

Company Registration Number: 08117759 (England & Wales)

AFFINITY MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

THURSDAY



A97XYFXM

A22

25/06/2020

#86

COMPANIES HOUSE

AFFINITY MULTI ACADEMY TRUST

CONTENTS

	Page
Reference and Administrative Details	1
Trustees' Report	2 - 7
Governance Statement	8 - 11
Statement on Regularity, Propriety and Compliance	12
Independent Auditors' Report on the Financial Statements	13 - 15
Independent Reporting Accountant's Report on Regularity	16 - 17
Statement of Financial Activities Incorporating Income and Expenditure Account	18
Balance Sheet	19
Statement of Cash Flows	20
Notes to the Financial Statements	21 - 41

AFFINITY MULTI ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members	Sandra Willatt (resigned 11 September 2019) Mitchell Burden Jeremy Pallant Peter Wood
Trustees	Laura Mills Lynne Pritchard Natalie Clarke Robert King Sally Chestnutt Vincent Gowler (appointed 6 May 2019) Josie Lynn (resigned 23 July 2019) Sandra Willatt (resigned 30 July 2019) Jacqueline McPherson (resigned 11 September 2019)
Company registered number	08117759
Company name	Affinity Multi Academy Trust
Principal and registered office	Meadowgate Lane Wisbech PE13 2JH
Chief Executive Officer	Michelle Flanz
Senior Management Team	Michelle Flanz, Headteacher (Appointed 1 September 2018) Lisa Gill, Assistant Headteacher Andrea Scott, Finance Officer
Independent Auditors	Price Bailey LLP Causeway House 1 Dane Street Bishop's Stortford CM23 3BT
Bankers	Lloyds Bank Plc 3 North Brink Wisbech PE13 1JT
Solicitors	LGSS Law Limited Priory House Monks Walk Chicksands Shefford SG17 5TQ

AFFINITY MULTI ACADEMY TRUST
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

The Trustees present their Annual Report together with the financial statements and Auditor's Report of Affinity Multi Academy Trust (the Trust, the Academy or the Charitable Company) for the period ended 31 August 2019. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The Trust operates one academy school for pupils aged 3 to 19 years serving a catchment area in Fenland, Cambridgeshire. It has a pupil capacity of 158 and had a roll of 170 in the 2018 school census. In September 2019 it will have 178 pupils. The Academy opened on 1 April 2017.

Structure, Governance and Management

The Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are its primary governing documents. The Trustees of the Charitable Company are also the Directors for the purposes of company law. The Charitable Company is also known as Meadowgate school.

Trustees and Officers' Indemnities

In accordance with normal commercial practice the Trust has purchased insurance to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business.

Method of Recruitment and Appointment or Election of Trustees

The Trust is governed by a Board comprising the Trustees. The Board will have regard to any guidance of academy trusts. The Trustees will not amend or remove the provisions in its Articles relating to the appointment or election or the resignation or removal of Trustees or Members without the Secretary of States consent. In this Report the term Trustee, Director and Governor are interchangeable.

The arrangements are as set out in the Articles and Funding Agreement.

The board is currently reviewing its policies and procedures for the training provided to Trustees and writing a development plan. The plan will be linked to a skills audit and review. This will also inform the identification of recruitment requirements. The appointment of new Trustees is in line with national guidance.

Organisational Structure

The governance of the Trust is defined in the Memorandum and Articles of Association together with the Funding Agreement with the Department of Education.

The Board, which meets on at least 4 occasions per year and each individual committee at least 2 times per year, is responsible for the strategic direction of the Trust. The Board reviews progress towards educational objectives and results; approves major expenditure requests; sets the budget for the following year; sets the organisational staffing structure; agrees the performance objectives of the Headteacher with the School Improvement Partner, and reviews them.

The Headteacher is the designated Accounting Officer and has overall responsibility for the day to day financial management of the Charitable Company. The Headteacher has delegated responsibility for low values of expenditure to specific budget holders who are responsible for managing their own departments within their allocated budgets. A system of financial controls is in place to manage this process.

The Headteacher manages the Trust on a daily basis supported by a Senior Leadership Team (SLT). The SLT meets frequently to discuss emerging matters and to help to develop strategies for future development to be put to the Headteacher and the Board as required for approval. Each member of the SLT has specific responsibilities to assist the Headteacher to manage certain aspects of the Trust.

AFFINITY MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

Arrangements for setting pay and remuneration of key management personnel

Pay and remuneration of key management personnel is decided by a variety of contributory factors, such as the school group size, ISR, the pay scales for each role and the level of experience of each staff member. In addition, pay levels may be affected by nationally agreed pay awards, the ability to recruit and retain in post, all of which are in accordance with the Trust's appointment and pay policies.

Trade Union Facility Time

During the year the one employee (2018: one employee) of the Trust acted as a union official on a 1-50% (2018: 1-50%) full time equivalent contract. The employee spent 2 hours during both 2019 and 2018 financial years. The total cost of facility time is £23 for the year (2018: £23), this equates to less than 1% (2018: less than 1%) of total pay bill spent on facility time.

Related Parties and other Connected Charities and Organisations

The Trust has no related parties, connected charities or organisations.

Owing to the nature of the Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, it is inevitable that from time to time transactions will take place with organisations in which Trustees may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procedures. Any transaction where the Trustee may have a pecuniary interest is only undertaken in accordance with the 'at cost' principle described in the Academies Financial Handbook.

The Trust does not have a formal sponsor.

Objectives and Activities

Objects and Aims

The principal object and aim of the Charitable Company is the operation of the Academy to provide free education and care for pupils of different abilities between the ages of 3 years and 19 years.

Objectives, Strategies and Activities

1. To embed the Trust ensuring the systems of governance and monitoring are secure.
2. To ensure the budget is used appropriately to provide the resources to meet the Academy development plan.
3. To consider opportunities to grow the Trust according to the vision of the Trustees to continue to ensure outstanding education and care for all pupils.
4. To complete the Condition and Improvement Fund bid.

During the year the School has worked towards these aims by:

- Developing the Affinity Multi Academy Trust.
- Recruiting quality Members, Directors and Local Governors to the Trust.
- Ensuring a strong financial position.
- Promoting the positive image of the Academy within the local and regional community.
- Ensuring all pupils achieve expected or above expected outcomes.

Public Benefit

The Trustees believe that by working towards the objects and aims of the Trust as detailed above, they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

AFFINITY MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

Fundraising

The Trust only held small fundraising events during the year including summer fayres, Christmas fetes and non uniform days. The Trust does not work with professional fundraisers or companies who carry out fundraising on its behalf. During the year no complaints or issues have arisen as a result of the fundraising events.

Strategic Report

Achievements and Performance

The Trust opened on 1 April 2017 its mission to ensure that students achieved their potential in external accredited courses; encouraged a wide range of extra-curricular activities; developed and retained suitable staff and guided students in suitable progression when they left the Trust.

Specific achievements were as follows:

- Students in KS4 and 5 all achieved expected Entry Levels in Literacy, Numeracy, Science Life Skills and Communication.
- All pupils taking the GCSE Art examination gained expected levels.
- All Y14 students achieved the expected passes within their vocational subjects.
- Y12 and 13 students took part in the National Youth Volunteer Scheme.
- Recruitment of 8 new members of staff.
- 4 staff completed the second year on the Foundation Degree at Bishop Grosseteste University.
- The Academy transferred reporting and recording achievements on EHCP targets, for Primary and KS3 pupils, on to the Earwig on-line system.
- Successful CIF to replace roof on older sections of the building.

Key Performance Indicators

- Over 95% of all pupils achieved expected or above expected levels in July 2018
- In 2015 OFSTED rated Meadowgate School as outstanding.
- All academy leavers have accepted a place at a college of their choice or are placed in supportive living.

The Trustees receive regular information at each committee meeting to enable them to monitor the performance of the Trust compared to aims, strategies and financial budgets.

Another key financial performance indicator is staffing costs as a percentage of total income. For 2018/19 this was 83%. The Board of Trustees is confident that staffing levels are closely monitored to agreed full time equivalent and staffing structures all approved by the Board.

The Finance and Premises Committee also monitor premises costs to General Annual Grant (GAG) income, capitation spend for curriculum departments to GAG income, total income less grants and cash flow on a regular basis to ensure that the budget is set and managed appropriately.

Going Concern

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

Financial Review

The principal source of funding for the Trust is the GAG and other grants that it receives from the Education, Skills Funding Agency (ESFA). For the year ended 31 August 2019 the Trust received £3,978,424 (2018: £3,581,109) of GAG and other funding. A high percentage of this income is spent on wages and salaries and support costs to deliver the Academy's primary objective of the provision of education. During the year the Trust spent £4,273,015 (2018: £3,839,397) on general running expenses, excluding depreciation. The deficit for the year before pension scheme movements and depreciation was £294,591 (2018: £258,288).

AFFINITY MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Academy is recognising a significant pension fund deficit of £3,683k (2018: £2,093k deficit). This does not mean that an immediate liability for this amount crystallises and such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years.

Reserves Policy

The Trustees are aware of the requirement to balance current and future needs and always aim to set a balanced budget with annual income balancing annual expenditure. The Trustees monitor estimated year-end carry forward figures via the monthly reports from the Business Manager. The budget plan identifies how any carry forward will be allocated in the plan for the following academic year, including the identification of any funds earmarked for a specific project or purpose.

The Academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £21,475 (2018: £194,296). The fixed asset fund of £12,459,937 (2018: £12,621,985) can only be realised by disposing of fixed assets.

The Trustees are holding other unrestricted funds of £21,475 (2018: £194,296) to cover future increases in costs and expenditure that may arise from uninsurable losses. This is below the Trust's desired reserves level. The Trust's balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds at 31 August 2019 was £43,327 (2018: £216,370).

The cash balance of the Trust at the year end was £100,573 (2018: £218,903). A significant proportion of this cash is held against specific projects and is not available to meet normal recurring expenditure. The Trustees monitor cash flow as part of the committee Business Manager reports and attempt to hold a minimum of £100,000 to cover short term cash flow variances.

Investment Policy

A Financial Regulations Policy, which includes investment was approved by the Board on 1 April 2017.

The aim of the policy is to ensure funds that the Trust does not immediately need to cover anticipated expenditure are invested to maximise the Trust's income but with minimal risk. The aim is to research where funds may be deposited applying prudence in ensuring there is minimum risk. The Trustees do not consider the investment of surplus funds as a primary activity, rather as good stewardship and as and when circumstances allow.

The Trust does not have any areas identified for investment. Should it be in a position to consider investments it must do so with the approval of the Board. The Trust will act with consideration to ethical, moral and equality considerations taking into account the community the Trust serves and is geographically placed within.

Principal Risks and Uncertainties

The Trustees maintain a risk register identifying the major risks to which the Trust is exposed, and identifying actions and procedures to mitigate those risks. A formal review of the risk register process is undertaken on an annual basis and the internal control systems and the exposure to said risks are monitored on behalf of the Trustees at each Board meeting. The principal risks facing the Trust are outlined below; those facing the Trust at an operational level are addressed by its systems and by internal financial and other controls.

The Trustees report that the Trust's financial and internal controls conform to guidelines issued by the ESFA, and that improvements to the wider framework of systems dealing with business risk and risk management strategy continue to be made and formally documented.

It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

AFFINITY MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

As an academy school, the level of financial risk is low. Cash flows can be reliably forecast, monitored and reported. Staff costs make up the majority of expenditure and are relatively stable with contingencies and insurance in place to cover such items as sickness and maternity.

The Trustees assess the other principal risks and uncertainties facing the Trust as follows:

- The Trust has considerable reliance on continued Government funding through the ESFA and there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.
- Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.
- Reputational - the continuing success of the Trust is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees, ensure that student progress and outcomes are closely monitored and reviewed.
- Safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.
- Staffing - the success of the Trust is reliant on the quality of its staff and the Trustees monitor and review policies and procedures and recruitment to ensure continued development and training of staff as well as ensuring there is clear succession planning.
- Fraud and mismanagement of funds - All finance staff receive training to keep up to date with financial practice requirements and develop their skills in this area.
- Financial instruments - the Trust only deals with bank balances, cash and trade creditors, with limited trade (and other) debtors. The risk in this area is considered to be low.
- Defined benefit pension liability - as the Government has agreed to meet the defined benefit pension liability of any school ceasing to exist the main risk to the Trust is an annual cash flow funding of part of the deficit. Trustees take these payments into account when setting the annual budget plan.

The Trust has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness..

Plans for Future Periods

The Trust has plans to grow the Multi Academy Trust to secure the financial and strategic development of the organisation, by:

- Entering discussions with the area special schools in Cambridgeshire and Peterborough to discuss the possibility of sharing resources.

Funds Held as Custodian Trustee on Behalf of Others

The Trust holds no funds on behalf of any other charity or trust. The Trust is responsible for staff pensions held by the Local Government Pension Scheme and the Teachers' Pension Scheme. The Trust is responsible for the pension deficit from the LGPS as attributed to the Academy by the Actuary.

AFFINITY MULTI ACADEMY TRUST

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

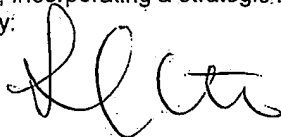
Auditor

Insofar as the Trustees are aware:

- There is no relevant audit information of which the Charitable Company's Auditor is unaware, and
- 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.

The Members have recommended to reappoint Price Bailey for the next financial year.

The Trustees' Report, incorporating a strategic report, was approved by the board of Trustees, on 6/11/19 and signed on its behalf by:



Lynne Pritchard
Chair of Trustees

AFFINITY MULTI ACADEMY TRUST

GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Affinity Multi Academy Trust has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Board of Trustees has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Affinity Multi Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report. The Board of Trustees has formally met 4 times during the year.

Attendance during the year at meetings of the board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible.
Laura Mills	3	4
Lynne Pritchard	3	4
Natalie Clarke	1	4
Robert King	2	4
Sally Chestnutt	2	4
Vincent Gowler - appointed 6 May 2019	1	4
Josie Lynn - resigned 30 July 2019	0	4
Sandra Willatt - resigned 30 July 2019	4	4
Jacqueline McPherson - resigned 11 Sept 2019	4	4

The Board has changed in the past year with the retirement of Ms. Josie Lynn and Mrs. Sandra Willatt, who was Chair. Mr. Vincent Gowler and Mrs. Natalie Clark were appointed to the Board. Lynne Pritchard, formerly vice-Chair, was appointed to the Chair.

The Board and its sub committee, Finance & Personnel, has dealt with overview of staff performance and decisions about the future development of the MAT to extend our reach and the support we offer for children with Special Educational Needs including a significant decision to purchase land to allow building in the future. Our most challenging work has been around matters relating to finance with urgent and expensive work arising, some of which was unforeseen.

The Board has been provided with extensive quantitative data about our financial position. The position is fluctuating week by week and to satisfy itself about the robustness of what it sees, the Board has instigated stress testing of our financial position projected into the future. The Board has also benefited from quantitative and qualitative information about innovations in approaches to teaching which has reassured us that the school continues to seek ways of further improving.

Based on what we have learned we have asked for a wide ranging review of the school's resources to make sure that future repair, maintenance and ultimately replacement are costed into our figures going forward.

The Chair of Trustees retired and was replaced by the vice Chair and two new Trustees are being appointed by Members this term. Their experience in business and project management will be valuable.

The Board continually reviews its work and composition which has led to an increase in financial expertise on the Board and an external member of the LGB. In April 2019 all Trustees and Members carried out a skills audit and review.

AFFINITY MULTI ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

A full review of the Trust will be conducted in January 2020

As the Trust Board met less than 6 times during the year, it delegated authority and also received reports from the 2 meetings of the Finance and General Purposes Committee in order to ensure effective oversight of funds throughout the year.

The Finance and General Purposes Committee is a sub-committee of the main board of Trustees. Its purpose is to:

- To ensure sound management of the Trust's finances and resources.
- To ensure the Academy has strategic plans in place to deliver effective teaching and learning within its budgets.
- To make appropriate comments and recommendations on financial matters to the Board of Trustees on a regular basis.
- To adhere to the current Academies Financial Handbook.
- Monitor and check Safeguarding Annual Report to the County.
- Pupil attainment.
- Monitor staff appraisal and approve pay increases arising from the appraisal process.

The key challenge in the year related to understanding the ESFA funding statements.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Laura Mills	1	2
Lynne Pritchard	1	2
Sally Chestnutt	1	2
Jacqueline McPherson - resigned 11 Sept 2019	2	2
Robert King	2	2

Review of value for money

As Accounting Officer, the Headteacher has responsibility for ensuring that the Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer has delivered improved value for money during the year by;

- Using the Property Management service to scope best value for work undertaken in the Academy, including work on the hydrotherapy pool, repairs to the site and decorating.
- Using the services of two recommended agencies to tender for new Catering and Caretaking / Cleaning services. Shortlisted companies presented to a committee made up from across the staff and students and new tenders were awarded on a 3-year contract.
- Challenging the matrix funding for 80% of student placements at the Academy and has increased the allocated Top-Up funding in each case.
- Using staffing flexibly to manage cover to develop the skills of the staff and to ensure continuity for pupils.
- Continuing to review Insurance providers to ensure best value and provide information to the FP and A committee regarding the balance of insurance premium against payments received back
- Improving the pump system in the hydrotherapy pool, the security and temperature control in the front office which will create savings in the future.
- Investing in training for staff to tutoring level to enable the Academy to provide fully accredited courses – such as TEACCH – to raise additional funds for the Academy.

AFFINITY MULTI ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Affinity Multi Academy Trust for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the Annual Report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the Annual Report and financial statements. This process is regularly reviewed by the board of Trustees.

The risk and control framework

The Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of Trustees;
- regular reviews by the Finance and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties; and
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Price Bailey LLP as Internal Auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. In particular the checks carried out in the current period include:

- review of income, cash handling and banking
- review of ordering, purchases and payments
- review of credit card payments
- review of petty cash
- review of access controls and reconciliations

On an annual basis, the Internal Auditor reports to the Board of Trustees through the Finance and General Purposes Committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

The Internal Auditor delivered their schedule of work as planned and no material control issues were identified.

AFFINITY MULTI ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

Review of effectiveness

As Accounting Officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the Internal Auditor;
- the work of the external Auditors;
- the financial management and governance self-assessment process; and
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and General Purposes Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by the Board of Trustees on 6/11/19 and signed on their behalf by:

Lynne Pritchard
Chair of Trustees



Michelle Flanz
Accounting Officer



AFFINITY MULTI ACADEMY TRUST

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Affinity Multi Academy Trust I have considered my responsibility to notify Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Trust, under the funding agreement in place between the Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the Board of Trustees are able to identify any material irregular or improper use of all funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook 2018.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the Board of Trustees and ESFA.



Michelle Flanz
Accounting Officer
Date:

11/12/19

AFFINITY MULTI ACADEMY TRUST

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF AFFINITY MULTI ACADEMY TRUST

Opinion

We have audited the financial statements of Affinity Multi Academy Trust (the 'Trust') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

AFFINITY MULTI ACADEMY TRUST

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF AFFINITY MULTI ACADEMY TRUST (CONTINUED)

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Other information includes the Reference and Administrative Details, the Trustees' Report including the Strategic Report, and the Governance Statement. 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.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

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

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

AFFINITY MULTI ACADEMY TRUST

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF AFFINITY MULTI ACADEMY TRUST (CONTINUED)

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the Directors of the Charitable Company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Trust'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 Trust or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

This Report is made solely to the Trust'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 Trust'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 Trust and its Members, as a body, for our audit work, for this Report, or for the opinions we have formed.

Gary Miller (Senior Statutory Auditor)
for and on behalf of
Price Bailey LLP
Causeway House
1 Dane Street
Bishop's Stortford
CM23 3BT

18 December 2019

AFFINITY MULTI ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO AFFINITY MULTI ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 19 September 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Affinity Multi Academy Trust during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This Report is made solely to Affinity Multi Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Affinity Multi Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Affinity Multi Academy Trust and ESFA, for our work, for this Report, or for the conclusion we have formed.

Respective responsibilities of Affinity Multi Academy Trust's Accounting Officer and the Reporting Accountant

The Accounting Officer is responsible, under the requirements of Affinity Multi Academy Trust's funding agreement with the Secretary of State for Education dated 29 March 2017 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

AFFINITY MULTI ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO AFFINITY MULTI ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- An assessment of the risk of material irregularity, impropriety and non-compliance
- Consideration and corroboration of the evidence supporting the Accounting Officers statement on regularity, propriety and compliance and how the Trust complies with the framework of authorities.
- Evaluation of the general control environment of the Academy Trust, extending the procedures required for financial statements to include regularity, propriety and compliance
- Discussions with and representations from the Accounting Officer and other key management personnel.
- An extension of substantive testing from our audit of the financial statements to cover matters pertaining to regularity, in order to support the regularity conclusion, including governance, internal controls, procurement and the application of income.

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant

Price Bailey LLP

Date: 18 December 2019

AFFINITY MULTI ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 AUGUST 2019

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:						
Donations and capital grants	3	-	26,039	260,508	286,547	27,142
Charitable activities	4	19,235	3,563,893	-	3,583,128	3,454,305
Other trading activities	5	108,547	-	-	108,547	99,472
Investments	6	202	-	-	202	190
Total income		127,984	3,589,932	260,508	3,978,424	3,581,109
Expenditure on:						
Charitable activities		212,390	3,852,167	494,958	4,559,515	4,133,228
Total expenditure		212,390	3,852,167	494,958	4,559,515	4,133,228
Net expenditure		(84,406)	(262,235)	(234,450)	(581,091)	(552,119)
Transfers between funds	16	(88,415)	16,013	72,402	-	-
Net movement in funds before other recognised gains/(losses)		(172,821)	(246,222)	(162,048)	(581,091)	(552,119)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	21	-	(1,344,000)	-	(1,344,000)	548,000
Net movement in funds		(172,821)	(1,590,222)	(162,048)	(1,925,091)	(4,119)
Reconciliation of funds:						
Total funds brought forward		194,296	(2,070,926)	12,621,985	10,745,355	10,749,474
Net movement in funds		(172,821)	(1,590,222)	(162,048)	(1,925,091)	(4,119)
Total funds carried forward		21,475	(3,661,148)	12,459,937	8,820,264	10,745,355

The notes on pages 21 to 41 form part of these financial statements.

AFFINITY MULTI ACADEMY TRUST
REGISTERED NUMBER: 08117759

BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Tangible assets	13		12,407,887		12,621,985
Current assets					
Debtors	14	191,842		89,934	
Cash at bank and in hand		100,573		218,903	
		<u>292,415</u>		<u>308,837</u>	
Creditors: amounts falling due within one year	15	(197,038)		(92,467)	
Net current assets			<u>95,377</u>		<u>216,370</u>
Total assets less current liabilities			<u>12,503,264</u>		<u>12,838,355</u>
Defined benefit pension scheme liability	21		(3,683,000)		(2,093,000)
Total net assets			<u><u>8,820,264</u></u>		<u><u>10,745,355</u></u>
Funds of the Trust					
Restricted funds:					
Fixed asset funds	16	12,459,937		12,621,985	
Restricted income funds	16	21,852		22,074	
Pension reserve	16	(3,683,000)		(2,093,000)	
Total restricted funds	16		<u>8,798,789</u>		<u>10,551,059</u>
Unrestricted income funds	16		<u>21,475</u>		<u>194,296</u>
Total funds			<u><u>8,820,264</u></u>		<u><u>10,745,355</u></u>

The financial statements on pages 18 to 41 were approved by the Trustees, and authorised for issue on and are signed on their behalf, by:

6/11/19

 Lynne Pritchard
 Chair of Trustees

The notes on pages 21 to 41 form part of these financial statements.

AFFINITY MULTI ACADEMY TRUST

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	18	(306,638)	37,475
Cash flows from investing activities	19	188,308	9,590
Change in cash and cash equivalents in the year		(118,330)	47,065
Cash and cash equivalents at the beginning of the year		218,903	171,838
Cash and cash equivalents at the end of the year	20	<u>100,573</u>	<u>218,903</u>

The notes on pages 21 to 41 form part of these financial statements.

AFFINITY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgments and key sources of estimation uncertainty, is set out below.

1.1 Basis of preparation of financial statements

The financial statements of the Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the 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 Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Affinity Multi Academy Trust meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Income

All incoming resources are recognised when the Trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

• Grants

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the year is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the Balance Sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

• Donations

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

• Other income

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the Trust has provided the goods or services.

AFFINITY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.4 Expenditure

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

- **Charitable activities**

These are costs incurred on the Trust's educational operations, including support costs and costs relating to the governance of the Trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

1.5 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of Financial Activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of Financial Activities as the related expenditure is incurred.

1.6 Interest receivable

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

1.7 Taxation

The Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

AFFINITY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.8 Tangible fixed assets

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the Government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Depreciation is provided on the following basis:

Long-term leasehold property	-	2% straight line
Furniture and equipment	-	15% straight line
Computer equipment	-	33% straight line

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

1.9 Debtors

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

1.10 Cash at bank and in hand

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

1.11 Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

AFFINITY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.12 Provisions

Provisions are recognised when the Trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.13 Financial instruments

The Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Trust and their measurement bases are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.14 Operating leases

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

AFFINITY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.15 Pensions

Retirement benefits to employees of the Trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.16 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Trust at the discretion of the Trustees.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

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

AFFINITY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

The Trustees make estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 August 2019 has been used by the Actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3. Income from donations and capital grants

	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Donations	26,039	26,039	17,742
Government grants	260,508	260,508	9,400
	<u>286,547</u>	<u>286,547</u>	<u>27,142</u>
Total 2018	<u>27,142</u>	<u>27,142</u>	

AFFINITY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

4. Funding for the Trust's provision of education

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
DfE/ESFA grants				
General Annual Grant	-	1,580,000	1,580,000	1,580,813
Other DfE / EFA grants	19,235	128,666	147,901	159,903
	<u>19,235</u>	<u>1,708,666</u>	<u>1,727,901</u>	<u>1,740,716</u>
Other government grants				
Local Authority grants	-	1,841,629	1,841,629	1,698,597
	<u>-</u>	<u>1,841,629</u>	<u>1,841,629</u>	<u>1,698,597</u>
Other funding				
Catering income	-	13,598	13,598	14,992
	<u>-</u>	<u>13,598</u>	<u>13,598</u>	<u>14,992</u>
	<u>19,235</u>	<u>3,563,893</u>	<u>3,583,128</u>	<u>3,454,305</u>
Total 2018	<u>35,388</u>	<u>3,418,917</u>	<u>3,454,305</u>	

5. Income from other trading activities

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
After School Club income	53,302	53,302	39,696
Insurance claims	49,035	49,035	44,340
Other income	6,210	6,210	15,436
	<u>108,547</u>	<u>108,547</u>	<u>99,472</u>

AFFINITY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

6. Investment income

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bank interest	202	202	190

7. Expenditure

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £	Total 2018 £
Provision of Education:					
Direct costs	3,007,473	-	399,338	3,406,811	3,170,549
Support costs	202,268	510,727	439,709	1,152,704	962,679
	<u>3,209,741</u>	<u>510,727</u>	<u>839,047</u>	<u>4,559,515</u>	<u>4,133,228</u>
Total 2018	<u>3,052,997</u>	<u>313,217</u>	<u>767,014</u>	<u>4,133,228</u>	

In 2018, of total expenditure £92,078 (2017 - £102,463) was to unrestricted funds, £3,728,634 (2017 - £1,380,924) was to restricted funds and £312,516 (2017 - £125,414) was to restricted fixed asset funds.

8. Charitable Activities

	2019 £	2018 £
Direct costs	3,406,811	3,170,549
Support costs	1,152,704	962,679
Total	<u>4,559,515</u>	<u>4,133,228</u>

AFFINITY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

	2019 £	2018 £
Analysis of support costs		
Support staff costs	202,268	235,902
Depreciation	286,500	293,831
Technology costs	21,283	9,192
Premises costs	510,727	313,217
Other support costs	81,853	88,106
Governance costs	50,073	22,431
	<u>1,152,704</u>	<u>962,679</u>

The increase in governance costs in the year £50,073 (2018: £22,431) can be attributed to one off fees payable in respects of external advisors.

9. Net expenditure

Net expenditure for the year includes:

	2019 £	2018 £
Operating lease rentals	2,924	4,915
Depreciation of tangible fixed assets	286,500	293,831
Fees paid to Auditors for:		
- audit	5,835	5,665
- other services	4,520	4,122
	<u>299,779</u>	<u>308,533</u>

10. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	2,394,176	2,239,473
Social security costs	190,348	174,423
Pension costs	625,217	639,101
	<u>3,209,741</u>	<u>3,052,997</u>

AFFINITY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

10. Staff costs (continued)

b. Staff numbers

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

	2019 No.	2018 No.
Teachers	25	25
Administration and support	93	85
Management	4	4
	<u>122</u>	<u>114</u>

c. Higher paid staff

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

	2019 No.	2018 No.
In the band £60,001 - £70,000	1	1
In the band £80,001 - £90,000	<u>1</u>	<u>1</u>

Employer pension contributions were made during the year for 2 employees whose remuneration exceeded £60,000. Total employer pension contributions in the period for these employees were £24,771 (2018: £17,081).

d. Key management personnel

The key management personnel of the Trust comprise the Trustees and the Senior Management Team listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Trust was £306,318 (2018: £285,849).

11. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Trust. The Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2019 £	2018 £
Jacqueline McPherson (resigned 11 September 2019)	Remuneration	80,000 -	80,000 -
		85,000	85,000
	Pension contributions paid	10,000 -	10,000 -
		<u>15,000</u>	<u>15,000</u>

During the year ended 31 August 2019, no Trustee expenses have been incurred (2018 - £NIL).

AFFINITY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

12. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Trust has purchased insurance to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2019 was included in the total insurance cost.

13. Tangible fixed assets

	Freehold property £	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation					
At 1 September 2018	-	12,796,800	239,050	5,380	13,041,230
Additions	40,023	-	32,379	-	72,402
At 31 August 2019	40,023	12,796,800	271,429	5,380	13,113,632
Depreciation					
At 1 September 2018	-	317,883	96,069	5,293	419,245
Charge for the year	-	224,388	62,025	87	286,500
At 31 August 2019	-	542,271	158,094	5,380	705,745
Net book value					
At 31 August 2019	40,023	12,254,529	113,335	-	12,407,887
At 31 August 2018	-	12,478,917	142,981	87	12,621,985

The acquisition of the freehold land on the east side of Meadowgate Lane, Wisbeach was purchased by the Trust at a value of £40,023 during the year.

14. Debtors

	2019 £	2018 £
Due within one year		
Other debtors	6,714	3,984
Prepayments and accrued income	151,268	61,825
VAT repayable	33,860	24,125
	191,842	89,934

AFFINITY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

15. Creditors: Amounts falling due within one year

	2019 £	2018 £
Other creditors	41,867	43,790
Accruals and deferred income	155,171	48,677
	<u>197,038</u>	<u>92,467</u>

Deferred income included above included amounts recieved in advance in relation to fund raising to support purchase of new minibus.

AFFINITY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

16. Statement of funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
Unrestricted fund	194,296	127,984	(212,390)	(88,415)	-	21,475
Restricted general funds						
General Annual Grant (GAG)	-	1,580,000	(1,580,000)	-	-	-
Pupil Premium	-	84,684	(84,684)	-	-	-
Local authority funding	-	1,841,629	(1,841,629)	-	-	-
Trips	10,604	26,039	(42,274)	27,483	-	21,852
Bursaries	11,470	2,575	(2,575)	(11,470)	-	-
Other restricted funds	-	55,005	(55,005)	-	-	-
Pension reserve	(2,093,000)	-	(246,000)	-	(1,344,000)	(3,683,000)
	<u>(2,070,926)</u>	<u>3,589,932</u>	<u>(3,852,167)</u>	<u>16,013</u>	<u>(1,344,000)</u>	<u>(3,661,148)</u>
Restricted fixed asset funds						
Fixed asset fund	12,621,985	-	(286,500)	72,402	-	12,407,887
DfE/ESFA capital grants	-	260,508	(208,458)	-	-	52,050
	<u>12,621,985</u>	<u>260,508</u>	<u>(494,958)</u>	<u>72,402</u>	<u>-</u>	<u>12,459,937</u>
Total Restricted funds	<u>10,551,059</u>	<u>3,850,440</u>	<u>(4,347,125)</u>	<u>88,415</u>	<u>(1,344,000)</u>	<u>8,798,789</u>
Total funds	<u>10,745,355</u>	<u>3,978,424</u>	<u>(4,559,515)</u>	<u>-</u>	<u>(1,344,000)</u>	<u>8,820,264</u>

AFFINITY MULTI ACADEMY TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

16. Statement of funds (continued)

The specific purposes for which the funds are to be applied are as follows:

General Annual Grant (GAG)

This represents funding from the ESFA to cover the costs of recurrent expenditure.

Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2019.

Pupil Premium

This funding is to be used to raise achievement and improve outcomes for pupils from low income families who are eligible for free school meals.

Local Authority funding

This represents various small grants from local government bodies for the provision of specific services to pupils of the Academy.

Trip donations

This represents contributions made by parents to the running of educational visits for the pupils of the Academy and the associated costs of running the trips.

Bursaries funding

This represents funding from the ESFA to help students with education-related costs aged between 16-19.

Other restricted funds

This represents funding received towards specific purposes, including contributions towards school trips.

Pension reserve

This fund represents the Trust's share of the deficit on the Local Government Pension Scheme (LGPS) transferred to the Trust on conversion from a state controlled school.

Restricted fixed asset fund

Restricted fixed asset fund are resources which are to be applied to specific capital purposes imposed by the DfE where the asset acquired or created is held for a purpose. Additions acquired during the year have been transferred to this fund.

DfE/ESFA capital grants

The represents grants received or receivable to maintain and improve its buildings and facilities.

AFFINITY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

16. Statement of funds (continued)

Statement of funds - prior period

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds					
Unrestricted fund	151,324	135,050	(92,078)	-	194,296
Restricted general funds					
General Annual Grant (GAG)	-	1,580,813	(1,580,813)	-	-
Pupil Premium	-	82,073	(82,073)	-	-
Local Authority funding	-	1,698,597	(1,698,597)	-	-
Trips	1,449	17,742	(8,587)	-	10,604
Bursaries	10,600	20,832	(19,962)	-	11,470
Other restricted funds	-	36,602	(36,602)	-	-
Pension reserve	(2,339,000)	-	(302,000)	548,000	(2,093,000)
	<u>(2,326,951)</u>	<u>3,436,659</u>	<u>(3,728,634)</u>	<u>548,000</u>	<u>(2,070,926)</u>
Restricted fixed asset funds					
Fixed asset fund	12,915,816	-	(293,831)	-	12,621,985
DfE/ESFA capital grants	9,285	9,400	(18,685)	-	-
	<u>12,925,101</u>	<u>9,400</u>	<u>(312,516)</u>	<u>-</u>	<u>12,621,985</u>
Total Restricted funds	<u>10,598,150</u>	<u>3,446,059</u>	<u>(4,041,150)</u>	<u>548,000</u>	<u>10,551,059</u>
Total funds	<u>10,749,474</u>	<u>3,581,109</u>	<u>(4,133,228)</u>	<u>548,000</u>	<u>10,745,355</u>

AFFINITY MULTI ACADEMY TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

17. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	12,407,887	12,407,887
Current assets	207,043	33,322	52,050	292,415
Creditors due within one year	(185,568)	(11,470)	-	(197,038)
Provisions for liabilities and charges	-	(3,683,000)	-	(3,683,000)
Total	21,475	(3,661,148)	12,459,937	8,820,264

Analysis of net assets between funds - prior year

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	12,621,985	12,621,985
Current assets	286,763	22,074	-	308,837
Creditors due within one year	(92,467)	-	-	(92,467)
Provisions for liabilities and charges	-	(2,093,000)	-	(2,093,000)
Total	194,296	(2,070,926)	12,621,985	10,745,355

AFFINITY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

18. Reconciliation of net expenditure to net cash flow from operating activities

	2019 £	2018 £
Net expenditure for the year (as per Statement of Financial Activities)	(581,091)	(552,119)
Adjustments for:		
Depreciation	286,500	293,831
Capital grants from DfE and other capital income	(260,508)	(9,400)
Interest receivable	(202)	(190)
Defined benefit pension scheme cost less contributions payable	246,000	302,000
(Increase)/decrease in debtors	(101,908)	10,302
Increase/(decrease) in creditors	104,571	(6,949)
Net cash (used in)/provided by operating activities	(306,638)	37,475

19. Cash flows from investing activities

	2019 £	2018 £
Interest	202	190
Purchase of tangible fixed assets	(72,402)	-
Capital grants from DfE Group	260,508	9,400
Net cash provided by investing activities	188,308	9,590

20. Analysis of cash and cash equivalents

	2019 £	2018 £
Cash in hand	100,573	218,903

21. Pension commitments

The Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Hyams Robertson. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2016.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

AFFINITY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

21. Pension commitments (continued)

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

The employer's pension costs paid to TPS in the year amounted to £157,328 (2018 - £137,410).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

Scheme Changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

AFFINITY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

21. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £348,000 (2018 - £335,000), of which employer's contributions totalled £274,000 (2018 - £265,000) and employees' contributions totalled £74,000 (2018 - £70,000). The agreed contribution rates for future years are 22.3% per cent for employers and 6.5% per cent for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Principal actuarial assumptions

	2019 %	2018 %
Rate of increase in salaries	2.6	2.6
Rate of increase for pensions in payment/inflation	2.3	2.3
Discount rate for scheme liabilities	1.9	2.8

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	2019 Years	2018 Years
<i>Retiring today</i>		
Males	22.4	22.4
Females	24.4	24.4
<i>Retiring in 20 years</i>		
Males	24.0	24.0
Females	26.3	26.3

Sensitivity analysis

	2019 £000	2018 £000
Discount rate +0.1%	(125,730)	(81,224)
Discount rate -0.1%	125,730	81,224
Mortality assumption - 1 year increase	228,600	147,680
Mortality assumption - 1 year decrease	(228,600)	(147,680)
CPI rate +0.1%	102,870	66,456
CPI rate -0.1%	(102,870)	(66,456)

AFFINITY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

21. Pension commitments (continued)

The Trust's share of the assets in the scheme was:

	At 31 August 2019 £	At 31 August 2018 £
Equities	1,524,000	1,263,000
Corporate bonds	264,000	176,000
Property	224,000	112,000
Cash and other liquid assets	20,000	48,000
Total market value of assets	2,032,000	1,599,000

The actual return on scheme assets was £85,000 (2018 - £105,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	2019 £	2018 £
Current service cost	(459,000)	(505,000)
Interest income	50,000	33,000
Interest cost	(111,000)	(95,000)
Total amount recognised in the Statement of Financial Activities	(520,000)	(567,000)

Changes in the present value of the defined benefit obligations were as follows:

	2019 £	2018 £
At 1 September	3,692,000	3,498,000
Current service cost	459,000	505,000
Interest cost	111,000	95,000
Employee contributions	74,000	70,000
Actuarial losses/(gains)	1,379,000	(476,000)
At 31 August	5,715,000	3,692,000

AFFINITY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

21. Pension commitments (continued)

Changes in the fair value of the Trust's share of scheme assets were as follows:

	2019 £	2018 £
At 1 September	1,599,000	1,159,000
Interest income	50,000	33,000
Actuarial gains	35,000	72,000
Employer contributions	274,000	265,000
Employee contributions	74,000	70,000
At 31 August	<u>2,032,000</u>	<u>1,599,000</u>

22. Operating lease commitments

At 31 August 2019 the Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	trust 2019 £	trust 2018 £
Not later than 1 year	4,339	2,924
Later than 1 year and not later than 5 years	8,839	1,099
	<u>13,178</u>	<u>4,023</u>

23. Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £NIL for the debts and liabilities contracted before he/she ceases to be a member.

24. Related party transactions

Owing to the nature of the Trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procurement procedures. There were no other related party transactions.