

Company Registration No. 11788031 (England and Wales)

ALTERNATIVE LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023



ALTERNATIVE LEARNING TRUST

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ALTERNATIVE LEARNING TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Jennifer Barrow
Victoria Blakeman
Tony Brett Young
Shirley Meyers

Trustees (Directors)

Jennifer Barrow	<i>appointed on 11 October 2022</i>
Robin Bishop	
Samantha Guy	<i>Chair</i>
David Johnston	
Amy Lewis	<i>resigned on 1 September 2022</i>
James Munro	<i>appointed on 11 October 2022</i>
Timothy Pollen	<i>Vice Chair</i>
Alexander (Sam) Young	<i>resigned on 1 September 2022</i>

Academies Operated

The Limes College
North West Kent Alternative Provision Service
Will Adams Academy

Trust Executive Team:

Executive Principal
Director of School Improvement
Chief Finance Officer
Company Secretary

Emma Bradshaw
David Ward
Christopher Cann
n/a

The Limes College Leadership Team

Sali Goodrich	<i>Head Teacher</i>
Gillian LaRocque	<i>Deputy Head</i>
Rachael Carvill	<i>Assistant Head (SENCo)</i>
Gemma Hobson	<i>Assistant Head (Inclusion and Behaviour)</i> <i>appointed as Deputy Head on 1 June 2023</i>
Laura Wareing	<i>Assistant Head (Curriculum)</i>

North West Kent Alternative Provision Service Leadership Team

Marie Woolston	<i>Head Teacher</i> <i>appointed as Acting Executive Headteacher on 1 January 2023</i> <i>appointed as Executive Headteacher on 1 April 2023</i>
Abigail Woodhouse	<i>Deputy Head</i> <i>appointed as Head of School on 1 June 2023</i>
David Alphonso	<i>Assistant Head</i>
Philip Hardwick	<i>Assistant Head</i>

Will Adams Academy Leadership Team

Marie Woolston	<i>appointed as Acting Executive Headteacher on 1 January 2023</i> <i>appointed as Executive Headteacher on 1 April 2023</i>
Karen Bennett	<i>Head Teacher resigned on 31 December 2022</i>
Tanya Chapman	<i>Deputy Head Teacher</i> <i>appointed as Acting Head of School on 1 January 2023</i>
Sinéad Grimes	<i>Business Manager resigned on 31 December 2022</i>
Emma Winn-Gordon	<i>appointed as Acting Assistant Head/SENCo on 1 January 2023</i>
Philip Hardwick	<i>appointed as acting Assistant Head on 1 January 2023</i>

ALTERNATIVE LEARNING TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Company registration number	11788031 (England and Wales)
Registered office	Alternative Learning Trust Sutton West Centre Robin Hood Lane Sutton SM1 2SD
Independent auditor	Baxter & Co Lynwood House Crofton Road Orpington Kent BR6 8QE
Bankers	Lloyds Bank plc 49/53 High Street Sutton SM1 1DT
Solicitors	Browne Jacobson LLP Mowbray House Castle Meadow Road Nottingham NG2 1BJ

ALTERNATIVE LEARNING TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2023

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 01 September 2022 to 31 August 2023. The annual report serves the purposes of both a Trustees' report, and a directors' report under company law.

The principal activity of the company is the operation of Alternative Provision/ Pupil Referral Units (PRUs) and Special Schools: The Limes College, North West Kent Alternative Provision Service and Will Adams Academy, providing a state education for vulnerable pupils who have been excluded from mainstream education. In total, Alternative Learning Trust has a pupil capacity of 325. In the most recent school census, The Limes College had a total of 131 students on roll; North West Kent Alternative Provision Service had a total of 103 students on roll; Will Adams has 38 currently on roll plus 12 in the new Assessment Unit.

Structure, governance and management

Constitution

The academy trust was incorporated as a company on 25 January 2019. The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The Trustees are also the directors of the charitable company for the purposes of company law and they are Trustees of the charitable company.

Details of the Trustees who served during the year are included in the Reference and Administrative Details on page 1.

Members' liability

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

Trustees' indemnities

No indemnities have been given to any third parties on behalf of any Trustees.

Method of recruitment and appointment or election of Trustees

In accordance with the articles, the Trustees of the charitable company are the directors of the charitable company. They are appointed as follows:

- Up to nine Trustees appointed by the Members;
- A minimum of two Parent Trustees where Local Governing Bodies (LGBs) have not been established or if no provision is made for at least two parent governors on each LGB;
- The Trustees may appoint Co-Opted Trustees.

Policies and procedures adopted for the induction and training of Trustees

The induction and training provided for Trustees is tailored to each individual depending on their existing experience. Where necessary, induction provides training in charity, educational, legal and financial matters. Induction also includes one-to-one conversations with the Executive Principal, Chair of Trustees and Governance Manager as well as other members of the Executive Team. All Trustees are provided with the information needed (including charity and company law information and guidance, policies, minutes, budgets, risk management, etc.) to undertake their role as Trustees, including any specific committee responsibilities. Visits to provisions within the Trust form an additional important part of induction and orientation to the Trust.

Individual Trustees have undertaken training and updates, including those provided by The National College, Governors for Schools and National Governance Association online platforms which have enabled Trustees to engage in webinars and courses covering a broad range of topics to support their roles.

ALTERNATIVE LEARNING TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2023

Organisational structure

The Board of Trustees, all of whom are non-executive, comprises those persons appointed under the Articles of Association. The Board meets at least three times a year and delegates specific financial responsibilities to the Audit, Risk and Finance Committee. In 2021 the Board approved the constitution of the Governance and Growth Committee which provides detailed scrutiny and oversight in areas of Trust governance, growth, due diligence and estate management. Other committees will be considered as the Trust expands and will deal with policies, developments and assessment of different areas of the running of the academies.

The Audit, Risk and Finance Committee and Governance and Growth Committee are formally constituted with terms of reference and comprise appropriately qualified and experienced Trustees. The activities of the committees are reported to, and discussed at, the Board of Trustees' meetings.

Day-to-day management of the Trust is undertaken by the Executive Principal, supported by the Executive Team. The Executive Principal is the Accounting Officer.

The Local Governing Bodies of The Limes College, North West Kent Alternative Provision Service and Will Adams Academy meet at least termly and, in line with the Trust's Scheme of Delegation, review and report on each individual academy's performance.

Arrangements for setting pay and remuneration of key management personnel

The Executive Team comprises the key management personnel of the Trust. Trustees are also leaders; however, they receive no pay or other remuneration in respect of their role as Trustees.

The pay of the Executive Principal is set annually by the Board of Trustees, having regard to performance against objectives set the previous year and within a stated ISR (pay range). Pay of other senior leaders is also set by the Board of Trustees, having regard to performance against previously agreed objectives and any recommendations made by the Executive Principal with reference to the National Leadership pay scale.

Trade Union Facility Time

The Trust currently has no Trade Union officials.

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
0	0

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	0
1% - 50%	0
51% - 99%	0
100%	0

Percentage of pay bill spent on facility time

Total Cost of facility time	£0
Total Pay bill	£5,655k
Percentage of the total pay bill spent on facility time	0%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours.	0%
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ALTERNATIVE LEARNING TRUST

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FOR THE YEAR ENDED 31 AUGUST 2023

Related Parties and other Connected Charities and Organisations

During the period 1 September 2022 to 31 August 2023, there were payments to related parties.

Related parties are regularly monitored and included in the monthly financial reports received by the Chair of Trustees and at Board of Trustees' meetings. Trustees or staff who are connected either to one another, or to any suppliers, are required to declare this via the Trust's related parties reporting procedure.

Objectives and activities

Objects and Aims

The principal object of the Trust is defined in its Articles of Association. It is to advance for public benefit education in the UK by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum or educational institutions which are principally concerned with providing full-time or part-time education for children of compulsory school age who, by reason of exclusion from school or otherwise, may not for any period receive suitable education unless provision is made for them. It achieved this object during the year ended 31 August 2023 by operating The Limes College, North West Kent Alternative Provision Service and Will Adams Academy.

Objectives, strategies and activities

The overarching objective of the Trust is to provide a strong, sustainable, supportive and vocal home to provisions that are often under-supported, under-funded and thought of last in national and local policy and funding.

The Trust's five-year strategic growth plan includes incremental growth with a focus in London and the South East of England/reviewing other areas in conjunction with Regional Directors with a view to creating hubs of Special and Alternative Provision expertise to support best outcomes for all students.

The Trust continues to develop its support for teaching and learning and invests in staff development and training to ensure high performance across primary and secondary phases. Focus continues to increase attendance, reduce exclusions, increase personal development and ensure the curriculum meets the needs of the students.

Our strategic aims:

- To challenge the system and stand up for the unheard, discriminated against, and excluded. To be active in challenging discrimination.
- To seek out and manage resource to delivery our vision.
- To seek functional and inspiring school buildings and sites to promote growth and learning.
- To grow healthy people where learning is lifelong for all within the organisation.
- To establish and grow a family of sustainably outstanding Alternative Provisions and PRUs, improving the outcomes for children who have behaviour that communicates their challenges.
- To increase capacity and to develop a strategic Members and Trustees to ensure the Trust is strong, independent and secure with multiple funding sources, providing continuity and predictable support to Alternative Provision and PRUs.
- To improve curricula, pedagogical and nurturing practice across the sector, based on a social and educational pedagogy practice model.
- To ensure the voices of children and families are heard in relevant local, regional and national arenas.
- To build high-quality networks around pupils and their families with all agencies and sectors committed to working to improve outcomes for disadvantaged children and families.
- To ensure that the children in the care of the Trust have access to the highest quality and skilled individuals and teams.

Public benefit

In setting the objectives and planning the associated activities, Trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

ALTERNATIVE LEARNING TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2023

Strategic report

Achievements and performance

Attendance and performance outcomes continue to exceed national average for PRUs, Alternative Provision and Special Schools.

Results for 2022/2023 from The Limes College, North West Kent Alternative Provision Service and Will Adams Academy are set out below.

Results for 2022/2023 for The Limes College

GCSE results – based on 36 pupils	2022/2023 numbers	2022/2023 %
English Grade 4 or better	20	56%
English Grade 3 or better	27	75%
Maths Grade 4 or better	16	44%
Maths Grade 3 or better	19	19%
Number gaining 5 Grade 9-4 GCSEs (or equivalent) including English and Maths	12	33%
Number gaining 5 Grade 9-1 GCSEs (or equivalent)	28	28%
Number gaining 4 Grade 9-1 GCSEs (or equivalent)	31	86%
Number leaving with no qualifications at Grade 1	0	0%

Results for 2022/2023 for Northwest Kent Alternative Provision Service

GCSE results – based on 30 pupils	2022/2023 numbers	2022/2023 %
English Grade 4 or better	2	7%
English Grade 3 or better	7	23%
Maths Grade 4 or better	3	10%
Maths Grade 3 or better	7	23%
Number gaining 5 Grade 9-4 GCSEs (or equivalent) including English and Maths	0	0%
Number gaining 5 Grade 9-1 GCSEs (or equivalent)	17	17%
Number gaining 4 Grade 9-1 GCSEs (or equivalent)	20	20%
Number leaving with no qualifications at Grade 1	0	0%

Results for 2022/2023 for Will Adams Academy

GCSE results based on 15 pupils	2022/2023 numbers	2022/2023 %
English Grade 4 or better	2	9%
English Grade 3 or better	8	36%
Maths Grade 4 or better	1	4%
Maths Grade 3 or better	4	18%
Number gaining 5 Grade 9-4 GCSEs (or equivalent) including English and Maths	0	0%
Number gaining 5 Grade 9-1 GCSEs (or equivalent)	13	52%
Number gaining 4 Grade 9-1 GCSEs (or equivalent)	15	60%
Number leaving with no qualifications at Grade 1	2	9%

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TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2023

Key Performance Indicators (KPIs)

Measure	The Limes College	NWKAPS	Will Adams
Commissioned pupil to teacher ratio	10:1	7:1	6:1
Teaching to non-teaching staff FTE %	28:72	43:57	46:54
Total budgeted Income £ per pupil	22,082	14,106	17,170
Total GAG & HN per pupil	19,240	10,464	15,077
Ratio of GAG & HN to total income %	87:13	74:26	88:12
Budgeted staff costs per pupil	15,119	11,301	13,926
Number of pupils on roll (average in-year)	182	136	68
Bank balance at the end of year 31/08/2023	789,475	68,216	69,586
Number of staff on payroll in September 2022	65	43	27
Staff turnover	5%	12%	63%
Staff sickness absence (number of staff absent)	40	37	10
Staff sickness absence (days lost)	625.79	312.50	90
Staff sickness absence (number of absences)	136	82	22
Staff sickness absence (single days)	62	27	6

Measure	Result
Total unrestricted funds balance	777k
Pupil to teacher ratio	8
Teaching to non-teaching staff FTE %	36:64
Total income per pupil	18,407
Total GAG and HN per pupil	15,414
Ratio of GAG and HN to total income %	84:16
Staff costs per pupil	13,563
Total bank balances at the end of year	1.860m

Key Financial Performance Indicators

Financial and non-financial KPIs are monitored regularly at Trust and Local Governing Body levels and indicate that the existing provisions are managing within allocated budgets. The Trust also supports provisions to work with the commissioner to develop clear service level agreements.

Going concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. This statement was confirmed in a letter dated 10 November 2023 from the Chair of Trustees to the auditors. For this reason, it continues to adopt the going concern basis in preparing the financial statements. The Trust is planning further growth with Saffron Valley Collegiate joining in 2023/2024.

Financial review

Income is received from a number of different sources. The majority comes in the form of grants from either central government via the Education and Skills Funding Agency (ESFA) (shown under the income heading DfE/ESFA grants), or from other government bodies (largely from local authorities) which appears under the income heading of Other Government Grants. Grant income is based largely on the student numbers to cover staffing and other general running costs; such income is collectively referred to as 'Restricted Funds'.

A small income is received from parents (for example, as contributions to trip or other costs) and from third parties (for example, from the Trust's bank for interest on its account balances or from others who are charged for their use of Trust facilities). Such other income may be restricted or unrestricted, depending on whether it comes to the Trust with conditions as to its use or whether it is available for spending at the discretion of the Trustees.

The Trust holds funds in two broad categories: funds which are available for spending and other funds which are not available for spending.

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TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2023

Spendable funds are in turn sub-categorised between those which are available for spending at the discretion of Trustees ('Unrestricted Funds') and those which are subject to condition or restriction ('Restricted Funds').

Funds not available for spending include the book value of fixed assets such as land, buildings and equipment. These have a value and are, therefore, included as assets in the accounts but, clearly, we cannot spend this value. In common with all academies and local authorities, our share of the Local Government Pension Scheme (LGPS) deficit must also be reflected in our accounts and as this is not a conventional liability, it does not need to be deducted from spendable funds. The Trust meets its obligations in respect of the LGPS by paying over pension contributions due as calculated by the scheme's actuaries.

The following balances held were held at 31 August:

Fund	Category	2023 £'000	2022 £'000
General Annual Grant (GAG)	Restricted General Funds	943	1,291
	Sub-total General Restricted Funds	943	1,291
Unspent Capital Grants	Restricted Fixed Asset Fund	18	-
Other Income	Unrestricted General Fund	777	526
	Sub-total Spendable Funds	1,738	1,817
Net Book Value of Fixed Assets	Restricted Fixed Asset Fund	12,343	11,714
Share of LGPS Deficit	Restricted Pension Reserve	(381)	(979)
	Total All Funds	<u>13,700</u>	<u>12,552</u>

During the year under review, general restricted funds decreased by £348k (2022: increased by £229k) and unrestricted general funds increased by £251k (2022: increased by £151k). After LGPS valuation adjustments, depreciation and capital income and expenditure, overall funds increased by £1,148k (2022: increased by £4,527k).

Alternative Learning Trust is in a strong position to further grow and develop the support it offers to other schools. Successful trust expansion grants have had a positive effect on the financial performance and financial position of the Trust. The Trust is holding a significant capital fund and reserves exceeding its Reserves Policy. The Trust has a clear plan for the majority of the reserves to develop sites and resources across the Trust. The reserves have also enabled the Trust to take on schools requiring support, with confidence that support can be given swiftly and effectively. It has enabled cash flow support for small schools re-organising and responding to re-commissioning. The Trust has developed as a going concern with the addition of CIF money this year which have allowed improvements to the infrastructure and buildings of the schools; including a school in the process of conversion.

The Trust's principle risks and uncertainties are detailed in its risk register and Risk Management Policy and plans for managing those risks are detailed therein. Current risks included are the cost of living (with particular reference to utilities) and the increase in level of need which referred young people are demonstrating, along with an increase in younger children being excluded from school.

The key factors which are likely to affect the Trust's financial performance or position going forward are sound commissioning agreements with commissioners and the increase in needs being managed. These are being mitigated by robust commissioning dialogue and process and by strategic work with the DfE to improve national funding for PRUs and Alternative Provision: this is reflected in the national SEND/AP Green Paper. Each school in the Trust has grown in commissioned numbers this year which brings more financial certainty, and short-term risks can be alleviated by the Trust being able to support schools with cash flow as they build capacity within staff teams.

The overall financial position of the academy trust at the reporting date (based primarily on the balance sheet) is strong and there are balances exceeding the Trust's Reserves Policy. There are capital funds earmarked for vocational development work at The Limes College. The Limes College is also a Behaviour Hub for the DfE and this, alongside other training and traded services, continues to contribute to income.

ALTERNATIVE LEARNING TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2023

The Trust has no funds in deficit.

The Trust's main income comes from three local authorities who commission placements for excluded children in line with their statutory duty. All schools within the Trust have, and are developing, traded placements to other schools and authorities, also increasing the range of needs that they cater for in developing both SEND and Post 16 provision. The income is stable; national funding to local authorities has increased for High Needs children. However, the increased work of the Trust and sourcing different funding streams is providing a robust financial situation with a strong reserves buffer. The Trust is due to grow as it supports other local authorities.

The Trust currently does not invest in external funds and will review this as reserves increase and the Trust has to manage reserves ensuring that they accrue prudent returns.

Reserves policy

The principal policy on reserves is that accumulation of unspent GAG balances should not breach any limits thereon set out in the Funding Agreement. The level of reserves should never be in deficit.

Each year the Trustees review the resource requirements and grant and other income that is forecast for the coming year and an annual budget is formulated and approved.

Reserves should be sufficient to cover at least one month of salary costs and the Trust has added a contingency fund to be accessed by schools needing support with cost of living after they have exhausted their own reserves.

Investment policy and powers

There are no investments held beyond cash deposits retained with the major UK clearing banks. Speculative investments are not permitted.

Principal risks and uncertainties

The Trustees have assessed the major risks to which the Trust is exposed, in particular those relating to Covid-19 which are driving the increased numbers and behaviour needs from post-lockdown impacts, academic performance, finances, child welfare and admissions. The Board of Trustees has implemented a number of systems including the Trust and Local Governing Body risk registers to assess risks that the Trust faces, and has developed policies and procedures to mitigate those risks. Where significant financial risk still remains, the Board of Trustees has ensured there is adequate insurance cover. The Trust has an effective system of internal financial controls which are explained in more detail in the Governance Statement.

The principal financial risk faced by the company is that ongoing pressure on funding results potential deficits. The budgeting and reporting process, including scrutiny by the Trustees of actual financial performance, mitigates the risk.

As the nature of the financial instruments dealt with by the company is relatively simple (bank balances, debtors and 'trade' creditors), Trustees consider the associated risk in this area to be minimal.

The risk resulting from the company's share of the LGPS deficit is managed by following the advice of the scheme's actuaries, specifically with regard to the level of contributions payable, ensuring that annual budgets are drawn up to reflect the actuary's advice.

Most of the company's income is obtained from the DfE (via the Education and Skills Funding Agency) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2023 and the associated expenditure are shown as restricted funds in the statement of financial activities.

Our fundraising practices

The Trust does not use professional fundraisers or involve commercial participators.

There have been no complaints about fundraising activity this year.

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FOR THE YEAR ENDED 31 AUGUST 2023

All fundraising is undertaken by the Trust in a manner that seeks to ensure that it is not unreasonably intrusive or persistent. Contact is made through email, academy newsletters, our websites and via students. All fundraising material contains clear instructions on how a person can be removed from mailing lists.

The Trust complies with the Fundraising Regulator's Code of Fundraising Practice and UK law.

Plans for future periods

The over-arching aim for the Trust is to share outstanding practice with educators who wish to convert into an academy chain with whom they share a nurturing ethos. We also seek to share practice across the DfE and sector and work collaterally with other Trusts. The Trust shares its areas of excellence and expertise with failing schools in collaboration with the DfE's Regional Directors with a particular focus on sector development, teacher training and school-to-school support. Our aim is to grow over the next year.

The Trust will continue to consolidate and secure financial stability by pooling resources and expertise alongside a measured growth strategy.

Funds held as custodian trustee on behalf of others

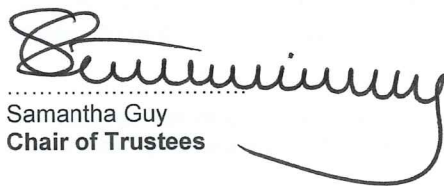
The academy trust is not acting as custodian for any other external body.

Auditor

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 06 December 2023 and signed on its behalf by.


Samantha Guy
Chair of Trustees

ALTERNATIVE LEARNING TRUST

GOVERNANCE STATEMENT

FOR THE PERIOD ENDED 31 AUGUST 2023

Scope of responsibility

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

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

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees met formally on six occasions during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustees	Meetings attended	Out of possible
Samantha Guy (Chair)	5	6
Jennifer Barrow	5	5
Robin Bishop	4	6
David Johnston	4	6
James Munro	4	5
Timothy Pollen (Vice Chair)	3	6

The Board of Trustees comprises six Trustees; two new Trustees joined the Board in October 2022 with specific expertise in HR and IT. Two Trustees resigned on 1 September 2022. Four Trustees were re-appointed for a further term of four years from 25 January 2023.

Trustees are responsible for the general control and management of the Trust and, in accordance with the provisions set out in the Articles of Association and its Funding Agreement, are legally accountable for all statutory functions and for the performance of all schools within the Trust; they do this by carrying out the core governance functions. Trustees delegate some governance functions to sub-committees and Local Governing Bodies through the scheme of delegation.

In order to maintain robust financial oversight of the Trust, the Board of Trustees and committee structure are reviewed annually.

As identified in the 2023 External Review of Governance (ERG) described below, the size, skillset and diversity of the Board of Trustees needs to be developed in order for the Board to discharge its responsibilities efficiently and effectively as the Trust grows. The new 2023-2027 strategic plan recognises this challenge and aims to increase capacity and to develop strategic Members and Trustees to ensure the Trust is strong, independent and secure with multiple funding sources, providing continuity and predictable support to Alternative Provisions and PRUs.

The Board of Trustees receives comprehensive monthly financial and narrative reports from the Executive Team in addition to reports presented at Board of Trustee and committee meetings. These reports include data on all the schools within the Trust and have been through a rigorous quality-control process.

Conflict of interest

As required under FRS 102 all transactions with related parties are disclosed in the Management Accounts so that users can gain a full understanding of them and of issues that might have influenced them. Disclosure provides accountability and transparency to the public and demonstrates that potential conflicts of interest are being identified and reported. A register of interests is maintained of the relevant business and pecuniary interests of all Members, Trustees, Governors and senior employees; relevant material interests arising from close family relationships are also

ALTERNATIVE LEARNING TRUST

GOVERNANCE STATEMENT

FOR THE PERIOD ENDED 31 AUGUST 2023

included in the register to ensure that the Trust is transparent and open. The register of interests is kept up to date and is published online.

Governance reviews

The Board of Trustees undertook an external review of governance between December 2022 and January 2023. The review used the framework and questions recommended in the Governance Handbook. Interviews were undertaken with Trustees and senior Trust leaders and included review of a wide range of Trust documents relating to governance. The review found that:

- The governance model of the Trust along with the commitment of Trustees and the Executive Team has enabled the Trust to realise the ambition for growth.
- There is clear evidence that Trustees challenge the Executive Team and hold them to account.
- Compliance with statutory requirements, company and charity law are strong.
- The processes and policy for risk management are an area for development. In response, the Trust's Risk Management Policy is under review to include DfE guidance. The Trust and schools' risk registers are in the process of migrating to Every risk management software to enhance more robust risk reporting and reviews at Board of Trustees and Local Governing Body levels.
- For future growth, the size, skillset and diversity of the Board of Trustees needs to be developed in order for the Board to discharge its responsibilities efficiently and effectively as the Trust grows. In response, new Trustees have been recruited to augment the Board's size and skillset and we continue to address this with ongoing recruitment.

Attendance during the year at meetings of the Audit, Risk and Finance Committee was as follows:

Trustees	Meetings attended	Out of possible
Timothy Pollen (Chair)	3	3
Robin Bishop	2	3
Samantha Guy	3	3
James Munro	2	2

Review of Value for Money

As Accounting Officer, the Executive Principal has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to educational and wider societal outcomes, as well as estates safety and management, achieved in return for the taxpayer resources received.

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

- Re-negotiating the funding service level agreements with London Borough of Sutton, Medway, and Kent County Council to increase the number of students with whom the Trust works and to secure higher funding for working with more vulnerable students. Currently the schools, on average, provide a high level of value for money in Kent and Sutton, with increased value being added in Medway as local schools in the Trust work together and recognise joint savings in appointments and joint tendering.
 - Reviewing structures across the Trust to ensure maximum impact at each provision. The Trust has established a hub of central services in Medway and Kent.
 - Robust financial governance and budget management with the Chief Finance Officer leading on strategic finance training for all budget-holders and leadership teams alongside robust HR training.
 - Reviewing controls and managing risk, with a focus on governance and Trustees' and Governors' training.
 - The Trust has also provided schools with support to re-structure and grow to deliver better education and financial economy.
 - Ensuring value for money purchasing and best value are achieved using a variety of frameworks and local suppliers.
 - Reviewing quality of curriculum provision and quality of teaching, where possible sharing staff and resources for example mini-buses.
-

ALTERNATIVE LEARNING TRUST

GOVERNANCE STATEMENT

FOR THE PERIOD ENDED 31 AUGUST 2023

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place within the Trust for the period 01 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 01 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

The academy trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability.

In particular it includes:

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees
- Regular reviews by the Audit, Risk and Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- Setting targets to measure financial and other performance
- Clearly defined purchasing (asset purchase or capital investment) guidelines
- Delegation of authority and segregation of duties
- Identification and management of risks.

The Board of Trustees considered the need for a specific internal audit function and for 2022/2023 re-appointed Strictly Education Limited as Internal Scrutineers. At their meeting in September 2022, the Trust's Audit, Risk and Finance Committee agreed the following areas for focus in 2022-2023:

- i. Fraud, Theft and Bribery
- ii. Procurement
- iii. Safeguarding

The overall opinion on the level of assurance for Fraud, Theft and Bribery, and Procurement is reasonable. Safeguarding received substantial assurance. The Trust has already begun implementing processes and procedures to address all of the findings and recommendations from the report. Trustees are satisfied that the role has been effectively implemented.

All internal scrutiny reports are reviewed by senior leadership and are then approved by the Audit, Risk and Finance Committee.

ALTERNATIVE LEARNING TRUST
GOVERNANCE STATEMENT
FOR THE PERIOD ENDED 31 AUGUST 2023

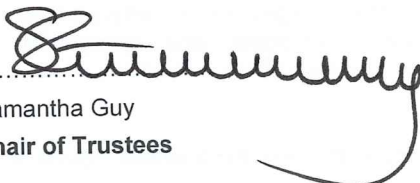
Review of effectiveness

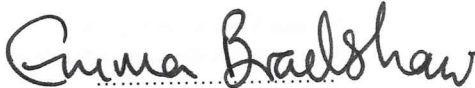
As Accounting Officer, the Executive Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- The work of the external auditor
- The work of a bought-in internal audit service
- The financial management and governance self-assessment process
- The work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the Board of Trustees on 06 December 2023 and signed on its behalf by:


.....
Samantha Guy
Chair of Trustees


.....
Emma Bradshaw
Accounting Officer

ALTERNATIVE LEARNING TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2023

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

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

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



Emma Bradshaw
Accounting Officer

06 December 2023

ALTERNATIVE LEARNING TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2023

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

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

In preparing these Financial Statements, the Trustees are required to:

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

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

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

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

Approved by order of the members of the board of trustees on 06 December 2023 and signed on its behalf by:



Samantha Guy
Chair of Trustees

ALTERNATIVE LEARNING TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALTERNATIVE LEARNING TRUST

FOR THE YEAR ENDED 31 AUGUST 2023

Opinion

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

In our opinion the Financial Statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the Financial Statements' section of our report. We are independent of the Academy Trust in accordance with the ethical requirements that are relevant to our audit of the 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 Academy Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report other than the 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.

ALTERNATIVE LEARNING TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALTERNATIVE LEARNING TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report, including the incorporated strategic report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 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 Academy Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the 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.

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

- Enquiry of management and those charged with governance around actual and potential litigation and claims.
- Enquiry of management to identify any instances of non-compliance with laws and regulations.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing internal assurance reports.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

ALTERNATIVE LEARNING TRUST

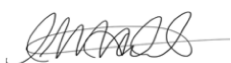
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALTERNATIVE LEARNING TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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

Use of our report

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



Louise Hallsworth FCA (Senior Statutory Auditor)
for and on behalf of Baxter & Co

15 December 2023

Chartered Certified Accountants
Statutory Auditor

Lynwood House
Crofton Road
Orpington
Kent
BR6 8QE

ALTERNATIVE LEARNING TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ALTERNATIVE LEARNING TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2023

In accordance with the terms of our engagement letter dated 12 May 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Alternative Learning Trust during the period 1 September 2022 to 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Alternative Learning Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Alternative Learning Trust's funding agreement with the Secretary of State for Education dated 22 May 2019 and the Academy Trust Handbook, extant from 1 September 2022, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2022 to 2023. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2022 to 31 August 2023 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Review of payments to staff;
- Review of payments to suppliers and other third parties;
- Review of grant and other income streams;
- Review of some key financial control procedures;
- Discussions with finance staff;
- Consideration of the record maintained by the Accounting Officer of the oversight they have exercised;
- Consideration of the programme of internal scrutiny implemented by the Academy Trust in order to comply with its obligations under 3.1 of the Academy Trust Handbook 2022, issued by the ESFA.

ALTERNATIVE LEARNING TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2023

Conclusion

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

Baxter & Co.

Reporting Accountant

Baxter & Co
Lynwood House
Crofton Road
Orpington
Kent
BR6 8QE

Dated: 15 December 2023

ALTERNATIVE LEARNING TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	Unrestricted funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2023 £'000	Total 2022 £'000
Income and endowments from:						
Donations and capital grants	3	-	-	732	732	20
Donations - Transfer from local authority on conversion	24	-	77	-	77	1,418
Charitable activities:						
- Funding for educational operations	4	-	7,525	-	7,525	6,349
Other trading activities	5	251	-	-	251	92
Total		<u>251</u>	<u>7,602</u>	<u>732</u>	<u>8,585</u>	<u>7,879</u>
Expenditure on:						
Raising funds	6	-	18	-	18	10
Charitable activities:						
- Educational operations	8	-	7,981	167	8,148	6,898
Total	6	<u>-</u>	<u>7,999</u>	<u>167</u>	<u>8,166</u>	<u>6,908</u>
Net income/(expenditure)		251	(397)	565	419	971
Transfers between funds	15	-	(82)	82	-	-
Other recognised gains/(losses)						
Actuarial gains on defined benefit pension schemes	17	-	729	-	729	3,556
Net movement in funds		251	250	647	1,148	4,527
Reconciliation of funds						
Total funds brought forward		<u>526</u>	<u>312</u>	<u>11,714</u>	<u>12,552</u>	<u>8,025</u>
Total funds carried forward		<u>777</u>	<u>562</u>	<u>12,361</u>	<u>13,700</u>	<u>12,552</u>

ALTERNATIVE LEARNING TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2023

Comparative year information Year ended 31 August 2022	Notes	Unrestricted	Restricted funds:		Total
		funds	General	Fixed asset	2022
		£'000	£'000	£'000	£'000
Income and endowments from:					
Donations and capital grants	3	-	-	20	20
Donations - Transfer from local authority on conversion	24	70	(180)	1,528	1,418
Charitable activities:					
- Funding for educational operations	4	-	6,349	-	6,349
Other trading activities	5	92	-	-	92
Total		162	6,169	1,548	7,879
Expenditure on:					
Raising funds	6	-	10	-	10
Charitable activities:					
- Educational operations	8	11	6,754	133	6,898
Total	6	11	6,764	133	6,908
Net income/(expenditure)		151	(595)	1,415	971
Transfers between funds	15	-	(123)	123	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	17	-	3,556	-	3,556
Net movement in funds		151	2,838	1,538	4,527
Reconciliation of funds					
Total funds brought forward		375	(2,526)	10,176	8,025
Total funds carried forward		526	312	11,714	12,552

ALTERNATIVE LEARNING TRUST

BALANCE SHEET

AS AT 31 AUGUST 2023

	Notes	2023 £'000	£'000	2022 £'000	£'000
Fixed assets					
Tangible assets	12		12,343		11,714
Current assets					
Debtors	13	743		284	
Cash at bank and in hand		1,859		1,882	
		<u>2,602</u>		<u>2,166</u>	
Current liabilities					
Creditors: amounts falling due within one year	14	(864)		(349)	
Net current assets			<u>1,738</u>		<u>1,817</u>
Net assets excluding pension liability			14,081		13,531
Defined benefit pension scheme liability	17		(381)		(979)
Total net assets			<u>13,700</u>		<u>12,552</u>
Funds of the Academy Trust:					
Restricted funds	15				
- Fixed asset funds			12,361		11,714
- Restricted income funds			943		1,291
- Pension reserve			(381)		(979)
Total restricted funds			<u>12,923</u>		<u>12,026</u>
Unrestricted income funds	15		<u>777</u>		<u>526</u>
Total funds			<u>13,700</u>		<u>12,552</u>

The Financial Statements on pages 22 to 47 were approved by the Trustees and authorised for issue on 06 December 2023 and are signed on their behalf by:


Samantha Guy
Chair of Trustees

Company registration number 11788031 (England and Wales)

ALTERNATIVE LEARNING TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2023

		2023		2022	
	Notes	£'000	£'000	£'000	£'000
Cash flows from operating activities					
Net cash (used in)/provided by operating activities	18		(36)		410
Cash funds transferred on conversion	24		77		70
			<u>41</u>		<u>480</u>
Cash flows from investing activities					
Capital grants from DfE Group		700		20	
Capital funding received from sponsors and others		32		-	
Purchase of tangible fixed assets		(796)		(212)	
Proceeds from sale of tangible fixed assets		-		21	
		<u>-</u>		<u>21</u>	
Net cash used in investing activities			<u>(64)</u>		<u>(171)</u>
Net (decrease)/increase in cash and cash equivalents in the reporting period			(23)		309
Cash and cash equivalents at beginning of the year			1,882		1,573
Cash and cash equivalents at end of the year			<u>1,859</u>		<u>1,882</u>

ALTERNATIVE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

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

1.1 Basis of preparation

The Financial Statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their Financial Statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2022 to 2023 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

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

1.3 Conversion to an academy trust

1.4 Income

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

Grants

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

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

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

Donations

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

Other income

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

ALTERNATIVE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

This includes all expenditure incurred by the Academy Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Charitable activities

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

1.6 Tangible fixed assets and depreciation

Assets costing £5,000 or more per item (or less if they form part of a larger purchase or project where the total cost exceeds £5,000 are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment).

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

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

Leasehold land & buildings	Over the term of the lease
Computer equipment	3 Years
Fixtures, fittings & equipment	10 Years
Motor vehicles	5 Years

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

ALTERNATIVE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

(Continued)

1.7 Liabilities

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

1.8 Leased assets

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

1.9 Financial instruments

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

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.10 Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.11 Pensions benefits

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

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

ALTERNATIVE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

(Continued)

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

1.12 Fund accounting

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

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

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

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 17, will impact on the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

In preparing these Financial Statements, the Trustees have not needed to exercise any subjective judgements that would be critical to the Academy Trust's Financial Statements.

ALTERNATIVE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

3 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2023 £'000	Total 2022 £'000
Capital grants	-	700	700	20
LA capital	-	32	32	-
	<u>-</u>	<u>732</u>	<u>732</u>	<u>20</u>

4 Funding for the Academy Trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2023 £'000	Total 2022 £'000
DfE/ESFA grants				
General annual grant (GAG)	-	2,850	2,850	2,589
Other DfE/ESFA grants:				
- Pupil premium	-	77	77	59
- Others	-	124	124	140
	<u>-</u>	<u>3,051</u>	<u>3,051</u>	<u>2,788</u>
Other government grants				
Local authority grants	-	3,581	3,581	2,867
Special educational projects	-	-	-	2
	<u>-</u>	<u>3,581</u>	<u>3,581</u>	<u>2,869</u>
COVID-19 additional funding				
DfE/ESFA				
Other DfE/ESFA COVID-19 funding	-	74	74	68
Non-DfE/ESFA				
Other COVID-19 funding	-	-	-	19
	<u>-</u>	<u>74</u>	<u>74</u>	<u>87</u>
Other funding				
Placement income	-	732	732	-
Other incoming resources	-	87	87	605
	<u>-</u>	<u>819</u>	<u>819</u>	<u>605</u>
Total funding	<u>-</u>	<u>7,525</u>	<u>7,525</u>	<u>6,349</u>

ALTERNATIVE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

4 Funding for the Academy Trust's educational operations

(Continued)

The Academy Trust has been eligible to claim additional funding in the year from government support schemes in response to the Coronavirus outbreak. The funding received is shown above under "COVID-19 additional funding". The funding received for recovery premium of £68k and national tutoring programme of £6k covers staff and other costs.

5 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2023 £'000	Total 2022 £'000
Income from facilities and services	50	-	50	85
Other income	1	-	1	7
Educational services	200	-	200	-
	<u>251</u>	<u>-</u>	<u>251</u>	<u>92</u>

6 Expenditure

	Staff costs £'000	Non-pay expenditure		Total 2023 £'000	Total 2022 £'000
		Premises £'000	Other £'000		
Expenditure on raising funds					
- Direct costs	-	-	18	18	10
Academy's educational operations					
- Direct costs	4,397	133	762	5,292	4,098
- Allocated support costs	1,506	847	503	2,856	2,800
	<u>5,903</u>	<u>980</u>	<u>1,283</u>	<u>8,166</u>	<u>6,908</u>

Net income/(expenditure) for the year includes:

	2023 £'000	2022 £'000
Operating lease rentals	11	49
Depreciation of tangible fixed assets	167	154
Gain on disposal of fixed assets	-	(21)
Fees payable to auditor for:		
- Audit	14	13
- Other services	9	9
Net interest on defined benefit pension liability	40	64
	<u>241</u>	<u>306</u>

ALTERNATIVE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

6 Expenditure

(Continued)

Included within expenditure are the following transactions:

	Total	Individual items over £5,000
	2023	2023
	£	£
Compensation payments - total	114	
Gifts made by the Academy Trust - total	37	
	<u>151</u>	<u></u>

Clarification – While the majority of disclosure in these accounts are rounded to £'000, the disclosure of gifts and compensations made is not. The total value of these payments for the year is £151 (and not £151k).

7 Central services

The Academy Trust has provided the following central services to its academies during the year:

- Human resources;
- Financial services;
- Legal services;
- Audit Services;
- Executive Leadership.

The Academy Trust charges for these services on the following basis:

- flat rate of income as stated below

The amounts charged during the year were as follows:

	2023 £'000	2022 £'000
The Limes College	223	223
North West Kent Alternative Provision Service	66	66
Will Adams Academy	40	13
	<u>329</u>	<u>302</u>

ALTERNATIVE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

8 Charitable activities

	2023	2022
All from restricted funds:	£'000	£'000
Direct costs		
Educational operations	5,292	4,098
Support costs		
Educational operations	2,856	2,800
	<u>8,148</u>	<u>6,898</u>
Analysis of costs	2023	2022
	£'000	£'000
Direct costs		
Teaching and educational support staff costs	4,397	3,427
Staff development	29	16
Depreciation	133	123
Technology costs	21	18
Educational supplies and services	52	64
Examination fees	70	35
Educational consultancy	525	366
Other direct costs	65	49
	<u>5,292</u>	<u>4,098</u>
Support costs		
Support staff costs	1,415	1,173
Defined benefit pension scheme - staff costs (FRS102 adjustment)	91	703
Staff development	14	12
Depreciation	34	31
Gain on disposal of fixed assets	-	(21)
Technology costs	78	66
Maintenance of premises and equipment	488	211
Cleaning	44	36
Energy costs	187	101
Rent, rates and other occupancy costs	78	96
Insurance	8	8
Security and transport	63	85
Catering	65	33
Defined benefit pension scheme - finance costs (FRS102 adjustment)	40	64
Legal costs	12	16
Other support costs	195	162
Governance costs	44	24
	<u>2,856</u>	<u>2,800</u>

ALTERNATIVE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

9 Staff

Staff costs

Staff costs during the year were:

	2023 £'000	2022 £'000
Wages and salaries	4,257	3,403
Social security costs	423	343
Pension costs	884	703
Defined benefit pension scheme - staff costs (FRS102 adjustment)	91	703
	<u>5,655</u>	<u>5,152</u>
Staff costs - employees	5,655	5,152
Agency staff costs	161	123
Staff restructuring costs	87	28
	<u>5,903</u>	<u>5,303</u>

Staff restructuring costs comprise:

Redundancy payments	66	2
Severance payments	10	26
Other restructuring costs	11	-
	<u>87</u>	<u>28</u>

Severance payments

The Academy Trust paid 1 severance payments in the year, disclosed in the following bands:

£0 - £25,000	1
--------------	---

Special staff severance payments

Special staff severance payments include those which are outside of statutory and contractual requirements. Included in staff restructuring costs is one special severance payment totalling £10k (2022: £nil).

Staff numbers

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

	2023 Number	2022 Number
Teachers	38	35
Administration and support	93	91
Management	12	11
	<u>143</u>	<u>137</u>

ALTERNATIVE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

9 Staff

(Continued)

The number of persons employed, expressed as a full time equivalent, was as follows:

	2023 Number	2022 Number
Teachers	37	33
Administration and support	71	77
Management	12	11
	<u>120</u>	<u>121</u>

Higher paid staff

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

	2023 Number	2022 Number
£60,001 - £70,000	4	1
£70,001 - £80,000	-	3
£80,001 - £90,000	4	-
£90,001 - £100,000	-	1
£100,001 - £110,000	1	-
	<u>1</u>	<u>5</u>

Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £1,365,573 (2022: £1,110,915).

10 Trustees' remuneration and expenses

None of the Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust.

During the year ended 31 August 2023 expenses totalling £21 (2022: £nil) were reimbursed or paid directly to 1 Trustees (2022: 0 Trustees).

11 Trustees' and officers' insurance

In accordance with normal commercial practice, the Academy Trust has purchased insurance from London Borough of Sutton to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance cover and the cost for the period ended 31 August 2023 is included in the total insurance cover and cost. The amounts are not separately identified.

ALTERNATIVE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

12 Tangible fixed assets

	Leasehold land & buildings £'000	Computer equipment £'000	Fixtures, fittings & equipment £'000	Motor vehicles £'000	Total £'000
Cost					
At 1 September 2022	11,710	77	65	143	11,995
Additions	700	21	37	38	796
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 August 2023	12,410	98	102	181	12,791
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Depreciation					
At 1 September 2022	199	37	12	33	281
Charge for the year	93	28	10	36	167
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 August 2023	292	65	22	69	448
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net book value					
At 31 August 2023	12,118	33	80	112	12,343
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 August 2022	11,511	40	53	110	11,714
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Leasehold land (Limes College and North West Kent Alternative Provision) is included above at a nominal value of £5, reflecting legal restrictions as to its use. Leasehold land (Will Adams) is included above at value of £95k.

13 Debtors

	2023 £'000	2022 £'000
Trade debtors	89	40
VAT recoverable	33	41
Other debtors	-	70
Prepayments and accrued income	621	133
	<u> </u>	<u> </u>
	743	284
	<u> </u>	<u> </u>

14 Creditors: amounts falling due within one year

	2023 £'000	2022 £'000
Trade creditors	61	183
Other taxation and social security	105	97
Other creditors	-	2
Accruals and deferred income	698	67
	<u> </u>	<u> </u>
	864	349
	<u> </u>	<u> </u>

ALTERNATIVE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

15 Funds

	Balance at 1 September 2022 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2023 £'000
Restricted general funds					
General Annual Grant (GAG)	1,291	2,850	(3,116)	(82)	943
Pupil premium	-	77	(77)	-	-
Other DfE/ESFA COVID-19 funding	-	74	(74)	-	-
Other DfE/ESFA grants	-	124	(124)	-	-
Other government grants	-	3,581	(3,581)	-	-
Other restricted funds	-	896	(896)	-	-
Pension reserve	(979)	-	(131)	729	(381)
	<u>312</u>	<u>7,602</u>	<u>(7,999)</u>	<u>647</u>	<u>562</u>
Restricted fixed asset funds					
Inherited on conversion	11,462	-	(111)	-	11,351
DfE group capital grants	38	700	(11)	(26)	701
Capital expenditure from GAG and other funds	214	-	(45)	140	309
LA capital	-	32	-	(32)	-
	<u>11,714</u>	<u>732</u>	<u>(167)</u>	<u>82</u>	<u>12,361</u>
Total restricted funds	<u>12,026</u>	<u>8,334</u>	<u>(8,166)</u>	<u>729</u>	<u>12,923</u>
Unrestricted funds					
General funds	<u>526</u>	<u>251</u>	<u>-</u>	<u>-</u>	<u>777</u>
Total funds	<u>12,552</u>	<u>8,585</u>	<u>(8,166)</u>	<u>729</u>	<u>13,700</u>

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

The Restricted General Funds are used to fund the general operating costs of the Academy.

The Restricted Fixed Asset Fund represents investment in fixed assets, net of related depreciation. Unspent capital grants are also held in this fund and their use is restricted to the capital projects for which the grant was paid.

The Restricted LGPS Fund represents the Academy's share of the LGPS Pension Fund deficit.

Unrestricted Funds represent balances held at period end that can be applied at the discretion of the Governors, to support any of the Academy's charitable purposes.

ALTERNATIVE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

15 Funds

(Continued)

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

	Balance at 1 September 2021 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2022 £'000
Restricted general funds					
General Annual Grant (GAG)	1,062	2,589	(2,237)	(123)	1,291
Pupil premium	-	59	(59)	-	-
Other DfE/ESFA COVID-19 funding	-	68	(68)	-	-
Other Coronavirus funding	-	19	(19)	-	-
Other DfE/ESFA grants	-	140	(140)	-	-
Other government grants	-	2,869	(2,869)	-	-
Other restricted funds	-	605	(605)	-	-
Pension reserve	(3,588)	(180)	(767)	3,556	(979)
	<u>(2,526)</u>	<u>6,169</u>	<u>(6,764)</u>	<u>3,433</u>	<u>312</u>
Restricted fixed asset funds					
Inherited on conversion	10,050	1,528	(116)	-	11,462
DfE group capital grants	21	20	(3)	-	38
Capital expenditure from GAG and other funds	105	-	(14)	123	214
	<u>10,176</u>	<u>1,548</u>	<u>(133)</u>	<u>123</u>	<u>11,714</u>
Total restricted funds	<u>7,650</u>	<u>7,717</u>	<u>(6,897)</u>	<u>3,556</u>	<u>12,026</u>
Unrestricted funds					
General funds	<u>375</u>	<u>162</u>	<u>(11)</u>	<u>-</u>	<u>526</u>
Total funds	<u>8,025</u>	<u>7,879</u>	<u>(6,908)</u>	<u>3,556</u>	<u>12,552</u>

ALTERNATIVE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

15 Funds

(Continued)

Total funds analysis by academy

	2023	2022
	£'000	£'000
Fund balances at 31 August 2023 were allocated as follows:		
The Limes College	1,093	866
North West Kent Alternative Provision Service	(77)	118
Will Adams Academy	19	131
Central services	685	702
	<u>1,720</u>	<u>1,817</u>
Total before fixed assets fund and pension reserve	1,720	1,817
Restricted fixed asset fund	12,361	11,714
Pension reserve	(381)	(979)
	<u>13,700</u>	<u>12,552</u>
Total funds	<u><u>13,700</u></u>	<u><u>12,552</u></u>

North West Kent Alternative Provision Service is carrying a net deficit of £81k on restricted general funds (excluding pension reserve) plus unrestricted funds of £4k. The trust is taking the following action to return these funds to surplus:

- If necessary NWKAPS will use unfilled staff vacancies and reduced purchases to ensure the academy remains within its funding for 2023/2024 and ongoing.
- The CFO is visiting the academies monthly to review forecast figures to ensure balanced or surplus budgets are maintained and is meeting with all Head Teachers and the Executive HeadTeacher to run through all finances including workforce planning, budget setting, budget monitoring and variance analysis.
- NWKAPS has also drawn up SLAs with Kent schools to provide additional funding per place in year so it is expected that the income will exceed expenditure in 2023/2024.

Total cost analysis by academy

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total 2023	Total 2022
	£'000	£'000	£'000	£'000	£'000	£'000
The Limes College	1,867	896	28	1,204	3,995	3,834
North West Kent Alternative Provision Service	1,456	227	20	432	2,135	2,072
Will Adams Academy	905	140	4	268	1,317	508
Central services	169	243	-	140	552	340
	<u>4,397</u>	<u>1,506</u>	<u>52</u>	<u>2,044</u>	<u>7,999</u>	<u>6,754</u>
	<u><u>4,397</u></u>	<u><u>1,506</u></u>	<u><u>52</u></u>	<u><u>2,044</u></u>	<u><u>7,999</u></u>	<u><u>6,754</u></u>

ALTERNATIVE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

16 Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
Fund balances at 31 August 2023 are represented by:				
Tangible fixed assets	-	-	12,343	12,343
Current assets	577	2,007	18	2,602
Current liabilities	200	(1,064)	-	(864)
Pension scheme liability	-	(381)	-	(381)
Total net assets	777	562	12,361	13,700
Fund balances at 31 August 2022 are represented by:				
Tangible fixed assets	-	-	11,714	11,714
Current assets	526	1,640	-	2,166
Current liabilities	-	(349)	-	(349)
Pension scheme liability	-	(979)	-	(979)
Total net assets	526	312	11,714	12,552

17 Pension and similar obligations

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016, and that of the LGPS related to the period ended 31 March 2022.

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

Teachers' Pension Scheme

Introduction

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

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

ALTERNATIVE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

17 Pension and similar obligations

(Continued)

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to the TPS in the period amounted to £462k (2022: £354k).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 20.55% to 22.5% for employers and 5.5% to 12.5% for employees.

As described in note 24 the LGPS obligation relates to the employees of the Academy Trust, being the employees transferred as part of the conversion from the maintained school and new employees who joined the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

ALTERNATIVE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

17 Pension and similar obligations (Continued)

Total contributions made	2023 £'000	2022 £'000
Employer's contributions	421	339
Employees' contributions	116	92
Total contributions	<u>537</u>	<u>431</u>
Principal actuarial assumptions	2023 %	2022 %
Rate of increase in salaries	2.95 to 3.90	3.95 to 4.05
Rate of increase for pensions in payment/inflation	2.90 to 2.95	2.95 to 3.05
Discount rate for scheme liabilities	5.20 to 5.30	4.25
CPI Increase	2.90 to 2.95	2.95 to 3.05
	<u> </u>	<u> </u>

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

	2023 Years	2022 Years
Retiring today		
- Males	20.7 to 22.1	21 to 21.4
- Females	23.2 to 24.8	23.5 to 24.1
Retiring in 20 years		
- Males	22.0 to 23.0	22.3 to 22.9
- Females	24.6 to 26.0	24.9 to 25.8
	<u> </u>	<u> </u>

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

	2023 £'000	2022 £'000
Discount rate + 0.1%	3,842	4,097
Discount rate - 0.1%	4,035	4,324
Mortality assumption + 1 year	4,142	4,105
Mortality assumption - 1 year	3,735	4,316
Salary rate + 0.1%	3,946	4,194
Salary rate - 0.1%	3,930	4,226
Pensions rate + 0.1%	4,029	4,162
Pensions rate - 0.1%	3,848	4,258
	<u> </u>	<u> </u>

ALTERNATIVE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

17 Pension and similar obligations	(Continued)	
Defined benefit pension scheme net liability	2023	2022
	£'000	£'000
Scheme assets	3,557	3,231
Scheme obligations	(3,938)	(4,210)
	<u> </u>	<u> </u>
Net liability	(381)	(979)
	<u> </u>	<u> </u>
 The Academy Trust's share of the assets in the scheme	 2023	 2022
	Fair value	Fair value
	£'000	£'000
Equities	2,040	2,007
Gilts	6	4
Other Bonds	649	668
Cash	395	111
Property	357	386
Other assets	110	55
	<u> </u>	<u> </u>
Total market value of assets	3,557	3,231
	<u> </u>	<u> </u>
The actual return on scheme assets was £(199,000) (2022: £(238,000)).		
 Amount recognised in the statement of financial activities	 2023	 2022
	£'000	£'000
Current service cost	512	932
Past service cost	-	110
Interest income	(148)	(54)
Interest cost	188	118
	<u> </u>	<u> </u>
Total operating charge	552	1,106
	<u> </u>	<u> </u>
 Changes in the present value of defined benefit obligations		 2023
		£'000
At 1 September 2022		4,210
Current service cost		512
Interest cost		188
Employee contributions		116
Actuarial (gain)		(1,076)
Benefits paid		(12)
		<u> </u>
At 31 August 2023		3,938
		<u> </u>

ALTERNATIVE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

17 Pension and similar obligations

(Continued)

Changes in the fair value of the Academy Trust's share of scheme assets

	2023 £'000
At 1 September 2022	3,231
Interest income	148
Actuarial (loss)	(347)
Employer contributions	421
Employee contributions	116
Benefits paid	(12)
	<hr/>
At 31 August 2023	3,557
	<hr/> <hr/>

18 Reconciliation of net income to net cash flow from operating activities

	Notes	2023 £'000	2022 £'000
Net income for the reporting period (as per the statement of financial activities)		419	971
Adjusted for:			
Net surplus on conversion to academy	24	(77)	(1,418)
Capital grants from DfE and other capital income		(732)	(20)
Defined benefit pension costs less contributions payable	17	91	703
Defined benefit pension scheme finance cost	17	40	64
Depreciation of tangible fixed assets		167	154
(Loss)/profit on disposal of fixed assets		-	(21)
(Increase) in debtors		(459)	(124)
Increase in creditors		515	101
		<hr/>	<hr/>
Net cash (used in)/provided by operating activities		(36)	410
		<hr/> <hr/>	<hr/> <hr/>

19 Analysis of changes in net funds

	1 September 2022 £'000	Cash flows £'000	31 August 2023 £'000
Cash	1,882	(23)	1,859
	<hr/>	<hr/>	<hr/>

ALTERNATIVE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

20 Long-term commitments

Operating leases

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

	2023 £'000	2022 £'000
Amounts due within one year	6	11
Amounts due in two and five years	11	-
	<u>17</u>	<u>11</u>

21 Capital commitments

	2023 £'000	2022 £'000
Expenditure contracted for but not provided in the Financial Statements	273	-
	<u>273</u>	<u>-</u>

During the year ended 31 August 2023 the Academy Trust were awarded a CIF safeguarding and associated works grant on behalf of Saffron Valley (expected to join Alternative Learning Trust in 2023/24). The total cost of this project is £359k of which £133k has been incurred during the year ended 31 August 2023 and is included within prepayments. The amounts will be capitalised in 2023/24 when Saffron Valley convert and join Alternative Learning Trust. The outstanding costs on this project as at 31 August 2023 total £226k.

During the year ended 31 August 2023 North West Kent Alternative Learning Provision were awarded a CIF grant for replacement of primary plant and heating distribution. The total cost of this project is £747k of which £700k has been incurred during the year ended 31 August 2023. The outstanding costs on this project as at 31 August 2023 total £47k.

ALTERNATIVE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

22 Related party transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the ESFA's Academy Trust Handbook 2022, including notifying ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and in accordance with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place in the financial period.

Copper Oak Building Services Ltd is a related party by virtue of the fact that M Woolston's (part of the Alternative Learning Trust's ("ALT") leadership team) relative owns the company. During the year, ALT received income of £nil (2022: £nil) and incurred expenditure of £12,444 (2022: £19,740). At 31 August 2023 there was no balance due to or from Copper Oak Building Services Ltd.

Trustytec Garage is a related party by virtue of the fact that M Woolston's (part of the Alternative Learning Trust's leadership team) relative owns the company. During the year, ALT received income of £nil (2022: £nil) and incurred expenditure of £3,922 (2022: £1,851). At 31 August 2023 there was £225 (2022: £nil) due to Trustytec Garage, this amount is included within creditors.

Tall Ships Youth Trust is a related party by virtue of the fact that E Bradshaw, Executive Principal of Alternative Learning Trust is also a Trustee of Tall Ships Youth Trust. During the year, ALT received income of £nil (2022: £nil) and incurred expenditure of £19,700 (2022: £9,399) with the Tall Ships Youth Trust. At 31 August 2023 there was no balance due to or from The Tall Ships Youth Trust.

Cheam Academies Network is a related party by virtue of the fact that E Bradshaw, Executive Principal of Alternative Learning Trust is also a member of the Cheam Academies Network. During the year, ALT received income of £29,182 (2022: £47,429) and incurred expenditure of £nil (2022: £nil) with the Cheam Academies Network. At 31 August 2023 there was no balance due to or from Cheam Academies Network.

Carshalton Boys Sports College is a related party by virtue of the fact that E Bradshaw, Executive Principal of Alternative Learning Trust is also a member of the Carshalton Boys Sports College. During the year, ALT received income of £4,342 (2022: £4,500) and incurred expenditure of £nil (2022: £nil) with the Carshalton Boys Sports College. At 31 August 2023 there was no balance due to or from Carshalton Boys Sports College.

Saffron Valley Collegiate is a related party by virtue of the fact that D A Johnston, a Trustee of Alternative Learning Trust is also a member of the Saffron Valley Collegiate management committee. During the year, ALT received income of £2,400 (2022: £2,000) and incurred expenditure of £nil (2022: £nil) with Saffron Valley Collegiate. At 31 August 2023 there was £200,000 owed to Saffron Valley Collegiate relating to money provided to fund the capital works that will be funded by CIF funding when Saffron Valley Collegiate joins the trust.

Giles Barrow (Educationalist) is a related party by virtue of the fact that J Barrow (Trustee of Alternative Learning Trust) is a relative. During the year, ALT received income of £nil (2022: £nil) and incurred expenditure of £2,080 (2022: £nil) with Giles Barrow. At 31 August 2023 there was no balance due to or from Giles Barrow.

23 Members' liability

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

ALTERNATIVE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

24 Conversion to an academy

On 1 April 2022 the Will Adams Academy converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Alternative Learning Trust from the Medway Local Authority for £nil consideration. The transfer has been previously (during the year ended 31 August 2022) accounted for as a combination that is in substance a gift. During the year ended 31 August 2023, an additional balance of £77k was inherited from the local authority in respect of the conversion.

