

ALLIANCE LEARNING

**TRUSTEES REPORT AND
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 JULY 2023

Registered company No: 01619564

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COMPANIES HOUSE

**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 2023.

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 "Education Inspection Framework".

Achievements and performance

The charity continues to deliver apprenticeships and vocational learning under a contract with the Education & Skills Funding Agency (ESFA). Plans are in place to develop the apprenticeship offer for the 2024-25 contract year.

The February 2023 Ofsted inspection deemed Safeguarding to be 'ineffective', this is a limiting grade and resulted in an overall 'Inadequate' judgement. As a result of this, the ESFA placed recruitment sanctions until a further monitoring visit was undertaken by Ofsted. This resulted in a loss of income over a 6-month period. Ofsted re-visited in July 2023 and 'reasonable progress' was noted, following which the ESFA lifted the recruitment sanctions in August. Whilst helpful, this late date has resulted in delayed recruitment activity for 2023-24.

The overall Apprentice achievement rate for 2021-2022 was 72.85% (2020-2021: 72.67%). Overall achievement for 2022-2023 dipped to 58%.

Commercial training has remained constant, with the ambition for further growth following the appointment of a new Commercial Director. The charity continues to review and develop all areas of the business.

After becoming part of The University of Bolton Group on the 31 March 2020, Alliance Learning benefits from collaboration with other members of the University of Bolton Group, particularly the University itself and Bolton College on Apprenticeships, in areas such as the sharing of best practice, development of new provision and business development.

Alliance has many 'success stories'. An example of this: During the 2022-2023 financial year, one of our Engineering Apprentices won the East of England Advanced Apprentice of the Year 2022 at the National Apprenticeship Awards. We also had 3 Apprentice finalists make it through to the Group Training Association for England Awards 2023, with a winner overall in the category 'Best Newcomer for Business Services'.

External accreditations

Matrix accreditation remains in place.

ALLIANCE LEARNING

TRUSTEES' REPORT

Risk management policy

The trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity and are satisfied that adequate systems are in place to mitigate our exposure to the major risks.

The year ahead

Alliance welcomed a new Chief Executive Officer in March 2023, following the resignation of the previous incumbent. Dr Gill Waugh was appointed following the Ofsted inspection. Dr Waugh has been a senior leader at the University of Bolton and has worked for the University for over 20 years.

A new strategic plan will be presented to the November 2023 trustees' board meeting. Working closely with other members of the University Group to establish a cohesive offer to employers across Greater Manchester. Going forward, Alliance Learning is developing a range of commercial activity and expanding Apprenticeship training to meet demand.

Financial performance will continue to be monitored on a monthly basis, through the provision of monthly management accounts and during Board meetings.

Financial review

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:

Total unrestricted funds		£
		516,775
Less unrestricted tangible fixed assets	Note 19	(1,273,524)
Less investments	Note 19	(1,000)
Total free reserves		(757,749)
Defined benefit pension liability repayable in over 1 year		802,167
Adjusted free reserves		44,418

The trustees believe it is appropriate to maintain strong reserves. The Ofsted inspection outcome and subsequent ESFA sanction to pause Apprentice recruitment has weakened the financial position, which the trustees are seeking to restore. The trustees have revised the reserves policy as a result of these events, and now aim to maintain positive adjusted free reserves. This has been achieved for the year to 31 July 2023.

The free reserves are calculated after deducting the pension fund deficit, which has decreased during the year to £907,167. This deficit will be cleared over many years. The element repayable in the year ended 31 July 2023 will be £105,000. When assessing how the group is performing against its target level of reserves, the trustees consider it to be appropriate to add back the non-current portion of the deficit, i.e. £802,167. This gives an adjusted free reserves figure of around £44,000.

Restricted reserves at 31 July 2023 were £242,134, represented by fixed assets.

The government continues to be committed to high quality apprenticeships. 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, The University of Bolton, Bolton College and Alliance Learning continue to work closely, 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 Articles of Association, as amended on 31 March 2020, form the governing document of the charity.

On 31 March 2020, The University of Bolton became the sole member of Alliance Learning and Alliance Learning became part of The University of Bolton Group. It is 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.

None of the trustees has any beneficial interest in the company. The one member of the company guarantees to contribute an amount not exceeding £1 in the event of a winding up.

The trustees give their time freely and none received any remuneration or benefits during the year. The remuneration of the Chief Executive is set by the trustees and reviewed annually.

The appointment of trustees is in accordance with its Articles of Association. The trustees demonstrate a range of experience and skills. New trustees are invited and encouraged to shadow team members and attend training sessions, and to familiarise themselves with the charity and the context within which it operates.

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

P D Taylor

J Bromley

C J Cowburn

A R Unsworth

C J McClelland (resigned 30 April 2023)

J Marsh (appointed 8 March 2023)

W H C Webster (appointed 8 March 2023)

University of Bolton Group governance arrangements

Alliance Learning is included in the University of Bolton's Group Protocol for Reporting of Assurance Concerns as part of its Group Governance arrangements. It is not the intention that the University should replicate the scrutiny of the Board of the subsidiary organisation (and any of its Committees) or to subsume any of their responsibilities, but, in its Group role, it seeks assurance that the reporting and governance processes are operating effectively in that organisation and that any issues are appropriately escalated to Group level in a timely manner.

ALLIANCE LEARNING

TRUSTEES' REPORT

Structure, governance and management (continued)

Chief Executive: Kelly Perkin (resigned 31 August 2022)

Interim Chief Executive: David Haslam (appointed 1 September 2022 and resigned 9 October 2022)

Chief Executive: Lynn Bolton (appointed 10 October 2022 and resigned 7 March 2023)

Chief Executive: Dr G Waugh (appointed 13 March 2023)

Company Secretary: Deborah Bradburn

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

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.



C J Cowburn

Chair

Dated: 12 December 2023

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 2023 which comprise the consolidated statement of financial activities, the group and charity balance sheets, the group statement of cash flows and notes to the financial statements, including a summary of 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).

In our opinion the financial statements:

- give a true and fair view of the state of the group and charitable company's affairs as at 31 July 2023 and of its incoming resources and application of resources 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 Companies Act 2006.

Basis of 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company'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 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 financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matter 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, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

ALLIANCE LEARNING

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within 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 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 (who are also directors of Alliance Learning for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities including fraud. Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charitable company through discussions with trustees and other management, and from our commercial knowledge and experience of the charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including the Companies Act 2006, employment and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

ALLIANCE LEARNING

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions; and
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our 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 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 members as a body, for our audit work, for this report, or for the opinion we have formed



Adam Woodward (Senior Statutory Auditor)
for and on behalf of
Barlow Andrews LLP
Chartered Accountants and Statutory Auditor

Carlyle House
78 Chorley New Road
Bolton

Date: 12 December 2023

ALLIANCE LEARNING

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

FOR THE YEAR ENDED 31 JULY 2023

	Notes	2023 Unrestricted Funds	2023 Restricted Funds	2023 Total Funds	2022 Unrestricted Funds	2022 Restricted Funds	2022 Total Funds
		£	£	£	£	£	£
Income from							
Charitable activities	4	1,759,905	-	1,759,905	1,725,945	-	1,725,945
Other trading activities	3	944,211	-	944,211	954,391	-	954,391
Investments	5	1,459	-	1,459	125	-	125
Other income	6	14,156	-	14,156	12,296	-	12,296
Total income		2,719,731	-	2,719,731	2,692,757	-	2,692,757
Expenditure on:							
Charitable activities (Inc. Governance costs)	7	2,020,724	8,841	2,029,565	1,846,456	9,304	1,855,760
Other trading activities	7	795,970	-	795,970	755,109	-	755,109
Total expenditure		2,816,694	8,841	2,825,535	2,601,565	9,304	2,610,869
Net income/(expenditure) for the year before tax		(96,963)	(8,841)	(105,804)	91,192	(9,304)	81,888
Tax on profit/(loss)	11	-	-	-	(19,784)	-	(19,784)
Net income/(expenditure) for the year after tax		(96,963)	(8,841)	(105,804)	71,408	(9,304)	62,104
Other movements on defined benefit scheme	17	-	-	-	-	-	-
Net movement in funds	8	(96,963)	(8,841)	(105,804)	71,408	(9,304)	62,104
Reconciliation in funds							
Total funds brought forward at 1 August		613,738	250,975	864,713	542,330	260,279	802,609
Total funds carried forward 31 July		516,775	242,134	758,909	613,738	250,975	864,713

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 2023

	Notes	Group 2023 £	Charity 2023 £	Group 2022 £	Charity 2022 £
Fixed Assets					
Tangible assets	12	1,515,658	1,515,658	1,560,088	1,560,088
Investments	13	1,000	1,100	1,000	1,100
		<u>1,516,658</u>	<u>1,516,758</u>	<u>1,561,088</u>	<u>1,561,188</u>
Current Assets					
Debtors	14	315,892	191,498	304,504	190,671
Bank and cash balances		304,439	236,165	386,464	362,316
		<u>620,331</u>	<u>427,663</u>	<u>690,968</u>	<u>552,987</u>
Creditors: amounts falling due within one year	15	(470,913)	(365,324)	(375,176)	(261,790)
Net current assets		<u>149,418</u>	<u>62,339</u>	<u>315,792</u>	<u>291,197</u>
Net assets excluding pension liability		<u>1,666,076</u>	<u>1,579,097</u>	<u>1,876,880</u>	<u>1,852,385</u>
Provisions for liabilities					
Defined benefit pension liability	17	(907,167)	(907,167)	(1,012,167)	(1,012,167)
Total net assets		<u>758,909</u>	<u>671,930</u>	<u>864,713</u>	<u>840,218</u>
Total funds of the charity					
Income funds					
Restricted funds	18	242,134	242,134	250,975	250,975
Unrestricted funds	18	516,775	429,796	613,738	589,243
Total reserves		<u>758,909</u>	<u>671,930</u>	<u>864,713</u>	<u>840,218</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 £168,288 (2022: deficit of £46,732).

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 12 December 2023 and signed on its behalf by:



C J Cowburn
TRUSTEE
 Company registration number 01619564

ALLIANCE LEARNING
GROUP STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2023

	Notes	2023 £	2022 £
Net cash generated/(used) by operating activities	21	(36,396)	95,358
Cash flow from investing activities:			
Purchase of plant and equipment		(49,338)	(41,955)
Proceeds from sale of plant and equipment		2,250	2,400
Interest received		1,459	125
		<hr/>	<hr/>
Net cash used in investing activities		(45,629)	(39,430)
		<hr/>	<hr/>
Net increase/(decrease) in cash and cash equivalents in reporting period		(82,025)	55,928
Cash and cash equivalents at 1 August		386,464	330,536
		<hr/>	<hr/>
Cash and cash equivalents at 31 July		304,439	386,464
		<hr/>	<hr/>

ALLIANCE LEARNING
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2023

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 Charities Act 2011 and "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) (effective 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. The other subsidiary is excluded from the consolidation as it is currently registered as dormant, and its 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.

The group and the charity is reliant on the financial support given by its ultimate parent undertaking, the University of Bolton. The support is in place for 12 months from signing, and it is anticipated that this support will continue for the foreseeable future.

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 2023

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 of 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)
- Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable.
- 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:

Freehold land	Not depreciated
Freehold 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

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 2023

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 2023

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 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Statement of Financial Activities because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the Statement of Financial Activities, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

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.

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1.14 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.

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:-

	2023 £	2022 £
Turnover	944,211	954,391
Cost of sales	(488,436)	(468,260)
Gross Profit	455,775	486,131
Administration costs	(393,291)	(357,511)
Tax on profit/(loss)	-	(19,784)
Profit for the year	62,484	108,836

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4.	Income from charitable activities	Unrestricted funds	Restricted funds	Total funds 2023	Total funds 2022
		£	£	£	£
	Greater Manchester ESFA	1,731,173	-	1,731,173	1,576,335
	Other training courses	28,732	-	28,732	149,610
		<u>1,759,905</u>	<u>-</u>	<u>1,759,905</u>	<u>1,725,945</u>
	Total by fund 31 July 2022	<u>1,725,945</u>	<u>-</u>		<u>1,725,945</u>

5.	Investment income	Unrestricted funds	Restricted funds	Total funds 2023	Total funds 2022
		£	£	£	£
	Interest from bank deposits	1,459	-	1,459	125
		<u>1,459</u>	<u>-</u>	<u>1,459</u>	<u>125</u>

6.	Other income	Unrestricted funds	Restricted funds	Total funds 2023	Total funds 2022
		£	£	£	£
	Grants under CJRS	-	-	-	1,013
	Grants from BMBC	12,902	-	12,902	9,008
	Gain on disposal of tangible fixed asset	1,254	-	1,254	2,275
		<u>14,156</u>	<u>-</u>	<u>14,156</u>	<u>12,296</u>

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7. Total resources expended

	Charitable expenditure	Other Trading expenditure	Governance costs	2023 Total	2022 Total
Costs directly allocated to activities					
Staff costs	987,027	230,665	-	1,217,692	1,107,847
Staff training	411	2,211	-	2,622	5,100
Staff expenses	11,091	2,997	-	14,088	15,370
Depreciation	92,772	-	-	92,772	93,317
Course fees and expenses	343,613	252,563	-	596,176	531,773
Bad and doubtful debts	-	4,054	-	4,054	1,300
Bank charges	3,850	1,234	-	5,084	5,028
Irrecoverable VAT	37,026	-	-	37,026	44,000
Audit fees	-	5,500	15,035	20,535	23,614
Support costs allocated to activities					
Staff costs	314,966	167,497	-	482,463	431,597
Staff training	6,671	3,548	-	10,219	1,809
Staff expenses	3,602	1,915	-	5,517	3,198
Rent, rates and insurance	43,809	23,297	-	67,106	66,646
Accountancy fees	16,038	18,652	-	34,690	28,854
Telephone and fax	12,795	6,929	-	19,724	23,527
Other administrative expenses	16,675	8,868	-	25,543	17,438
Legal and professional fees	26,383	14,030	-	40,413	53,804
Light and heat	36,766	19,552	-	56,318	49,596
Computer maintenance	21,113	11,228	-	32,341	33,307
Building and office maintenance	26,451	14,066	-	40,517	52,452
Marketing and advertising	6,475	3,443	-	9,918	12,218
Printing, postage and stationery	6,996	3,721	-	10,717	9,074
	<u>2,014,530</u>	<u>795,970</u>	<u>15,035</u>	<u>2,825,535</u>	<u>2,610,869</u>
Total by activity 31 July 2022	<u>1,838,619</u>	<u>755,109</u>	<u>17,141</u>		<u>2,610,869</u>

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

	2023 £	Group 2022 £
This is stated after charging:		
Depreciation	92,772	93,317
Audit fees	20,535	23,614

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9. Staff costs	2023 £	2022 £
Salaries	1,526,133	1,370,521
Social security costs	140,532	129,459
Pension costs	33,490	39,464
	<u>1,700,155</u>	<u>1,539,444</u>

The average number of employees was:

	2023 No.	2022 No.
Management	4	5
Support staff	12	11
Marketing and sales	6	6
Course providers	31	31
	<u>53</u>	<u>53</u>

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

	2023 No.	2022 No.
£70,000 - £80,000	<u>-</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.

11. Taxation

	2023 £	2022 £
Deferred tax		
Release/(recognition) of credit for corporation tax losses in subsidiary	<u>-</u>	<u>19,784</u>

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12. Tangible fixed assets

Group and charity

	Land and Buildings £	Plant and Machinery £	Total £
Cost			
At 1 August 2022	2,483,352	2,132,941	4,616,293
Additions	-	49,338	49,338
Disposals	-	(10,500)	(10,500)
At 31 July 2023	2,483,352	2,171,779	4,655,131
Depreciation			
At 1 August 2022	1,097,165	1,959,040	3,056,205
Charge in the year	44,302	48,470	92,772
Eliminated on disposals	-	(9,504)	(9,504)
At 31 July 2023	1,141,467	1,998,006	3,139,473
Net Book Value			
At 31 July 2023	1,341,885	173,773	1,515,658
At 31 July 2022	1,386,187	173,901	1,560,088

13. Fixed asset investments

	Shares in Subsidiary Undertakings	
	Group £	Charity £
Cost		
At 31 July 2023	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 2023	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

The subsidiaries have the same registered office as the Charity (note 1).

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NOTES TO THE FINANCIAL STATEMENTS
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13. Fixed asset investments (continued)

The assets and liabilities of the trading subsidiary were:

	2023	2022
	£	£
Current assets	226,187	166,127
Creditors: amounts falling due within one year	(139,108)	(141,532)
	<u>87,079</u>	<u>24,595</u>
Representing:		
Share capital	100	100
Profit and loss account	86,979	24,495
	<u>87,079</u>	<u>24,595</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.

14. Debtors

	2023		2022	
	Group	Charity	Group	Charity
	£	£	£	£
Trade debtors	241,093	119,177	231,116	118,001
Prepayments and accrued income	74,799	72,321	73,388	72,670
	<u>315,892</u>	<u>191,498</u>	<u>304,504</u>	<u>190,671</u>

15. Creditors – amounts falling due within one year

	2023		2022	
	Group	Charity	Group	Charity
	£	£	£	£
Trade creditors	159,815	120,758	160,652	124,423
Other creditors	6,692	6,692	3,659	3,659
Amounts owed to group undertakings	33,306	66,825	2,402	30,548
Tax and social security	68,721	55,011	73,500	60,062
Accruals and deferred income	202,379	116,038	134,963	43,098
	<u>470,913</u>	<u>365,324</u>	<u>375,176</u>	<u>261,790</u>

At 31 July 2023, deferred income for the group was £10,623 (2022: £66,494). This related to income received for courses to be delivered in the next financial year.

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16. Group Financial instruments

	2023	2022
	£	£
Carrying amount of financial assets		
Equity instruments measured at cost less impairment	545,532	617,580
	2023	2022
	£	£
Carrying amount of financial liabilities		
Equity instruments measured at cost less impairment	391,569	301,676

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. The scheme used is the Alliance Learning Section of the Deloitte Master Plan ("the section"). The Section 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:

	2023	2022
	£	£
Present value of defined benefit obligations	907,167	1,012,167
Deficit in scheme	907,167	1,012,167
	2023	2022
	£	£
Movements in the present value of defined benefit obligations:		
Liabilities at 1 August 2022	1,012,167	1,120,000
Additional payments in the year	(105,000)	(107,833)
Actuarial loss arising from the latest valuation	-	-
Liabilities at 31 July 2023	907,167	1,012,167

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

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17. Retirement benefit schemes (continued)

A triennial valuation of the section was undertaken at 31 March 2020. Due to the depression of investment valuations and uncertainty at that time, it was deemed to be appropriate to perform a further valuation at 30 November 2020. At this date, the market value of the fund assets amounted to £4,167,000 and the section's technical provisions were calculated at £5,319,000. 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 Deloitte Pensions Master Plan, 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: The portfolio states 1.95% per annum as at 30 November 2020 increasing to 2.1% per annum by 31 March 2039 under the de-risking strategy discussed above

On transferring the assets and liabilities to the section, 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 All Stocks Index Fund	25.0%
Matching Core LDI Funds	25.0%

At the valuation date of 30 November 2020, the section's assets were not sufficient to meet its technical provisions, resulting in a deficit. The deficit was estimated to be £1,152,000 at 30 November 2020. After payments made since then the deficit is £907,167 at the year end.

The actuarial valuation was carried out as at 30 November 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 2022 £	Movement in Incoming resources £	Resources expended £	Balance at 31 July 2023 £
ESFA – Capital	49,913	-	(2,499)	47,414
Aperia grant for diploma	4,055	-	(113)	3,942
Regional Skills Capital Development Fund	197,007	-	(6,229)	190,778
Total restricted funds	250,975	-	(8,841)	242,134
Unrestricted funds	613,738	2,719,731	(2,816,694)	516,775
Total funds	864,713	2,719,731	(2,825,535)	758,909

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18. Restricted funds of the group (continued)

	Balance at 31 July 2021 £	Movement in Incoming resources £	Resources expended £	Balance at 31 July 2022 £
ESFA – Capital	52,639	-	(2,726)	49,913
Aperia grant for diploma	4,168	-	(113)	4,055
Regional Skills Capital Development Fund	203,472	-	(6,465)	197,007
Total restricted funds	260,279	-	(9,304)	250,975
Unrestricted funds	542,330	2,692,757	(2,621,349)	613,738
Total funds	802,609	2,692,757	(2,630,653)	864,713

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 2023 are represented by:			
Tangible assets	1,273,524	242,134	1,515,658
Investments	1,000	-	1,000
Net current assets	149,418	-	149,418
Provisions	(907,167)	-	(907,167)
	516,775	242,134	758,909

	Unrestricted Funds £	Restricted Funds £	Total £
Fund balances at 31 July 2022 are represented by:			
Tangible assets	1,309,113	250,975	1,560,088
Investments	1,000	-	1,000
Net current assets	315,792	-	315,792
Provisions	(1,012,167)	-	(1,012,167)
	613,738	250,975	864,713

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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:

	2023	2022
	£	£
Total key management compensation	95,914	78,586

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

	2023	2022
	£	£
Net income for the reporting period as per the consolidated statement of financial activities	(105,804)	81,888
Adjustments for:		
Depreciation	92,772	93,317
Disposal of fixed assets	(1,254)	(2,275)
Payments towards defined benefit liability	(105,000)	(107,833)
Investment income recognised in statement of financial activities	(1,459)	(125)
Decrease/(Increase) in debtors	(11,388)	45,025
Decrease in creditors	95,737	(14,639)
Net cash generated/(used) by operating activities	(36,396)	95,358

22. Analysis of changes in net funds

The charity had no debt during the year.

23. 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 (2022: none).

24. 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. These consolidated financial statements are available from its registered office, Deane Road, Bolton.