

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

Affinity Trust

Report and financial statements

For the 18-month period ending 31 March 2023

Affinity Trust

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Affinity Trust

Reference and administrative information

For the 18-month period ended 31 March 2023

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

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

Executive Team

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

Trustees

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

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

Affinity Trust

Reference and administrative information

For the 18-month period ended 31 March 2023

Bankers

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

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

Bankers & Investment

Manager

Coutts & Co
440 Strand
London
WC2R 0QS

Solicitors

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

Auditor

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

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

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

Objectives and activities

Purposes and aims

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

Purpose Statement

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

Values

People are at the heart of everything we do.

We listen, we learn, we build on strengths.

We give our best.

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

We work together.

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

We have courage.

We try new things. We are creative and adaptable.

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

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

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

Children and Young People - including the Positive Behaviour Support services

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

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

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

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

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

Strategic Plan

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

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

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

Achievements and performance

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

Beneficiaries of our services

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

Main Achievements against strategic objectives

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

Trustees' annual report

For the period ended 31 March 2023

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

Staff Turnover and Staff Vacancies

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

Promoting the Purpose of Affinity Trust

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

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

Plans for the future

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

The strategic aims and objectives 2023-2028 are:

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

Trustees' annual report

For the period ended 31 March 2023

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

Financial review

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

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

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

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

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

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

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

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

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

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

Reserves policy

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

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

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

Going Concern

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

Investment policy

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

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

Fundraising

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

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

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

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

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

Principal risks and uncertainties

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

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

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Trustees' annual report

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

Structure, governance and management

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

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

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

Appointment of trustees

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

Trustee role, induction and training

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

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

The Committees are:

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

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

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

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

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

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

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

Central – Leicester, Leicestershire, Sheffield and Loughborough, Herefordshire

East – Norfolk, Suffolk, Cambridgeshire and Peterborough City Council

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

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

Remuneration policy for key management personnel

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

Employee engagement (including employment of disabled persons)

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

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

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

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

Anti-Corruption and Bribery Policy

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

Engagement with Suppliers, Customers and Others

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

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

Environmental Policy

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

Energy and Carbon Reporting

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

Energy Consumption and Greenhouse Gases

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

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

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

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

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

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

Table 2: Energy and Carbon Conversion Factors

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

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

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

Table 4: Energy and Carbon Conversion Factors

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

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

Intensity Ratio

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

Table 3: Intensity Ratio

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

Energy Efficiency Actions

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

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

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

- The likely consequences of any decision in the long term

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

- The interest of the company's employees

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

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

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

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

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

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

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

Trustees' annual report

For the period ended 31 March 2023

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

- The need to act fairly between members of the Trust

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

Charity Governance Code

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

Statement of responsibilities of the Trustees

The Trustees (who are also directors of Affinity Trust for the purposes of company law) are responsible for preparing the Trustees' annual report including the strategic report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and accounting estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Affinity Trust

Trustees' annual report

For the period ended 31 March 2023

- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

Guarantees

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

Professional Indemnity Insurance

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

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



Tanya Barron
Chair

Opinion

We have audited the financial statements of Affinity Trust (the 'parent charitable company') and its subsidiary (the 'group') for the period ended 31 March 2023 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2023 and of the group's incoming resources and application of resources, including its income and expenditure, for the period then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulation 2006 (as amended)

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other Information

The other information comprises the information included in the trustees' annual report, including the strategic report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- The information given in the trustees' annual report, including the strategic report, for the financial period for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report, including the strategic report, has been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report, including the strategic report.

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

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

Capability of the audit in detecting irregularities

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

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

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

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

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

Use of our report

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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

Fleur Holden (Senior statutory auditor)

Date: 24 October 2023

for and on behalf of Sayer Vincent LLP, Statutory Auditor

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

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

Affinity Trust

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

For the period ended 31 March 2023

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

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

Affinity Trust

Balance sheets

Company no. 6893564

As at 31 March 2023

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

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

Tanya Barron
Trustee and Chair



Hanah Burgess
Trustee and Chair of the Finance Committee



Affinity Trust

Consolidated statement of cash flows

For the period ended 31 March 2023

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

Analysis of changes in net funds / (debt)

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

Notes to the financial statements

For the period ended 31 March 2023

1 Accounting policies

a) Statutory information

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

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

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

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

c) Public benefit entity

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

d) Going concern

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

e) Income

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

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

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

f) Income from investments and bank deposits

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

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

g) Fund accounting

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

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

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

1 Accounting policies (continued)

h) Expenditure and irrecoverable VAT

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

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

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

i) Allocation of support and governance costs

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

j) Operating leases

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

k) Tangible fixed assets

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

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

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

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

l) Listed investments

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

m) Stocks

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

n) Debtors

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

o) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term deposits. Cash balances exclude any funds held by the charitable company on behalf of the people supported. At 31 March 2023: £528,717 (30 September 2021: £648,421) was held by Affinity Trust on behalf of people we support.

Notes to the financial statements

For the period ended 31 March 2023

1 Accounting policies (continued)

p) Creditors

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

q) Financial instruments

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

r) Pensions

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

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

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

s) Contingent liabilities

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

2 Key judgements and estimates

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

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

Notes to the financial statements

For the period ended 31 March 2023

3 Income from charitable activities

	18 months ended 31 March 2023	12 months ended 30 Sept. 2021
	Total £	Total £
Supported living		
Local and NHS authorities	77,157,750	48,936,305
Contributions from the people we support	2,396,927	793,020
Government Grants	1,005,260	227,367
Sub-total for Supported living	80,559,937	49,956,692
Shared living		
Local authorities	5,861,782	4,272,659
Contributions from the people we support	21,129	17,498
Government Grants	124,066	731
Sub-total for Shared living	6,006,977	4,290,888
Outreach services		
Local authorities	2,861,177	2,214,619
Contributions from the people we support	992,194	10,151
Government Grants	77,896	73,878
Sub-total for Outreach services	3,931,267	2,298,648
Supported employment & day opportunities		
Local authorities	619,769	581,804
Contributions from the people we support	106,677	93,245
Government Grants	15,127	-
Sub-total for Supported employment & day opportunities	741,572	675,049
Social enterprises		
Local authorities	11,820	2,487
Contributions from the people we support	3,818	3,228
Trading sales	737,262	621,008
Sub-total for Social enterprises	752,900	626,723
Housing		
Local authorities	295,666	93,923
Housing benefit	586,560	309,786
Contributions from the people we support	88,872	66,653
Sub-total for Housing	971,098	470,362
Total income from charitable activities	92,963,751	58,318,362

All income for both years is unrestricted.

Affinity Trust

Notes to the financial statements

For the period ended 31 March 2023

4a Analysis of expenditure (current period)

	Charitable activities									18 months ended 31 March 2023	12 months ended 30 Sept 2021
	Cost of raising funds £	Supported Living £	Shared Living £	Outreach services £	Supported employment & day £	Social enterprises £	Housing £	Support costs £	Governance £	Total £	Total £
Staff Costs	-	69,142,011	4,400,748	3,221,792	728,969	217,293	-	9,558,115	87,830	87,356,758	50,523,138
Training	-	678,034	18,455	33,884	5,007	1,513	-	34,896	-	771,790	172,407
Recruitment	-	263,580	15,482	14,907	2,695	856	10,807.61	329,562	22,300	660,190	293,444
Insurance	-	293,873	12,895	15,033	3,094	879	41,025.23	41,601	412	408,812	226,678
Transport and Travel Costs	-	481,352	90,126	81,990	20,614	110	3,970.43	241,452	9,462	929,077	419,536
Property	-	605,722	395,958	16,259	57,076	62,889	333,431.29	1,643,054	-	3,114,389	2,466,020
Office	-	224,163	16,072	17,117	1,918	2,778	287,061.00	532,656	144	1,081,909	490,377
Audit & Professional Fees	-	284,686	29,628	16,149	2,172	33,660	122,852.12	371,687	60,354	921,188	1,035,075
Trading	-	-	-	-	-	397,397	-	-	-	397,397	318,844
Activities	-	5,043	10,658	-	8,236	-	-	761	-	24,698	17,312
Food and Household Goods	-	195,863	102,494	26,804	5,106	1,365	866.20	24,995	-	357,493	637,584
Bad Debt Charge	-	1,131	-	68,195	46	225	5,349.99	2,327	-	77,274	393,642
Sundries	62,883	12,806	646	2,384	1,477	2,718	100,797.32	92,835	718	277,265	241,901
	62,883	72,188,264	5,093,162	3,514,515	836,409	721,686	906,161	12,873,942	181,219	96,378,240	57,235,958
Support costs	-	11,521,749	733,336	461,174	121,475	36,210	-	(12,873,942)	-	-	-
Governance costs	-	162,185	10,323	6,492	1,710	510	-	-	(181,219)	-	-
Total expenditure 2023	62,883	83,872,198	5,836,820	3,982,180	959,593	758,405	906,161	-	-	96,378,240	
Total expenditure 2021	16,957	49,197,275	3,419,272	2,949,148	603,940	545,656	503,710	-	-		57,235,958

Notes to the financial statements

For the period ended 31 March 2023

4b Analysis of expenditure (prior year)

	Charitable activities									12 months ended 30 Sept 2021
	Cost of raising funds £	Supported Living £	Shared Living £	Outreach services £	Supported employment & day £	Social enterprises £	Housing £	Support costs £	Governance £	Total £
Staff Costs	- 39,722,280.00	2,547,512	2,311,614	426,200	136,448	-	5,321,101	57,983	50,523,138	
Training	- 122,623.00	19,411	15,027	5,225	829	-	9,292	-	172,407	
Recruitment	- 171,860.00	14,307	8,508	2,769	420	171	90,835	4,574	293,444	
Insurance	- 179,913.00	11,777	9,901	2,890	526	1,600	19,797	274	226,678	
Transport and Travel Costs	- 190,072.00	77,798	68,977	17,948	34	302	61,519	2,886	419,536	
Property	- 537,706.00	120,056	36,758	60,731	37,309	402,158	1,271,302	-	2,466,020	
Office	- 143,586.00	11,815	11,538	3,201	2,752	877	316,608	-	490,377	
Audit & Professional Fees	- 121,324.00	16,039	16,603	1,516	19,715	8,872	815,952	35,054	1,035,075	
Trading	- -	-	-	-	318,844	-	-	-	318,844	
Activities	- -	13,524	551	1,649	-	-	1,588	-	17,312	
Food and Household Goods	- 452,159.00	128,200	10,507	5,048	1,301	35	40,334	-	637,584	
Bad Debt Charge	- 267,158.44	-	124,571	-	-	1,913	-	-	393,642	
Sundries	16,957	134,189.56	-	70	-	2,902	87,782	-	241,901	
	16,957	42,042,871	2,960,439	2,614,625	527,177	521,080	503,710	7,948,328	100,771	57,235,958
Support costs	-	7,064,834	453,089	330,335	75,802	24,268	-	(7,948,328)	-	-
Governance costs	-	89,570	5,744	4,188	961	308	-	-	(100,771)	-
Total expenditure 2021	16,957	49,197,275	3,419,272	2,949,148	603,940	545,656	503,710	-	-	57,235,958

Notes to the financial statements

For the period ended 31 March 2023

5 Net income / (expenditure) for the period

This is stated after charging / (crediting):

	18 months ended 31 March 2023	12 months ended 30 Sept 2021
	£	£
Depreciation	298,267	136,700
Impairment	254,866	-
Inventory recognised as an expense	397,397	326,645
Interest payable on loans	63,416	24,796
Operating lease rentals:		
Property	465,624	521,325
Other	11,008	123,759
Auditor's remuneration (excluding VAT):		
Audit - Affinity Trust	24,000	22,500
Audit - Affinity Trust Support Limited ("ATSL")	6,000	-
Other services - corporation tax ATSL	1,050	-
	2,050,917	1,035,630

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

Staff costs were as follows:

	18 months ended 31 March 2023	12 months ended 30 Sept 2021
	£	£
Salaries and wages	71,812,296	43,361,611
Redundancy and termination costs	441,799	8,811
Social security costs	6,248,045	3,611,838
Employer's contribution to defined contribution pension schemes	1,678,421	1,017,074
Operating costs of defined benefit pension schemes treated as defined contribution pension schemes	325,579	297,246
	80,506,140	48,296,580
Agency costs	6,850,618	2,226,558
	87,356,758	50,523,138

£132,706 of pension costs were included within creditors (2021: £193,064).

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

	18 months ended 31 March 2023	12 months ended 30 Sept 2021
	No.	No.
£60,000 - £69,999	55	5
£70,000 - £79,999	18	1
£80,000 - £89,999	7	3
£90,000 - £99,999	9	2
£100,000-£109,999	1	-
£120,000 - £129,999	-	1
£130,000 - £139,999	2	-
£160,000 - £169,999	1	-
£190,000 - £199,999	1	-

The total employee benefits (including employer pension contributions and employer's national insurance) of the key management personnel who are the senior management team as defined on page 1 plus Trustees was £1,035,630 (2021: £738,789). The following was paid to trustees:

	18 months ended 31 March 2023	12 months ended 30 Sept 2021
	£	£
Board of trustees' remuneration	84,486	55,919
Board of trustees' expenses	2,807	771
	87,293	56,690

Notes to the financial statements

For the period ended 31 March 2023

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

Board members were paid £7,041 on average for the 18 month period (2021: £5,169). Board members who are also members of the Finance Committee were paid £6,020 for 18 months (2021: £5,411) each and Board members who are also members of the Quality Committee were paid £6,485 for 18 months (2021: £5,411) on average. The Chair was paid £12,960 for 18 months (2021: £8,471). The basis for Trustees' remuneration is set out in the Articles of Association of Affinity Trust. Trustees' remuneration is reviewed annually by an Independent Panel and approved by the Board.

Travel, subsistence, phone and IT expenses were incurred by 8 Trustees (2021: 4) in the course of their duties. There were no retirement benefits accruing for the Trustees.

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

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

	18 months ended 31 March 2023	12 months ended 30 Sept 2021
	£	£
K Cameron (Vice Chair, Retired 30 March 2021)	-	2,706
S Ross	9,519	5,411
T Tamblyn (Retired 30 September 2022)	5,623	5,411
D Walden (Retired 30 September 2022)	6,039	5,411
A Anketell (Retired 15 May 2022)	3,462	5,411
M Moody (Retired 30 September 2021)	-	5,411
J Edwards	8,277	5,411
S Rees	8,579	4,610
T Barron (Chair)	12,960	8,471
H Burgess	8,277	5,411
C Akpakwu	8,375	1,127
C King	8,556	1,127
C Ncube	3,946	-
R Parry	3,680	-
	87,293	55,918

7 Staff numbers

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

	18 months ended 31 March 2023	12 months ended 30 Sept 2021
	No.	No.
Shared living	130	133
Supported living	1,802	1,686
Outreach services	155	206
Supported employment & day opportunities	32	68
Social enterprises	19	17
Housing	2	14
Chidrens Services	33	23
Support	110	138
	2,283	2,285

8 Related party transactions

Other than Trustee remuneration as detailed in Note 6 there are no related party transactions to disclose for 2023 (2021: none).

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

9 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiary Affinity Trust Support Limited has distributed profits of £3,891 to Affinity Trust in August 2023 which alleviates the corporation tax liability.

Notes to the financial statements

For the period ended 31 March 2023

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	1,664,932	2,423,436	338,591	4,426,959
Additions	-	27,428	9,925	37,353
Disposals in period	(287,793)	(287,793)	(100,566)	(676,152)
At the end of the period	1,377,139	2,163,071	247,950	3,788,160
Depreciation				
At the start of the period	-	59,764	238,799	298,563
Charge for the period	-	73,772	25,388	99,160
Impairment	-	254,866	-	254,866
Eliminated on disposals	-	(19,666)	(58,321)	(77,987)
At the end of the period	-	368,736	205,866	574,602
Net book value				
At the end of the period	1,377,139	1,794,335	42,084	3,213,558
At the start of the period	1,664,932	2,363,672	99,792	4,128,396

Other Housing Assets**The group and charity**

	Freehold Land £	Freehold property £	Alterations £	Total £
Cost				
At the start of the period	377,500	377,500	249,309	1,004,309
Disposals in period	(90,000)	(90,000)	(63,811)	(243,811)
At the end of the period	287,500	287,500	185,498	760,498
Depreciation				
At the start of the period	-	110,609	249,309	359,918
Charge for the period	-	9,675	-	9,675
Eliminated on disposal	-	(4,650)	(63,811)	(68,461)
At the end of the period	-	115,634	185,498	301,132
Net book value				
At the end of the period	287,500	171,866	-	459,366
At the start of the period	377,500	266,891	-	644,391

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	1,966,201	42,084	3,672,924
At the start of the period	2,042,432	2,630,563	99,792	4,772,787

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 the properties during the period and only one property was valued at less than net book value. Impairment has been booked for this one property.

Notes to the financial statements

For the period ended 31 March 2023

11 Other tangible fixed assets

The group and charity	Cars and office equipment		Total £
	Cars £	Office equipment £	
Cost			
At the start of the period	62,178	760,813	822,991
Additions in period	-	508,354	508,354
Disposals in period	(62,178)	-	(62,178)
At the end of the period	-	1,269,167	1,269,167
Depreciation			
At the start of the period	62,178	669,735	731,913
Charge for the period	-	189,433	189,433
Eliminated on disposal	(62,178)	-	(62,178)
At the end of the period	-	859,168	859,168
Net book value			
At the end of the period	-	409,999	409,999
At the start of the period	-	91,078	91,078

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

12 Investments

	The group		The charity	
	2023 £	2021 £	2023 £	2021 £
Value at the start of the period	6,325,269	2,699,025	6,325,269	2,699,025
Capital (withdrawals)/additions during the period	(1,500,000)	3,000,000	(1,500,000)	3,000,000
Purchases within the portfolio	3,968,403	2,566,012	3,968,403	2,566,012
Sales within the portfolio	(3,923,952)	(2,591,781)	(3,923,952)	(2,591,781)
Income reinvested in the portfolio	140,398	58,292	140,398	58,292
Fees	(40,744)	(16,957)	(40,744)	(16,957)
Net gain/(loss) on change in fair value	(310,650)	531,916	(310,650)	531,916
Cash balance held by investment manager	4,658,724	6,246,507	4,658,724	6,246,507
	26,960	78,762	26,960	78,762
Fair value at the end of the period	4,685,684	6,325,269	4,685,684	6,325,269

Investments comprise:

	The group		The charity	
	2023 £	2021 £	2023 £	2021 £
Common investment funds	4,658,724	6,246,507	4,658,724	6,246,506
Investment in subsidiary company	-	-	1	1
Cash	26,960	78,762	26,960	78,762
	4,685,684	6,325,269	4,685,685	6,325,270

Notes to the financial statements

For the period ended 31 March 2023

13 Subsidiary undertaking

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

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

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

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

	2023 £	2021 £
Turnover	369,704	-
Cost of sales	(358,613)	-
Gross Profit	11,091	-
Administrative expenses	(7,200)	-
Operating profit/(loss)	3,891	-
Interest receivable	-	-
Interest payable	-	-
Profit/(loss) on ordinary activities	3,891	-
Taxation on profit/(loss) on ordinary activities	-	-
Total comprehensive income	3,891	-
Retained earnings		
Total retained earnings brought forward	-	-
Total comprehensive income	3,891	-
Distribution under Gift Aid to parent charity	(3,891)	-
Total retained earnings carried forward	-	-
The aggregate of the assets, liabilities and reserves was:		
Assets	425,564	-
Liabilities	(425,563)	-
Share Capital and Reserves	1	-

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

Included within administrative expenses above is a management charge of £358,613 (2021: £nil) from the parent entity.

Parent charity

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

	2023 £	2021 £
Gross income	94,353,526	58,377,492
Result for the year	(2,703,036)	1,673,450

Notes to the financial statements

For the period ended 31 March 2023

14 Stocks

	Group		Charity	
	2023 £	2021 £	2023 £	2021 £
Stocks held at Englefield Garden Centre	100,924	77,131	100,924	77,131
	100,924	77,131	100,924	77,131

15 Debtors

	Group		Charity	
	2023 £	2021 £	2023 £	2021 £
Trade debtors	2,286,102	3,296,414	2,066,554	3,296,413
Amounts due from group undertakings	-	-	362,503	1
Other debtors	85,006	22,868	85,006	22,868
Prepayments and accrued income	2,622,088	3,304,767	2,531,680	3,304,767
	4,993,196	6,624,049	5,045,743	6,624,049

16 Creditors: amounts falling due within one year

	Group		Charity	
	2023 £	2021 £	2023 £	2021 £
Bank loans	47,188	91,053	47,188	91,053
Trade creditors	1,566,769	1,773,684	1,566,769	1,773,684
Taxation and social security	1,268,080	904,381	1,212,221	904,381
Other creditors	263,281	723,606	263,281	723,606
Accruals and deferred income	2,236,550	2,445,495	2,229,350	2,445,495
	5,381,868	5,938,219	5,318,809	5,938,219

17 Deferred income

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

	Group		Charity	
	2023 £	2021 £	2023 £	2021 £
Balance at the beginning of the period	160,155	225,763	160,155	225,763
Amount released to income in the period	(160,155)	(225,763)	(160,155)	(225,763)
Amount deferred in the period	194,420	160,155	194,420	160,155
	194,420	160,155	194,420	160,155

Notes to the financial statements

For the period ended 31 March 2023

18 Creditors: amounts falling due after one year

	Group		Charity	
	2023 £	2021 £	2023 £	2021 £
Bank loans	198,241	363,802	198,241	363,802
Repayable grants:				
NHS Grant	1,064,000	1,064,000	1,064,000	1,064,000
Secretary of State for Health	328,871	463,800	328,871	463,800
	1,591,112	1,891,602	1,591,112	1,891,602

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

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

Affinity Trust obtained a Grant of £1,064,000 from the NHS to support the construction of 4 bungalows plus staff accommodation for Supported Living in Leicestershire. The Grant is repayable if the property is sold or no longer used as accommodation for individuals with learning disability or mental health needs. As at 31 March 2023 the Grant was fully drawn down.

Maturity of total debt is as follows	Group		Charity	
	2023 £	2021 £	2023 £	2021 £
In one year or less	47,188	91,053	47,188	91,053
Between one and two years	119,293	93,999	119,293	93,999
Between two and five years	264,721	265,338	264,721	265,338
Over five years	1,207,098	1,532,265	1,207,098	1,532,265
	1,638,300	1,982,655	1,638,300	1,982,655

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

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

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

	General			Total funds £
	Unrestricted £	Designated £	Restricted £	
Tangible fixed assets	-	4,563,865	300,000	4,863,865
Investments	6,325,269	-	-	6,325,269
Net current assets	5,747,344	-	7,089	5,754,433
Creditors due after more than one year	(1,891,602)	-	-	(1,891,602)
Net assets at 30 September 2021	10,181,011	4,563,865	307,089	15,051,965

Notes to the financial statements

For the period ended 31 March 2023

20a Movements in funds (current period)

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

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

20b Movements in funds (prior year)

	At the start of the year £	Income & gains £	Expenditure & losses £	Transfers £	At the end of the year £
Restricted funds:					
Ayrshire Activity club	2,200	-	-	-	2,200
Score Fund	3,889	-	-	-	3,889
Little Glen Road	300,000	-	-	-	300,000
Reading Services	1,000	-	-	-	1,000
Total restricted funds	307,089	-	-	-	307,089
Unrestricted funds:					
Designated funds:					
Fixed Assets	4,134,513	-	-	429,352	4,563,865
Total designated funds	4,134,513	-	-	429,352	4,563,865
General funds	8,936,913	58,909,408	(57,235,958)	(429,352)	10,181,011
Total unrestricted funds	13,071,426	58,909,408	(57,235,958)	-	14,744,876
Total funds at 30 September 2021	13,378,515	58,909,408	(57,235,958)	-	15,051,965

Purposes of restricted funds

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

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

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

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

Purposes of designated funds

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

Notes to the financial statements

For the period ended 31 March 2023

21 Operating lease commitments

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

	Land and Buildings		Other items	
	31 March 2023 £	30 September 2021 £	31 March 2023 £	30 September 2021 £
Less than one year	310,416	249,835	7,484	42,877
One to two years	394,898	265,284	7,217	9,662
Two to five years	-	192,173	1,429	-
	705,314	707,292	16,130	52,539

22 Post balance sheet events

There were no post balance sheet events to report.

23 Contingent liabilities

Affinity Trust has a contingent liability with regard to grants used to purchase five properties (30th September 2021: six properties). Affinity Trust will be liable to pay the interest accrued on grants to the Secretary of State for Health if the properties are sold, but only to the maximum amount of any proceeds received.

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

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

	Group and charity	
	31 March 2023 £	30 September 2021 £
Accrued interest payable to the Secretary of State for Health	2,394,568	2,953,998

24 Defined benefit pension schemes

NHS Pension Scheme

Contributions to this scheme, which are charged against net income, are set by the Government Actuary as set out below. The pension charge for the period in respect of this scheme was £311,803 (2021: £297,246). The amount outstanding at 31 March 2023 was £14,175 (2021 £20,453).

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

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

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

An outline of these follows:

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2023, is based on valuation data as 31 March 2022, updated to 31 March 2023 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FRM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

b) Full actuarial (funding) valuation

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

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019 to 20.6% of pensionable pay.

The actuarial valuation as at 31 March 2020 is currently underway and will set the new employer contribution rate due to be implemented from April 2024.

24 Defined benefit pension schemes (continued)**West Yorkshire Pension Fund**

Following the transfer of services from the Bradford and District Care Trust in December 2011, Of the 8 employees that retained their membership of the West Yorkshire Pension Fund (WYPF) which is a defined benefit scheme and operates under the provisions of the Local Government Pension Scheme (Administration) Regulations 2008 (as amended) there are currently only 4 remaining with active scheme membership. The employer's normal contribution rate is 0% and employees pay between 5.8% and 6.5%. Total employer contributions to the WYPF for the period ended March 2023 were £0 (2021:£0) as Affinity Trust received confirmation from the actuary that no 'deficit funding' payment were required. Affinity Trust and the City of Bradford Metropolitan District Council entered into an Admission Agreement and a separate commercial contract dated December 2012 and the substance of these agreements in relation to pension costs is that Affinity Trust's only liability is to pay the monthly employer contributions as determined from time to time by the Scheme actuary. Any actuarial deficit relating to the 8 employees at the end of the contract remains with the Council. The financial statements therefore reflect only the value of the monthly employer contributions described above. Following a triannual actuarial revaluation of the scheme, Affinity Trust were advised that an actuarial surplus had accumulated since the contract commenced and as a result no monthly contributions were required to be paid after March 2014.

South Yorkshire Pension Fund

After the transfer of a number of services in Sheffield in November 2017, one employee retained their membership of the South Yorkshire Pension Fund (SYPF) which is a defined benefit scheme and operates under the provisions of the Local Government Pension Scheme (Administration) Regulations 2008 (as amended). The employer's normal contribution rate was 22.2% of salary and employee paid 6.8%. The employee left on 25th November 2022 and the scheme is in the process of being closed.

25 Legal status of the charity

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

26 Financial instruments

The carrying amount of the group's financial instruments was

	Group and charity	
	31 March	30 September
	2023	2021
	£	£
Financial assets		
Assets measured at Fair Value	4,685,684	6,325,269

27 Capital Commitments

There is a capital commitment of £70k for a new website and branding as at 31 March 2023. The total cost is £84k of which £70k has not yet been paid . 30th September 2021 capital commitments were nil.