

Company No 6893564
Charity no 1139891



affinitytrust

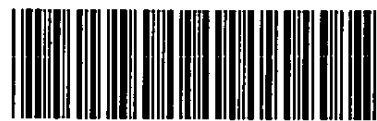
SUPPORTING PEOPLE WITH LEARNING DISABILITIES

Affinity Trust

Report and Financial Statements

30 September 2010

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sayer vincent

consultants and auditors

Affinity Trust

Reference and administrative details

For the period ended 30 September 2010

Status	The organisation is a company limited by guarantee, incorporated on 30 April 2009 in the name of Affinity Trust. It transmogrified from an Industrial and Provident Society named TACT UK Limited, which was recognised as charitable by HM Revenue & Customs. Affinity Trust registered as a charity on 18 January 2011.	
Company number	6893564	
Charity number	1139891	
Governing document	The organisation is governed by its memorandum and 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	
Officers	L Sowerby M Togsverd P Middlewood S Pearce	chief executive and company secretary operations director development director finance director
Trustees	M Thomas I Robertson S Allen K Cameron H Conroy C Gabriel J Hawthorne M Moody A Taylor T Tunley	chairman Resigned 1 July 2010 Deceased Chairman of the finance and audit panel
Bankers	Bank of Scotland Beauclerc House 3 Queens Road Reading Berkshire RG1 4AR	Nat West Leeds Commercial Office 4th Floor 2 Whitehall Quay Leeds LS1 4HR

Affinity Trust

Reference and administrative details

For the period ended 30 September 2010

Solicitors	Laytons 50 Victoria Embankment Blackfriars London EC4Y 0LS
Auditors	Sayer Vincent Chartered accountants and statutory auditors 8 Angel Gate City Road London EC1V 2SJ

Affinity Trust

Report of the board of trustees

For the period ended 30 September 2010

The board of trustees presents its report and the audited financial statements for the 17 month period ended 30 September 2010

Reference and administrative information

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 and the Statement of Recommended Practice - Accounting and Reporting by Charities (issued March 2005)

Structure, governance and management

The organisation is a charitable company limited by guarantee. It is managed by an elected board of trustees, who are the directors of the company, one third of whom are proposed for re-appointment on an annual basis. The company was established under a memorandum of association which establishes the objects and powers of the company and is governed by its articles of association.

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

The board of trustees has referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the organisation's aims and objectives and in planning its future activities. In particular, the board consider how planned activities will contribute to the aims and objectives that have been set.

Recruitment of new trustees takes place through a formal process involving external national advertising.

A formal induction process for new trustees has been implemented which includes the visiting of services delivered and meeting all levels of staff. The board will also be introducing annual appraisals for individual trustees to work alongside the collective appraisal of the board as a whole.

The board has set the following as Affinity Trust's mission statement and values.

Mission statement

To enable people with learning disabilities to achieve active and fulfilling lives, gain increased independence and achieve equal rights as citizens

Values

In all our dealings with everyone we work with, we will be

Committed to doing our very best for the people we support and never giving up on someone we support,

Reliable and always do what we say we will do,

Honest and open in all of our relationships and transactions,

Respectful of others, their views and their rights,

Inclusive in how we value diversity, support equality of access to opportunities and challenge discrimination,

Creative and flexible in our thinking, in our work and in how we use our resources

Affinity Trust

Report of the board of trustees

For the period ended 30 September 2010

The board of trustees delegates day to day responsibility for the management of the organisation to the Chief Executive and Senior Management Team consisting of the Finance Director, Operations Director and Development Director. The company's activities are structured into six geographic operating divisions each headed by a Divisional Director.

The six divisions are

Central - Bedfordshire, Leicestershire and Hertfordshire

East - Essex, Norfolk, Cambridgeshire

North - West Yorkshire

Scotland - Ayrshire, Argyll and Bute

South - Berkshire, Gloucestershire, Hampshire, Herefordshire, Oxfordshire, Surrey

Kent - Kent

The main activities have been the provision of

Supported living - provides tailor made support for people living in their own home. The levels of support are substantial but flexible to meet the needs of the individual.

Outreach - provides smaller amounts of support on a flexible basis.

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

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

Housing - Affinity Trust owns a number of properties where it acts as landlord to people with learning disabilities.

Social enterprise - Affinity Trust runs a social enterprise that provides employment opportunities for the people that we support.

Objectives, activities and achievements

During the period covered by this report the board of trustees has set and reviewed key aims and objectives for the organisation and set them out in a Business Plan. The Business Plan identifies three key strategic areas of Quality, Growth and Financial Stability and sets specific objectives to be achieved in each area. The plan and key objectives have been discussed with staff in all six divisions by the Senior Management Team.

The board has also 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 facing Affinity Trust have been assessed as

- Government planned reduction in spending
- Potential loss of high value contracts
- Difficulties in recruiting and retaining staff
- Sickness absence levels

The board 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.

Affinity Trust

Report of the board of trustees

For the period ended 30 September 2010

Main achievements

- Increase in the number of people supported by 55 to 615
- Increase in annual income to £23,227,601 (£32,591,475 for 17 months)
- Taking over and developing the management of NHS services in Kent
- Selection to take over NHS services in Leicestershire
- Award of a significant new contract in Hertfordshire
- Implementation of a Management Development Programme for managers at all levels of the organisation
- Introduction of a new internal Quality Audit system
- Standardised reporting of all operating divisions against Key Performance Indicators

Financial review

The accounts have been prepared for the 17 month period from 1 May 2009 to 30 September 2010

For the 17 month period Affinity Trust achieved a surplus of £785,455 being 2.4% on all its activities. On an annualised basis there was a growth in operational activities of 19% due to the impact of the services in the Kent region. This resulted in the income for Affinity Trust being £32,591,475 for the period.

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

- Income, costs and surplus comparisons to budget,
- Staff turnover and absence management,
- Overtime and agency staff costs, trend and comparison to targets,
- Aged debtor management,

The board has reviewed the reserves policy and confirmed the need to hold a defined level of reserves to maintain the going concern basis of the organisation and to meet future expenditure for which no liability currently exists. The policy recommends holding reserves to meet the equivalent of two months' operational turnover. Based on an annual turnover of £26 million anticipated for 2010/11 the required reserves level is £4.4 million. The current level of general reserves is below this target at £3.4 million.

Total designated funds are £2.8 million. The majority (£2.4 million) is fixed assets net of loans as the fixed assets are properties that are people's homes, that could not be realised in the short or medium term. The balance, are designated reserves for a series of projects that the organisation intends to invest in during future financial years.

Currently cash funds not immediately required for working capital are held as fixed term bank deposits. This position is reviewed regularly and decisions as to alternative investments are considered by the board when considered necessary.

Affinity Trust

Report of the board of trustees

For the period ended 30 September 2010

Plans for the future

The annual review of the Business Plan sets out three key strategic areas of activity Quality, Growth and Financial Stability

The new plan continues to focus on Affinity Trust's objective to support a greater number of people, and has therefore set out a strategy for future growth and development Affinity Trust aims to become a provider of choice for people with learning disabilities, their families and commissioning bodies, and in doing so, has developed the following key objectives for 2010-2012

- Increase the number of individuals supported,
- Aim for new business of £3 million next year,
- Maintain financial stability,
- Develop new services, and
- Increase number of people on individual budgets,

The Business Plan also sets out the timescales for review and re-modelling of shared living (residential services) as well as reviews of other types of support provided by Affinity Trust to ensure that best practice is identified and followed across the organisation

Affinity Trust involves its employees in the affairs, policy and performance of the organisation through a system of staff forums in each geographic division, team meetings, newsletters and staff surveys

The following areas constitute the main focus of the business plan

Quality.

Affinity Trust aims to develop its reputation as a high quality service provider and as such will concentrate on ensuring it provides choice, flexibility, increased independence and value for money It will focus on recruiting and retaining high quality staff who are both competent and committed Further work will take place to ensure Affinity Trust's back office systems and management processes operate efficiently Affinity Trust will evidence positive outcomes for the people they support

Affinity Trust takes a positive approach to the employment, training and development of people with disabilities

Growth:

Expansion and growth are key to increasing the number of individuals Affinity Trust supports Affinity Trust will, therefore, look to develop progressive, strategically relevant models, increasing the number of contracts and undertake tenders in new areas This in turn will reduce risk and ensure Affinity Trust's greater financial strength

In order to build reputation and ensure Affinity Trust is nationally recognised and respected, Affinity Trust will continue the rebranding programme which involved the creation of a new name and logo and the redesign of all marketing and communication materials including the website

Financial stability:

In order to maintain financial stability, any service making a loss will develop an action plan with timescales for improvement Affinity Trust will seek to be competitive and offer value for money, working on both cash flow and credit control systems to optimise efficiency

Affinity Trust

Report of the board of trustees

For the period ended 30 September 2010

Statement of responsibilities of the board of trustees

The board of trustees is required to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the organisation and of its incoming resources and application of resources, including the net income or expenditure, for the period. In preparing financial statements the board of trustees is required to

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

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

The board of trustees is responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Each of the trustees confirms that to the best of his/her knowledge there is no information relevant to the audit of which the auditors are unaware. The trustees also confirm that they have taken all necessary steps to ensure that they themselves are aware of all relevant audit information and that this information has been communicated to the auditors.

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 guarantees at 30 September 2010 was 16 (2009 - 71).

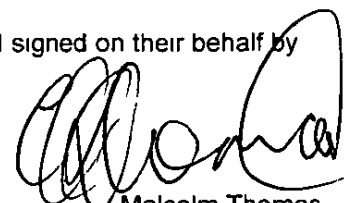
Members of the Board of Trustees have no beneficial interest in the organisation.

Auditors

Sayer Vincent were appointed as the company's auditors during the year.

Approved by the board of trustees on

and signed on their behalf by



Malcolm Thomas
Chairman

19 January 2011

Independent auditors' report

To the members of

Affinity Trust

We have audited the financial statements of Affinity Trust for the period ended 30 September 2010 which comprise the statement of financial activities, balance sheet, cashflow statement and related notes. These financial statements have been prepared in accordance with the accounting policies set out therein.

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

Respective responsibilities of the board of trustees and auditors

The responsibilities of the board of trustees (who are also the directors of Affinity Trust for the purposes of company law) for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the statement of responsibilities of the board of trustees.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and have been prepared in accordance with the Companies Act 2006. We also report to you whether, in our opinion, the information given in the board of trustees' annual report is consistent with those financial statements.

In addition we report to you if, in our opinion, the charitable company has not kept adequate accounting records, if the charitable company's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of board of trustees' remuneration specified by law are not made.

We read the report of the board of trustees' and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the board of trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Independent auditors' report

To the members of

Affinity Trust

Opinion

In our opinion

- the financial statements give a true and fair view of the state of the charitable company's affairs as at 30 September 2010 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended,
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- the financial statements have been properly prepared in accordance with the Companies Act 2006, and
- the information given in the report of the board of trustees' is consistent with the financial statements

Helen Elliott, Senior Statutory Auditor
for and on behalf of Sayer Vincent, Statutory Auditors

SAYER VINCENT
8 Angel Gate
City Road
LONDON
EC1V 2SJ

24 January 2011

Affinity Trust

Statement of financial activities (incorporating an income and expenditure account)

For the period ended 30 September 2010

			17 months to 30 September 2010 Total £	7 months to 30 April 2009 Total £
	Note	Restricted £	Unrestricted £	
Incoming resources				
<i>Incoming resources from generated funds</i>				
Investment income	2	-	12,742	12,742
<i>Incoming resources from charitable activities</i>	3			
Shared living		-	11,328,362	11,328,362
Supported living		-	14,981,098	14,981,098
Outreach services		-	4,077,244	4,077,244
Supported employment & day opportunities	54,877	1,259,785	1,314,662	455,098
Social enterprises		-	385,830	385,830
Housing		-	490,412	490,412
Other charitable incoming resources		-	1,125	1,125
Total incoming resources		54,877	32,536,598	32,591,475
Resources expended				
<i>Charitable activities</i>				
Shared living		3,467	10,751,935	10,755,402
Supported living		2,393	14,472,393	14,474,786
Outreach services		-	4,433,315	4,433,315
Supported employment & day opportunities	58,004	1,172,591	1,230,595	498,596
Social enterprises		-	350,229	350,229
Housing		-	455,764	455,764
<i>Governance costs</i>		-	105,929	105,929
Total resources expended	4	63,864	31,742,156	31,806,020
Net movement in funds	5	(8,987)	794,442	785,455
Total funds brought forward		65,196	5,418,965	5,484,161
Total funds carried forward		56,209	6,213,407	6,269,616

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 15 to the financial statements.

Affinity Trust

Company No. 6893564

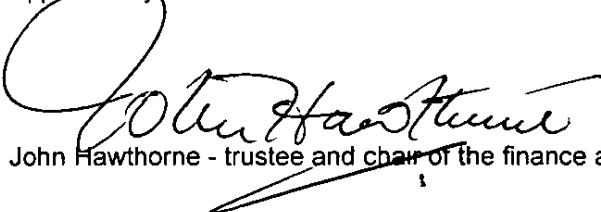
Balance sheet

As at 30 September 2010

	Note	£	30 Sep 2010 £	30 Apr 2009 £
Fixed assets				
Housing properties	8		3,989,693	4,157,412
Other tangible fixed assets	9		<u>123,883</u>	<u>107,241</u>
Total fixed assets			4,113,576	4,264,653
Current assets				
Stocks	10	83,048		84,042
Debtors	11	2,280,718		3,064,105
Cash at bank and in hand		<u>2,966,675</u>		<u>2,293,289</u>
Total current assets		5,330,441		5,441,436
Liabilities				
Creditors' amounts due within one year	12	<u>1,639,977</u>		<u>2,494,493</u>
Net current assets			3,690,464	2,946,943
Total assets less current liabilities			7,804,040	7,211,596
Creditors' amounts due after more than one year	13		<u>1,534,424</u>	<u>1,727,435</u>
Net assets	14		<u>6,269,616</u>	<u>5,484,161</u>
Funds				
Restricted funds	15		56,209	65,196
Unrestricted income funds				
Designated funds	15		2,768,997	2,736,821
General funds	15		<u>3,444,410</u>	<u>2,682,144</u>
Total funds			<u>6,269,616</u>	<u>5,484,161</u>

Approved by the board of trustees on

and signed on their behalf by



John Hawthorne - trustee and chair of the finance and audit panel

19 January 2011

Affinity Trust

Cashflow statement

For the period ended 30 September 2010

	17 months to 30 September 2010	7 months to 30 April 2009
	£	£
Net cash flow from operating activities	985,775	382,364
Returns on investments and servicing of finance		
Interest received	12,742	22,004
Interest paid	(26,777)	(26,298)
Net cashflow from investments and servicing of finance	(14,035)	(4,294)
Capital expenditure		
Payments to acquire tangible fixed assets	(100,366)	(42,005)
Receipts from sale of fixed assets	1,125	384
	(99,241)	(41,621)
Financing		
Repayment of loans	(199,113)	(72,507)
	673,386	263,942

Reconciliation of net incoming resources to net cash flow from operating activities

	2010 £	2009 £
Net movement in funds	785,455	235,783
Interest received	(12,742)	(22,004)
Interest paid	26,777	26,298
Depreciation	251,443	32,641
Profit on disposal of fixed assets	(1,125)	(384)
Decrease / (increase) in stock	994	(17,539)
Decrease / (increase) in debtors	783,387	(261,576)
(Decrease) / increase in creditors	(848,414)	389,145
	985,775	382,364

Affinity Trust

Cashflow statement

For the period ended 30 September 2010

Analysis of changes in cash

	At 1 October 2008 £	Cash flow £	Other Changes	At 1 May 2009 £	Cash flow £	Other Changes	At 30 September 2010 £
Net cash							
Cash in hand and at bank	2,029,347	263,942	-	2,293,289	673,386	-	2,966,675

Analysis of changes in net debt

	At 1 October 2008 £	Cash flow £	Other changes £	At 1 May 2009 £	Cash flow £	Other changes £	At 30 September 2010 £
Debt							
Debt due within one year	(98,339)	72,507	(123,691)	(149,523)	149,523	(143,421)	(143,421)
Debt due after one year	(1,851,126)	-	123,691	(1,727,435)	49,590	143,421	(1,534,424)
	(1,949,465)	72,507	-	(1,876,958)	199,113	-	(1,677,845)

Affinity Trust

Notes to the Financial Statements

For the period ended 30 September 2010

1. Accounting policies

- a) The financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with applicable accounting standards and the Companies Act 2006. They follow the recommendations in the Statement of Recommended Practice, Accounting and Reporting by Charities.

The comparative figures for the 7 months to 30 April 2009 relate to the company prior to its conversion to a charitable company limited by guarantee.

- b) Income from charges to people supported, local authority fees and the social enterprise is recognised as it is earned. Voluntary income is received by way of donations and gifts and is included in full in the statement of financial activities when receivable.
- c) Revenue grants are credited to the statement of financial activities when received or receivable whichever is earlier, unless they relate to a specific future period, in which case they are deferred.
- d) Resources expended are recognised in the period in which they are incurred. Resources expended include attributable VAT which cannot be recovered.

Resources expended are allocated directly to each activity area if the cost relates directly to that activity. Central support costs are allocated on the basis of staff costs for each activity.

Governance costs include the management of Affinity Trust's assets, organisational management and compliance with constitutional and statutory requirements.

- e) 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 property	nil
Property alterations	2%
Cars	33%
Office equipment	10% - 50%

Items of equipment are capitalised where the individual purchase price exceeds £3,000.

- f) No depreciation is provided on freehold housing property because the company has a policy to maintain the properties to a high standard through a continuing programme of refurbishment and maintenance. Consequently the lives of the properties and their residual values are such that any depreciation charge would be immaterial.

An annual impairment review is undertaken in accordance with Financial Reporting Standard 11 - Impairment of fixed assets and goodwill. When the carrying amount of the asset is higher than the recoverable amount the asset is written down.

Alterations made to freehold property are depreciated over 50 years.

Affinity Trust

Notes to the Financial Statements

For the period ended 30 September 2010

1. Accounting policies (continued)

- g) Stocks of goods held for resale are stated at the lower of cost and net realisable value, after making due allowance for obsolete or damaged goods. 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.
- h) 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 together with a fair allocation of support costs.
- i) Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.
- j) Designated funds are unrestricted funds earmarked by the board of trustees for particular purposes.
- k) Rentals payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to the statement of financial activities in the year in which they fall due.
- l) 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 the Affinity Trust in respect of the scheme. See details in note 18.

- m) Amounts due back to the Berkshire Health Authority and the South West Surrey Health Authority are accounted for at the amount of grant initially awarded to Affinity Trust.

The payment of interest accrued on these grants 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 health authorities is for the health authorities to receive their share of the increase in the value of the properties.

2. Incoming resources from generated funds

			17 months to 30 Sept 2010	7 months to 30 April 2009
	Restricted £	Unrestricted £	Total £	Total £
Bank interest	<u>-</u>	<u>12,742</u>	<u>12,742</u>	<u>22,004</u>

Affinity Trust

Notes to the Financial Statements

For the period ended 30 September 2010

3 Incoming resources from charitable activities

			17 months to 30 Sept 2010 Total £	7 months to 30 April 2009 Total £
	Restricted £	Unrestricted £		
<u>Shared Living</u>				
Local authorities	-	11,176,211	11,176,211	3,397,370
Contributions from the people we support	-	151,561	151,561	56,861
Grants and donations	-	590	590	-
	-	11,328,362	11,328,362	3,454,231
<u>Supported living</u>				
Local authorities	-	13,715,202	13,715,202	4,764,356
Supporting people	-	797,503	797,503	442,729
Contributions from the people we support	-	468,393	468,393	165,038
	-	14,981,098	14,981,098	5,372,123
<u>Outreach services</u>				
Local authorities	-	3,260,506	3,260,506	1,174,659
Supporting people	-	459,095	459,095	269,764
Contributions from the people we support	-	357,643	357,643	179,558
	-	4,077,244	4,077,244	1,623,981
<u>Supported employment & day opportunities</u>				
Local authorities	-	1,051,653	1,051,653	347,270
Contributions from the people we support	-	198,286	198,286	63,900
Grants and donations	54,877	9,846	64,723	43,928
	54,877	1,259,785	1,314,662	455,098
<u>Social enterprises</u>				
Trading sales	-	385,505	385,505	108,076
Grants and donations	-	325	325	250
	-	385,830	385,830	108,326
<u>Housing</u>				
Local authorities	-	288,884	288,884	117,550
Housing benefit	-	201,528	201,528	79,685
	-	490,412	490,412	197,235
<u>Other charitable incoming resources</u>				
Profit on disposal of fixed asset	-	1,125	1,125	384
	54,877	32,523,856	32,578,733	11,211,378

Affinity Trust

Notes to the financial statements

For the period ended 30 September 2010

4. Total resources expended

	Shared living £	Supported living £	Outreach services £	Day opportunities £	Social enterprises £	Housing £	Governance costs £	Support costs £	17 months to 30 Sept 2010 £	7 months to 30 April 2009 Total £
Staff costs	8,583,438	12,171,506	3,582,894	892,294	142,827	34,195	72,955	1,178,835	26,658,944	9,090,762
Training	172,937	203,185	62,190	14,357	1,568	-	-	125,027	579,264	167,060
Recruitment	59,658	97,661	33,908	8,757	3,548	-	-	65,218	268,750	114,753
Insurance	106,540	146,081	43,183	10,371	1,386	336	1,509	31,387	340,793	99,227
Transport and travel costs	242,492	187,785	163,475	55,260	3,456	3,652	16,003	70,902	743,025	258,481
Property related costs	272,378	213,982	110,628	106,938	26,822	407,215	5,768	221,848	1,365,579	559,992
Office costs	92,122	147,930	73,383	14,736	2,506	2,271	1,272	209,241	543,461	195,328
Fees payable	34,940	68,794	22,861	3,581	3,853	5,108	1,955	264,486	405,578	191,476
Sundries	3,880	11,147	1,572	313	649	-	-	1,036	18,597	7,593
Trading purchases	-	971	85	-	151,048	-	-	-	152,104	50,758
Activities	113,662	72,184	14,212	37,772	-	70	121	567	238,588	86,262
Food and household goods	341,225	115,383	19,318	10,107	384	-	123	4,797	491,337	175,907
Total resources expended	10,023,272	13,436,609	4,127,709	1,154,486	338,047	452,847	99,706	2,173,344	31,806,020	10,997,599
Apportionment of support costs	732,130	1,038,177	305,606	76,109	12,182	2,917	6,223	(2,173,344)	-	-
Total resources expended	10,755,402	14,474,786	4,433,315	1,230,595	350,229	455,764	105,929	-	31,806,020	10,997,599

Support costs are apportioned in ratio to the staff costs for resources expended

Affinity Trust

Notes to the financial statements

For the period ended 30 September 2010

5 Net incoming resources for the year

This is stated after charging	17 months to 30 Sept 2010 £	7 months to 30 April 2009 £
Interest payable on long term loans	26,777	26,298
Depreciation	251,443	32,641
Board of trustees' remuneration	48,648	15,457
Board of trustees' expenses	16,003	9,539
Auditors' remuneration		
▪ Audit in current period	20,000	17,537
▪ Under accrual in prior year	-	1,929
▪ Other services	662	500
Operating lease rentals		
▪ Property	360,168	146,873
▪ Other	87,141	26,380

Board members are paid £3,713 each per annum (2009 £3,713) and the Chairman is paid £5,835 (2009 £5,835) for their contribution to the organisation

Board members are also reimbursed reasonable travel and subsistence expenses incurred in the course of their duties

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

Depreciation includes the write down of two assets (£147,438) where the carrying amount was higher than the recoverable amount following the impairment review

Affinity Trust

Notes to the financial statements

For the period ended 30 September 2010

6. Staff costs and numbers

	17 months to 30 Sept 2010 £	7 months to 30 April 2009 £
Salaries and wages	23,197,195	7,940,845
Social security costs	1,949,521	670,997
Pension contributions	609,169	155,755
Other staff costs	903,059	323,165
	<u>26,658,944</u>	<u>9,090,762</u>

The number of staff positions earning more than £60,000 pa was

	17 months to 30 Sept 2010 No.	7 months to 30 April 2009 No
£60,000 - £70,000	2	1
£80,000 - £90,000	<u>1</u>	<u>1</u>

Pension contributions in respect of the above employees totalled £11,973 for 17 months (2009 £2,127)

The average weekly number of employees (full-time equivalent) during the period was as follows

	17 months to 30 Sept 2010 No.	7 months to 30 April 2009 No
Shared living	216.9	163.4
Supported living	326.1	307.6
Outreach services	104.2	107.3
Supported employment & day opportunities	33.8	30.7
Social enterprises	4.1	4.1
Housing	0.5	0.5
Support	62.4	56.1
	<u>748.0</u>	<u>669.7</u>

7. Taxation

Affinity Trust is exempt from corporation tax as its income is charitable and is applied to charitable purposes

Affinity Trust

Notes to the financial statements

For the period ended 30 September 2010

8. Tangible Fixed Assets

Housing Assets Owned Outright			
	Freehold property £	Alterations £	Totals £
Cost			
At the start and end of period	2,186,106	293,950	2,480,056
Depreciation			
At the start of the period	-	94,021	94,021
Charge for the period	115,000	40,199	155,199
At the end of the period	115,000	134,220	249,220
Net book value			
At the end of the period	2,071,106	159,730	2,230,836
At the start of the period	2,186,106	199,929	2,386,035

Other Housing Assets			
	Freehold property £	Alterations £	Totals £
Cost			
At the start and end of the period	1,370,000	441,883	1,811,883
Depreciation			
At the start of the period	-	40,506	40,506
Charge for the period	-	12,520	12,520
At the end of the period	-	53,026	53,026
Net book value			
At the end of the period	1,370,000	388,857	1,758,857
At the start of the period	1,370,000	401,377	1,771,377

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

Total Housing Assets			
	Freehold property £	Alterations £	Totals £
Net book value			
At the end of the period	3,441,106	548,587	3,989,693
At the start of the period	3,556,106	601,306	4,157,412

Affinity Trust

Notes to the financial statements

For the period ended 30 September 2010

9. Other tangible fixed assets

	Cars and office equipment		
	Cars £	Office equipment £	Totals £
Cost			
At the start of the period	116,189	138,392	254,581
Additions in period	42,598	57,768	100,366
Disposals in period	(14,595)	(8,049)	(22,644)
At the end of the period	144,192	188,111	332,303
Depreciation			
At the start of the period	93,372	53,968	147,340
Charge for the period	29,002	54,722	83,724
Disposals in the period	(14,595)	(8,049)	(22,644)
At the end of the period	107,779	100,641	208,420
Net book value			
At the end of the period	36,413	87,470	123,883
At the start of the period	22,817	84,424	107,241

10. Stocks

	30 Sept 2010 £	30 April 2009 £
Stocks held at Englefield Garden Centre	83,048	84,042

11. Debtors

	30 Sept 2010 £	30 April 2009 £
Trade debtors	1,687,432	2,583,068
Other debtors	14,063	2,285
Prepayments and accrued income	579,223	478,752
	2,280,718	3,064,105

Affinity Trust

Notes to the financial statements

For the period ended 30 September 2010

12. Creditors : amounts due within one year

	30 Sept 2010 £	30 April 2009 £
Bank loans	143,421	149,523
Trade creditors	131,663	77,608
Taxation and social security	478,254	365,178
Other creditors	225,845	428,642
Accruals and deferred income	363,926	1,131,491
Variable pay accrual	296,868	342,051
	<u>1,639,977</u>	<u>2,494,493</u>

13. Creditors : amounts due after one year

	30 Sept 2010 £	30 April 2009 £
Bank loans	716,749	909,760
Repayable grants		
Berkshire Health Authority	66,375	66,375
South West Surrey Health Authority	751,300	751,300
	<u>1,534,424</u>	<u>1,727,435</u>

Bank loans are secured by first mortgages held by the Bank of Scotland and Nat West plc on Affinity Trust's properties. Interest is accruing on the Nat West loan at a rate of 1.25% above base rate. Interest is accruing on the Bank of Scotland loans at a rate of 2% 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 8. The amounts owed were used to fund the balance of the purchase price of properties, alterations and fixtures and fittings over sums advanced by the Bank of Scotland.

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. The maximum amounts repayable will not exceed the sale proceeds after settlement of sums due to the Bank of Scotland.

Maturity of total debt is as follows

Maturity of total debt is as follows

	30 Sept 2010 £	30 April 2009 £
In one year or less	143,421	149,523
Between one and two years	146,577	152,848
Between two and five years	258,541	353,417
Over five years	1,129,306	1,221,170
	<u>1,677,845</u>	<u>1,876,958</u>

Affinity Trust

Notes to the financial statements

For the period ended 30 September 2010

14. Analysis of net assets between funds

	Restricted funds £	Designated funds £	General funds £	Total funds £
Tangible fixed assets	-	4,113,576	-	4,113,576
Net current assets	56,209	189,845	3,444,410	3,690,464
Creditors due after more than one year	-	(1,534,424)	-	(1,534,424)
Net assets at the end of the period	56,209	2,768,997	3,444,410	6,269,616

15. Movements in funds

	At the start of the period £	Incoming resources £	Outgoing resources £	Transfers £	At the end of the period £
Restricted funds:					
Big Lottery	13,407	50,322	(42,742)	-	20,987
Thames and Chiltern Trust	25,636	-	(1,487)	-	24,149
Scottish Executive	7,180	-	(2,393)	-	4,787
Football Foundation	1,671	1,368	(3,039)	-	-
Esmée Fairbairn Trust	979	-	(979)	-	-
Bulmer	1,724	-	(1,724)	-	-
Learning Disability Partnership	-	1,537	(1,537)	-	-
Sport Relief Grant	3,721	-	(3,721)	-	-
Sports Advisory Council	225	-	(225)	-	-
Foundation for Sports & Arts	900	-	(900)	-	-
Rugby Inclusion Project	-	1,650	(1,650)	-	-
Keymed	9,753	-	(3,467)	-	6,286
Total restricted funds	65,196	54,877	(63,864)	-	56,209

Purposes of restricted funds

Big Lottery: A revenue grant was received to support the work of the supported employment project Contact

Thames and Chiltern Trust At the winding up of the Thames and Chiltern Trust, a separate registered charity, the balance held was transferred and is held for a specific project in the south of England

Scottish Executive A grant was received for training and staff development in Scotland

Football Foundation: A grant was awarded to support activities run by the SCORE project

Esmée Fairbairn Trust. A grant was awarded to support the SCORE project

Affinity Trust

Notes to the financial statements

For the period ended 30 September 2010

15. Movements in funds (continued)

Bulmer. A grant was awarded to support the SCORE project with training

Learning Disability Partnership: A grant was awarded for the production of a Fit Kit CD to support the SCORE project

Sport Relief Grant, Sport Advisory Council, Foundation for Sports and Arts: These grants were awarded to support the Rugby Inclusion Project in our South division

Mr Walton, Shrewsbury Rugby club, Mr Perry, Coffee morning funds: These revenue grants and funds raised amounting to £1,650 were for the running of the Rugby Inclusion Project in our South division

Keymed: A grant was awarded to enable breaks for carers

	At the start of the period £	Incoming resources £	Outgoing resources £	Transfers £	At the end of the period £
Unrestricted funds:					
<i>Designated funds</i>					
Property improvement	97,361	-	-	20,709	118,070
Property fund	2,280,454	-	(167,719)	199,113	2,311,848
Other tangible fixed assets	107,241	-	(83,724)	100,366	123,883
Management training programme	44,832	-	(44,832)	-	-
Project management fund	123,714	-	(100,180)	173,113	196,647
Change of legal status	59,070	-	(40,521)	-	18,549
Rebranding	24,149	-	(24,149)	-	-
<i>Total designated funds</i>	2,736,821	-	(461,125)	493,301	2,768,997
General funds	2,682,144	32,536,598	(31,281,031)	(493,301)	3,444,410
Total	5,418,965	32,536,598	(31,742,156)	-	6,213,407
Total funds	5,484,161	32,591,475	(31,806,020)	-	6,269,616

Purposes of designated funds

Property improvement This fund has been set aside for major repairs of properties, the fund has been increased to cover major repairs to the roof of Englefield garden centre

Property fund. This fund is set aside to account for the net assets held as property and the outstanding loans/repayable grants due on the property. The annual property depreciation expense is charged to the fund, and net loan repayment is transferred into the fund

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Notes to the financial statements

For the period ended 30 September 2010

15. Movements in funds (continued)

Other tangible fixed assets. This fund is set aside to account for the fixed assets held excluding properties. The annual depreciation expense is charged to this fund.

Management training programme: This fund was set aside for a national training programme for managers in all the divisions. The programme was designed to ensure that all managers have the skills required to manage the services they are responsible for. The programme commenced in the Spring of 2009 and the first initial phase was completed with the Kent division in Spring 2010. Future management training has been budgeted direct to the services.

Project management fund: This fund has been set aside to provide resources to manage growth and planned changes in the organisation.

Change of legal status: Due to the requirements of the new Charities Act 2006, TACT decided to transmogrify to a private limited company and to register as a charity. This fund is to cover the costs of that registration, the change in legal status to a limited company and the costs arising out of that.

Rebranding fund TACT changed its name to Affinity Trust in 2009. This fund was spent on the rebranding exercise associated with this.

16. Operating lease commitments

Affinity Trust had annual commitments at the period end under operating leases expiring as follows:

	Land & Buildings		Other items	
	30 Sept 2010	30 April 2009	30 Sept 2010	30 April 2009
	£	£	£	£
Less than 1 year	40,200	61,994	29,821	27,040
1 - 2 Years	25,901	43,752	15,152	2,708
2 - 5 Years	24,600	46,676	44,086	10,036
Over 5 years	134,693	103,744	-	-
	<u>225,394</u>	<u>256,166</u>	<u>89,059</u>	<u>39,784</u>

Affinity Trust

Notes to the financial statements

For the period ended 30 September 2010

17. Contingent liability

Affinity Trust has a contingent liability with regard to grants used to purchase nine properties. Affinity Trust will be liable to pay the interest accrued on grants from the Berkshire Health Authority and the South West Surrey Health Authority when a decision is made to sell the properties.

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

At 30 September 2010, the contingent liability due to the health authorities in the event of Affinity Trust selling all of the properties is

	30 Sept 2010 £	30 April 2009 £
Berkshire Health Authority	256,016	236,461
South West Surrey Health Authority	2,674,375	2,466,583
	<u>2,930,391</u>	<u>2,703,044</u>

18. Defined benefit pension scheme

NHS Pension Scheme

The NHS Pension Scheme is an unfunded, defined benefit scheme that covers NHS employers, General Practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. As a consequence it is not possible for Affinity Trust to identify its share of the underlying scheme.

The NHS Pension Scheme is an unfunded scheme under which contributions for employees and employers are paid to the Exchequer which in turn meets the cost of paying benefits as and when they fall due. In order to assess an appropriate contribution cost historically there has been an associated notional fund of assets deemed to be invested in UK Government stocks.

The actuarial investigation as at 31 March 2004 covers the 5 years from 31 March 1999. This has been a period of significant change for the NHSPS:

- the scheme has assumed responsibility for paying pensions increases which were previously met from the Consolidated Fund
- the financial arrangements for the scheme has moved to the SCAPE methodology
- the nature of assets attributed to the notional fund of the scheme has been changed and their amount has been reassessed to take account of a) and b) above
- changes in the structure of the scheme's benefits and contributions planned to take effect from 1 April 2008 including a new scheme for new entrants has been accepted by ministers

Notional assets of the scheme at 31 March 2004 were £123.7 bn and employers' contribution were payable at 14% of pensionable pay.

Affinity Trust

Notes to the financial statements

For the period ended 30 September 2010

18. Defined benefit pension scheme (continued)

NHS Pension Scheme (continued)

Liabilities of the scheme at 31 March 2004 were £127 bn. This is mainly due to transfer of liability for pension increases previously met by the Exchequer now being met by the scheme.

The proposed changes to the scheme are expected to reduce both the value of the accrued liabilities and the build up of future liabilities and maintain employer contribution at the current level of 14%.

Employers' pension contribution costs are applied to resources expended as and when they become due. Employer contribution rates are reviewed every four years following a scheme valuation carried out by the Government Actuary. On advice from the Actuary the contribution may be varied from time to time to reflect changes in the Scheme's liabilities. In 2010 employers paid 14% (2009 - 14%). The total employer contribution payable in the 17 month period to 30 September was £476,073 (2009 - £107,806). Employees pay contributions of 6.5% (manual staff 5%) of their pensionable pay.

The Scheme is a "final salary" scheme. Annual pensions are normally based on 1/80th of the best of the last three years' pensionable pay for each year of service. A lump sum normally equivalent to 3 years' pension is payable on retirement. Annual increases are applied to pension payments at rates defined by the Pensions (Increase) Act 1971, and are based on changes in retail prices in the twelve months ending 30 September in the previous calendar year. On death, a pension of 50% of the member's pension is normally payable to the surviving spouse.

Early payment of a pension, with enhancement, is available to members of the Scheme who are permanently incapable of fulfilling their duties effectively through illness or infirmity. A death gratuity of twice final year's pensionable pay for death in service, and five times their annual pension (subject to certain conditions) for death after retirement, is payable.

The Scheme provides the opportunity to members to increase their benefits through money purchase Additional Voluntary Contributions (AVCs) provided by an approved panel of life companies. Under the arrangement Affinity Trust can make contributions to enhance an employee's pension benefits. The benefits payable relate directly to the value of the investments made.