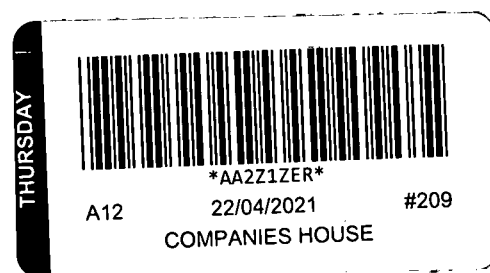


ALLIANCE LEARNING

**TRUSTEES REPORT AND
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 JULY 2020

Registered company No: 01619564



**BARLOW ANDREWS LLP
CHARTERED ACCOUNTANTS
BOLTON**

ALLIANCE LEARNING

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ALLIANCE LEARNING TRUSTEES' REPORT

The trustees present their report and accounts for the year ended 31 July 2020.

The trustees confirm that the financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019 and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2019.

Objectives and activities

The principal activity of the charity continues to be to promote and advance education and training of persons engaged or intending to be engaged in industry and commerce. The charity's mission statement is "Success through Learning".

The trustees confirm that they have referred to the Charity Commission's guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities. On 31 March 2020, Alliance Learning became part of the University of Bolton Group. Following this, Alliance Learning became an Exempt Charity on 10 June 2020.

The charity furthers its purpose for the public benefit through the provision and operation of training centres, workshops and other facilities for training and education, the provision of training courses, instruction and demonstrations. Alliance Learning is committed to providing and improving outcomes for all learners and customers in line with Ofsted's "Common Inspection Framework". Our business plan is set around this and all targets facilitate effective implementation; to have a direct impact on our learners, staff and employers.

Achievements and performance

The charity continues to deliver apprenticeships and vocational learning under contract with the Education & Skills Funding Agency (ESFA). The charity also delivers training through a European Social Fund (ESF) contract from the Growth Company (Manchester) and continues to develop commercial training pathways. Due to challenges of the Covid-19 Pandemic and delays to learners achieving their programmes, our Apprenticeship achievements during the year reduced by approximately 10% from the previous year with overall achievement rates at 70% and timely achievement being 68%. These learners continued to be supported to ensure they achieved their programmes.

Following the 2017 short inspection by OFSTED in which the charity maintained its Grade 2 (Good) rating, the trustees expect that this rating will be maintained with plans to work towards Grade 1 (Outstanding). Alliance Learning has also been working with The University of Bolton on a collaborative basis for many years and is successfully delivering its fourth cohort of Early Years Foundation Degrees. This collaboration continues with the next set of graduates due to achieve in 2021.

On 31 March 2020, Alliance Learning became part of the University of Bolton Group. There are several synergies already present between the University of Bolton and Alliance Learning's vision and mission statements.

The University's Mission Statement: "To be a distinctive teaching intensive and research informed University known for the quality of our staff, our facilities and our links to employment sectors",

Alliance Learning's Mission Statement and Vision: "Success through learning".

"Alliance Learning will continuously provide a high standard of delivery in teaching and learning to our learners and customers, with a strong focus on vocational, individual and social value. Delivery will be inclusive, innovative and inspiring, to ensure they reach their full potential and provide a quality return on investment for employers".

Alliance Learning will utilise the expertise and learning infrastructure of The University of Bolton Group, where possible, to enhance its learners' experience and achievement. All students would thrive in an environment that further enhances their skills with Alliance Learning's excellent employment links. Alliance Learning's strategic vision is to offer Level 1 – Level 7 qualifications, including apprenticeships. The University of Bolton's plans for the development of Degree Apprenticeships in Engineering, Management and Childcare areas will further complement the current offer of Alliance Learning Apprenticeships and widen the scope of employers to deliver commercial training.

ALLIANCE LEARNING TRUSTEES' REPORT

Through further collaboration with the University of Bolton and Bolton College, Alliance Learning has been instrumental in developing a one-stop-shop for apprenticeships, education and training. This will be integral to fulfilling the above aims.

The charity will continue to review and develop all areas of the business including any additional funding opportunities which may be capital or revenue based while working in partnership with all relevant stakeholders and organisations. It will also continue attracting new customers in the target markets through the development of new apprenticeship and training programmes.

Financial review

Due to the impact of the Covid-19 pandemic, overall financial performance for the year was significantly below the approved budgeted expectations. Due to the National Lockdown, Alliance Learning closed its training centres, meaning commercial training was suspended from March 2020 until the end of June 2020. Apprenticeship delivery was moved online, along with some delivery of ESF funded programmes, meaning income was maintained in these areas. The organisation utilised various government support initiatives and some staff were furloughed to allow staff wages to be covered. Due to the financial impact of the pandemic, the trustees approved a strategic plan to re-structure the organisation which resulted in some redundancies of staff. A new financial plan was approved to stabilise the organisation for the new financial year.

The trustees have developed a reserves policy which seeks to maintain the financial stability of the charity. Its current level of free reserves, being those unrestricted funds which are not represented by fixed assets used by the company, are negative at £165,653. Whilst this is less than in previous years, the trustees are satisfied that the charity has sufficient cash and that the balance sheet remains asset and cash healthy. It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six months' expenditure. Three months' expenditure equates to £650,000 based on 2020 levels. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities whilst consideration is given to ways in which additional funds may be raised or costs reduced. However, the trustees are also conscious of the need to utilise surplus monies to better deliver the charity's objectives for the public benefit. The unprecedented events of 2020 have led to a significant fall in reserves, but the trustees continue to plan for surpluses over the coming years to increase reserves to the target level of £650,000.

The government continues to be committed to high quality apprenticeships. The apprenticeship reforms came into effect from May 2017 and changed the way that government monies were paid for training. The Covid-19 pandemic had some financial impact on the ESFA income due to disengagement from some employers and a reduction in apprenticeship vacancies. The management of the charity has been directed to ensure that appropriate and effective systems are developed and implemented to make sure that there is no adverse impact on the charity's cash position. To ensure financial improvements, an Employer Engagement strategic committee has been established involving The University of Bolton, Bolton College and Alliance Learning, to further enhance employer relationships to meet both local and national priorities for growth. The trustees expect that this will lead to an increase in Apprenticeship numbers, commercial revenue and continued improved financial performance in the forthcoming year.

**ALLIANCE LEARNING
TRUSTEES' REPORT**

Structure, governance and management

The charity is a company limited by guarantee; as such it has no share capital. Its Memorandum and Articles of Association, as amended on 31 March 2020, form the governing document of the charity.

The trustees, who are also the directors for the purpose of the company law, and who served during the year were:

K R Kandadi

P D Taylor

A Kitchen (resigned 28 January 2020)

M L Lowe

S G Macdonald

J Bromley

W K Dawson (resigned 3 December 2019)

J Liptrot (appointed 24 September 2019)

C J Cowburn (appointed 31 March 2020)

Until an Extraordinary General Meeting (EGM) on 31 March 2020, three Members continued as full members of the organisation. At the EGM it was resolved that The University of Bolton become the sole member of Alliance Learning and Alliance Learning became part of The University of Bolton Group. Full members are entitled to nominate a representative to act as a member of the board and also attend General Meetings of the company. Commercial members have certain benefits but have no rights in regard to the operation of the company.

The company's Memorandum & Articles of Association allow for members of the Board to be elected and retire by rotation every three years, with the exception of the non-executive Chairman and Vice-Chairman who are elected every two years at the Annual General Meeting.

None of the trustees has any beneficial interest in the company. There is one member of the company who guarantees to contribute an amount not exceeding £10 in the event of a winding up.

Chief Executive: Kelly Perkin

Principal Office: The Hurst Building, Horwich Business Park, Bolton

Auditor: Barlow Andrews LLP, 78 Chorley New Road, Bolton

Bankers: NatWest, De Havilland Way, Horwich

Solicitors: Fieldings Porter Solicitors, 32 Silverwell St, Bolton

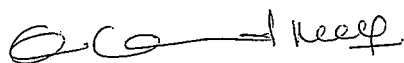
Auditor

A resolution proposing that Barlow Andrews LLP be reappointed as auditor of the company will be put to the members.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.



Dr K R Kandadi

Chair

Dated: 27 January 2021

ALLIANCE LEARNING

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees, who are also the directors of Alliance Learning for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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;
- make judgements and 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 charity will continue in operation.

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
ALLIANCE LEARNING**

Opinion

We have audited the financial statements of Alliance Learning (the 'parent company') for the year ended 31 July 2020 which comprise the Consolidated Statement of Financial Activities, the Group and Charity Balance Sheets, the Group Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019 and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2019.

In our opinion the accounts:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 July 2020 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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

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

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

Other information

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

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

We have nothing to report in this regard.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
ALLIANCE LEARNING**

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' 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 trustees and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' 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 parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://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 parent company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and regulations made under that Act. Our audit work has been undertaken so that we might state to the parent company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the parent company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

**Mark Pearson (Senior Statutory Auditor)
for and on behalf of Barlow Andrews LLP
Chartered Accountants
Statutory Auditor**

27 January 2021
Carlyle House
78 Chorley New Road
Bolton

ALLIANCE LEARNING

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)**

FOR THE YEAR ENDED 31 JULY 2020

	Notes	2020 Unrestricted Funds £	2020 Restricted Funds £	2020 Total Funds £	2019 Unrestricted Funds £	2019 Restricted Funds £	2019 Total Funds £
Income from							
Charitable activities	4	1,904,511	-	1,904,511	1,887,827	-	1,887,827
Other trading activities	3	667,989	-	667,989	1,064,171	-	1,064,171
Investments	5	2,748	-	2,748	1,761	-	1,761
Other income	6	174,641	-	174,641	-	-	-
Total income		2,749,889	-	2,749,889	2,953,759	-	2,953,759
Expenditure on:							
Charitable activities (Inc. Governance costs)	7	2,296,818	10,489	2,307,307	2,027,847	11,243	2,039,090
Other trading activities	7	755,999	-	755,999	895,619	-	895,619
Total expenditure		3,052,817	10,489	3,063,306	2,923,466	11,243	2,934,709
Net income/(expenditure) for the year		(302,928)	(10,489)	(313,417)	30,293	(11,243)	19,050
Other movements on defined benefit scheme	17	(124,000)	-	(124,000)	-	-	-
Net movement in funds	8	(426,928)	(10,489)	(437,417)	30,293	(11,243)	19,050
Reconciliation in funds							
Total funds brought forward at 1 August		1,668,872	280,617	1,949,489	1,638,579	291,860	1,930,439
Total funds carried forward 31 July		1,241,944	270,128	1,512,072	1,668,872	280,617	1,949,489

The consolidated statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure is derived from continuing activities.

The consolidated statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

ALLIANCE LEARNING

GROUP AND CHARITY

BALANCE SHEETS AS AT 31 JULY 2020

	Notes	Group 2020 £	Charity 2020 £	Group 2019 £	Charity 2019 £
Fixed Assets					
Tangible assets	11	1,676,725	1,676,725	1,690,074	1,690,074
Investments	12	1,000	1,100	1,003	1,103
		<u>1,677,725</u>	<u>1,677,825</u>	<u>1,691,077</u>	<u>1,691,177</u>
Current Assets					
Debtors	13	337,853	357,550	566,011	417,146
Bank and cash balances		538,746	524,818	440,812	417,503
		<u>876,599</u>	<u>882,368</u>	<u>1,006,823</u>	<u>834,649</u>
Creditors: amounts falling due within one year	14	(528,873)	(382,506)	(373,646)	(234,269)
Net current assets		<u>347,726</u>	<u>499,862</u>	<u>633,177</u>	<u>600,380</u>
Creditors: amounts falling due after one year	15	(50,000)	(50,000)	-	-
Net assets excluding pension liability		<u>1,975,451</u>	<u>2,127,687</u>	<u>2,324,254</u>	<u>2,291,557</u>
Provisions for liabilities					
Defined benefit pension liability	17	(463,379)	(463,379)	(374,765)	(374,765)
Total Net Assets		<u>1,512,072</u>	<u>1,664,308</u>	<u>1,949,489</u>	<u>1,916,792</u>
Total funds of the charity					
Income funds					
Restricted funds	18	270,128	270,128	280,617	280,617
Unrestricted funds	18	1,241,944	1,394,180	1,668,872	1,636,175
Total reserves		<u>1,512,072</u>	<u>1,664,308</u>	<u>1,949,489</u>	<u>1,916,792</u>


As permitted by S408 Companies Act 2006, the parent company has not presented its own statement of financial activities and related notes. The parent company's deficit for the year was £252,484 (2019: surplus of £44,936).

These accounts are prepared in accordance with the special provisions of part 15 of the Companies Act 2006 relating to small companies and The Financial Reporting Standard Applicable in the UK and Republic of Ireland ("FRS102")

The financial statements were approved by the Board of Trustees and authorised for issue on 27 January 2021 and signed on its behalf by:

DR K R KANDADI
TRUSTEE

Company registration number 01619564



ALLIANCE LEARNING
GROUP STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2020

	Notes	2020 £	2019 £
Net cash generated/(used) by operating activities	21	112,560	(68,324)
Cash flow from investing activities:			
Purchase of plant and equipment		(84,714)	(17,481)
Proceeds from sale of plant and equipment		17,340	-
Interest received		2,748	1,761
		<hr/>	<hr/>
Net cash used in investing activities		(64,626)	(15,720)
		<hr/>	<hr/>
Cash flow from financing activities:			
Bank loan received		50,000	-
		<hr/>	<hr/>
Net cash generated from financing activities		50,000	-
		<hr/>	<hr/>
Net increase/(decrease) in cash and cash equivalents in reporting period		97,934	(84,044)
Cash and cash equivalents at 1 August		440,812	524,856
		<hr/>	<hr/>
Cash and cash equivalents at 31 July		538,746	440,812
		<hr/>	<hr/>

ALLIANCE LEARNING

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2020

1. Accounting policies

Company information

Alliance Learning ("the company") is a charitable company limited by guarantee, incorporated in England and Wales. The registered office is The Hurst Building, Horwich Business Park, Chorley New Road, Bolton.

Alliance Learning meets the definition of a public benefit entity under FRS102.

The group consists of Alliance Learning and its subsidiaries, Alliance Learning Training Limited and Rivington College Limited.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019 and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2019.

The financial statements are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Basis of consolidation

The consolidated financial statements incorporate those of Alliance Learning and Alliance Learning Training Limited. All other subsidiaries are excluded from the consolidation as they are currently registered as dormant, and their share capital and reserves as a whole are insignificant to the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation.

1.3 Going concern

At the time of approving the financial statements, the trustees have given consideration to recent and expected future trading results and have a reasonable expectation that the group and the parent company has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Charitable funds

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the objects of the charity without further purpose and which have not been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. Expenditure which meets this criteria is charged to the fund.

ALLIANCE LEARNING
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2020

1.5 Incoming resources

Income is generally recognised on a receivable basis and is reported gross of related expenditure where the amount is reasonably certain and when there is adequate certainty or receipt.

The specific bases used are as follows:

- Income from charitable activities and commercial courses is accounted for when earned and courses have been delivered. Income received in advance is deferred until entitlement to the income has arisen, at which time, it is credited to the statement of financial activities (SOFA)
- Grants are recognised when the entitlement to the grant is confirmed. Grants for the purposes of equipment and towards activities are credited in full to various activities in furtherance of the charity's objectives in the year in which they are received
- Gift aid distributions from subsidiaries are recognised at the point at which they become due to the charity
- Investment income is accounted for on a receivable basis

1.6 Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered. Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis e.g. floor areas, per capita or estimated usage.

1.7 Tangible fixed assets and depreciation

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings	2% per annum on cost
Fixtures, fittings & equipment	15 – 25% per annum on cost
Plant and machinery	15% per annum on the reducing balance
Freehold land	Not depreciated

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

Any items capitalised are done so at cost and the charity views any expenditure of less than £500 to be non-capital.

ALLIANCE LEARNING

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2020

1.8 Fixed asset investments

In the parent company financial statements, investments in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. Any impairment losses are recognised in expenditure for the year.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.9 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.10 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand and deposits held at call with banks.

1.11 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

ALLIANCE LEARNING
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2020

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans and loans from fellow group companies, are recognised at transaction price. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised at transaction price.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the group is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

The regular cost of providing retirement pensions and related benefits under the charity's defined benefit scheme is charged to the statement of financial activities over the employees' service lives on the basis of a constant percentage of earnings. Any difference between the charge to the statement of financial activities and the contributions paid to the scheme is shown as an asset or liability in the balance sheet.

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2. Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods, where the revision affects both current and future periods.

ALLIANCE LEARNING

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2020

3. Income from subsidiary's activities

The charity owns the whole of the ordinary share capital, consisting of 100 ordinary shares of £1 each, of Alliance Learning Training Limited, which provides commercial training courses to individuals looking to develop their workplace effectiveness.

Its results for the year, as extracted from the audited financial statements, are summarised below:-

	2020 £	2019 £
Turnover	667,989	1,064,171
Cost of sales	(508,885)	(564,233)
Gross Profit	159,104	499,938
Administration costs	(404,344)	(525,824)
Other operating income	60,308	-
Loss for the year	(184,932)	(25,886)

4. Income from charitable activities

	Unrestricted funds £	Restricted funds £	Total funds 2020 £	Total funds 2019 £
Greater Manchester ESFA	1,514,818	-	1,514,818	1,467,837
Other training courses	389,693	-	389,693	419,990
	1,904,511	-	1,904,511	1,887,827
Total by fund 31 July 2019	1,887,827	-		1,887,827

5. Investment income

	Unrestricted funds £	Restricted funds £	Total funds 2020 £	Total funds 2019 £
Interest from bank deposits	2,748	-	2,748	1,761
	2,748	-	2,748	1,761

6. Other income

	Unrestricted funds £	Restricted funds £	Total funds 2020 £	Total funds 2019 £
Grants under CRJS	167,982	-	167,982	-
Gain on disposal of tangible fixed asset	6,659	-	6,659	-
	174,641	-	174,641	-

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7. Total resources expended	Charitable expenditure	Other Trading expenditure	Governance costs	2020 Total	2019 Total
Costs directly allocated to activities					
Staff costs	1,116,014	275,901	-	1,391,915	1,103,549
Staff training	670	1,999	-	2,669	276
Staff expenses	17,701	2,729	-	20,430	32,208
Depreciation	89,106	-	-	89,106	88,452
Course fees and expenses	363,322	228,256	-	591,578	735,937
Bad and doubtful debts	26,348	9,644	-	35,992	2,298
Bank charges	3,391	2,296	-	5,687	6,667
Irrecoverable VAT	39,000	-	-	39,000	39,000
Audit fees	-	4,413	12,804	17,217	18,101
Support costs allocated to activities					
Staff costs	413,623	149,130	-	562,753	585,830
Staff training	1,757	633	-	2,390	744
Staff expenses	4,178	1,506	-	5,684	7,846
Rent rates and insurance	50,178	18,092	-	68,270	67,137
Accountancy fees	14,412	5,196	-	19,608	21,589
Telephone and fax	9,458	3,801	-	13,259	15,320
Other administrative expenses	46,232	16,669	-	62,901	42,383
Legal and professional fees	2500	902	-	3,402	17,818
Light and heat	43,070	15,528	-	58,598	27,500
Computer maintenance	20,240	7,298	-	27,538	27,404
Building and office maintenance	14,562	5,250	-	19,812	62,573
Marketing and advertising	8,477	3,056	-	11,533	17,826
Printing, postage and stationery	10,264	3,700	-	13,964	14,251
	2,294,503	755,999	12,804	3,063,306	2,934,709
Total by activity 31 July 2019	2,025,576	895,619	13,514	-	2,934,709

Costs directly allocated above are on an actual basis. Support costs have been allocated against appropriate activities on a usage basis.

8. Net movement in funds	2020 £	Group 2019 £
This is stated after charging:		
Depreciation	89,106	88,452
Audit fees	17,217	18,101

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9. Staff costs	2020 £	2019 £
Salaries	1,753,961	1,533,923
Social security costs	143,255	128,862
Pension costs	57,452	26,594
	<u>1,954,668</u>	<u>1,689,379</u>

Redundancy costs recognised in the year and included above amounted to £84,648 (2019: £nil).

The average number of employees was:

	No.	No.
Management	7	7
Support staff	17	18
Marketing and sales	8	10
Course providers	38	31
	<u>70</u>	<u>66</u>

The number of employees whose emoluments (including pension costs) for the year fell within the following bands was:

	2020 No.	2019 No.
£60,000 - £70,000	<u>1</u>	<u>1</u>

10. Trustee – disclosures

None of the trustees (or any persons connected with them) have received any remuneration or been reimbursed for any expenses during the year.

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NOTES TO THE FINANCIAL STATEMENTS
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11. Tangible fixed assets

Group and charity

	Land and Buildings £	Plant and Machinery £	Total £
Cost			
At 1 August 2019	2,483,352	2,007,771	4,491,123
Additions	-	84,714	84,714
Disposals	-	(25,600)	(25,600)
At 31 July 2020	2,483,352	2,066,885	4,550,237
Depreciation			
At 1 August 2019	964,258	1,836,791	2,801,049
Charge in the year	44,302	44,804	89,106
Eliminated in respect of disposals	-	(16,643)	(16,643)
At 31 July 2020	1,008,560	1,864,952	2,873,512
Net Book Value			
At 31 July 2020	1,474,792	201,933	1,676,725
At 31 July 2019	1,519,094	170,980	1,690,074

12. Fixed asset investments

	Shares in Subsidiary Undertakings	
	Group £	Charity £
Cost		
At 31 July 2020	1,000	1,100

The company holds 100% of the equity of the following companies:-

Subsidiary undertaking	Company number	Description of holding	Proportion held at 31 July 2020	Nature of business
Alliance Learning Training Limited	10381804	Ordinary	100%	Provision of training courses to enhance the skills of workforces
Rivington College Limited	03265946	Ordinary	100%	Dormant subsidiary

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12. Fixed asset investments (continued)

The assets and liabilities of the trading subsidiary were:

	2020	2019
	£	£
Current assets	98,481	255,256
Creditors: amounts falling due within one year	(250,616)	(222,459)
	<u>(152,135)</u>	<u>32,797</u>
Representing:		
Share capital	100	100
Profit and loss account	(152,235)	32,697
	<u>(152,135)</u>	<u>32,797</u>

Details of trading subsidiary's Profit and Loss Account are given in note 3.

The dormant subsidiary listed above has been excluded from the group consolidated accounts. The company does not trade and its capital and reserves are insignificant to the group. The subsidiary is registered in Great Britain and shares the same registered office as the Charity.

13. Debtors

	2020		2019
	Group	Charity	Group
	£	£	£
Trade debtors	175,930	117,859	433,868
Amounts owed by group undertakings	36,000	140,250	-
Prepayments and accrued income	108,216	99,441	132,143
Tax and social security	17,707	-	-
	<u>337,853</u>	<u>357,550</u>	<u>566,011</u>
			<u>417,146</u>

14. Creditors – amounts falling due within one year

	2020		2019
	Group	Charity	Group
	£	£	£
Trade creditors	171,091	142,486	157,435
Amounts owed to group undertakings	2,403	2,403	2,403
Tax and social security	80,874	80,874	66,966
Accruals and deferred income	274,505	156,743	146,842
	<u>528,873</u>	<u>382,506</u>	<u>373,646</u>
			<u>234,269</u>

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15. Creditors – amounts falling due after one year

	2020		2019	
	Group £	Charity £	Group £	Charity £
Bank loan	50,000	50,000	-	-
	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>-</u>

16. Financial instruments

	2020 £	2019 £
Carrying amount of financial assets		
Equity instruments measured at cost less impairment	<u>750,676</u>	<u>874,680</u>
	2020 £	2019 £
Carrying amount of financial liabilities		
Equity instruments measured at cost less impairment	<u>497,999</u>	<u>306,680</u>

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17. Retirement benefit schemes

The group operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

Defined benefit schemes

The group provides pensions for some employees through participation in a funded defined benefit scheme which is administered by Trustees and maintained independently of the company's finances. In previous years and during the first part of the current year, the group participated in the Engineering Employers' Federation Staff Pension Fund (the EEF Fund), within which there was more than one employer participating. On 31 March 2020, the EEF Fund made a bulk transfer of assets and liabilities from the EEF Fund to the Deloitte Master Plan. The Deloitte Master Plan is closed to the further accrual of benefits. The amounts included in the balance sheet arising from the group's obligations in respect of defined benefit plans are as follows:

	2020 £	2019 £
Present value of defined benefit obligations	463,379	374,765
Deficit in scheme	463,379	374,765
Movements in the present value of defined benefit obligations:	2020 £	2019 £
Liabilities at 1 August 2019	374,765	418,756
Additional payments in the year	(35,386)	(43,991)
Payment to satisfy orphan liabilities in EEF Fund	124,000	-
Liabilities at 31 July 2020	463,379	374,765

The defined benefit obligations arise from plans which are wholly or partly funded.

At the date of the most recent triennial valuation of the EEF Fund (31 March 2017), the market value of the fund assets amounted to £191,000,000. The EEF Fund's technical provisions were calculated at £220,000,000 at 31 March 2017. The technical provisions were valued by an independent qualified actuary on the projected unit method of valuation using the following main assumptions.

Whilst participating in the EEF Fund, the assumed investment strategy was to hold 35% of the Fund's assets in a portfolio of gilts and corporate bonds and to hold 65% in a portfolio of equities and other return-seeking investments until 31 December 2019, followed by a gradual switch to 100% of gilts and corporate bonds by 31 March 2039.

Discount rates: Initial investment portfolio 3.7% per annum until 31 December 2019 reducing to 2.1% per annum by 31 March 2039 under the de-risking strategy discussed above

Allowances for pension increases: varying between 2.0% and 3.8% per annum

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NOTES TO THE FINANCIAL STATEMENTS
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17. Retirement benefit schemes (continued)

On transferring the assets and liabilities to the Deloitte Master Plan, the agreed strategic asset allocations were as follows:

<u>Fund</u>	<u>Allocation</u>
All World Equity Index Fund	30.0%
Managed Property Fund	20.0%
Investment Grade Corporate Bond	25.0%
All Stocks Index Fund	
Matching Core LDI Funds	25.0%

At the valuation date of 30 March 2017, the EEF Fund's assets were not sufficient to meet its technical provisions, the resulting deficit being £29,000,000. The charity's share of this deficit was estimated to be £464,000 at 31 March 2017. In accordance with the actuary's recommendations, the charity has since made additional payments totalling £89,235, £43,991 and £35,386 in the three years following the valuation. On transfer of the assets and liabilities to the Deloitte Master Plan, a reduction of assets of £124,000 was incurred, in respect of orphan liabilities within the EEF Fund, increasing the deficit. The net effect of payments made and the reduction of assets resulted in a liability at the year end of £463,379.

An actuarial valuation was not carried out on transfer of the Fund; however a valuation is due by 31 March 2021 of the Fund as at 31 March 2020.

18. Restricted funds of the group

The income funds of the group include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 31 July 2019 £	Movement in Incoming resources £	Resources expended £	Balance at 31 July 2020 £
ESFA – Capital	58,940	-	(3,308)	55,629
Aperia grant for diploma	4,393	-	(112)	4,281
Regional Skills Capital Development Fund	217,284	-	(7,069)	210,218
Total restricted funds	280,617	-	(10,489)	270,128
Unrestricted funds	1,668,872	2,834,942	(3,261,870)	1,241,944
Total funds	1,949,489	2,834,942	(3,272,359)	1,512,072

ALLIANCE LEARNING
NOTES TO THE FINANCIAL STATEMENTS
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18. Restricted funds of the group (continued)

	Balance at 31 July 2018 £	Movement in Incoming resources £	Resources expended £	Balance at 31 July 2019 £
ESFA – Capital	62,618	-	(3,678)	58,940
Aperia grant for diploma	4,506	-	(113)	4,393
Regional Skills Capital Development Fund	224,736	-	(7,452)	217,284
Total restricted funds	291,860	-	(11,243)	280,617
Unrestricted funds	1,638,579	2,953,759	(2,923,466)	1,668,872
Total funds	1,930,439	2,953,759	(2,934,709)	1,949,489

All restricted funds above are for the purpose of the purchase of specific assets for the delivery of training courses and apprenticeships.

19. Analysis of net assets of the group between funds

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 July 2020 are represented by:			
Tangible assets	1,406,597	270,128	1,676,725
Investments	1,000	-	1,000
Net current assets	347,726	-	347,726
Bank loan	(50,000)	-	(50,000)
Provisions	(463,379)	-	(463,379)
	1,241,944	270,128	1,512,072
Fund balances at 31 July 2019 are represented by:			
Tangible assets	1,409,457	280,617	1,690,074
Investments	1,003	-	1,003
Net current assets	633,177	-	633,177
Provisions	(374,765)	-	(374,765)
	1,668,872	280,617	1,949,489

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20. Key management personnel

The key management personnel include the chief executive.

The remuneration of key management personnel is as follows:

	2020	2019
	£	£
Total key management compensation	78,130	75,473

21. Reconciliation of net income to net cash flow from operating activities

	2020	2019
	£	£
Net (expenditure)/income for the reporting period as per the consolidated statement of financial activities	(313,417)	19,050
Adjustments for:		
Depreciation	89,106	88,452
Disposal of fixed assets	(6,659)	-
Payments towards defined benefit liability	(35,386)	(43,991)
Investment income recognised in statement of financial activities	(2,748)	(1,761)
Amounts written off investments	3	-
Decrease/(Increase) in debtors	228,158	(154,565)
Increase in creditors	153,503	24,491
Net cash generated/(used) by operating activities	112,560	(68,324)

22. Related party transactions

Under the reduced disclosure framework, disclosure of transactions between wholly owned group members is not required. As such there are no related party transactions during the year to be disclosed (2019: none).

23. Ultimate parent undertaking

The ultimate parent undertaking is the University of Bolton, a charity with exempt status, registered in England and Wales.

The results of Alliance Learning and Alliance Learning Training Limited are consolidated in the group statements of the ultimate parent, the University of Bolton.