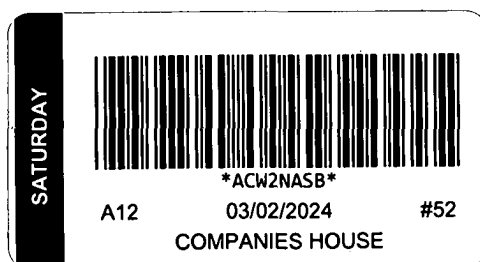


Company registration number 08117759 (England and Wales)

AFFINITY MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2023



AFFINITY MULTI ACADEMY TRUST

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AFFINITY MULTI ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Peter Wood
Robin Hall
Sandy Willatt

Trustees

Lynne Pritchard (Chair of Trustees)
Lorraine Daniels
Rita Drinkwater
Sheila Edwards (Resigned 29 March 2023)
Anne Hancock
Charles Boston (Appointed 21 February 2023)
Natalie Frost (Appointed 21 February 2023)
Kate Kendel (Appointed 10 October 2023)

Senior management team

| | |
|-------------------------|------------------|
| - Headteacher | Michelle Flanz |
| - Deputy Headteacher | Lisa Gill |
| - Finance Officer | Andrea Scott |
| - Assistant Headteacher | Karen Barber |
| - Assistant Headteacher | Matthew Eldridge |
| - Assistant Headteacher | Matthew Gill |

Company registration number

08117759 (England and Wales)

Principal and registered office

Meadowgate School
Meadowgate Lane
Wisbech
Cambridgeshire
PE13 2JH
United Kingdom

Independent auditor

Azets Audit Services
Ruthlyn House
90 Lincoln Road
Peterborough
Cambridgeshire
PE1 2SP
United Kingdom

Bankers

Lloyds Bank
3 North Brink
Wisbech
Cambridgeshire
PE13 1JT
United Kingdom

Solicitors

LGSS Law Limited
Priory House
Monks Walk
Chicksands
Shefford
SG1 7TQ

AFFINITY MULTI ACADEMY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2023

The Trustees present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2022 to 31 August 2023. The annual report serves the purposes of both a trustees' report, and a directors' report and strategic report under company law.

The academy trust operates one academy serving catchment areas in Fenland. The Academy has a combined pupil capacity of 175 and had a roll of 175 in the census on 6th October 2022.

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The charitable company operates as Meadowgate Academy.

The trustees of Affinity Multi Academy Trust are also the directors of the charitable company for the purposes of company law.

The operation of The Trust's Academy and employment of staff are the responsibility of the Trustees. The Trust retains control of Academy budgets and finances, and monitors these through its Finance and Personnel Committee (F&P). The Academy has a Board of Directors responsible for monitoring. Within this Report, the term Trustee refers to a member of the Board of Trustees.

Details of the Trustees who served during the year, and to the date these accounts are approved, are included in the Reference and Administrative Details on page 1.

Members' liability

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

Trustees' indemnities

The Trust has secured insurance cover through Zurich. The policy protects Trustees, Governors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business, and provides cover up to £5,000,000. It is not possible to quantify the Trustees, Governors and Officers indemnity element from the overall cost of the Trust policy.

Method of recruitment and appointment or election of Trustees

The arrangements are as set out in the Articles and Funding Agreement. Trustees are appointed for a fixed term. The previous Executive Headteacher is an ex officio member of the Board of Trustees however at the current time the new Headteacher (and Chief Executive Officer) has not been elected to the Board. Parent Trustees and the staff Trustees are elected to office or appointed if there are insufficient candidates offering themselves for election. The Articles of Association make provision for twelve Trustees.

Policies and procedures adopted for the induction and training of Trustees

The Trust is committed to providing adequate opportunities for Trustees to undertake and receive suitable training so as to enable them to perform their role effectively. To this end the Trust provides internal training led by Trust and School staff and also links with a number of local training providers.

All new Trustees have an induction programme, according to their need, which includes introductory sessions, mentoring, formal training courses, and a tour of the School. This process will involve a meeting with the Chair of Trustees as necessary, selected students and staff. All Trustees are provided with a handbook plus copies of policies and procedures documents that are appropriate to the role they undertake as Trustees with particular emphasis on the committee work that they will undertake.

AFFINITY MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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 of Trustees meets on at least six occasions per year and is responsible for the strategic direction of the Trust. The Trustees are responsible for setting strategic policy, adopting an annual plan and budget, monitoring the Trust by the use of those budgets and making major decisions about the direction of the Trust, capital expenditure, senior staff appointments and executive pay.

The sub committees which meet on at least six occasions each year are responsible for implementing strategic policy, ensuring the appropriateness of annual budgets and capital expenditure projects for the Academy and monitoring performance against that budget and authorised capital limits. Trustees are members of one or two sub-committees, the terms of reference for which are reviewed annually, who report to the Board of Trustees.

The Academy Senior Leadership Team (SLT) controls the Academy at an executive level implementing policies and reporting to the Board. The SLT is responsible for the day to day operation of the Academy, in particular organising staff, resources and students. They are responsible for the authorisation of spending in accordance with the agreed spending limits within financial regulations and agreed budgets and for the appointment of staff, below senior leadership level i.e. Deputy and above, following vetting and safeguarding recruitment processes.

The Executive Headteacher is the designated Accounting Officer and has overall responsibility for the day to day financial management of the Trust. The Executive Headteacher manages the Trust on a daily basis supported by a Senior Leadership Team. The Trust Senior Management Team meets frequently to discuss emerging matters and to help to develop strategies for future development to be put to the Board of Trustees as required for approval.

Arrangements for setting pay and remuneration of key management personnel

Key management personnel include Trustees and those staff to whom the Trustees have delegated significant authority and responsibility in the day-to-day running of the Trust.

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.

All amendments to key management's pay and remuneration is approved by the appropriate sub-committee and ratified by the Board of Trustees.

Trade Union Facility Time

During the year one employee of the Trust, on a 100% full time equivalent contract, acted as union officials. The employees spent 5 hours (equating to less than 0.03%) of their time on union facility. The total cost of facility time is £70.95 for the year.

Related parties and other connected charities and 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 a Trustee or a Governor 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 Academy Trust Handbook.

The Trust did not cooperate with any related party during the academic year in pursuit of its charitable activities and does not have a formal sponsor.

Applications for employment by disabled persons are given full and fair consideration for all vacancies in accordance with their particular aptitude and abilities. In the event of employees becoming disabled then every effort is made to retrain them in order that their employment within the Trust may continue.

AFFINITY MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Objectives and activities

Objects and aims

The principal object and aim of the Trust is the operation of a family of Academies to provide free education and care for pupils of different abilities between the ages of 4 and 19. Specifically to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values.

Objectives, strategies and activities

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

- ensuring that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- raising the standard of educational achievement of all pupils;
- developing resilient, resourceful students;
- adapting and applying skills for flexible life-long learning;
- improving the effectiveness of the School by keeping the curriculum and organisational structure under continual review;
- providing value for money for the funds expended; and
- conducting the Trust's business in accordance with the highest standards of integrity.

Our success in fulfilling our aims can be measured by:

- All key stage 4 and 5 pupil gaining accreditation last year.
- The continued expansion of the curriculum by the introduction of Forest Schools. This focus was reflected in our spending plan during the year.
- The improvements to care facilities and making the gym more inclusive with the insulation of the hoist.

Public benefit

In setting our objectives and planning our activities, the Trustees have carefully considered the Charity Commission's general guidance on public benefit.

Strategic report

Achievements and performance

The Trust continued its mission to ensure that students achieved their potential in public examinations; encouraged a wide range of extra-curricular activities; developed and retained suitable staff and guided students in suitable progression when they left the School.

Specific achievements were as follows:

- Restarting after school clubs post COVID restrictions.
- Free after school sports club for secondary pupils.
- Increased access to in school mental health support.

Key performance indicators

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.

Financial

As funding is based on pupil numbers this is a KPI. Pupil numbers for 2022/23 were 175 against revenue income of £4,427,225.

A further KPI is staffing costs as a percentage of total revenue income. For 2022/23 this was 81%. The Board of Trustees is confident that staffing levels are closely monitored to agreed Full Time Equivalent and staffing structures all approved by them.

The Finance 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.

Non-Financial

Meadowgate Academy was rated Outstanding by Ofsted February 2020.

AFFINITY MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, the board of trustees continues to adopt the going concern basis in preparing the accounts. 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 and Skills Funding Agency (ESFA). For the year ended 31 August 2023 the Trust received £4,379,802 (2022: £4,164,299) of GAG and other income. A high percentage of this income is spent on wages and salaries and support costs to deliver the Trust's primary objective of the provision of education. During the year the Trust spent a total of £4,918,090, (2022: £5,008,333) including capital projects. A summary of the Trust's financial results are set out in the financial statements.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Academy is recognising a significant pension fund deficit of £241,000. 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. While there has been a significant reduction in the opening deficit of £1,026,000 resulting from the application of actuarial assumptions and does not guarantee that contribution rates will reduce and ease the cash flow effect on the Trust.

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 Finance Officer. The budget plan identifies how any reserves carried forward will be allocated in the plan for the following academic year, including the identification of any funds restricted or designated for a specific project or purpose.

The Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £93,509 (2022: £94,861). This has been built up from a mixture of locally raised income and balances transferred from the predecessor schools.

The Trust's balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds at 31 August 2023 was £521,895 (2022: £593,172).

The cash balance of the Trust has been very healthy all year, ending the year with a balance of £758,482 (2022: £770,874). A significant proportion of this cash is held against specific projects and is not available to meet normal recurring expenditure.

AFFINITY MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Principal risks and uncertainties

The Trustees maintain a risk register identifying the major risks to which the Trust and the Academy are 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 Audit Committee 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.

Risks linked to the trust's estate are managed by subcontracting our estate management to a property maintenance company to ensure legal compliance.

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

As a single Academy 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 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 whilst there has been a small injection of additional funding this will not be enough to counteract the rise of the minimum wage, teachers pensions contribution rise and any other additional costs that the Government may choose to introduce;
- 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 School 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 School 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 - the Trustees have appointed an audit committee to carry out a programme of internal scrutiny which includes independent and external checks on financial systems and records as required by the Academy Trust Handbook. 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; and
- Defined benefit pension scheme 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 the 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 Academy Development plan outlines the focus for curriculum development for 2023/24. This plan informs budget and spending plans. It is hoped the School can continue to expand its curriculum offer and upgrade some of its accommodation.

AFFINITY MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Funds held as custodian trustee on behalf of others

The Trust acts as an agent in distributing 16-19 Bursary Funds from the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the Trust does not have control over the charitable application of the funds. The Trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. Where the funds have not been fully applied in the accounting period then an amount will be included as amounts due to the ESFA.

Auditor

In so far 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 Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 05/12/2023, and signed on its behalf by:



.....
Lynne Pritchard
Chair of Trustees

AFFINITY MULTI ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2023

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 principal, 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. The accounting officer is 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 and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

| Trustees | Meetings attended | Out of possible |
|---|--------------------------|------------------------|
| Lynne Pritchard (Chair of Trustees) | 6 | 6 |
| Lorraine Daniels | 6 | 6 |
| Rita Drinkwater | 4 | 6 |
| Sheila Edwards (Resigned 29 March 2023) | 2 | 4 |
| Anne Hancock | 5 | 6 |
| Charles Boston (Appointed 21 February 2023) | 3 | 3 |
| Natalie Frost (Appointed 21 February 2023) | 2 | 3 |
| Kate Kendel (Appointed 10 October 2023) | | |

The Trust employ a qualified Clerk who ensure that a register of Trustees interests is maintained and regularly updated.

Conflicts of interest

Academy trusts have processes in place to manage conflicts of interest, including for maintaining an up-to-date and complete register of interests. This information is used when tendering for contracts and is taken into account when setting agendas.

Governance reviews

A Trustee's skills audit was undertaken and new Trustees appointed after interview by the Members. Annual skills audits take place every February as part of the self-evaluation process and to inform future recruitment planning.

Two new Trustees were appointed to the Board worked hard to recruit new Trustees and candidates are now going through an interview process. The Board is going to proactively train and support their induction. The sub committees have become increasingly active throughout the year and make regular visits into School.

Trustees meet the School Improvement Partner regularly and attend specific training to support their ability to challenge leaders.

AFFINITY MULTI ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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 the financial matters to the Board of Trustees on a regular basis.
- To adhere to the current Academy Trust Handbook.
- Monitor and check Safeguarding Annual Report to the County.
- Pupil attainment.
- Monitor staff appraisal and approve pay increases arising from the appraisal process.

During the year the following issues were dealt with by the Committee:

- Annual budgetary setting and oversight,
- oversight of capital projects,
- leading on staff restructuring,
- updating finance regulations.

During the year the following changes to the Committee took place:

- Two new trustees were appointed this year.

Attendance at meetings in the year was as follows:

| Trustees | Meetings attended | Out of possible |
|---|-------------------|-----------------|
| Lynne Pritchard (Chair of Trustees) | 1 | 1 |
| Rita Drinkwater | 3 | 4 |
| Anne Hancock | 1 | 1 |
| Charles Boston (Appointed 21 February 2023) | 2 | 2 |
| Natalie Frost (Appointed 21 February 2023) | 1 | 1 |

Review of value for money

As accounting officer, the principal has responsibility for ensuring that the academy 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, as well as estates safety and management, achieved in return for the taxpayer resources received.

The accounting officer considers how the academy 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 or by using a framework where appropriate. The accounting officer for the academy trust has delivered improved value for money during the year by:

- Investing in more hoists to meet the needs of pupils with complex physical needs
- Making improvement to the building – Widening doors for wheelchair access, adapting teaching space.
- Ensuring high levels of staffing to maintain pupils safety and wellbeing.
- Carrying out a major refurbishment of the life skills bungalow.
- Funding to ensure estates well maintained.

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 academy 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 period 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and accounts.

AFFINITY MULTI ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy 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 academy trust's significant risks that has been in place for the period 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

The risk and control framework

The academy 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;
- identification and management of risks.

The Board of Trustees has decided to buy-in an internal audit service from Day Accountancy.

This option has been chosen because they had experience of auditing and supporting special School Trusts.

The internal auditor's role includes giving advice on financial and other matters and performing a range of checks on the academy trust's financial and other systems. In particular, the checks carried out in the current period included a full mini audit to check our processes set out in our financial regulations.

On an annual basis, the Internal Auditor reports to the board of trustees through the audit and risk committee on the operation of the systems of control and on the discharge of the financial responsibilities of the board of trustees. On an annual basis, the Internal Auditor prepares a summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

The Internal Auditor has delivered their schedule of work as planned and the following issues have arisen from their work:

- Slight amendments to the financial regulations to ensure it was fully updated.

Review of effectiveness

As accounting officer, the principal 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 financial management and governance self-assessment process or the school resource management self-assessment tool;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework;
- the work of the external auditor
- correspondence from ESFA, eg financial notice to improve/notice to improve (FNtI/NtI) and 'minded to' letters.

AFFINITY MULTI ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

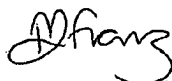
FOR THE YEAR ENDED 31 AUGUST 2023

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the audit and risk committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on ...05/12/2023 and signed on its behalf by:



Lynne Pritchard
Chair of Trustees



Mrs Michelle Flanz
Accounting Officer

AFFINITY MULTI ACADEMY TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2023

As accounting officer of Affinity Multi Academy Trust, I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2022, including responsibilities for estates safety and management.

I confirm that I and the academy trust's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academy Trust Handbook 2022.

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.



Mrs Michelle Flanz
Accounting Officer

05/12/2023
.....

AFFINITY MULTI ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2023

The trustees (who are also the directors of Affinity Multi Academy Trust for the purposes of company law) are responsible for preparing the Trustees' report and the accounts in accordance with the Academies Accounts Direction 2022 to 2023 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare accounts for each financial year. Under company law, the Trustees must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period.

In preparing these accounts, the Trustees are required to:


- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring that grants received from ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on 05/12/2023.... and signed on its behalf by:



Lynne Pritchard
Chair of Trustees

AFFINITY MULTI ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AFFINITY MULTI ACADEMY TRUST

FOR THE YEAR ENDED 31 AUGUST 2023

Opinion

We have audited the accounts of Affinity Multi Academy Trust for the year ended 31 August 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the accounts, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the accounts and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the accounts themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

AFFINITY MULTI ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AFFINITY MULTI ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the Trustees' report including the incorporated strategic report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report, including the incorporated 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 accounts are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error. In preparing the accounts, the Trustees are responsible for assessing the academy 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 charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

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

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

AFFINITY MULTI ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AFFINITY MULTI ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of senior leadership, Governors/Trustees and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations including compliance with the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency;
- Performing audit work over the recognition of grant income and the allocation of expenditure to funds;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

AFFINITY MULTI ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AFFINITY MULTI ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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

Use of our report

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



Tracey Richardson BSc (Hons) FCA (Senior Statutory Auditor)
for and on behalf of Azets Audit Services

19/12/2023

Chartered Accountants
Statutory Auditor

Ruthlyn House
90 Lincoln Road
Peterborough
Cambridgeshire
United Kingdom
PE1 2SP

AFFINITY MULTI ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2023

In accordance with the terms of our engagement letter dated 31 March 2023 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, 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 period 1 September 2022 to 31 August 2023 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 ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the 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 Academy Trust Handbook, extant from 1 September 2022, 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 2022 to 2023. 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 period 1 September 2022 to 31 August 2023 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts 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 academy trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- a review of the activities of the academy, by reference to sources of income and other information available to us;
- sample testing of expenditure, including payroll;
- a review of minutes of Trustees' meetings.

AFFINITY MULTI ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2023

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant

Azets Audit Services
Ruthlyn House
90 Lincoln Road
Peterborough
Cambridgeshire
PE1 2SP
United Kingdom

Dated: 19/12/2023.

AFFINITY MULTI ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2023

| | Notes | Unrestricted funds £ | Restricted funds: General £ Fixed asset £ | Total 2023 £ | Total 2022 £ |
|--|-------|-------------------------|--|--------------------|--------------------|
| Income and endowments from: | | | | | |
| Donations and capital grants | 3 | - | 37,771 | 51,709 | 89,480 |
| Charitable activities: | | | | | |
| - Funding for educational operations | 4 | 16,552 | 4,342,718 | - | 4,359,270 |
| Other trading activities | 5 | 75,101 | - | - | 75,101 |
| Investments | 6 | 83 | - | - | 83 |
| Total | | 91,736 | 4,380,489 | 51,709 | 4,523,934 |
| Expenditure on: | | | | | |
| Charitable activities: | | | | | |
| - Educational operations | 8 | 93,088 | 4,547,960 | 277,042 | 4,918,090 |
| Total | 7 | 93,088 | 4,547,960 | 277,042 | 4,918,090 |
| Net expenditure | | (1,352) | (167,471) | (225,333) | (394,156) |
| Transfers between funds | 16 | - | (41,454) | 41,454 | - |
| Other recognised gains/(losses) | | | | | |
| Actuarial gains on defined benefit pension schemes | 23 | - | 924,000 | - | 924,000 |
| Net movement in funds | | (1,352) | 715,075 | (183,879) | 529,844 |
| Reconciliation of funds | | | | | |
| Total funds brought forward | | 94,861 | (527,689) | 11,805,632 | 11,372,804 |
| Total funds carried forward | | 93,509 | 187,386 | 11,621,753 | 11,902,648 |

AFFINITY MULTI ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2023

| Comparative year information Year ended 31 August 2022 | Notes | Unrestricted funds £ | Restricted funds: General £ | Fixed asset £ | Total 2022 £ |
|---|-------|----------------------------|-----------------------------------|------------------|--------------------|
| Income and endowments from: | | | | | |
| Donations and capital grants | 3 | - | 4,797 | 13,113 | 17,910 |
| Charitable activities: | | | | | |
| - Funding for educational operations | 4 | - | 4,023,490 | - | 4,023,490 |
| Other trading activities | 5 | 122,811 | - | - | 122,811 |
| Investments | 6 | 88 | - | - | 88 |
| Total | | 122,899 | 4,028,287 | 13,113 | 4,164,299 |
| Expenditure on: | | | | | |
| Charitable activities: | | | | | |
| - Educational operations | 8 | 95,006 | 4,644,706 | 268,621 | 5,008,333 |
| Total | 7 | 95,006 | 4,644,706 | 268,621 | 5,008,333 |
| Net income/(expenditure) | | 27,893 | (616,419) | (255,508) | (844,034) |
| Transfers between funds | 16 | - | (36,099) | 36,099 | - |
| Other recognised gains/(losses) | | | | | |
| Actuarial gains on defined benefit pension schemes | 23 | - | 4,688,000 | - | 4,688,000 |
| Net movement in funds | | 27,893 | 4,035,482 | (219,409) | 3,843,966 |
| Reconciliation of funds | | | | | |
| Total funds brought forward | | 66,968 | (4,563,171) | 12,025,041 | 7,528,838 |
| Total funds carried forward | | 94,861 | (527,689) | 11,805,632 | 11,372,804 |

AFFINITY MULTI ACADEMY TRUST

BALANCE SHEET

AS AT 31 AUGUST 2023

| | Notes | 2023 £ | £ | 2022 £ | £ |
|--|-------|-----------|------------|-----------|-------------|
| Fixed assets | | | | | |
| Tangible assets | 12 | | 11,595,505 | | 11,805,632 |
| Current assets | | | | | |
| Debtors | 13 | 91,541 | | 122,188 | |
| Cash at bank and in hand | | 758,482 | | 770,874 | |
| | | 850,023 | | 893,062 | |
| Current liabilities | | | | | |
| Creditors: amounts falling due within one year | 14 | (301,880) | | (299,890) | |
| Net current assets | | | 548,143 | | 593,172 |
| Net assets excluding pension liability | | | 12,143,648 | | 12,398,804 |
| Defined benefit pension scheme liability | 23 | | (241,000) | | (1,026,000) |
| Total net assets | | | 11,902,648 | | 11,372,804 |
| Funds of the academy trust: | | | | | |
| Restricted funds | 16 | | | | |
| - Fixed asset funds | | | 11,621,753 | | 11,805,632 |
| - Restricted income funds | | | 428,386 | | 498,311 |
| - Pension reserve | | | (241,000) | | (1,026,000) |
| Total restricted funds | | | 11,809,139 | | 11,277,943 |
| Unrestricted income funds | 16 | | 93,509 | | 94,861 |
| Total funds | | | 11,902,648 | | 11,372,804 |

The accounts on pages 20 to 42 were approved by the Trustees and authorised for issue on 5 December 2023, and are signed on their behalf by:



Lynne Pritchard
Chair of Trustees

Company registration number 08117759 (England and Wales)

AFFINITY MULTI ACADEMY TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2023

| | Notes | 2023 £ | £ | 2022 £ | £ |
|---|-------|-----------|----------|-----------|----------|
| Cash flows from operating activities | | | | | |
| Net cash provided by operating activities | 20 | | 2,731 | | 250,378 |
| Cash flows from investing activities | | | | | |
| Dividends, interest and rents from investments | | 83 | | 88 | |
| Capital grants from DfE Group | | 39,209 | | 13,113 | |
| Purchase of tangible fixed assets | | (54,415) | | (49,212) | |
| Net cash used in investing activities | | | (15,123) | | (36,011) |
| Net (decrease)/increase in cash and cash equivalents in the reporting period | | | (12,392) | | 214,367 |
| Cash and cash equivalents at beginning of the year | | | 770,874 | | 556,507 |
| Cash and cash equivalents at end of the year | | | 758,482 | | 770,874 |

AFFINITY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

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

1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical 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 2022 to 2023 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company 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 accounts and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Income

All incoming resources are recognised when the academy 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 period for which it is receivable, and any abatement in respect of the period 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 period it is receivable and to the extent the academy trust has provided the goods or services.

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

AFFINITY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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 are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Charitable activities

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

1.5 Tangible fixed assets and depreciation

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 that require 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, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

| | |
|------------------------------|-------------------|
| Land and buildings | not depreciated |
| Long-term leasehold property | 2% straight line |
| Computer equipment | 33% straight line |
| Furniture and equipment | 15% 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.

1.6 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 academy 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.

1.7 Leased assets

Rentals under operating leases are charged on a straight-line basis over the lease term.

AFFINITY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

(Continued)

1.8 Financial instruments

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows.

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. 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. 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.

1.9 Taxation

The academy 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 academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 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.

1.10 Pensions benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the academy trust.

The TPS is an unfunded scheme and contributions are calculated to spread the cost of pensions over employees' working lives with the academy 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 based on quadrennial valuations using a prospective unit credit method. The 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 are 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 academy 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 net income or expenditure 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.

AFFINITY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

(Continued)

1.11 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by 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.

2 Critical accounting estimates and areas of judgement

Accounting estimates and judgements 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 academy trust makes 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 23, will impact on the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2023. 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 Donations and capital grants

| | Unrestricted funds £ | Restricted funds £ | Total 2023 £ | Total 2022 £ |
|----------------------|----------------------------|--------------------------|--------------------|--------------------|
| Donations | - | 37,771 | 37,771 | 4,797 |
| Donated fixed assets | - | 12,500 | 12,500 | - |
| Capital grants | - | 39,209 | 39,209 | 13,113 |
| | - | 89,480 | 89,480 | 17,910 |

AFFINITY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

4 Funding for the academy trust's educational operations

| | Unrestricted funds £ | Restricted funds £ | Total 2023 £ | Total 2022 £ |
|---------------------------------|----------------------------|--------------------------|--------------------|--------------------|
| DfE/ESFA grants | | | | |
| General annual grant (GAG) | - | 1,750,000 | 1,750,000 | 1,750,000 |
| Other DfE/ESFA grants: | | | | |
| - UIFSM | - | 4,292 | 4,292 | 505 |
| - Pupil premium | - | 82,470 | 82,470 | 94,251 |
| - PE and sports grant | - | 16,610 | 16,610 | 16,730 |
| - Others | - | 76,163 | 76,163 | 68,958 |
| | - | 1,929,535 | 1,929,535 | 1,930,444 |
| Other government grants | | | | |
| Local authority grants | - | 2,411,058 | 2,411,058 | 2,078,652 |
| Other incoming resources | 16,552 | 2,125 | 18,677 | 14,394 |
| Total funding | 16,552 | 4,342,718 | 4,359,270 | 4,023,490 |

5 Other trading activities

| | Unrestricted funds £ | Restricted funds £ | Total 2023 £ | Total 2022 £ |
|--------------------------|----------------------------|--------------------------|--------------------|--------------------|
| Ancillary trading income | 38,260 | - | 38,260 | 40,144 |
| Insurance claims | 36,841 | - | 36,841 | 71,717 |
| Other income | - | - | - | 10,950 |
| | 75,101 | - | 75,101 | 122,811 |

6 Investment income

| | Unrestricted funds £ | Restricted funds £ | Total 2023 £ | Total 2022 £ |
|---------------------|----------------------------|--------------------------|--------------------|--------------------|
| Short term deposits | 83 | - | 83 | 88 |

AFFINITY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

7 Expenditure

| | Staff costs £ | Non-pay expenditure Premises £ | Other £ | Total 2023 £ | Total 2022 £ |
|--|------------------|--------------------------------------|----------------|--------------------|--------------------|
| Academy's educational operations | | | | | |
| - Direct costs | 1,689,549 | - | 165,459 | 1,855,008 | 1,825,469 |
| - Allocated support costs | 2,034,913 | 748,365 | 279,804 | 3,063,082 | 3,182,864 |
| | <u>3,724,462</u> | <u>748,365</u> | <u>445,263</u> | <u>4,918,090</u> | <u>5,008,333</u> |
| Net income/(expenditure) for the year includes: | | | | 2023 £ | 2022 £ |
| Depreciation of tangible fixed assets | | | | 277,042 | 268,621 |
| Fees payable to auditor for audit services | | | | 7,600 | 14,000 |
| Net interest on defined benefit pension liability | | | | <u>46,000</u> | <u>87,000</u> |

AFFINITY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

8 Charitable activities

| | Unrestricted funds £ | Restricted funds £ | Total 2023 £ | Total 2022 £ |
|--|----------------------------|--------------------------|--------------------|--------------------|
| Direct costs | | | | |
| Educational operations | 68,019 | 1,786,989 | 1,855,008 | 1,825,469 |
| Support costs | | | | |
| Educational operations | 25,069 | 3,038,013 | 3,063,082 | 3,182,864 |
| | <u>93,088</u> | <u>4,825,002</u> | <u>4,918,090</u> | <u>5,008,333</u> |
| Analysis of costs | | | 2023 £ | 2022 £ |
| Direct costs | | | | |
| Teaching and educational support staff costs | | | 1,690,299 | 1,568,985 |
| Staff development | | | 12,706 | 8,119 |
| Technology costs | | | 6,427 | 14,278 |
| Educational supplies and services | | | 59,445 | 53,805 |
| Other direct costs | | | 86,131 | 180,282 |
| | | | <u>1,855,008</u> | <u>1,825,469</u> |
| Support costs | | | | |
| Support staff costs | | | 2,055,369 | 2,281,875 |
| Depreciation | | | 277,042 | 268,621 |
| Technology costs | | | 44,485 | 37,539 |
| Maintenance of premises and equipment | | | 197,794 | 174,463 |
| Cleaning | | | 106,812 | 115,622 |
| Energy costs | | | 106,983 | 73,192 |
| Rent, rates and other occupancy costs | | | 48,806 | 39,786 |
| Insurance | | | 7,324 | 7,170 |
| Security and transport | | | 9,094 | 7,311 |
| Catering | | | 63,159 | 50,624 |
| Finance costs | | | 46,000 | 87,000 |
| Legal costs | | | 803 | 1,700 |
| Other support costs | | | 80,584 | 13,655 |
| Governance costs | | | 18,827 | 24,306 |
| | | | <u>3,063,082</u> | <u>3,182,864</u> |

AFFINITY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

9 Staff

Staff costs

Staff costs during the year were:

| | 2023 £ | 2022 £ |
|---|-----------|-----------|
| Wages and salaries | 2,794,645 | 2,457,200 |
| Social security costs | 229,645 | 198,162 |
| Pension costs | 689,252 | 1,177,478 |
| Staff costs - employees | 3,713,542 | 3,832,840 |
| Agency staff costs | 10,920 | 18,020 |
| | 3,724,462 | 3,850,860 |
| Staff development and other staff costs | 33,912 | 8,119 |
| Total staff expenditure | 3,758,374 | 3,858,979 |

Staff numbers

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

| | 2023 Number | 2022 Number |
|----------------------------|----------------|----------------|
| Teachers | 26 | 23 |
| Administration and support | 92 | 85 |
| Management | 6 | 6 |
| | 124 | 114 |

Higher paid staff

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

| | 2023 Number | 2022 Number |
|--------------------|----------------|----------------|
| £60,001 - £70,000 | 4 | 1 |
| £70,001 - £80,000 | 1 | - |
| £80,001 - £90,000 | - | 1 |
| £90,001 - £100,000 | 1 | - |

Key management personnel

The key management personnel of the academy trust comprise the Trustees and the senior management team as listed on page 1. The total amount of key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £473,575 (2022: £388,974).

AFFINITY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

10 Trustees' remuneration and expenses

One or more of the Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their services as Trustees.

The value of Trustees' remuneration and other benefits was as follows:

A Hancock (staff trustee):

Remuneration £5,000 - £10,000 (2022: £nil)

Employer's pension contributions paid £nil (2022: £nil)

L Daniels (staff trustee):

Remuneration £5,000 - £10,000 (2022: £nil)

Employer's pension contributions paid £nil (2022: £nil)

During the period ended 31 August 2023, no travel and subsistence expenses were reimbursed or paid directly to trustees (2022: none).

11 Trustees' and officers' insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £5,000,000 on any one claim. The cost of this insurance is included in the total insurance cost.

12 Tangible fixed assets

| | Land and buildings | Long-term leasehold property | Computer equipment | Furniture and equipment | Total |
|-----------------------|-----------------------|------------------------------------|-----------------------|-------------------------------|------------|
| | £ | £ | £ | £ | £ |
| Cost | | | | | |
| At 1 September 2022 | 40,023 | 12,796,800 | 54,756 | 446,684 | 13,338,263 |
| Additions | - | - | 31,274 | 35,641 | 66,915 |
| Disposals | - | - | (5,380) | - | (5,380) |
| At 31 August 2023 | 40,023 | 12,796,800 | 80,650 | 482,325 | 13,399,798 |
| Depreciation | | | | | |
| At 1 September 2022 | - | 1,215,435 | 26,391 | 290,805 | 1,532,631 |
| On disposals | - | - | (5,380) | - | (5,380) |
| Charge for the year | - | 224,388 | 20,173 | 32,481 | 277,042 |
| At 31 August 2023 | - | 1,439,823 | 41,184 | 323,286 | 1,804,293 |
| Net book value | | | | | |
| At 31 August 2023 | 40,023 | 11,356,977 | 39,466 | 159,039 | 11,595,505 |
| At 31 August 2022 | 40,023 | 11,581,365 | 28,365 | 155,879 | 11,805,632 |

AFFINITY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

13 Debtors

| | 2023 £ | 2022 £ |
|--------------------------------|---------------|----------------|
| Trade debtors | 16,686 | - |
| VAT recoverable | 8,775 | 12,084 |
| Prepayments and accrued income | 66,080 | 110,104 |
| | <u>91,541</u> | <u>122,188</u> |

14 Creditors: amounts falling due within one year

| | 2023 £ | 2022 £ |
|------------------------------------|----------------|----------------|
| Trade creditors | 338 | 25,955 |
| Other taxation and social security | 49,731 | 42,116 |
| Other creditors | 66,309 | 61,068 |
| Accruals and deferred income | 185,502 | 170,751 |
| | <u>301,880</u> | <u>299,890</u> |

15 Deferred income

| | 2023 £ | 2022 £ |
|-------------------------------------|---------------|-----------|
| Deferred income is included within: | | |
| Creditors due within one year | <u>41,162</u> | <u>-</u> |
| Deferred income at 1 September 2022 | - | - |
| Resources deferred in the year | <u>41,162</u> | <u>-</u> |
| Deferred income at 31 August 2023 | <u>41,162</u> | <u>-</u> |

At the balance sheet date deferred income relates to funding received in advance for 2023/24.

AFFINITY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

16 Funds

| | Balance at 1 September 2022 £ | Income £ | Expenditure £ | Gains, losses and transfers £ | Balance at 31 August 2023 £ |
|-------------------------------------|--|------------------|--------------------|--|--------------------------------------|
| Restricted general funds | | | | | |
| General Annual Grant (GAG) | 498,311 | 1,750,000 | (1,778,471) | (41,454) | 428,386 |
| UIFSM | - | 4,292 | (4,292) | - | - |
| Pupil premium | - | 82,470 | (82,470) | - | - |
| Other DfE/ESFA grants | - | 92,773 | (92,773) | - | - |
| Other government grants | - | 2,411,058 | (2,411,058) | - | - |
| Other restricted funds | - | 39,896 | (39,896) | - | - |
| Pension reserve | (1,026,000) | - | (139,000) | 924,000 | (241,000) |
| | <u>(527,689)</u> | <u>4,380,489</u> | <u>(4,547,960)</u> | <u>882,546</u> | <u>187,386</u> |
| Restricted fixed asset funds | | | | | |
| Inherited on conversion | 11,805,632 | - | (277,042) | 66,915 | 11,595,505 |
| DfE group capital grants | - | 39,209 | - | (12,961) | 26,248 |
| Donated assets | - | 12,500 | - | (12,500) | - |
| | <u>11,805,632</u> | <u>51,709</u> | <u>(277,042)</u> | <u>41,454</u> | <u>11,621,753</u> |
| Total restricted funds | <u>11,277,943</u> | <u>4,432,198</u> | <u>(4,825,002)</u> | <u>924,000</u> | <u>11,809,139</u> |
| Unrestricted funds | | | | | |
| General funds | 94,861 | 91,736 | (93,088) | - | 93,509 |
| Total funds | <u>11,372,804</u> | <u>4,523,934</u> | <u>(4,918,090)</u> | <u>924,000</u> | <u>11,902,648</u> |

AFFINITY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

16 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 2023.

Local Authority funding

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

Other restricted funds

This represents funding received towards specific purposes.

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.

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 (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

16 Funds

(Continued)

Comparative information in respect of the preceding period is as follows:

| | Balance at 1 September 2021 £ | Income £ | Expenditure £ | Gains, losses and transfers £ | Balance at 31 August 2022 £ |
|-------------------------------------|--|------------------|--------------------|--|--------------------------------------|
| Restricted general funds | | | | | |
| General Annual Grant (GAG) | 423,829 | 1,750,000 | (1,639,419) | (36,099) | 498,311 |
| UIFSM | - | 505 | (505) | - | - |
| Pupil premium | - | 94,251 | (94,251) | - | - |
| Other DfE/ESFA grants | - | 85,688 | (85,688) | - | - |
| Other government grants | - | 2,078,652 | (2,078,652) | - | - |
| Other restricted funds | - | 19,191 | (19,191) | - | - |
| Pension reserve | (4,987,000) | - | (727,000) | 4,688,000 | (1,026,000) |
| | <u>(4,563,171)</u> | <u>4,028,287</u> | <u>(4,644,706)</u> | <u>4,651,901</u> | <u>(527,689)</u> |
| Restricted fixed asset funds | | | | | |
| Inherited on conversion | 12,025,041 | - | (268,621) | 49,212 | 11,805,632 |
| DfE group capital grants | - | 13,113 | - | (13,113) | - |
| | <u>12,025,041</u> | <u>13,113</u> | <u>(268,621)</u> | <u>36,099</u> | <u>11,805,632</u> |
| Total restricted funds | <u>7,461,870</u> | <u>4,041,400</u> | <u>(4,913,327)</u> | <u>4,688,000</u> | <u>11,277,943</u> |
| Unrestricted funds | | | | | |
| General funds | 66,968 | 122,899 | (95,006) | - | 94,861 |
| Total funds | <u>7,528,838</u> | <u>4,164,299</u> | <u>(5,008,333)</u> | <u>4,688,000</u> | <u>11,372,804</u> |

17 Analysis of net assets between funds

| | Unrestricted Funds £ | Restricted funds: General £ | Fixed asset £ | Total Funds £ |
|--|----------------------------|-----------------------------------|-------------------|---------------------|
| Fund balances at 31 August 2023 are represented by: | | | | |
| Tangible fixed assets | - | - | 11,595,505 | 11,595,505 |
| Current assets | 93,509 | 730,266 | 26,248 | 850,023 |
| Current liabilities | - | (301,880) | - | (301,880) |
| Pension scheme liability | - | (241,000) | - | (241,000) |
| Total net assets | <u>93,509</u> | <u>187,386</u> | <u>11,621,753</u> | <u>11,902,648</u> |

AFFINITY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

17 Analysis of net assets between funds

(Continued)

| | Unrestricted Funds £ | Restricted funds: General £ | Fixed asset £ | Total Funds £ |
|--|----------------------------|-----------------------------------|-------------------|---------------------|
| Fund balances at 31 August 2022 are represented by: | | | | |
| Tangible fixed assets | - | - | 11,805,632 | 11,805,632 |
| Current assets | 94,861 | 798,201 | - | 893,062 |
| Current liabilities | - | (299,890) | - | (299,890) |
| Pension scheme liability | - | (1,026,000) | - | (1,026,000) |
| Total net assets | 94,861 | (527,689) | 11,805,632 | 11,372,804 |

18 Capital commitments

| | 2023 £ | 2022 £ |
|---|-----------|-----------|
| Expenditure contracted for but not provided in the accounts | - | 124,059 |

19 Long-term commitments

Operating leases

At 31 August 2023 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

| | 2023 £ | 2022 £ |
|-----------------------------------|---------------|---------------|
| Amounts due within one year | 5,565 | 5,106 |
| Amounts due in two and five years | 7,392 | 11,830 |
| | 12,957 | 16,936 |

AFFINITY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

20 Reconciliation of net expenditure to net cash flow from operating activities

| | Notes | 2023 £ | 2022 £ |
|---|-------|--------------|----------------|
| Net expenditure for the reporting period (as per the statement of financial activities) | | (394,156) | (844,034) |
| Adjusted for: | | | |
| Capital grants from DfE and other capital income | | (51,709) | (13,113) |
| Investment income receivable | 6 | (83) | (88) |
| Defined benefit pension costs less contributions payable | 23 | 93,000 | 640,000 |
| Defined benefit pension scheme finance cost | 23 | 46,000 | 87,000 |
| Depreciation of tangible fixed assets | | 277,042 | 268,621 |
| Decrease/(increase) in debtors | | 30,647 | (21,896) |
| Increase in creditors | | 1,990 | 133,888 |
| Net cash provided by operating activities | | 2,731 | 250,378 |

21 Analysis of changes in net funds

| | 1 September 2022 £ | Cash flows £ | 31 August 2023 £ |
|------|--------------------------|-----------------|------------------------|
| Cash | 770,874 | (12,392) | 758,482 |

22 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.

23 Pension and similar obligations

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016, and that of the LGPS related to the period ended 31 March 2019.

Contributions amounting to £65,772 were payable to the schemes at 31 August 2023 (2022: £58,520) and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academy trusts. All teachers have the option to opt out of the TPS following enrolment.

AFFINITY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

23 Pension and similar obligations

(Continued)

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary. These contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. The assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to the TPS in the period amounted to £248,021 (2022: £271,036).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 22.3% for employers and 6.5% 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 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

| Total contributions made | 2023 £ | 2022 £ |
|--------------------------|-----------|-----------|
| Employer's contributions | 308,000 | 270,000 |
| Employees' contributions | 85,000 | 68,000 |
| Total contributions | 393,000 | 338,000 |

AFFINITY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

23 Pension and similar obligations

(Continued)

| Principal actuarial assumptions | 2023 % | 2022 % |
|--|-----------|-----------|
| Rate of increase in salaries | 3.45 | 3.55 |
| Rate of increase for pensions in payment/inflation | 2.95 | 3.05 |
| Discount rate for scheme liabilities | 5.20 | 4.25 |
| Inflation assumption (CPI) | 2.95 | 3.05 |

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

| | 2023 Years | 2022 Years |
|----------------------|---------------|---------------|
| Retiring today | | |
| - Males | 18.8 | 22 |
| - Females | 23.7 | 24.2 |
| Retiring in 20 years | | |
| - Males | 21.3 | 22.9 |
| - Females | 25.5 | 26 |

Scheme liabilities would have been affected by changes in assumptions as follows:

| | 2023 | 2022 |
|-------------------------------|-----------|-----------|
| Discount rate + 0.1% | (113,000) | (26,868) |
| Discount rate - 0.1% | 113,000 | 26,868 |
| Mortality assumption + 1 year | 166,000 | 179,120 |
| Mortality assumption - 1 year | (166,000) | (179,120) |
| CPI rate + 0.1% | 104,000 | 26,868 |
| CPI rate - 0.1% | (104,000) | (26,868) |

The academy trust's share of the assets in the scheme

| | 2023 Fair value £ | 2022 Fair value £ |
|------------------------------|-------------------------|-------------------------|
| Equities | 2,510,000 | 2,416,000 |
| Bonds | 784,000 | 449,000 |
| Cash | 39,000 | 35,000 |
| Property | 588,000 | 552,000 |
| Total market value of assets | 3,921,000 | 3,452,000 |

The actual return on scheme assets was £111,000 (2022: £(30,000)).

AFFINITY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

23 Pension and similar obligations

(Continued)

| Amount recognised in the statement of financial activities | 2023 £ | 2022 £ |
|--|-----------|-----------|
| Current service cost | 401,000 | 910,000 |
| Interest income | (154,000) | (55,000) |
| Interest cost | 200,000 | 142,000 |
| Total operating charge | 447,000 | 997,000 |

Changes in the present value of defined benefit obligations

2023
£

| | |
|------------------------|-----------|
| At 1 September 2022 | 4,478,000 |
| Current service cost | 401,000 |
| Interest cost | 200,000 |
| Employee contributions | 85,000 |
| Actuarial gain | (967,000) |
| Benefits paid | (35,000) |
| At 31 August 2023 | 4,162,000 |

Changes in the fair value of the academy trust's share of scheme assets

2023
£

| | |
|------------------------|-----------|
| At 1 September 2022 | 3,452,000 |
| Interest income | 154,000 |
| Actuarial loss | (43,000) |
| Employer contributions | 308,000 |
| Employee contributions | 85,000 |
| Benefits paid | (35,000) |
| At 31 August 2023 | 3,921,000 |

AFFINITY MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

24 Related party transactions

Owing to the nature of the Trust 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 the trustees have an interest. All transactions involving such organisations are conducted in accordance with the Academy Trust Handbook, including notifying ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

Some of the Trustees have children who are pupils at the academy, consequently there will be transactions between those Trustees and the academy in respect of their children's education. These are on the same basis as other pupils at the academy.

No related party transactions took place in the period of account, other than certain Trustees' remuneration and expenses already disclosed in note 10.