

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

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|---------------------------------|--|
| 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

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

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 |

Trustees' annual report

For the period ended 31 March 2024

| | |
|--|--|
| Develop our Equality, Diversity and Inclusion (EDI) plan | We developed our EDI action plan, overseen by the ERDI working group |
|--|--|

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.

- 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.

Affinity Trust

Trustees' annual report

For the period ended 31 March 2024

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. |

Trustees' annual report

For the period ended 31 March 2024

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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. |
|--|--|

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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For the period ended 31 March 2024

- 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 (tCO ₂ e/yr) | % Split CO ₂ e |
|--------------|------------------|-------------|-----------------------------------|---------------------------|
| 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 CO ₂ e |
|-------------------------|----------------|------|------|----------------------|
| 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 (tCO ₂ e/yr) | % Split CO ₂ e |
|--------------|------------------|-------------|-----------------------------------|---------------------------|
| 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:

Trustees' annual report

For the period ended 31 March 2024

- 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

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

| | | The group | | The charity | |
|--|------|-----------------------|-----------------------|-----------------------|-----------------------|
| | Note | 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

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.

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

| | | | 12 months ended 31 March 2024 | 18 months ended 31 March 2023 |
|------------------------------|-------------------|------------------|--|--|
| | Unrestricted £ | Restricted £ | Total £ | 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.

Notes to the financial statements

For the year ended 31 March 2024

3 Income from charitable activities

| | 12 months ended 31 March 2024 Total £ | 18 months ended 31 March 2023 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 | 87,356,758 |
| Training | | 264,567 | 28,490 | 25,705 | 3,944 | 2,372 | 39 | 107,402 | - | 771,789 |
| Recruitment | | 285,294 | 21,348 | 16,481 | 3,692 | 469 | - | 71,023 | - | 660,190 |
| Insurance | | 175,841 | 14,019 | 7,207 | 3,943 | 597 | 26,154 | 236,135 | 281 | 408,812 |
| Transport and Travel Costs | | 297,708 | 85,439 | 44,468 | 31,571 | - | 4,162 | 202,222 | 4,165 | 929,076 |
| Property | | 125,411 | 301,353 | 1,079 | 56,023 | 39,871 | 529,800 | 449,278 | - | 1,492,609 |
| Office | | 262,420 | 86,327 | 15,324 | 7,099 | 3,742 | 70,914 | 187,524 | 383 | 1,081,909 |
| IT Software, Equipment and Repairs | | 12,693 | 1,770 | - | 34 | 1,749 | - | 918,374 | - | 1,621,780 |
| Audit & Professional Fees | | 265,521 | 44,651 | 17,830 | 2,449 | 43,122 | 294,286 | - | 48,789 | 921,188 |
| Trading | | - | - | - | - | 305,149 | - | - | - | 397,397 |
| Activities | | - | - | - | 1,436 | - | - | 630 | - | 24,698 |
| Food and Household Goods | | 124,550 | 66,349 | 4,196 | 655 | 848 | 368 | 28,940 | - | 357,493 |
| Bad Debt Charge | | (12,811) | 29 | 15,368 | - | 1,090 | (5) | (165,968) | - | 77,274 |
| Sundries | 14,330 | 2,619 | - | 814 | - | 1,444 | - | 103,736 | - | 277,267 |
| | 14,330 | 49,275,789 | 3,739,224 | 1,575,673 | 758,226 | 566,889 | 998,455 | 7,264,528 | 103,273 | 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.

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.

Notes to the financial statements

For the year ended 31 March 2024

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 No. | 18 months ended 31 March 2023 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 No. | 18 months ended 31 March 2023 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 | 899,858 | 899,858 |
| 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 | 527,171 | 527,171 |
| Net book value | | |
| At the end of the period | 372,687 | 372,687 |
| At the start of the period | 409,999 | 409,999 |

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 | - | 4,685,684 | - | 4,685,684 |
| 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 |
| | - | 4,685,684 | 1 | 4,685,685 |

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 |
| Balance at the end of the period | 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 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 |

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

| | General Unrestricted £ | Designated £ | Restricted £ | Total funds £ |
|--|------------------------------|------------------|-----------------|--------------------|
| 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 |

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 | 31 March | 31 March | 31 March |
| | 2024 | 2023 | 2024 | 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 | 31 March |
| | 2024 | 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 (FReM) 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 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 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 .