	10,151	-	10,151	24,231
Government Grants	73,878	-	73,878	26,747
Sub-total for Outreach services	<u>2,298,648</u>	-	<u>2,298,648</u>	<u>2,369,353</u>
Supported employment & day opportunities				
Local authorities	581,804	-	581,804	629,293
Contributions from the people we support	93,245	-	93,245	105,936
Sub-total for Supported employment & day opportunities	<u>675,049</u>	-	<u>675,049</u>	<u>735,229</u>
Social enterprises				
Local authorities	2,487	-	2,487	4,075
Contributions from the people we support	3,228	-	3,228	5,364
Trading sales	621,008	-	621,008	407,424
Sub-total for Social enterprises	<u>626,723</u>	-	<u>626,723</u>	<u>416,863</u>
Housing				
Local authorities	93,923	-	93,923	92,764
Housing benefit	309,786	-	309,786	271,067
Contributions from the people we support	66,653	-	66,653	77,037
Sub-total for Housing	<u>470,362</u>	-	<u>470,362</u>	<u>440,868</u>
Total income from charitable activities	<u>58,318,362</u>	-	<u>58,318,362</u>	<u>56,964,481</u>

All income for both years is unrestricted.

Affinity Trust

Notes to the financial statements

For the year ended 30 September 2021

4a Analysis of expenditure (current year)

	Charitable activities									2021 Total £
	Cost of raising funds £	Supported Living £	Shared Living £	Outreach £	Opportunities £	Social Enterprises £	Housing £	Support costs £	Governance £	
Staff Costs	-	39,722,280	2,547,512	2,311,614	426,200	136,448	-	5,321,101	57,983	50,523,137
Training	-	122,623	19,411	15,027	5,225	829	-	9,292	-	172,407
Recruitment	-	171,860	14,307	8,508	2,769	420	171	90,835	4,575	293,444
Insurance	-	179,913	11,777	9,901	2,890	526	1,600	19,797	274	226,678
Transport and Travel Costs	-	190,072	77,798	68,977	17,948	34	302	61,520	2,886	419,536
Property	-	537,706	120,056	36,758	60,731	37,309	402,158	1,271,302	-	2,466,021
Office	-	143,586	11,815	11,538	3,201	2,752	877	316,608	-	490,377
Audit & Professional Fees	-	121,324	16,039	16,603	1,516	19,715	8,872	815,952	35,054	1,035,075
Trading	-	-	-	-	-	318,844	-	-	-	318,844
Activities	-	-	13,524	551	1,649	-	-	1,588	-	17,311
Food and Household Goods	-	452,159	128,200	10,507	5,048	1,301	35	40,334	-	637,586
Sundries	16,957	401,348	-	124,641	-	2,902	89,695	-	-	635,542
	16,957	42,042,872	2,960,438	2,614,625	527,177	521,080	503,710	7,948,328	100,771	57,235,958
Support costs	-	7,064,833	453,089	330,335	75,802	24,268	-	(7,948,328)	-	-
Governance costs	-	89,570	5,744	4,188	961	308	-	-	(100,771)	-
Total expenditure 2021	16,957	49,197,275	3,419,272	2,949,148	603,940	545,656	503,710	-	-	57,235,958

Affinity Trust

Notes to the financial statements

For the year ended 30 September 2021

4b Analysis of expenditure (prior year)

	Charitable activities								2020 Total £	
	Cost of raising funds £	Supported Living £	Shared Living £	Outreach £	Opportunities £	Social Enterprises £	Housing £	Support costs £		Governance £
Staff Costs	-	40,737,522	2,660,548	1,911,931	473,697	123,489	-	4,768,720	57,288	50,733,195
Training	-	233,830	14,229	11,445	3,708	733	-	8,507	-	272,451
Recruitment	-	126,179	8,125	5,148	1,690	765	-	987	8,255	151,149
Insurance	-	62,999	4,290	3,037	967	204	121	7,040	142	78,800
Transport and Travel Costs	-	251,680	73,163	63,837	15,897	1,464	50	179,150	17,074	602,315
Property	-	235,560	81,231	4,983	50,623	36,354	414,774	981,531	265	1,805,321
Office	-	160,681	12,246	14,481	4,102	1,460	173	282,557	23	475,723
Audit & Professional Fees	-	87,522	11,762	7,288	1,498	12,459	13,915	499,561	13,625	647,630
Trading	-	-	-	-	-	183,596	-	-	-	183,596
Activities	-	2,184	25,835	-	2,103	493	-	310	-	30,925
Food and Household Goods	-	899,447	170,426	25,383	10,321	4,896	-	111,903	-	1,222,376
Sundries	10,706	462,893	33,013	83	1,960	1,406	83,458	32,338	786	626,643
	10,706	43,260,497	3,094,868	2,047,615	566,566	367,319	512,491	6,872,604	97,458	56,830,124
Support costs	-	6,125,290	400,040	257,482	71,225	18,568	-	(6,872,604)	-	-
Governance costs	-	86,861	5,673	3,650	1,010	263	-	-	(97,458)	-
Total expenditure 2020	10,706	49,472,647	3,500,581	2,308,748	638,801	386,150	512,491	-	-	56,830,124

Notes to the financial statements

For the year ended 30 September 2021

5 Net income / (expenditure) for the year

This is stated after charging / (crediting):

	2021 £	2020 £
Depreciation	136,700	131,372
Inventory recognised as an expense	326,645	186,686
Profit on disposal of non-property fixed assets	-	(1,282)
Interest payable on long term loans	24,796	20,395
Operating lease rentals:		
Property	521,325	570,859
Other	123,759	133,334
Auditor's remuneration (excluding VAT):		
Audit	22,500	20,395
Other services	-	8,600
	<u>1,017,074</u>	<u>1,058,172</u>

6 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2021 £	2020 £
Salaries and wages	43,361,611	43,058,004
Redundancy and termination costs (paid and settled)	8,811	41,159
Social security costs	3,611,838	3,517,625
Employer's contribution to defined contribution pension schemes	297,246	372,883
Operating costs of defined benefit pension schemes treated as defined contribution pension schemes	1,017,074	1,058,172
	<u>48,296,580</u>	<u>48,047,843</u>
Agency costs	2,226,558	2,685,352
	<u>50,523,138</u>	<u>50,733,195</u>

£193,064 of pension costs were included within creditors (2020: £214,818).

The following number of employees received employee benefits (excluding employer's national insurance and employer pension costs) over £60,000 during the year between:

	2021 No.	2020 No.
£60,000 - £69,999	5	-
£70,000 - £79,999	1	-
£80,000 - £89,999	3	5
£90,000 - £99,999	2	-
£120,000 - £129,999	1	1
	<u>12</u>	<u>6</u>

The total employee benefits (including employer pension contributions and employer's national insurance) of the key management personnel who are the senior management team as defined on page 1 plus Trustees was £738,789 (2020: £709,051). The following was paid to trustees:

	2021 £	2020 £
Board of trustees' remuneration	55,919	55,171
Board of trustees' expenses	771	28,161
	<u>56,690</u>	<u>83,332</u>

Notes to the financial statements

For the year ended 30 September 2021

6 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel (continued)

Board members were paid £5,169 on average (2020: £5,016). Board members who are also members of the Finance and Audit Panel were paid £5,411 each (2020:£5,305) and Board members who are also members of the Quality Committee were paid £5,411 on average (2020: £4,935). The Chair was paid £8,471 (2020: £8,305). The basis for Trustees' remuneration is set out in the Articles of Association of Affinity Trust. Trustees' remuneration is reviewed annually by an Independent Panel and approved by the Board.

Travel, subsistence, phone and IT expenses were incurred by 4 Trustees (2020: 11) in the course of their duties. There were no retirement benefits accruing for the Trustees.

Affinity Trust holds professional indemnity insurance which includes indemnity for members of the Board of Trustees and officers. This policy also includes fidelity guarantee insurance.

Individual amounts paid to each Trustee for the current and prior year were as follows:-

	2021 £	2020 £
K Cameron (Vice Chair, Retired 30 March 2021)	2,706	5,305
S Ross	5,411	5,045
T Tambllyn	5,411	5,305
D Walden	5,411	5,305
J Hawthorne (Retired 30 September 2020)	-	5,305
A Anketell	5,411	4,640
M Moody	5,411	5,045
J Edwards	5,411	4,640
S Rees	4,610	4,520
T Barron (Chair)	8,471	8,305
H Burgess	5,411	1,756
C Akpakwu	1,127	-
C King	1,127	-
	55,919	55,171

7 Staff numbers

The average number of employees (head count based on actual number of staff employed, not FTE) during the year was as follows:

	2021 No.	2020 No.
Shared living	156	203
Supported living	1,686	1,765
Outreach services	206	156
Supported employment & day opportunities	68	35
Social enterprises	17	16
Housing	14	13
Support	138	118
	2,285	2,306

8 Related party transactions

Other than Trustee remuneration as detailed in Note 6 there are no related party transactions to disclose for 2021 (2020: none).

There were no donations from related parties and no restricted donations from related parties.

9 Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

10 Tangible fixed assets

	Housing Assets Owned Outright			
	Freehold Land £	Freehold property £	Alterations £	Total £
Cost				
At the start of the year	1,664,932	1,926,915	331,924	3,923,771
Additions in year	-	496,521	6,667	503,188
At the end of the year	<u>1,664,932</u>	<u>2,423,436</u>	<u>338,591</u>	<u>4,426,959</u>
Depreciation				
At the start of the year	-	26,025	222,636	248,661
Charge for the year	-	33,739	16,163	49,902
At the end of the year	<u>-</u>	<u>59,764</u>	<u>238,799</u>	<u>298,563</u>
Net book value				
At the end of the year	<u>1,664,932</u>	<u>2,363,672</u>	<u>99,792</u>	<u>4,128,396</u>
At the start of the year	<u>1,664,932</u>	<u>1,900,890</u>	<u>109,288</u>	<u>3,675,110</u>

	Other Housing Assets			
	Freehold Land £	Freehold property £	Alterations £	Total £
Cost				
At the start of the year	377,500	377,500	249,309	1,004,309
At the end of the year	<u>377,500</u>	<u>377,500</u>	<u>249,309</u>	<u>1,004,309</u>
Depreciation				
At the start of the year	-	102,863	233,534	336,397
Depreciation charge	-	7,746	15,775	23,521
At the end of the year	<u>-</u>	<u>110,609</u>	<u>249,309</u>	<u>359,919</u>
Net book value				
At the end of the year	<u>377,500</u>	<u>266,891</u>	<u>-</u>	<u>644,391</u>
At the start of the year	<u>377,500</u>	<u>274,637</u>	<u>15,775</u>	<u>667,912</u>

Housing assets which are the subject of a legal charge in favour of the Secretary of State are shown separately from those which are owned outright by Affinity Trust.

	Total Housing Assets			
	Freehold Land £	Freehold property £	Alterations £	Total £
Net book value				
At the end of the year	<u>2,042,432</u>	<u>2,630,563</u>	<u>99,792</u>	<u>4,772,787</u>
At the start of the year	<u>2,042,432</u>	<u>2,175,527</u>	<u>125,063</u>	<u>4,343,022</u>

Notes to the financial statements

For the year ended 30 September 2021

11 Other tangible fixed assets

	Cars and office equipment		Total £
	Cars £	Office equipment £	
Cost			
At the start of the year	62,178	697,949	760,127
Additions in year	-	62,864	62,864
Disposals in year		-	-
At the end of the year	62,178	760,813	822,991
Depreciation			
At the start of the year	62,178	606,458	668,636
Charge for the year	-	63,277	63,277
Eliminated on disposal	-	-	-
At the end of the year	62,178	669,735	731,913
Net book value			
At the end of the year	-	91,078	91,078
At the start of the year	-	91,491	91,491

All fixed assets are used for charitable purposes. Trustees are comfortable there are no indicators of impairment.

12 Investments

	2021 £	2020 £
Value at the start of the year	2,699,025	2,711,813
Capital additions during the year	3,000,000	-
Purchases within	2,566,012	1,237,865
Sales within the	(2,591,781)	(1,236,216)
Income reinvested	58,292	11,076
Fee	(16,957)	(10,706)
Net realised and unrealised gain/(loss) on change in fair value	531,916	(14,807)
	6,246,507	2,699,025
Cash balance held by investment manager	78,762	52,993
Fair value at the end of the year	6,325,269	2,752,018

The 2020 figures have been represented to separately show income and fees.

Investments comprise:

	2021 £	2020 £
UK/Europe/North America/Emerging markets common investment funds	6,246,507	2,699,025
Cash	78,762	52,993
	6,325,269	2,752,018

13 Stocks

	2021 £	2020 £
Stocks held at Englefield Garden Centre	77,131	58,907
Personal Protective Equipment	-	112,021
	77,131	170,928

Personal Protective Equipment (PPE) stock was held at 30 September 2020 in order to help meet the significant additional PPE requirements during winter 2020 as a result of the ongoing COVID-19 pandemic. PPE stock held at 30 September 2020 was fully utilised during the year.

Notes to the financial statements

For the year ended 30 September 2021

14 Debtors

	2021 £	2020 £
Trade debtors	3,296,414	3,680,367
Other debtors	22,868	54,534
Prepayments and accrued income	3,304,767	2,152,332
	6,624,049	5,887,233

15 Creditors: amounts falling due within one year

	2021 £	2020 £
Bank loans	91,053	140,691
Ot	-	617,070
Trade creditors	1,773,684	1,630,997
Taxation and social security	904,381	923,082
Other creditors	723,606	632,453
Accruals and deferred income	2,445,495	2,245,872
	5,938,219	6,190,165

Other short term loans related to funding provided by a local authority in April 2020 in relation to COVID-19 which the local authority subsequently required to be repaid in late 2020.

16 Deferred income

Deferred income comprises included within creditor: amounts falling due within one year includes income that has been invoiced in

	2021 £	2020 £
Balance at the beginning of the year	225,763	580,195
Amount released to income in the year	(225,763)	(580,195)
Amount deferred in the year	160,155	225,763
Balance at the end of the year	160,155	225,763

17 Creditors: amounts falling due after one year

	2021 £	2020 £
Bank loans	363,802	420,319
Repayable grants:		
NHS Grant	1,064,000	745,667
Secretary of State for Health	463,800	463,800
	1,891,602	1,629,786

Bank loans are secured by first mortgages held by NatWest plc on Affinity Trust's housing properties owned outright. Interest is accruing on the NatWest loans at rates between 1.25% and 2.25% above base rate.

Amounts owed to the Secretary of State for Health are secured by a second charge on the properties shown as Other Housing Assets in note 10. Any ultimate sale proceeds from these houses will be used to repay the Secretary of State for Health to a maximum of the original input in addition to rolled up compound interest of four percent above bank base rate.

Affinity Trust obtained a Grant of £1,064,000 from the NHS to support the construction of 4 bungalows plus staff accommodation for Supported Living in Leicestershire. The Grant is repayable if the property is sold or no longer used as accommodation for individuals with learning disability or mental health needs. As at 30 September 2021 the Grant was fully drawn down.

Notes to the financial statements

For the year ended 30 September 2021

18 Creditors: amounts falling due after one year (continued)

Maturity of total debt is as follows

	2021 £	2020 £
In one year or less	91,053	757,761
Between one and two years	93,999	91,053
Between two and five years	265,338	318,882
Over five years	1,532,265	1,219,851
	<u>1,982,655</u>	<u>2,387,547</u>

19a Analysis of net assets between funds (current year)

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	-	4,563,865	300,000	4,863,865
Investments	6,325,269	-	-	6,325,269
Net current assets	5,747,344	-	7,089	5,754,433
Creditors due after more than one year	(1,891,602)	-	-	(1,891,602)
Net assets at 30 September 2021	<u>10,181,011</u>	<u>4,563,865</u>	<u>307,089</u>	<u>15,051,965</u>

19b Analysis of net assets between funds (prior year)

	General Unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	-	4,134,513	300,000	4,434,513
Investments	2,752,018	-	-	2,752,018
Net current assets	7,814,681	-	7,089	7,821,770
Creditors due after more than one year	(1,629,786)	-	-	(1,629,786)
Net assets at 30 September 2020	<u>8,936,913</u>	<u>4,134,513</u>	<u>307,089</u>	<u>13,378,515</u>

Notes to the financial statements

For the year ended 30 September 2021

20a Movements in funds (current year)

	At the start of the year £	Income & Gains £	Expenditure & losses £	Transfers £	At the end of the year £
Restricted funds:					
Ayrshire Activity club	2,200	-	-	-	2,200
Score Fund	3,889	-	-	-	3,889
Little Glen Road	300,000	-	-	-	300,000
Reading Services	1,000	-	-	-	1,000
Total restricted funds	307,089	-	-	-	307,089
Unrestricted funds:					
Designated funds:					
Fixed Assets	4,134,513	-	-	429,352	4,563,865
Total designated funds	4,134,513	-	-	429,352	4,563,865
General funds	8,936,913	58,909,408	(57,235,958)	(429,352)	10,181,011
Total unrestricted funds	13,071,426	58,909,408	(57,235,958)	-	14,744,876
Total funds at 30 September 2021	13,378,515	58,909,408	(57,235,958)	-	15,051,965

The current year transfer relates to the completion of 4 bungalows for supported living in Leicestershire. In 2020 the Trustees made the decision to undesignate previously designated funds to general funds and make a new designated fund representing the Net Book Value of fixed assets, excluding the Little Glen restricted funds which recognises the different liquidity profile of these funds to other unrestricted funds included within the General Funds.

Notes to the financial statements

For the year ended 30 September 2021

20b Movements in funds (prior year)

	At the start of the year £	Expenditure & losses £	Expenditure & losses £	Transfers £	At the end of the year £
Restricted funds:					
Ayrshire Activity club	2,200	-	-	-	2,200
Score Fund	4,700	-	(811)	-	3,889
Little Glen Road	300,000	-	-	-	300,000
Reading Services	1,000	-	-	-	1,000
Total restricted funds	307,900	-	(811)	-	307,089
Unrestricted funds:					
Designated funds:					
Property fund	-	-	-	4,134,513	4,134,513
Other tangible fixed assets	2,171,971	-	-	(2,171,971)	-
Project management fund	127,971	-	-	(127,971)	-
Systems development fund	724,330	-	-	(724,330)	-
Assistive technology fund	4,467	-	-	(4,467)	-
Midlands Rugby Fund	1,727	-	-	(1,727)	-
Total designated funds	3,030,466	-	-	1,104,047	4,134,513
General funds	9,885,538	56,999,542	(56,844,120)	(1,104,047)	8,936,913
Total unrestricted funds	12,916,004	56,999,542	(56,844,120)	-	13,071,426
Total funds at 30 September 2020	13,223,904	56,999,542	(56,844,931)	-	13,378,515

Purposes of restricted funds

Ayrshire Activity Club: A club set up for the use of people with learning disabilities in Ayrshire.

Score Fund: Donations to provide opportunities for People with Learning Disabilities.

Little Glen Road: Grant given to cover a bond repayable to the Local Authority upon the sale of the property.

Reading Services: A donation was made by a private individual to be used for any purpose within the Reading services.

Notes to the financial statements

For the year ended 30 September 2021

20 Movements in funds (continued)

Purposes of designated funds in prior year:

Project management fund: This fund has been set aside to provide resources to manage growth and planned changes in the organisation.

Assistive technology fund: This fund was set up to promote the introduction of assistive technology within services for the benefit of people supported and where funds are not available to meet the cost of the technology.

Midlands Rugby Fund: Donations to provide opportunities for People with Learning Disabilities.

21 Reconciliation of net income to net cash flow from operating activities

	2021 £	2020 £
Net income for the reporting period (as per the statement of financial activities)	1,673,450	154,611
(Gains)/Losses on investments	(514,959)	14,807
Dividends and interest from investments	(59,130)	(33,779)
Interest payable	24,796	20,395
Depreciation charges	136,700	131,372
Profit on the disposal of properties	-	-
Profit on the disposal of fixed assets	-	(1,282)
Increase / (Decrease) in stocks	93,797	(96,938)
(Decrease) / Increase in debtors	(736,817)	667,177
Increase in creditors	414,763	679,892
Net cash from / (used in) from operating activities	1,032,600	1,536,255

22 Operating lease commitments

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods

	Land and Buildings		Other items	
	2021 £	2020 £	2021 £	2020 £
Less than one year	249,835	223,362	42,877	91,694
One to two years	265,284	224,979	9,662	29,164
Two to five years	192,173	69,981	-	9,662
Over five years	-	43,200	-	-
	707,292	561,522	52,539	130,520

23 Post balance sheet events

There were no post balance sheet events to report.

Notes to the financial statements

For the year ended 30 September 2021

24 Contingent liabilities

Affinity Trust has a contingent liability with regard to grants used to purchase six properties. Affinity Trust will be liable to pay the interest accrued on grants to the Secretary of State for Health if the properties are sold, but only to the maximum amount of any proceeds received.

The substance of the agreements Affinity Trust has with the Secretary of State for Health is for the Secretary of State for Health to retain ownership over any change in the value of the properties and consequently the interest paid is offset against the sale proceeds.

At 30 September 2021, the contingent liability due to the Secretary of State for Health in the event of Affinity Trust selling all of the properties was:

	2021	2020
	£	£
Accrued interest payable to the Secretary of State for Health	<u>2,953,998</u>	<u>2,819,387</u>

In our prior year accounts we noted a potential contingent liability risk relating to historical sleep in shifts. The Supreme Court sat in February 2020 to hear the appeal against the Court of Appeals 2018 ruling that sleep-in workers are entitled to be paid the NMW only when they are awake to carry out any relevant duties and therefore not for hours when they are asleep at their place of work during a sleep-in shift. The outcome of the appeal announced in March 2021 was to uphold the Court of Appeals 2018 ruling and therefore sleep-in workers do not have to be paid at NMW for hours when they are asleep at their place of work. As a result Affinity Trust no longer has a contingent liability in relation to this risk.

25 Defined benefit pension schemes**NHS Pension Scheme**

The NHS Pension Schemes are unfunded, defined benefit schemes that cover NHS employers, General Practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. Past and present employees are covered by the provisions of these two schemes. The schemes are not designed to be run in a way that would enable individual bodies to identify their share of the underlying scheme assets and liabilities and therefore each scheme is accounted for as if it were a defined contribution scheme with the cost of participation in the scheme taken as equal to the employers contribution rate which is currently 14.38% (2020: 14.38%). In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that "the period between formal valuations shall be four years, with approximate assessments in intervening years". An outline of these is as follows:-

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2021, is based on valuation data as 31 March 2020, updated to 31 March 2021 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019 to 20.6% of pensionable pay. The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap that was set following the 2012 valuation. In January 2019, the Government announced a pause to the cost control element of the 2016 valuations, due to the uncertainty around member benefits caused by the discrimination ruling relating to the McCloud case.

The Government subsequently announced in July 2020 that the pause had been lifted, and so the cost control element of the 2016 valuations could be completed. The Government has set out that the costs of remedy of the discrimination will be included in this process. HMT valuation directions will set out the technical detail of how the costs of remedy will be included in the valuation process. The Government has also confirmed that the Government Actuary is reviewing the cost control mechanism (as was originally announced in 2018). The review will assess whether the cost control mechanism is working in line with original government objectives and reported to Government in April 2021. The findings of this review will not impact the 2016 valuations, with the aim for any changes to the cost cap mechanism to be made in time for the completion of the 2020 actuarial valuations.

25 Defined benefit pension schemes (continued)

NHS Pension Scheme (continued)

b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers. The last actuarial valuation undertaken for the NHS Pension Scheme was completed for the year ending 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019.

The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap set following the 2012 valuation. Following a judgement from the Court of Appeal in December 2018 Government announced a pause to that part of the valuation process pending conclusion of the legal process.

The scheme is a "final salary" scheme. Following consultation in 2006, a number of changes to the NHS Pension Scheme were introduced. On 1 April 2008 a new "2008 Section" of the Scheme was set up for new joiners on or after 1 April 2008. Joiners prior to this date are in the "1995 Section". For 1995 Section members, annual pensions are based on 1/80th of the best of the last three years' pensionable pay for each year of service. For members of the 2008 section, pensions are based on 1/60th of the average of the best three consecutive years in the last ten. A lump sum normally equivalent to 3 years' pension is payable on retirement; for members of the 2008 section the lump sum will be a maximum of 25% of the value of their fund at retirement. Annual increases are applied to pension payments at rates defined by the Pensions (Increase) Act 1971, and have historically been based on changes in Retail Prices in the twelve months ending 30 September in the previous calendar year. From 2011/12, the Consumer Price Index replaced the Retail Price Index. On death, a pension of 50% of the member's pension is normally payable to the surviving spouse.

Employers' pension contribution costs are applied to resources expended as and when they become due. The total employer contribution payable in the year ended 30 September 2020 by Affinity Trust was £297,246 (2020: £372,883). Employees pay contributions of between 5.6% and 9.3% (manual staff 5%) of their pensionable pay.

Early payment of a pension, with enhancement in some circumstances, is available to members of the Scheme who are permanently incapable of fulfilling their duties effectively through illness or infirmity. A death gratuity of twice final year's pensionable pay for death in service, and five times their annual pension (subject to certain conditions) for death after retirement, is payable.

The scheme provides the opportunity to members to increase their benefits through money purchase Additional Voluntary Contributions (AVCs) provided by an approved panel of life companies. Under the arrangement Affinity Trust can make contributions to enhance an employee's pension benefits. The benefits payable relate directly to the value of the investments made.

West Yorkshire Pension Fund

Following the transfer of services from the Bradford and District Care Trust in December 2011, 8 employees retained their membership of the West Yorkshire Pension Fund (WYPF) which is a defined benefit scheme and operates under the provisions of the Local Government Pension Scheme (Administration) Regulations 2008 (as amended). The employer's normal contribution rate is 15.8% of salary and employees pay between 5.5% and 6.5%. Total employer contributions to the WYPF for the year ended September 2021 were £0 (2020:£0) as Affinity Trust received confirmation from the actuary that no 'deficit funding' payment were required. Affinity Trust and the City of Bradford Metropolitan District Council entered into an Admission Agreement and a separate commercial contract dated December 2012 and the substance of these agreements in relation to pension costs is that Affinity Trust's only liability is to pay the monthly employer contributions as determined from time to time by the Scheme actuary. Any actuarial deficit relating to the 8 employees at the end of the contract remains with the Council. The financial statements therefore reflect only the value of the monthly employer contributions described above. Following a triannual actuarial revaluation of the scheme, Affinity Trust were advised that an actuarial surplus had accumulated since the contract commenced and as a result no monthly contributions were required to be paid after March 2014.

Notes to the financial statements

For the year ended 30 September 2021

25 Defined benefit pension schemes (continued)**South Yorkshire Pension Fund**

After the transfer of a number of services in Sheffield in November 2017, one employee retained their membership of the South Yorkshire Pension Fund (SYPF) which is a defined benefit scheme and operates under the provisions of the Local Government Pension Scheme (Administration) Regulations 2008 (as amended). The employer's normal contribution rate is 22.2% of salary and employees pay 6.5%. Total employer contributions to the SYPF for the year ended September 2021 were £9,509 (2020: £8,692).

26 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

27 Financial instruments

The carrying amount of the Charity's financial instruments at 30 September was

	2021	2020
	£	£
Financial assets		
Assets measured at Fair Value	6,325,269	2,752,018

28 Capital Commitments

There were no material capital commitments as at 30 September 2021.

29 Subsidiary undertakings

The charity owns the whole of the issued ordinary share capital of Affinity Trust Support Ltd, a company registered in England and Wales. The company number is 13109670. The registered address is 1 St.Andrews Court, Wellington Street, Thame, England, OX9 3WT. The subsidiary was incorporated on 4 January 2021 and is currently dormant. It is due to be used for the provision of support services. The Trustees Tanya Barron and Timothy Tamblyn, together with the Chief Executive and Finance Director are also Directors of the subsidiary.

AFFINITY TRUST

England & Wales - Charity number 1139891

Accounts

Company number: 06893564
Charity number: 1139891
OSCR number: SC043881

Affinity Trust

Report and financial statements
For the year ended 30 September 2020

Affinity Trust

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Affinity Trust

Reference and administrative information

For the year ended 30 September 2020

Status	The organisation is a company limited by guarantee, incorporated on 30 April 2009 in the name of Affinity Trust.	
Company number	06893564	
Charity number	1139891	
OSCR number	SC043881	
Governing document	the organisation is governed by its articles of association dated 30 April 2009 as amended by special resolution registered at Companies House on 11 January 2011.	
Registered office and operational address	1 St Andrew's Court Wellington Street Thame Oxfordshire OX9 3WT	
Country of registration	England & Wales and Scotland.	
Country of incorporation	United Kingdom	
Senior Management Team	<p>L Sowerby N Brittle S Hubble V Neish D Leedham A Beland A Kippax</p>	<p>Chief Executive and Company Secretary Development Director Finance Director Director of Operations and Quality (resigned 12 June 2020) Director of Operations and Quality Director of Operations and Quality (appointed 1 July 2020) Human Resources Director</p>
Trustees	<p>Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:</p> <p>T Barron Chair K Cameron Vice Chair, Chair of the Remuneration, Asset Allocation and Nominations Committees.</p> <p>J Edwards J Hawthorne Retired 30 September 2020 M Moody A Anketell Dr S Ross Chair of the Quality Committee T Tamblyn Chair of the Finance and Audit Panel D Walden S Rees H Burgess Appointed 12 June 2020</p>	

Affinity Trust

Reference and administrative information

For the year ended 30 September 2020

Bankers	Bank of Scotland Phase 2 Canons House Canons Way Bristol BS99 7LB
	NatWest Willow Court Minns Business Park 7 West Way Oxford OX2 0JB
	Barclays Wytham Court 11 West Way Oxford OX2 0JB
Investment Manager	Coutts & Co 440 Strand London WC2R 0QS
Solicitors	Simons Muirhead & Burton LLP 8-9 Frith Street London W1D 3JB
Auditor	RSM UK Audit LLP Chartered Accountants and Statutory Auditor The Pinnacle 170 Midsummer Boulevard Milton Keynes Bucks MK9 1BP

Affinity Trust

Trustees' annual report

For the year ended 30 September 2020

The Trustees present their report and the audited financial statements for the year ended 30 September 2020.

Reference and administrative information set out on pages 1 and 2 forms part of this report. The financial statements comply with current statutory requirements and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102 and the Companies Act 2006 and the Charities Act 2011.

Objectives and activities

Purposes and aims

The Board has set the following as Affinity Trust's mission statement and values:

Mission statement

To support people with learning disabilities, including those with intensive or specialist needs, to live fulfilled lives as active members of their communities.

Values

In all our dealings with everyone we work with, we will be:

Committed to doing our very best for the people we support and never giving up on someone we support;

Reliable and always do what we say we will do;

Honest and open in all of our relationships and transactions;

Respectful of others, their views and their rights;

Inclusive in how we value diversity, support equality of access to opportunities and challenge discrimination;

Creative and flexible in our thinking, in our work and in how we use our resources.

Affinity Trust supports just over 900 people in communities across England and Scotland with support arrangements which range from a few hours per month to "24/7" intensive support. A key part of our ethos is to help support people to live in their own homes. The main activities of the organisation have been the provision of: -

Supported living services - providing personalised support for people living in their own home. The levels of support are substantial but flexible to meet the needs of the individual. Increasingly, the emphasis on support is more towards people who have more complex and specialist needs, for example people with a dual diagnosis of mental health and learning disability, learning disability with autism and/or people who challenge.

Outreach services - providing smaller amounts of support on a flexible basis

Children and Young People - including the Positive Behaviour Support service for children and young people in Bradford, Greater Manchester and Gloucestershire

Shared living services - support to small numbers of people who live together.

Day opportunities - helping people with learning disabilities to access work, sporting, leisure, creative and other opportunities in the community.

Housing - Affinity Trust owns a number of properties, most of which provide accommodation for people in our supported living services. We also work with our commissioning partners to help find accommodation that Affinity Trust does not own, typically via Housing Associations or occasionally through private landlord short term leasing arrangements.

Social Enterprise - Affinity Trust runs a social enterprise garden centre that provides employment and day opportunities for the people that we support.

The main source of funding for the organisation is Local Government contractual income, and to a much lesser extent income from the NHS, in addition to contributions from the people we support (as shown in Note 4).

Strategic Report

The Trustees review the aims, objectives and activities of the charity each year. The review looks at the charity's achievements and the outcomes of its work in the reporting period. The Trustees review the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the Trustees ensure the charity's aims, objectives and activities remained focused on its stated purposes.

The Trustees 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 in planning its future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives that have been set.

Achievements and performance

The charity's main activities and beneficiaries are described below. Its charitable activities focus on people with learning disabilities and are undertaken to further Affinity Trust's charitable purposes for the public benefit.

Beneficiaries of our services

The beneficiaries of Affinity Trust are primarily the people to whom we provide direct support in our services across England and Scotland, whereby people are provided with the person centred support that they need to achieve their personal goals. As a result there is a direct and tangible benefit for each person in terms of being more independent and enabled to live a valued and fulfilled life in the particular community where they choose to live, with equality of access to services and the same opportunities and choices that all citizens have. There is also an indirect benefit for the families and friendship groups of the people we support and beyond this the obvious wider benefits as a result of integrating people into their local communities. This is particularly the case where Affinity Trust helps support people to move back to their local community e.g. where they may have been placed in a hospital setting, often remote from family and friends and at a greater financial cost.

At the start of the year the Board of Trustees reviewed the key aims and objectives for the organisation and set them out in a Strategic Plan. The Strategic Plan identified four key objectives for the organisation:-

- To improve quality of support;
- To provide skilled and engaged staff;
- To support an increased number of people; and
- To ensure the organisation is financially resilient.

Main Achievements

- Affinity Trust, like the rest of the world, has been faced with the unprecedented Coronavirus pandemic in 2020. Due to the nature of the support provided it has been essential that the organisation and its staff

Strategic Report (continued)

continued to operate effectively throughout the pandemic in order to keep the people we support safe and healthy. Many of the people we support have underlying physical health conditions in addition to learning disabilities and therefore were in more vulnerable categories. Like the rest of the UK, Affinity Trust has seen significant staff absences as staff had to isolate during the pandemic. At the peak the organisation had around 20% of its support workers off work and by November 2020 40% of the workforce have been unavailable for work at some point. A number of vulnerable staff were asked to shield by the Government. Our staff have shown a real resilience and team spirit in helping to cover these challenges by picking up additional shifts and in some cases moving into the locations away from their families in order to be available to support people and not put them at risk. The organisation has also had to manage rapidly changing Government requirements including around how to provide support, what Personal Protective Equipment (PPE) is required and what financial help is available. Affinity Trust established daily meetings of the Senior Management Team to address issues, make decisions and ensure the guidance was quickly and clearly communicated across the organisation. Affinity Trust also established a task-force to procure and distribute PPE across all locations and this successfully kept all our staff supplied with the appropriate PPE with some stocks built up for the winter. In addition most of our management and administrative staff had to work from home in line with Government guidelines. The net impact of Coronavirus on Affinity Trust for the year ended 30 September 2020 is a cost of £0.8m. Refer to Financial Review on p7 for further details on Coronavirus.

- In recent years agency usage has steadily increased. In October 2019 the organisation implemented weekly tracking and reporting of agency usage which enabled managers to discuss usage on a very timely basis and identify actions to reduce going forwards. In addition tighter controls were implemented around approval of agency staff. As a result of these actions agency costs had reduced by 25% prior to Coronavirus and have since reduced further as managers sought to minimise the use of agency staff who may be going into different locations. In total agency spend reduced by £1.7m (39%) compared to the prior year.
- The organisation had a successful year in growing its provision of new services despite tender activity slowing over the spring due to Coronavirus. The value of new contracts gained during the year from referrals was £1.3m with a key driver being growth in Aberdeen. The annual value of new contracts gained during the year from successful tenders was £4.8m of which £3.2m relates to Specialist Support services in Sheffield and Kirklees. Tender wins for Supported Living services in Dorset and East Riding were also key drivers of growth. There has been further growth in the Children and Young People's Services with a new contract for Positive Behaviour Support with Gloucestershire. Partially offsetting this growth was the loss of a contract for services in Tameside and the organisation took the difficult decision to terminate a contract for Supported Living services at Sandwell, as it had been incurring deficits for a number of years and despite efforts to address this the Local Authority would not increase the hourly rate.

This year saw the continued organisational implementation of Active Support principles to improve the delivery of personalised care and support and a further 17 teams were trained before training was suspended in April due to the Coronavirus. The organisation also commenced providing age related training.

Strategic Report (continued)

- The organisation has historically prepared its staff rotas using excel spreadsheets which are then printed out. To move the organisation away from paper based ways of working and improve the communication of rotas with staff and the efficiency with which they can be prepared, the organisation has identified and procured a rota system and a pilot has been run in the Central Division. The system will enable staff to view their shifts via an App and also use this App to book leave and accept additional shifts. The ability to quickly communicate shifts which have become available due to staff illness should help minimise agency requirements and therefore benefit the quality of support provided. The system will be rolled out across the whole organisation in 20/21.
- The quality of our services remains of paramount importance and the Trustees consider that the standard of support provided is high and this is borne out by positive ratings from our regulators, the Care Quality Commission and the Scottish Care Inspectorate - our inspection results are above the national average for this sector and during the year were consistently rated as "Good" in 100% of locations and we are also rated as level 5 in Scotland. Affinity Trust received an Excellence Award from the British Institute for Learning Disabilities for the provision of Positive Behaviour Support for the children and young people we support in Bradford.
- Over recent years increases in hourly rates paid by Local Authorities have been insufficient to offset wage inflation. Wage inflation is largely driven by National Living Wage increases and therefore outside the control of the organisation. National Living Wage increased by 6.2% to £8.72 in April 2020. Whilst our staff deserve to be appropriately paid for their hard work, this increase was again not fully funded by many of the local authorities we work with. This has resulted in a structural inflationary shortfall which will result in a deficit and put the long term financial stability of the organisation at risk if not addressed.
- The organisation therefore implemented a review of its operational processes, systems and ways of working. This has resulted in the identification of efficiency opportunities which will also improve the working experience of our staff by moving away from what in some areas are still manual paper based processes and systems to more integrated systems and paperless ways of working. A programme (Transform 21) is underway to implement these opportunities. However, whilst this will also deliver financial benefit in the medium term, the benefits will be eroded by the structural inflationary shortfall and therefore in the longer term more fundamental changes are needed to social care funding so that increases in pay to our key workers are fully funded by Local Authorities.
- The organisation has progressed the development of 4 new-build bungalows plus staff accommodation at a site near Markham in Leicestershire. This involved the purchase of a derelict bungalow in the prior year. In the year ended 30 September 2020 the organisation obtained planning permission and designs for the bungalows, appointed a contractor and commenced construction. Total costs are expected to be c. £1.5m and Affinity Trust has obtained a repayable Grant from the NHS for £1m. Affinity Trust has worked closely with Local Authorities and the NHS in developing this project and the construction is due to complete in Spring 2021 with the first occupants moving in shortly afterwards.
- Total funds increased by £0.2m since the start of the year. Liquid reserves (cash plus investments) increased by £2.2m.

Strategic Report (continued)

Promoting the success of the Trust

The Trustees confirm that throughout the year they have acted in a way most likely to promote the success of the Trust in achieving its charitable objectives, as set out in the Purposes and Aims section of this report. In doing so the Trustees have taken a long term view, have endeavoured to achieve the highest standards of business conduct and have taken into account the interests of beneficiaries, employees, suppliers, the community and other stakeholders as set out in this report.

Financial review

For the year ended 30 September 2020 Affinity Trust achieved a positive net movement in funds of £0.2m being 0.3% on all its activities (prior year £0.3m being 0.5% on all activities). The reduction in surplus vs prior year was principally due to costs incurred in relation to Coronavirus not being fully recovered.

In total Affinity Trust incurred £1.3m on the costs of backfilling absent staff and £1m on the costs of PPE. This compares to just £0.08m spent on PPE in the previous financial year. Additional Coronavirus costs were incurred in relation to IT to enable the organisation to work remotely where necessary and on the costs of distributing PPE across the organisation. The organisation recovered £0.7m from Local Authorities we provide services to, £0.3m from Infection Control Funds and £0.5m from the Job Retention Scheme in respect of staff on furlough, primarily as they had been asked to shield by the Government.

Overall income was consistent with the prior year excluding profit on disposal of property at £57.0m. Growth plus income relating to Coronavirus offset income from the loss of services noted above plus those services which ended in the prior year such as Southend and Maidenhead.

Total expenditure has also been very similar to the prior year at £56.8m. However, in the year ended 30 September 2020 a reduction in agency spend has been offset by the additional costs incurred in relation to Coronavirus.

Internal financial reviews of management performance are based on key performance indicators as follows:

- Income, costs and surplus comparisons to budget, prior year amounts and forecasts;
- Staff turnover and absence management;
- Payroll and agency staff costs, trend and comparison to targets;
- Aged debtor management;
- Cash balances

Turnover of staff remains a challenging area for the organisation reflecting the broader picture across the social care sector, where staff turnover rates have increased significantly over the past few years. The organisation has had a focus on reducing turnover and this was starting to show positive results during the earlier part of the year. However, higher turnover levels were incurred during the summer period as Coronavirus restrictions eased resulting in full year turnover of 31.1% which is 1.3% higher than the prior year (29.8%)

The centralised recruitment team at our head office in Thame have continued to deliver a reduction in the number of vacancies. Whole Time Equivalent vacancies have reduced from 224 in October 2019 to 170 in September 2020 representing a 24% reduction.

Due to the ongoing focus on reducing agency usage noted above, total agency spend reduced by £1.7m from £4.4m in 2019 to £2.7m in 2020. These costs were partially offset by increases in overtime and bank staff costs as the organisation chose to pay a premium to fill shifts which were vacant due to staff isolating because of Coronavirus. However, overall there was a significant financial benefit to the organisation from the reduction in agency spend. In addition other smaller benefits were obtained from the roll-out of Office 365 which via the use of Teams helped to reduce the number of physical meetings and therefore travel and subsistence costs. This reduction was seen earlier in the year and was accelerated by the restrictions introduced by Coronavirus.

Our objectives to increase financial resilience included plans to reduce debtors and this was achieved with overall debtor days standing at 24 days (25 days last year). Cash balances increased during the year with the recovery of cash relating to aged balances as well as cash received from a local authority as part of its COVID-19 support which it has subsequently required to be repaid.

The social care sector in general awaits the outcome of the appeal hearing in February 2020 in the Royal Mencap Society vs Tomlinson-Blake case. Whilst the lower court confirmed that historical sleep-in shifts did not need to be paid at National Minimum Wage (NMW) rates, current sleep-in shifts continue to be paid on a topping up basis as councils are currently funding most of this additional cost. This may change in future depending on the outcome of the appeal when announced.

Reserves policy

The Board has reviewed the reserves policy and confirmed the need to hold reserves to meet all potential creditor obligations as they fall due. A minimum level of general reserves equivalent to one month's expenditure (c. £4.5m) is required to ensure staff payroll commitments are always met, as staff are typically paid in advance of Local Authorities paying for the support provided. General reserves of £8.9m were held at year-end and were therefore above the minimum amount. Total funds at 30 September 2020 were £13.4m.

Total designated funds are £4.1m which principally relate to the Net Book Value of Tangible Fixed Assets. The majority are properties that are people's homes that could not easily be realised in the short or medium term.

Restricted funds consist of a capital grant of £0.3m and a small number of voluntary donations from friends and family of people we support and members of the public (see fundraising policy below).

Given the considerable uncertainties surrounding the financial impact of Coronavirus, a greater amount of cash has been held in readily available bank accounts rather than being placed on deposit with notice periods needing to be met before the cash can be accessed. Once the outcome of the Mencap Appeal is known then any surplus cash will be reviewed against forward cash-flow requirements and a decision will be taken whether to place additional amounts into Investments or whether to place cash on fixed term deposit, although this is likely to be less attractive with current low interest rates. This position is reviewed regularly and decisions as to alternative investments are considered by the Board when considered necessary. When cash balance levels increase (and where these additional funds are not invested with Coutts or required for liquidity

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headroom purposes) transfers are made from our main account with NatWest to holdings in Barclays and Bank of Scotland to reduce the organisation's overall financial risk in the event of a banking sector failure.

Going Concern

The accounts have been prepared on a going concern basis. The Trustees have reviewed budgets and cash-flow forecasts for a 2 year period which support the preparation of the accounts on this basis. Further details on the going concern accounting policy are included in Note 1.

Investment policy

Affinity Trust's investment policy is documented within the Treasury Management and Investment Policy, which is reviewed annually by the Finance and Audit Panel. To summarise the policy, a widely diversified investment portfolio is established within which a range of investments across the whole risk spectrum from high to low may be held with the expectation that there will be no concentration of assets at the high or low end of the risk spectrum at any point in time. The Finance and Audit Panel is responsible for determining a suitable investment strategy using this approach. The objective is to invest the portfolio to provide a return that exceeds the real (inflation adjusted) value of capital over the longer term. The portfolio is well diversified and avoids over dependence on individual companies, industry sectors, geographic markets or asset classes. In managing the investments, Affinity Trust expects its fund manager to actively manage currency risk, credit risk and counterparty risk. In order to manage inflation risk, Affinity Trust follows an investment strategy that contains a reasonable proportion of equities and real assets.

Affinity Trust reserves the right to ask its fund manager to dispose of any collective investment where it is felt that the funds represent a conflict with Affinity Trust's values.

Global stock markets sharply declined in March 2020 as the impact of Coronavirus became apparent. For example the FTSE 100 fell 25% from the end of September 2019. Due to the mix of equities and bonds held in Affinity Trust's portfolio the impact was partially mitigated but still resulted in an unrealised loss of £0.4m at the end of March 2020. However, recovery of global markets in the second half of the year saw the portfolio recover to a valuation of £2.8m at the end of September 2020 which is in line with where it started the year.

Fundraising

As reflected in the Statement of Financial Activities and in Note 4 to the financial statements, Affinity Trust's income is almost wholly contractual in nature via Local Authority support contracts and as a result the organisation is not reliant on voluntary donations or other fundraising income. No proactive fundraising was undertaken during the year and we do not contract with any third parties to fundraise on our behalf.

Principal risks and uncertainties

During the year the Board of Trustees has reviewed the risks facing the organisation and determined specific activities to be carried out in order to reduce and manage these risks. The Board uses an assessment method which identifies risk and then assesses the probability of the risk materialising and the impact on Affinity Trust if it did. This produces a rating for each aspect of risk which enables risks to be prioritised for action and

actions are agreed which are designed to manage the risk. The principal risks and uncertainties managed during the year were:

- Managing the impact of Coronavirus in a way which kept the people we support and our staff safe and retained financial stability for the organisation. This would include failure to provide staff with sufficient appropriate PPE. The overall Coronavirus risk is being managed by regular meetings of the Senior Management Team specifically focussed on COVID-19. This includes monitoring staff absences and PPE levels. The risk of PPE shortages is managed by buying significant bulk quantities to ensure security of supply and cost optimisation. In addition the risk of Coronavirus was mitigated by ensuring all IT systems were ready for remote working.
- Delivery of cost efficiencies. As noted previously uplifts in hourly rates paid by Local Authorities have been insufficient to offset increases in wage inflation driven by National Living Wage (NLW) /Scottish Living Wage (SLW). The Government is committed to a 5% increase over the course of the current Parliament and therefore although the increase announced from April 2021 is 2.2% we are anticipating further significant increases in NLW over the next few years following 4.85% last year and 6.2% in April 2020. This inflationary shortfall will result in deficits across the organisation and therefore, the organisation is moving to paperless and more efficient ways of working as part of our Transform 21 programme which will deliver cost efficiencies. In the year ended 30 September 2020 £0.1m professional fees were incurred to support the programme.
- Potential loss of high value contracts – this risk is largely managed by ensuring that the services we provide are of the highest quality, that we are responsive to any requests for changes to our approaches and proactive in suggesting different ways of providing support and are seen to provide value for money. Only one significant contract (Tameside) was lost in the year with one contract (Sandwell) handed back due to a lack of increase in hourly rates for three successive years.
- Difficulties in retention of staff which may have an impact on the quality of support provision. Continued focus is placed on our engagement with staff to reduce the number of reasons for staff leaving the organisation. This is a key workstream within the Transform 21 programme which has also included an organisation wide Pulse Survey to gauge the starting point. Management have also increased the frequency with which they communicate with staff across the organisation through a number of different forums which have included a weekly e-mail from the Chief Executive Officer during the Coronavirus pandemic.
- Safeguarding and/or the risk of a serious incident involving people supported by the organisation – this risk area is predominantly managed through rigorous internal quality control processes including self-audit and an extensive programme of staff induction, training and development.

The Board of Trustees acknowledges that the work in which Affinity Trust is engaged is never risk free, and nor would the Board wish to completely avoid risk, but it is satisfied that the identified risks are being positively managed.

Plans for the future

Affinity Trust's strategic objectives remain largely unchanged from those set out at the start of the year. The focus remains on being a provider of high quality with a strong desire to support more people with learning disabilities, especially those who may have more complex needs. We will also continue to seek opportunities to support more children and young people following the success in Bradford.

There are numerous challenges facing the broader social care sector at the current time and Affinity Trust intends to continue to work with all stakeholders to tackle these and ensure that it continues to support people safely and with a personalised approach and to continue to grow in pursuit of these overall objectives for the benefit of more people with learning disabilities, their families and their friends. Coronavirus continues to present a key challenge to the broader sector in the short to medium term. In the year ended 30 September 2020 the sector incurred significant costs in relation to Coronavirus. Despite £6.4bn funding being made available to Local Authorities in addition to Infection Control Funds, Affinity Trust was not able to recover all of the costs incurred. There is currently no change in the Government Guidelines for PPE and the organisation is seeing increasing levels of staff absence due to the second wave of the pandemic. However, the same levels of funding are not currently available and therefore there is a risk the second wave has a larger adverse financial impact on Affinity Trust. The Winter Infection Control Fund does not cover PPE and whilst some PPE is being provided free by the Government this only meets a fraction of our requirements.

The inflationary shortfall created by increases in hourly rate uplifts being insufficient to offset wage growth due to NLW continues to be a challenge. There is a risk that the deficit grows if Local Authorities' finances come under even greater pressure following the pandemic.

As well as financial challenges we recognise that opportunities are also apparent, for example we have seen significant growth in our Specialist Support Division and have won a new contract for Children's and Young People's services. To this end we have created and invested in a Specialist Support Division to provide more specialist and focused expertise.

Structure, governance and management

The organisation is a charitable company limited by guarantee and is registered with the Charity Commission and OSCR. Governance is led by a Board of Trustees, who are the directors of the company and who serve fixed terms of office. The company was established and is governed by its Articles of Association which establish the objects and powers of the company.

The objects of the organisation are the provision of support and other services for people with learning disabilities and other groups who need support.

Appointment of trustees

Recruitment of new Trustees takes place through a formal open recruitment process.

Trustee induction and training

A formal induction process for new Trustees is in place which includes the visiting of services delivered (as permitted by Coronavirus restrictions) and meeting all levels of staff. Annual appraisals are conducted for individual Trustees by the Chair of the Board of Trustees and Trustees are able to access relevant conferences and training as required. Topics included at this year's Board Away Day included Risk Rating & Management, Diversity and Safeguarding.

The Board of Trustees has established a number of Committees which receive more detailed information and provide greater scrutiny of their designated areas than would be possible by the Board itself. However, the Board continues to receive regular reports and information concerning these areas. The Committees are:

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The Finance and Audit Panel which meets four times a year and reviews management accounts, draft financial statements, budgets and forecasts, compliance with financial regulations, appointment of auditors, bankers and other external service providers, financial risk assessments and the Treasury Management and Investment Policy and Reserves Policy. The Finance and Audit Panel consists of five Trustees one of whom is the Chair of the Board as an ex-officio member;

Up to March 2020 the Asset Allocation Committee met twice a year to review and monitor non-cash investments in accordance with the risk tolerance set out in the Treasury Management and Investment Policy. The Asset Allocation Committee consisted of five Trustees including the Chair of the Board as an ex-officio member. In March 2020 the Board took the decision to subsume the responsibilities of the Asset Allocation Committee into the Finance and Audit Panel.

The Quality Committee which meets four times a year to review quality assurance of support services, safeguarding, health and safety and other areas relating to and affecting the quality of support which is delivered. The Quality Committee consists of four Trustees including the Chair of the Board as an ex-officio member;

The Remuneration Committee which comprises of four Trustees including the Chair of the Board and meets annually to review and determine the remuneration of the Senior Management Team; and

The Nominations Committee consists of four Trustees including the Chair of the Board and meets as required to facilitate the recruitment of new Trustees and other such matters.

Trustees are remunerated and are able to claim expenses for any work undertaken on behalf of the charity and such remuneration is reviewed and recommended by the Independent Panel for Trustees Remuneration. Remuneration and expenses reclaimed from the charity are set out in note 7 to the financial statements.

The Board of Trustees delegates day-to-day responsibility for the management of the organisation to the Chief Executive and Senior Management Team consisting of the Finance Director, Human Resources Director, two Directors of Operations and Quality and the Development Director. For the year ended 30 September 2020 the charity's activities were structured into ten geographic operating divisions each headed by a Divisional Director plus the divisions for C&YP and Specialist Support.

The twelve divisions and their related Councils for whom we provided services in the year are:-

East – Cambridgeshire, Central Bedfordshire, Bedford Borough, Northamptonshire and Peterborough City Council

East Anglia – Norfolk and Suffolk

North – Leeds and Sheffield

North West – Bradford MBC and Tameside

Scotland - South Ayrshire, Argyll and Bute

South – Hampshire, Portsmouth, Oxfordshire, Surrey and Royal Borough of Windsor & Maidenhead

South East - Kent and East Sussex

Midlands - Sandwell MBC, Herefordshire, Staffordshire and Wolverhampton City Council.

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Central – Leicestershire County and Leicester City Council

South West – Somerset, Southampton

Children and Young People – Bradford, Calderdale, Trafford

Specialist Support – Buckinghamshire, Leicestershire, Cheshire West, Sheffield

From 1 October 2020 the ten geographic divisions have been restructured into six geographic divisions and the number of Divisional Director roles has been reduced from ten to six.

Remuneration policy for key management personnel

As outlined above under Structure, Governance and Management, the Remuneration Committee is a sub-committee of the Board comprised of four Trustees who meet annually to review and determine the remuneration of the Senior Management Team. The Committee uses all available relevant benchmark data to determine levels of remuneration including any comparable sector remuneration information. As Trustees are also key management personnel, remuneration and expenses reclaimed from the charity by the Trustees are set out in note 7 to the financial statements.

Employee engagement (including employment of disabled persons)

Affinity Trust aims to provide full and fair opportunities for employment of disabled applicants and to ensure, through training and practical assistance when required, their continued employment and promotion. Staff who become disabled will be given support and accorded every possible opportunity for maintaining their position or for retraining if appropriate. The company's health and safety policy ensures safe and healthy work environments for all staff. The organisation is committed to ensuring that those staff who require extra equipment, facilities or assistance, both routinely and in an emergency, will have such needs met.

All disabled employees have the opportunity to contribute to discussions about workplace health and safety through the staff forum, team meetings and in individual meetings with their manager.

Newly appointed disabled staff and staff who become disabled will receive specific information and training on all relevant matters of health and safety. Affinity Trust will ensure that the information is presented in such a way as to be readily understood.

Affinity Trust involves its employees in the affairs, policy and performance of the organisation through a system of staff forums in each geographic division, team meetings, newsletters and staff surveys (including the second organisation wide employee engagement survey referred to earlier). The annual Business Plan is communicated to managers by the Senior Management Team at divisional meetings each autumn. Part of the feedback from the employee engagement survey was a request by staff to receive more support in relation to wellbeing and this was addressed by the introduction of well-being sessions including on managing stress.

Statement on Modern Slavery

Affinity Trust abhors the practice of any form of slavery and is committed to taking measures to prevent this occurring within the organisation or within any of its suppliers. The approach reflects a commitment to act ethically and responsibly in all business relationships and to ensure that slavery and human trafficking are not present in any part of our business or in our supply chain. We recognise that the nature of Affinity Trust's work does not make it a high risk business, but we accept and understand our obligations under the Act and are

ensuring that we comply with the requirements of the Act and fulfil our obligations. Affinity Trust is committed to ensuring that human trafficking is not taking place in any part of the organisation and is not being carried out by any of our suppliers. However, we recognise potential risk e.g. in suppliers of agency staff and are taking further measures to seek confirmation from our major suppliers that human trafficking is not taking place within their organisations.

If any supplier was found to have engaged in modern slavery, Affinity Trust would immediately cease using them as a supplier. To tackle slavery and human trafficking, Affinity Trust will:

1. Identify, monitor and assess categories of third party spend most at risk from slavery and human trafficking;
2. Incorporate anti-slavery and human trafficking obligations into procurement agreements and subcontracting arrangements on a risk assessed basis;
3. Provide training to relevant employees, to ensure a high level of understanding of the risks of slavery and human trafficking;
4. Publicise our whistleblowing policy.

Affinity Trust's work on this subject is led by our Human Resources Director and the work and our approach is implemented by a robust management structure throughout our organisation. The subject of modern slavery and human trafficking has been included in the induction training provided to all of our managers.

Anti-Corruption and Bribery Policy

Affinity Trust is committed to achieving the highest standard of probity, accountability and openness. This is achieved through a formal policy that is communicated to all staff to ensure that everyone is aware of and has complete clarity about what is acceptable in our dealings with our operating partners, be they suppliers, customers/commissioners or the people we support and their friends and families. Affinity Trust regards bribery and corruption as completely unacceptable. No bribe or inducement should ever be made to any person, or accepted from any other person, in any circumstance, whether or not such inducements result in personal gain.

Engagement with suppliers, Customers and Others

Affinity Trust engages in a variety of ways with a wide range of interests and stakeholders in the community. We regularly engage with our major suppliers. We engage with the people we support and their families in a variety of ways including via people we support and family forums and seeking their opinions and feedback via annual surveys. We work with commissioners and other providers e.g. within provider forums at a local level and by actively contributing to market engagement events related to new growth opportunities. In 2020 Affinity Trust has become a member of the All Party Parliamentary Group for Adult Social Care, working alongside other providers and Government representatives including at Minister level. We are also active contributors of forums such as VODG (Voluntary Organisations Disability Group).

We utilise our website, social media channels and a quarterly newsletter to engage the wider public. Within our Children and Young People division we actively engage with local parent's forums and have provided foundation level PBS training free of charge to over 200 health and social care professionals in the Bradford area. At a community level we engage with a wide range of organisations including businesses, leisure facilities and community groups to enable opportunities for the people we support to develop their skills and

independence, become active participants in their local community and development pathways to education, training and employment.

Environmental Policy

The Trustees are aware of the importance of protecting the local environments where services are operated and Affinity Trust is committed to ensuring that the activities of the organisation have a minimal adverse impact on the environment. Wherever possible, travel related environmental impacts are minimised through the provision of technology to facilitate meetings and/or online training provision and whilst the organisation only operates from a relatively small number of properties (for accommodation or office use), each of these locations has been the subject of an energy audit under the first and second phases of the Energy Saving Opportunities Scheme ("ESOS" & "ESOS2").

Energy and Carbon Reporting

As part of the obligations set out under the Energy and Carbon Report Regulations 2018, the charity is required to disclose the energy and carbon created as an organisation over the last reporting year starting on or after April 2019. To fulfil this we have measured our UK Energy and greenhouse gas emissions as classified within scope 1 and 2 (Streamlined Energy and Carbon Reporting (SECR)) which are presented in tables 1, 2 and 3.

Energy Consumption and Greenhouse Gases

The methodology used for determining energy and carbon emissions within this section of the report are as per the regulations above. The calculations include a number of sources of our greenhouse emissions: :

- Natural gas used for heating the building we occupy and for hot water.
- Electricity used for lighting, cooling and air conditioning.
- Fuel consumption in vehicles that are used for business including staff vehicles and hire cars.
- Gas and electricity consumption have been taken from invoices and sub-meter readings as appropriate.
- Fuel consumption is measured from mileage incurred by employees travelling to and from locations.

The charity's consumption and associated greenhouse gas emissions for the financial year October 2019 to September 2020 are shown in Tables 1 and 2.

Table 1: Total energy consumption and associated greenhouse gas emissions for SECR Year 1 reporting period

Energy Type	Energy Use (kWh)	% Split kWh	Emissions (tCO2e/yr)	% Split CO2e
Gas	739,325	30%	136	33%
Electricity	447,282	18%	103	25%
Transport	1,239,476	52%	174	42%
Total	2,426,083	100%	413	100%

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Table 2: Energy and Carbon Conversion Factors

Activity	Fuel	Unit	Year	kg CO2e
Combustion of fuel	Natural Gas	kWh	2020	0.18352
Electricity generation	UK Electricity	kWh	2020	0.23104
Transport (average car)	Diesel	KWh	2020	0.14013
Transport (average car)	Diesel	Mile	2020	0.22552

*UK Government GHG Conversion Factors for Company Reporting, 2020

Vehicle use is based on fleet vehicles and employee travel using their own vehicles for business use. An assumption has been made that all vehicles use standard diesel and have an engine transmission of 2L or less. Therefore 0.14013 kg CO2e per kWh value has been applied. The fuel conversion factor applied (kWh/mile): 0.22552 kg CO2e per mile / 0.14013 kg CO2e per kWh= 1.609 kWh/mile.

Intensity Ratio

Intensity ratios compare emissions data with an appropriate business metric or financial indicator. This allows a comparison of energy efficiency performance over time and with other similar types of organisation. We have chosen to compare our overall emissions with our annual turnover for the 2019/20 year.

Table 3: Intensity Ratio

Energy Consumption	Total green-house gases emissions	Annual Turnover (£'m)	Intensity Ratio	Intensity Ratio
(kWh)	(tCO2e)	FY19/20	(kWh/£100,000 turnover)	(tCO2e/£100,000)
2,426,083	413	57	4,264	0.73

Energy Efficiency Actions

Affinity Trust has implemented Microsoft Teams and encouraged meetings to be held via videoconference to reduce cost and carbon emissions from travel. The impact of this has been enhanced by COVID-19 restrictions which have required management and administrative staff to work from home where possible and required front-line support workers to minimise their travel between properties. Affinity Trust is introducing local initiatives to encourage employees and tenants to reduce emissions through reduced energy use. The asset replacement programme prioritises replacing old inefficient heating and lighting systems. When acquiring new properties measures to increase energy efficiency will be part of their refurbishment.

Charity Governance Code

The Trustees follow the Charity Governance Code and have reviewed their approach to governance during the year including its use of KPIs, its approach to risk rating and management and review of Regulatory Alerts issued by the Charity Commission.

Statement of responsibilities of the Trustees

The Trustees (who are also directors of Affinity Trust for the purposes of company law) are responsible for preparing the Trustees' annual report including the strategic report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted

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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 accounting estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The Trustees are responsible for keeping adequate 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. 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.

Disclosure of Information to Auditors

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. In so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware
- 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 auditor is aware of that information

Guarantees

Members of the company guarantee to contribute an amount not exceeding £1 to the assets of the company in the event of winding up. The total number of guarantors at 30 September 2020 was 20 (2019 - 20). Members of the Board of Trustees have no beneficial interest in the organisation.

Professional Indemnity Insurance

Affinity Trust holds professional indemnity insurance which includes indemnity for members of the Board of Trustees and officers. This policy also includes fidelity guarantee insurance.

The Trustees' annual report which includes the strategic report has been approved by the Trustees in their capacity as directors on 14th January 2021.

Tanya Barron
Chair



Opinion

We have audited the financial statements of Affinity Trust (the 'charitable company') for the year ended 30 September 2020 which comprise the Statement of Financial Activities (incorporating an income and expenditure account), the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 30 September 2020 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We have been appointed auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report to you in accordance with regulations made under those Acts.

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's 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our

**Independent auditors' report
To the trustees and members of
Affinity Trust**

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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

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 directors' report and the strategic report prepared for the purposes of company law and included within the trustees' annual report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report and the strategic report, included within the trustees' annual 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 directors' report or the strategic report, included within the trustees' annual report.

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- adequate and proper 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 statement of trustees' responsibilities set out on page 16, 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.

Independent auditors' report
To the trustees and members of
Affinity Trust

Auditor's 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made exclusively to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charity's trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the members and the charity's trustees 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 charity, its members as a body, and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

SARAH MASON FCA (Senior Statutory Auditor)

For and on behalf of RSM UK AUDIT LLP, Statutory Auditor

Chartered Accountants

The Pinnacle

170 Midsummer Boulevard

Milton Keynes

MK9 1BP

Date *27* January 2021

RSM UK Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Affinity Trust

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 30 September 2020

	Note	Unrestricted £	Restricted £	2020 Total £	Unrestricted £	Restricted £	2019 Total £
Income from:							
Donations and legacies	3	-	-	-	-	2,250	2,250
Charitable activities							
Supported living	4	48,926,737	-	48,926,737	49,558,927	-	49,558,927
Shared living	4	4,075,431	-	4,075,431	3,757,537	-	3,757,537
Outreach services	4	2,369,353	-	2,369,353	1,972,128	-	1,972,128
Supported employment & day opportunities	4	735,229	-	735,229	755,190	-	755,190
Social enterprises	4	416,863	-	416,863	505,570	-	505,570
Housing	4	440,868	-	440,868	394,673	-	394,673
Investments	4	33,779	-	33,779	76,029	-	76,029
Surplus on disposal of fixed assets		1,282	-	1,282	353,525	-	353,525
Total income		56,999,542	-	56,999,542	57,373,579	2,250	57,375,829
Expenditure on:							
Raising funds							
Investment manager's fees	5	10,706	-	10,706	9,048	-	9,048
Charitable activities							
Supported living	5	49,471,836	811	49,472,647	50,051,073	1,418	50,052,491
Shared living	5	3,500,581	-	3,500,581	3,518,818	-	3,518,818
Outreach services	5	2,308,748	-	2,308,748	1,833,231	-	1,833,231
Supported employment & day opportunities	5	638,801	-	638,801	768,466	-	768,466
Social enterprises	5	386,150	-	386,150	413,843	-	413,843
Housing	5	512,491	-	512,491	521,320	-	521,320
Total expenditure		56,829,313	811	56,830,124	57,115,799	1,418	57,117,217
Net income / (expenditure) before net gains on investments		170,229	(811)	169,418	257,780	832	258,612
Net (losses)/gains on investments		(14,807)	-	(14,807)	24,098	-	24,098
Net income/(expenditure) for the year and net movement in funds	6	155,422	(811)	154,611	281,878	832	282,710
Reconciliation of funds:							
Total funds brought forward		12,916,004	307,900	13,223,904	12,634,126	307,068	12,941,194
Total funds carried forward	21	13,071,426	307,089	13,378,515	12,916,004	307,900	13,223,904

Affinity Trust

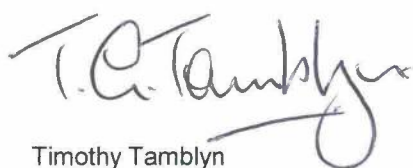
Balance sheet

Company no. 6893564

As at 30 September 2020

	Note	£	2020 £	£	2019 £
Fixed assets:					
Land	11		2,042,432		2,042,432
Housing properties	11		2,300,590		1,719,335
Other tangible fixed assets	12		91,491		171,081
Investments	13		2,752,018		2,766,825
			<u>7,186,531</u>		<u>6,699,673</u>
Current assets:					
Stocks	14	170,928		73,990	
Debtors	15	5,887,233		6,554,410	
Cash at bank and in hand		7,953,774		5,749,664	
			<u>14,011,935</u>	<u>12,378,064</u>	
Liabilities:					
Creditors: amounts falling due within one year	16	6,190,165		4,874,271	
			<u>7,821,770</u>	<u>7,503,793</u>	
Net current assets			<u>7,821,770</u>		<u>7,503,793</u>
Total assets less current liabilities			<u>15,008,301</u>		<u>14,203,466</u>
Creditors: amounts falling due after one year	18		1,629,786		979,562
Total net assets			<u><u>13,378,515</u></u>		<u><u>13,223,904</u></u>
The funds of the charity:					
Restricted funds	21		307,089		307,900
Unrestricted funds:					
Designated funds		4,134,513		3,030,466	
General funds		8,936,913		9,885,538	
			<u>13,071,426</u>	<u>12,916,004</u>	
Total unrestricted funds			<u>13,071,426</u>		<u>12,916,004</u>
Total charity funds			<u><u>13,378,515</u></u>		<u><u>13,223,904</u></u>

Approved by the trustees on 14 January 2021 and authorised for issue and signed on their behalf by



Timothy Tamblyn
Trustee and Chair of the Finance and Audit Panel

Affinity Trust

Statement of cash flows

For the year ended 30 September 2020

	2020 £	£	2019 £	£
Net cash from / (used in) operating activities	22	1,536,255		(220,117)
Cash flows from investing activities:				
Dividends from investments	11,076		40,367	
Interest received	22,703		35,662	
Proceeds from the sale of property fixed assets	-		657,808	
Proceeds from the sale of non-property fixed assets	1,282		1,746	
Purchase of fixed assets	(633,037)		(762,067)	
Proceeds from sale of investments	1,235,846		1,541,851	
Purchase of investments	(1,237,865)		(2,778,189)	
Net cash (used in) / from investing activities		(599,995)		(1,262,821)
Cash flows from financing activities:				
Repayments of borrowing	(76,511)		(376,714)	
Interest paid	(20,395)		(25,334)	
Cash flows from new borrowing	1,362,737		-	
Net cash from / (used in) financing activities		1,265,831		(402,049)
Change in cash and cash equivalents in the year		2,202,091		(1,884,987)
Cash and cash equivalents at the beginning of the year		5,749,664		7,629,633
Change in cash and cash equivalents in respect of cash held by investment manager		2,019		5,018
Cash and cash equivalents at the end of the year		7,953,774		5,749,664

Analysis of changes in net funds /(debt)

	1 October 2019 £	Cash flow £	30 September 2020 £
Cash at bank and in hand	5,749,664	2,204,110	7,953,774
Bank loans	(121,758)	(18,933)	(140,691)
Other loans	-	(617,070)	(617,070)
Debt due within one year	(121,758)	(636,003)	(757,761)
Bank loans	(515,762)	95,443	(420,319)
Other loans	(463,800)	(745,667)	(1,209,467)
Debt due after one year	(979,562)	(650,224)	(1,629,786)
Total net funds	4,648,344	917,883	5,566,227

1 Accounting policies

a) Statutory information

Affinity Trust is a private charitable company limited by guarantee and is incorporated in England. The registered office address is 1 St Andrew's Court, Wellington Street, Thame, OX9 3WT. Refer to Trustees Report for principal activities.

b) Basis of preparation

The financial statements have been prepared 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) (effective 1 January 2019) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (September 2018) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note. The financial statements are presented in (£) Sterling which is also the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £1.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102 and has therefore applied the relevant public benefit requirements of FRS102.

d) Going concern

The Trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern as the Trustees have reviewed budgets and forecasts for the 24 months following the end of the reporting period which support the fact that the charity is a going concern. In addition the organisation has sufficient reserves available to meet its liabilities as they fall due and has sufficient cash and liquid reserves available to meet its needs.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

f) Income from investments

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 bank.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment advisor of the dividend yield of the investment portfolio.

Notes to the financial statements

For the year ended 30 September 2020

1 Accounting policies (continued)

g) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other income received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the Trustees for particular purposes.

h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

Costs of raising funds relate to the costs incurred by the charitable company in generating investment income via its investment portfolio managed by Coutts & Co.

Expenditure on charitable activities includes the costs of delivering the supported living, registered care and outreach/opportunities services in addition to the cost of the social enterprise and housing activities and support costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

i) Allocation of support and governance costs

Expenditure is allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function is apportioned based on staff cost attributable to each activity.

j) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

k) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds limits as follows: portable buildings £2,000, software, electrical equipment and fixture & fittings £1,000, computer & telephone equipment £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life on a straight line basis. The depreciation rates in use are as follows:

Freehold land	0%
Freehold property	2%
Property alterations	10%
Cars	25% - 33%
Office equipment	10% - 50%

The carrying value of freehold property has been split into its component parts of freehold land and freehold property. Freehold land continues to be depreciated at 0% as it is considered to have an unlimited life. Freehold property was depreciated at a rate of 2% from 1 October 2019 reflecting the revised estimate of useful economic life.

An annual impairment review is undertaken in accordance with Financial Reporting Standard 102. When the carrying amount of the asset is higher than the recoverable amount the asset is written down. Should the recoverable amount of the asset then exceed its carrying amount, the impairment provision will be reversed.

l) Listed investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Net gains/(losses) on investments' in the statement of financial activities.

m) Stocks

Stocks are stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes transport and handling costs. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. Provision is made where necessary for obsolete, slow moving and defective stocks.

Affinity Trust

Notes to the financial statements

For the year ended 30 September 2020

1 Accounting policies (continued)

n) Debtors

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

o) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term deposits. Cash balances exclude any funds held by the charitable company on behalf of the people supported.

p) Creditors

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

q) 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.

r) Pensions

Affinity Trust operates a defined contribution pension scheme. The assets of the scheme are held separately from those of Affinity Trust in an independently administered fund. The pension cost charge represents contributions payable under the scheme by Affinity Trust to the fund. Affinity Trust has no liability under the scheme other than for the payment of those contributions.

Certain employees are members of the NHS Pension Scheme, a defined benefit scheme. The company makes contributions on behalf of employees who are members in accordance with the requirements of the scheme. Other than those contributions there is no additional liability to Affinity Trust in respect of the scheme (See details in note 26).

In addition the charity makes contributions to the West Yorkshire Pension Fund and the South Yorkshire Pension Fund (all defined benefit schemes). The employer's contributions are determined in relation to the current service period only, and consequently the charity accounts for contributions to the schemes as if they were defined contribution schemes (See details in note 26).

s) Contingent liabilities

The payment of interest accrued on grants payable to the Secretary of State for Health is contingent on Affinity Trust intending to sell the properties purchased with the grants. The accrued interest is therefore disclosed as a contingent liability. The substance of the agreements Affinity Trust has with the Secretary of State for Health is for the Secretary of State to receive their share of the increase in the value of the properties (see note 25).

2 Key judgements and estimates

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are readily apparent from other sources. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

The Trustees do not consider that there are any sources of estimation uncertainty, including from reviewing any impact of the contingent liabilities in note 25, at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

3 Income from donations

	Unrestricted	Restricted	2020	2019
	£	£	Total	Total
			£	£
Donations	-	-	-	2,250
	-	-	-	2,250

Notes to the financial statements

For the year ended 30 September 2020

4 Income from charitable activities

	Unrestricted £	Restricted £	2020 Total £	2019 Total £
Supported living				
Local and NHS authorities	46,848,846	-	46,848,846	48,791,512
Contributions from the people we support	1,625,035	-	1,625,035	767,415
Government Grants	452,856	-	452,856	-
Sub-total for Supported living	48,926,737	-	48,926,737	49,558,927
Shared living				
Local authorities	3,919,096	-	3,919,096	3,745,825
Contributions from the people we support	143,553	-	143,553	11,712
Government Grants	12,782	-	12,782	-
Sub-total for Shared living	4,075,431	-	4,075,431	3,757,537
Outreach services				
Local authorities	2,318,375	-	2,318,375	1,877,233
Contributions from the people we support	24,231	-	24,231	94,895
Government Grants	26,747	-	26,747	-
Sub-total for Outreach services	2,369,353	-	2,369,353	1,972,128
Supported employment & day opportunities				
Local authorities	629,293	-	629,293	648,574
Contributions from the people we support	105,936	-	105,936	106,616
Sub-total for Supported employment & day opportunities	735,229	-	735,229	755,190
Social enterprises				
Local authorities	4,075	-	4,075	-
Contributions from the people we support	5,364	-	5,364	-
Trading sales	407,424	-	407,424	505,570
Sub-total for Social enterprises	416,863	-	416,863	505,570
Housing				
Local authorities	92,764	-	92,764	61,380
Housing benefit	271,067	-	271,067	209,727
Contributions from the people we support	77,037	-	77,037	123,566
Sub-total for Housing	440,868	-	440,868	394,673
Total income from charitable activities	56,964,481	-	56,964,481	56,944,025
	Unrestricted £	Restricted £	2020 Total £	2019 Total £
Bank interest	22,703	-	22,703	35,662
Income from investments	11,076	-	11,076	40,367
	33,779	-	33,779	76,029

Affinity Trust

Notes to the financial statements

For the year ended 30 September 2020

5 Analysis of expenditure

	Charitable activities									2020 Total	2019 Total
	Cost of raising funds	Supported Living	Shared Living	Outreach	Opportunities	Social Enterprises	Housing	Support costs	Governance		
	£	£	£	£	£	£	£	£	£		
Staff Costs	-	40,737,522	2,660,548	1,911,931	473,697	123,489	-	4,768,720	57,288	50,733,195	51,921,288
Training	-	233,830	14,229	11,445	3,708	733	-	8,507	-	272,451	435,464
Recruitment	-	126,179	8,125	5,148	1,690	765	-	987	8,255	151,149	207,730
Insurance	-	62,999	4,290	3,037	967	204	121	7,040	142	78,800	98,995
Transport and Travel Costs	-	251,680	73,163	63,837	15,897	1,464	50	179,150	17,074	602,315	1,027,400
Property	-	235,560	81,231	4,983	50,623	36,354	414,774	981,531	265	1,805,321	1,691,006
Office	-	160,681	12,246	14,481	4,102	1,460	173	282,557	23	475,723	679,134
Audit & Professional Fees	-	87,522	11,762	7,288	1,498	12,459	13,915	499,561	13,625	647,630	488,279
Trading	-	-	-	-	-	183,596	-	-	-	183,596	214,155
Activities	-	2,184	25,835	-	2,103	493	-	310	-	30,925	50,090
Food and Household Goods	-	899,447	170,426	25,383	10,321	4,896	-	111,903	-	1,222,376	232,026
Sundries	10,706	462,893	33,013	83	1,960	1,406	83,458	32,338	786	626,643	71,650
	10,706	43,260,497	3,094,868	2,047,615	566,566	367,319	512,491	6,872,604	97,458	56,830,124	57,117,217
Support costs	-	6,125,290	400,040	257,482	71,225	18,568	-	(6,872,604)	-	-	-
Governance costs	-	86,861	5,673	3,650	1,010	263	-	-	(97,458)	-	-
Total expenditure 2020	10,706	49,472,647	3,500,581	2,308,748	638,801	386,150	512,491	-	-	56,830,124	57,117,217
Total expenditure 2019	9,048	50,052,491	3,518,818	1,833,231	768,466	413,843	521,320	-	-	57,117,217	

Affinity Trust

Notes to the financial statements

For the year ended 30 September 2020

6 Net income / (expenditure) for the year

This is stated after charging / (crediting):

	2020 £	2019 £
Depreciation	131,372	88,485
Inventory recognised as an expense	186,686	228,839
Profit on disposal of non-property fixed assets	(1,282)	(1,746)
Interest payable on long term loans	20,395	25,334
Surplus on disposal of properties	-	(353,525)
Operating lease rentals:		
Property	570,859	525,083
Other	133,334	130,041
Auditor's remuneration (excluding VAT):		
Audit	20,395	18,500
Other services	8,600	-
	<u>480,433</u>	<u>(10,803)</u>

7 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2020 £	2019 £
Salaries and wages	43,058,004	42,627,258
Redundancy and termination costs (paid and settled)	41,159	31,348
Social security costs	3,517,625	3,508,124
Employer's contribution to defined contribution pension schemes	372,883	455,732
schemes	1,058,172	913,936
	<u>48,047,843</u>	<u>47,536,398</u>
Agency costs	2,685,352	4,384,890
	<u>50,733,195</u>	<u>51,921,288</u>

£214,818 of pension costs were included within creditors (2019: £51,189).

The following number of employees received employee benefits (excluding employer's national insurance and employer pension costs) over £60,000 during the year between:

	2020 No.	2019 No.
£80,001 - £90,000	5	5
£120,001 - £130,000	1	1
	<u>6</u>	<u>6</u>

The total employee benefits (including employer pension contributions and employer's national insurance) of the key management personnel who are the senior management team as defined on page 1 plus Trustees was £657,308 (2019: £626,581). The following was paid to trustees:

	2020 £	2019 £
Board of trustees' remuneration	55,171	53,471
Board of trustees' expenses	28,161	42,656
	<u>83,332</u>	<u>96,127</u>

Affinity Trust

Notes to the financial statements

For the year ended 30 September 2020

7 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel (continued)

Board members were paid £5,016 on average (2019: £4,861). Board members who are also members of the Finance and Audit Panel were paid £5,305 each (2019:£5,296) and Board members who are also members of the Quality Committee were paid £4,935 on average (2019: £4,879). The Chair was paid £8,305 (2019: £8,291). The basis for Trustees' remuneration is set out in the Articles of Association of Affinity Trust. Trustees' remuneration is reviewed annually by an Independent Panel and approved by the Board.

Travel, subsistence, phone and IT expenses were incurred on behalf of 11 (2019: 11) Trustees in the course of their duties. There were no retirement benefits accruing for the Trustees.

Affinity Trust holds professional indemnity insurance which includes indemnity for members of the Board of Trustees and officers. This policy also includes fidelity guarantee insurance.

Individual amounts paid to each Trustee for the current and prior year were as follows:-

	2020	2019
	£	£
M Thomas (Chair, Retired 30 September 2019)	-	8,291
K Cameron (Vice Chair)	5,305	5,296
S Ross	5,045	5,037
T Tamblyn	5,305	5,296
D Walden	5,305	5,296
J Hawthorne	5,305	5,296
A Anketell	4,640	4,513
M Moody	5,045	5,037
J Edwards	4,640	4,513
S Rees	4,520	3,390
T Barron (Chair)	8,305	1,506
H Burgess	1,756	-
	55,171	53,471

8 Staff numbers

The average number of employees (head count based on actual number of staff employed, not FTE) during the year was as follows:

	2020	2019
	No.	No.
Shared living	203	112
Supported living	1,704	1,670
Outreach services	156	75
Supported employment & day opportunities	35	37
Social enterprises	16	9
Housing	13	2
Support	118	131
Positive Behavior Support	61	-
	2,306	2,036

9 Related party transactions

There are no related party transactions to disclose for 2020 (2019: none).

There were no donations from related parties and no restricted donations from related parties.

10 Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

11 Tangible fixed assets

	Housing Assets Owned Outright			
	Freehold Land £	Freehold property £	Alterations £	Total £
Cost				
At the start of the year	1,664,932	1,301,262	331,924	3,298,118
Additions in year	-	625,653	-	625,653
At the end of the year	1,664,932	1,926,915	331,924	3,923,771
Depreciation				
At the start of the year	-	-	213,708	213,708
Charge for the year	-	26,025	8,928	34,953
At the end of the year	-	26,025	222,636	248,661
Net book value				
At the end of the year	1,664,932	1,900,890	109,288	3,675,110
At the start of the year	1,664,932	1,301,262	118,216	3,084,410

	Other Housing Assets			
	Freehold Land £	Freehold property £	Alterations £	Total £
Cost				
At the start of the year	377,500	377,500	249,309	1,004,309
At the end of the year	377,500	377,500	249,309	1,004,309
Depreciation				
At the start of the year	-	95,388	231,564	326,952
Depreciation charge	-	7,475	1,970	9,445
At the end of the year	-	102,863	233,534	336,397
Net book value				
At the end of the year	377,500	274,637	15,775	667,912
At the start of the year	377,500	282,112	17,745	677,357

Housing assets which are the subject of a legal charge in favour of the Secretary of State are shown separately from those which are owned outright by Affinity Trust. A review was completed in 2018 with valuations for each property resulting in a full or partial write back of previous impairments.

	Total Housing Assets			
	Freehold Land £	Freehold property £	Alterations £	Total £
Net book value				
At the end of the year	2,042,432	2,175,527	125,063	4,343,022
At the start of the year	2,042,432	1,583,374	135,961	3,761,767

Affinity Trust

Notes to the financial statements

For the year ended 30 September 2020

12 Other tangible fixed assets

Cars and office equipment

	Cars £	Office equipment £	Total £
Cost			
At the start of the year	82,628	690,565	773,193
Additions in year	-	7,384	7,384
Disposals in year	(20,450)	-	(20,450)
At the end of the year	62,178	697,949	760,127
Depreciation			
At the start of the year	82,628	519,484	602,112
Charge for the year	-	86,974	86,974
Eliminated on disposal	(20,450)	-	(20,450)
At the end of the year	62,178	606,458	668,636
Net book value			
At the end of the year	-	91,491	91,491
At the start of the year	-	171,081	171,081

All of the above assets are used for charitable purposes.

13 Investments

	2020 £	2019 £
Fair value at the start of the year	2,711,813	1,451,377
Additions	1,237,865	2,778,189
Disposal proceeds	(1,235,846)	(1,541,851)
Net realised and unrealised gain/(loss) on change in fair value	(14,807)	24,098
Cash balance held by investment manager	2,699,025	2,711,813
	52,993	55,012
Fair value at the end of the year	2,752,018	2,766,825
Historic cost at the end of the year	2,711,836	2,711,456

Investments comprise:

	2020 £	2019 £
UK/Europe/North America/Emerging markets common investment funds	2,699,025	2,711,813
Cash	52,993	55,012
	2,752,018	2,766,825

14 Stocks

	2020 £	2019 £
Stocks held at Englefield Garden Centre	58,907	73,990
Personal Protective Equipment	112,021	-
	170,928	73,990

Personal Protective Equipment (PPE) stock was held at 30 September 2020 in order to help meet the significant additional PPE requirements expected over the autumn and winter as a result of the ongoing COVID-19 pandemic.

Affinity Trust

Notes to the financial statements

For the year ended 30 September 2020

15 Debtors

	2020 £	2019 £
Trade debtors	3,680,367	4,280,481
Other debtors	54,534	41,787
Prepayments and accrued income	2,152,332	2,232,142
	<u>5,887,233</u>	<u>6,554,410</u>

16 Creditors: amounts falling due within one year

	2020 £	2019 £
Bank loans	140,691	121,758
Other short term loan	617,070	-
Trade creditors	1,630,997	733,719
Taxation and social security	923,082	864,927
Other creditors	632,453	674,350
Accruals and deferred income	2,245,872	2,479,517
	<u>6,190,165</u>	<u>4,874,271</u>

Other short term loans relates to funding provided by a local authority in April 2020 in relation to COVID-19 which the local authority subsequently requires to be repaid.

17 Deferred income

Deferred income comprises income that has been invoiced in advance for services or where credit notes are due.

	2020 £	2019 £
Balance at the beginning of the year	580,195	725,918
Amount released to income in the year	(580,195)	(725,918)
Amount deferred in the year	225,763	580,195
	<u>225,763</u>	<u>580,195</u>
Balance at the end of the year	225,763	580,195

18 Creditors: amounts falling due after one year

	2020 £	2019 £
Bank loans	420,319	515,762
Repayable grants:		
NHS Grant	745,667	-
Secretary of State for Health	463,800	463,800
	<u>1,629,786</u>	<u>979,562</u>

Bank loans are secured by first mortgages held by NatWest plc on Affinity Trust's housing properties owned outright. Interest is accruing on the NatWest loans at rates between 1.25% and 2.25% above base rate.

Amounts owed to the Secretary of State for Health are secured by a second charge on the properties shown as Other Housing Assets in note 12. Any ultimate sale proceeds from these houses will be used to repay the Secretary of State for Health to a maximum of the original input in addition to rolled up compound interest of four percent above bank base rate.

Affinity Trust obtained a Grant of £1,064,000 from the NHS to support the construction of 4 bungalows plus staff accommodation for Supported Living in Leicestershire. The Grant is repayable if the property is sold or no longer used as accommodation for individuals with learning disability or mental health needs. As at 30 September 2020 £745,667 had been drawn down with the remaining drawdown due in 2021 on completion of the property.

Affinity Trust

Notes to the financial statements

For the year ended 30 September 2020

19 Creditors: amounts falling due after one year (continued)

Maturity of total debt is as follows

	2020 £	2019 £
In one year or less	757,761	121,758
Between one and two years	91,053	87,266
Between two and five years	318,882	393,181
Over five years	1,219,851	499,115
	<u>2,387,547</u>	<u>1,101,320</u>

20a Analysis of net assets between funds (current year)

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	-	4,134,513	300,000	4,434,513
Investments	2,752,018	-	-	2,752,018
Net current assets	7,814,681	-	7,089	7,821,770
Creditors due after more than one year	(1,629,786)	-	-	(1,629,786)
Net assets at 30 September 2020	<u>8,936,913</u>	<u>4,134,513</u>	<u>307,089</u>	<u>13,378,515</u>

20b Analysis of net assets between funds (prior year)

	General Unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	-	3,632,848	300,000	3,932,848
Investments	2,766,825	-	-	2,766,825
Net current assets	7,118,713	377,180	7,900	7,503,793
Creditors due after more than one year	-	(979,562)	-	(979,562)
Net assets at 30 September 2019	<u>9,885,538</u>	<u>3,030,466</u>	<u>307,900</u>	<u>13,223,904</u>

Affinity Trust

Notes to the financial statements

For the year ended 30 September 2020

21a Movements in funds (current year)

	At the start of the year £	Income & Gains £	Expenditure & losses £	Transfers £	At the end of the year £
Restricted funds:					
Ayrshire Activity club	2,200	-	-	-	2,200
Score Fund	4,700	-	(811)	-	3,889
Little Glen Road	300,000	-	-	-	300,000
Reading Services	1,000	-	-	-	1,000
Total restricted funds	307,900	-	(811)	-	307,089
Unrestricted funds:					
Designated funds:					
Fixed Assets	-	-	-	4,134,513	4,134,513
Property fund	2,171,971	-	-	(2,171,971)	-
Other tangible fixed assets	127,971	-	-	(127,971)	-
Project management fund	724,330	-	-	(724,330)	-
Assistive technology fund	4,467	-	-	(4,467)	-
Midlands Rugby Fund	1,727	-	-	(1,727)	-
Total designated funds	3,030,466	-	-	1,104,047	4,134,513
General funds	9,885,538	56,999,542	(56,844,120)	(1,104,047)	8,936,913
Total unrestricted funds	12,916,004	56,999,542	(56,844,120)	-	13,071,426
Total funds at 30 September 2020	13,223,904	56,999,542	(56,844,931)	-	13,378,515

The Trustees made the decision to undesignate previously designated funds to general funds and make a new designated fund representing the Net Book Value of fixed assets, excluding the Little Glen restricted funds and recognises the different liquidity profile of these funds to other unrestricted funds included within the General Funds

Affinity Trust

Notes to the financial statements

For the year ended 30 September 2020

Movements in funds (prior year)

	At the start of the year £	Expenditure & losses £	Expenditure & losses £	Transfers £	At the end of the year £
Restricted funds:					
Ayrshire Activity club	2,200	-	-	-	2,200
Score Fund	3,868	2,250	(1,418)	-	4,700
Little Glen Road	300,000	-	-	-	300,000
Reading Services	1,000	-	-	-	1,000
Total restricted funds	307,068	2,250	(1,418)	-	307,900
Unrestricted funds:					
Designated funds:					
Property fund	2,171,971	-	-	-	2,171,971
Other tangible fixed assets	127,971	-	-	-	127,971
Project management fund	958,569	-	(234,239)	-	724,330
Assistive technology fund	4,621	-	(154)	-	4,467
Midlands Rugby Fund	1,768	-	(41)	-	1,727
Total designated funds	3,264,900	-	(234,434)	-	3,030,466
General funds	9,369,226	57,397,677	(56,881,365)	-	9,885,538
Total unrestricted funds	12,634,126	57,397,677	(57,115,799)	-	12,916,004
Total funds at 30 September 2019	12,941,194	57,399,927	(57,117,217)	-	13,223,904

Purposes of restricted funds

Ayrshire Activity Club: A club set up for the use of people with learning disabilities in Ayrshire.

Score Fund: Donations to provide opportunities for People with Learning Disabilities.

Little Glen Road: Grant given to cover a bond repayable to the Local Authority upon the sale of the property.

Reading Services: A donation was made by a private individual to be used for any purpose within the Reading services.

21 Movements in funds (continued)**Purposes of designated funds in prior year:**

Project management fund: This fund has been set aside to provide resources to manage growth and planned changes in the organisation.

Assistive technology fund: This fund was set up to promote the introduction of assistive technology within services for the benefit of people supported and where funds are not available to meet the cost of the technology.

Midlands Rugby Fund: Donations to provide opportunities for People with Learning Disabilities.

22 Reconciliation of net income to net cash flow from operating activities

	2020 £	2019 £
Net income for the reporting period (as per the statement of financial activities)	154,611	282,710
(Gains)/Losses on investments	14,807	(24,098)
Dividends and interest from investments	(33,779)	(76,029)
Interest payable	20,395	25,334
Depreciation charges	131,372	88,485
Profit on the disposal of properties	-	(353,525)
Profit on the disposal of fixed assets	(1,282)	(1,746)
(Increase) / Decrease in stocks	(96,938)	2,430
(Increase) / Decrease in debtors	667,177	232,415
Increase / (Decrease) in creditors	679,892	(396,093)
Net cash from / (used in) from operating activities	1,536,255	(220,117)

23 Operating lease commitments

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods

	Land and Buildings		Other items	
	2020 £	2019 £	2020 £	2019 £
Less than one year	223,362	233,384	91,694	81,030
One to two years	224,979	141,375	29,164	13,817
Two to five years	69,981	139,379	9,662	9,662
Over five years	43,200	216,000	-	-
	561,522	730,138	130,520	104,509

24 Post balance sheet events

There were no post balance sheet events to report.

Affinity Trust

Notes to the financial statements

For the year ended 30 September 2020

25 Contingent liabilities

Affinity Trust has a contingent liability with regard to grants used to purchase six properties. Affinity Trust will be liable to pay the interest accrued on grants to the Secretary of State for Health if the properties are sold, but only to the maximum amount of any proceeds received.

The substance of the agreements Affinity Trust has with the Secretary of State for Health is for the Secretary of State for Health to retain ownership over any change in the value of the properties and consequently the interest paid is offset against the sale proceeds.

At 30 September 2020, the contingent liability due to the Secretary of State for Health in the event of Affinity Trust selling all of the properties was:

	2020	2019
	£	£
Accrued interest payable to the Secretary of State for Health	<u>2,819,387</u>	<u>2,694,645</u>

In our prior year accounts we noted a potential contingent liability risk relating to historical sleep in shifts. The Supreme Court sat in February 2020 to hear the appeal against the Court of Appeals 2018 ruling that sleep-in workers are entitled to be paid the NMW only when they are awake to carry out any relevant duties and therefore not for hours when they are asleep at their place of work during a sleep-in shift. The outcome of the appeal is awaited and due to significant uncertainty as to how the outcome of the appeal will be applied we are unable to quantify the impact.

26 Defined benefit pension schemes

NHS Pension Scheme

The NHS Pension Schemes are unfunded, defined benefit schemes that cover NHS employers, General Practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. Past and present employees are covered by the provisions of these two schemes. The schemes are not designed to be run in a way that would enable individual bodies to identify their share of the underlying scheme assets and liabilities and therefore each scheme is accounted for as if it were a defined contribution scheme with the cost of participation in the scheme taken as equal to the employers contribution rate which is currently 14.38% (2019: 14.3%). In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that "the period between formal valuations shall be four years, with approximate assessments in intervening years". An outline of these is as follows:-

a) Accounting Valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial, data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of scheme liability as at 31 March 2020 is based on valuation data at 31 March 2019, updated to 31 March 2020 with global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used. The latest assessment of the liabilities of the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

26 Defined benefit pension schemes (continued)

NHS Pension Scheme (continued)

b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers. The last actuarial valuation undertaken for the NHS Pension Scheme was completed for the year ending 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019.

The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap set following the 2012 valuation. Following a judgement from the Court of Appeal in December 2018 Government announced a pause to that part of the valuation process pending conclusion of the legal process.

The scheme is a "final salary" scheme. Following consultation in 2006, a number of changes to the NHS Pension Scheme were introduced. On 1 April 2008 a new "2008 Section" of the Scheme was set up for new joiners on or after 1 April 2008. Joiners prior to this date are in the "1995 Section". For 1995 Section members, annual pensions are based on 1/80th of the best of the last three years' pensionable pay for each year of service. For members of the 2008 section, pensions are based on 1/60th of the average of the best three consecutive years in the last ten. A lump sum normally equivalent to 3 years' pension is payable on retirement; for members of the 2008 section the lump sum will be a maximum of 25% of the value of their fund at retirement. Annual increases are applied to pension payments at rates defined by the Pensions (Increase) Act 1971, and have historically been based on changes in Retail Prices in the twelve months ending 30 September in the previous calendar year. From 2011/12, the Consumer Price Index replaced the Retail Price Index. On death, a pension of 50% of the member's pension is normally payable to the surviving spouse.

Employers' pension contribution costs are applied to resources expended as and when they become due. The total employer contribution payable in the year ended 30 September 2020 by Affinity Trust was £372,883 (2019: £435,758). Employees pay contributions of between 5.6% and 9.3% (manual staff 5%) of their pensionable pay.

Early payment of a pension, with enhancement in some circumstances, is available to members of the Scheme who are permanently incapable of fulfilling their duties effectively through illness or infirmity. A death gratuity of twice final year's pensionable pay for death in service, and five times their annual pension (subject to certain conditions) for death after retirement, is payable.

The scheme provides the opportunity to members to increase their benefits through money purchase Additional Voluntary Contributions (AVCs) provided by an approved panel of life companies. Under the arrangement Affinity Trust can make contributions to enhance an employee's pension benefits. The benefits payable relate directly to the value of the investments made.

West Yorkshire Pension Fund

Following the transfer of services from the Bradford and District Care Trust in December 2011, 8 employees retained their membership of the West Yorkshire Pension Fund (WYPF) which is a defined benefit scheme and operates under the provisions of the Local Government Pension Scheme (Administration) Regulations 2008 (as amended). The employer's normal contribution rate is 15.8% of salary and employees pay between 5.8% and 6.5%. Total employer contributions to the WYPF for the year ended September 2020 were £0 (2019:£0) as Affinity Trust received confirmation from the actuary that no 'deficit funding' payment were required. Affinity Trust and the City of Bradford Metropolitan District Council entered into an Admission Agreement and a separate commercial contract dated December 2012 and the substance of these agreements in relation to pension costs is that Affinity Trust's only liability is to pay the monthly employer contributions as determined from time to time by the Scheme actuary. Any actuarial deficit relating to the 8 employees at the end of the contract remains with the Council. The financial statements therefore reflect only the value of the monthly employer contributions described above. Following a triannual actuarial revaluation of the scheme, Affinity Trust were advised that an actuarial surplus had accumulated since the contract commenced and as a result no monthly contributions were required to be paid after March 2014.

Affinity Trust

Notes to the financial statements

For the year ended 30 September 2020

26 Defined benefit pension schemes (continued)

South Yorkshire Pension Fund

After the transfer of a number of services in Sheffield in November 2017, one employee retained their membership of the South Yorkshire Pension Fund (SYPF) which is a defined benefit scheme and operates under the provisions of the Local Government Pension Scheme (Administration) Regulations 2008 (as amended). The employer's normal contribution rate is 22.2% of salary and employees pay 6.5%. Total employer contributions to the SYPF for the year ended September 2020 were £8,692 (2019: £10,036).

27 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

28 Financial instruments

The carrying amount of the Charity's financial instruments at 30 September was

	2020 £	2019 £
Financial assets		
Assets measured at Fair Value	2,752,018	2,766,825

29 Capital Commitments

Affinity Trust had a capital commitment of £408,406 at 30 September 2020 in respect of the remaining construction of 4 bungalows for supported living in Leicestershire.