

**AP Challenge Trust
(formerly Westside
Education Trust)**

**Annual Report and Unaudited
Financial Statements**

31 August 2021

Charity Registration Number
1170872 (England and Wales)

Legal and administrative information

Trustees	N Basden T Corbett S Evans S Griffin (appointed 8 December 2020) J Hepburn
Director	A Hanratty
Principal address	Galena House 8-30 Galena Road London W6 0LT
Charity registration number	1170872 (England and Wales)
Bankers	CAF Bank Limited 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ
Independent examiner	Hugh Swainson Buzzacott LLP 130 Wood Street London EC2V 6DL

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The Trustees of the Trust present their statutory report together with the accounts of Westside Education Trust ('the Trust') for the year ended 31 August 2021.

The accounts have been prepared in accordance with the accounting policies set out on pages 13 to 15 of the attached accounts and comply with the Trust's Constitution, applicable laws, accounting standards (United Kingdom Generally Accepted Accounting Practice) and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

Objectives and activities

The Trust was established as a Charitable Incorporated Organisation (CIO) on 21 December 2016. The Trust's objects are the advancement of education for the public benefit. The policies adopted in furtherance of these objects are to provide grants, other finance, services, advocacy/advice/information and to act as a resource body. There has been no change in these objectives during the year.

The Board of Trustees have paid due regard to guidance on public benefit issued by the Charity Commission in deciding what activities the Trust should undertake.

The Trust is a Charitable Trust with the purposes of spreading best practice within the Alternative Provision (AP) school network, building a strong AP community and promoting the successes of strong AP schools for students who have been excluded or are at risk of exclusion from mainstream education. The term Alternate Provision is used widely in the education sector. AP settings vary widely across the country in what they provide for their students. A report in 2020 revealed that there were 13 Local Authorities where no children in AP had passed their English and maths GCSE in the past three years. There were 3 Local Authorities where not a single teacher in AP was qualified. There is also a huge disparity between the north and south of the country, with 1 in 50 pupils in the North East achieving a basic pass in maths and English, compared to 1 in 12 in outer London¹.

Currently AP Challenge Trust works mainly with AP Free Schools, i.e. schools formed under the Free School programme during the last ten years, focusing on students sent by their local commissioner if they are excluded or at risk of exclusion. More recently, students are also sent if they have learning needs which might be more cheaply met in an AP, rather than a Special School. The majority of member schools of AP Challenge Trust have been viewed as Good or Outstanding AP by Ofsted; most under the framework introduced in 2019. The typical AP model in the network, is a small-school model based on high standards, and individual support. The school environment is calm, and the curriculum varied. The network works to gather and disseminate best practice; lobby policymakers; and raise the profile of the AP sector. The Trust's aim is to maximise its limited resources by supporting the AP sector to help itself to share resources and knowledge, thus ensuring that excluded young people in the country achieve better educational outcomes.

¹ Centre for Social Justice, May 2020. *Warming the Cold Spots of Alternative Provision*

Objectives and activities (continued)

National statistics show us that children excluded from mainstream schools have shockingly poor outcomes. In 2016/17 only 4.5% of pupils educated in AP achieved a good pass in English and maths GCSE². Historically there has been just two options for an excluded student: to be sent to the local Pupil Referral Unit (PRU), or to be part of a managed move to another secondary school. The personal and societal cost of children's needs not being met at school is reflected in statistics on our prison population. A Ministry of Justice report³ states that 63% of prisoners had been temporarily excluded while at school, and 42% were permanently excluded. There is also a high prevalence of Special Educational Needs (SEN) among young offenders – of the young people sentenced to less than 12 months in custody in 2014 almost half were recorded as having SEN without a statement and 28% were recorded as having SEN with a statement. Furthermore, of the young people accessing youth justice services, over 60% presented with largely unmet speech, language, and communication needs⁴. By contrast, most of the children in our network schools, often all of them, go on to further education or work post-GCSE.

On the income spectrum, students from families with low incomes who received Free School Meals (FSM) are four times more likely to be permanently excluded than those who are not eligible for FSM.

The average attendance rate for children in mainstream is 96%, for children in the broad AP sector it is just 67%.

Many primary school teachers know they have students leaving Year 6, whom they have supported through primary, who are not ready for the large secondary school environment. They are predicted in advance not to be able to cope. Instead of allowing a direct referral to an AP with a small-school, individually focused approach, the student is typically left to fail in the large school, leaving with no results. If the behaviour of the student becomes an issue to other students, the secondary school might decide it is worth their while to make a referral, which they typically do not do in order to save funds, until Year 11, as the GCSE exams are approaching and the results effect the school's academic standing. Current thoughts to keep vulnerable students in large schools, without improving holistic care, does not allow them a chance to get their needs properly met in an environment that supports them, and allows them a fresh start.

Achievements and performance

AP Challenge Trust is governed by five Trustees: Sarah Evans, who is the Chair, Nicholas Basden, Timothy Corbett, John Hepburn, and Stephen Griffith. At the beginning of this financial year, the Trustees appointed a Director - Alexandra Hanratty - to run the Trust part time, which she did from September to April, to help set up the charity's links with its membership and develop the new website. Alex came with a background in helping disadvantaged young people in education.

^{2,3,4} Timpson Review of School Exclusion, May 2019

⁵ Centre for Social Justice, May 2020. *Warming the Cold Spots of Alternative Provision*

Achievements and performance (continued)

The main activity of the Trust in 2020/21 was to: build upon the founding aims and objectives of the network of AP schools; continue linking AP schools with each other; spread best practice within the network; and promote the successes of strong AP schools.

The Trust has also worked with Belinda Logan who was previously Head of The Heights AP free school in Blackburn and Programme Director at Right to Succeed. Belinda helped to pull together membership information for this year's virtual conference in June. Given Covid rules, and circumstances made it impossible for in-person meetings, the annual conference was online. Going forward, the aim is to use the website for the dissemination of information, and to try to find more local resources for members, especially with an aim to gain more network support from schools dedicated to improving teaching and learning through professional development.

Plans for the future

The Trust plans to continue supporting the spreading of effective practice in AP Schools and Pupil Referral Units (PRUs) thus ensuring that students who cannot cope in mainstream school have a better chance of having their needs met with more individualised learning, allowing better academic outcomes and life chances. An effort is being made to work with other networks, so there is more unification and collaboration across the sector, including existing PRUs. The Trust has also been in discussions with a larger organisation to explore ways in which the two member networks might work together. This would enable the Trust's member schools to harness the wider network that this organisation brings and provide a larger platform from which to continue to raise awareness of the importance of the AP sector within the national educational offer.

Covid-19

During the summer term 2021, the trust carried out virtual interviews across its member network to better understand the main issues facing the sector at this point in the pandemic. Of particular concern and impact was the slowdown in referrals which led to budget cuts and in particular, the loss in places, of valuable staff. The strength of the relationship between the member schools and their respective LA has been key. Many APs reported increased pressure to take students who had been at Special schools, and who's needs the AP could not meet properly. The impact of having many more students with such high needs effects the environment for all students and challenges the role of the AP in the educational offer in the area. An increase in mental health and wellbeing concerns was noted by all AP members. One positive outcome of the pandemic is the increased focus on this area, such as the National Governance Association (NGA) now playing an important role in supporting governors in prioritising, promoting and monitoring individual pupil well-being and needs in school.

Financial Impact

As a result of Covid-19, the donations from Westside Community Enterprises Limited (see note 1) have stopped, and the activities of the Trust became virtual. Alex Hanratty stepped down in April from her part time position, and the role was not replaced. Sarah Evans became more active in speaking with members.

Financial review

Results for the year

A summary of the year's results can be found on page 11 of this report and accounts.

Income amounted to £68,016 (2020 – £51,370), of which £65,000 (2020 – £20,370) was derived from donations, £3,016 (2020 – £nil) was derived from other income. No amounts were received from Westside Community Enterprises Limited (2020 – £31,000).

Expenditure amounted to £66,786 (2020 – £79,241). This balance comprised £55,998 (2020 – £76,227) of staff costs, £5,648 (2020 – £310) of support costs and £5,140 (2020 – £2,704) of governance costs.

The accounts for 2021 show a net increase in funds of £1,230 (2020 – net decrease of £27,871).

The total net assets in the balance sheet of £58,823 (2020 – £57,593) are stated at market value and funds are unrestricted.

It is confirmed that the Trust's funds and anticipated income for the coming year is adequate to fulfil the planned charitable activities of the Trust.

Reserves policy

The policy of the Trust is that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three- and six-months' expenditure. The board of Trustees considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the Trust's current activities while consideration is given to ways in which additional funds may be raised.

At 31 August 2021, the free reserves of the Trust amounted to £57,307 (2020 – £57,593), which the Trustees believe is sufficient in the above context.

Given the challenges that will arise in the short to medium term as a result of Covid-19, this level of reserves is deemed appropriate and the Trustees are content that the charity is a going concern.

Governance, structure and management

Appointment of Trustees and key management personnel

All Trustees have given their time freely and no Trustee remuneration was paid in the year. Trustees are appointed by the existing board, selected to meet the needs of the Trust.

A new Trustee or new Trustees may be appointed at any time (either by way of replacement or addition). Trustees serve for three years after which they may put themselves forward for re-appointment. The Trustee Board shall consist of at least two persons but (unless otherwise determined by the Trustees) there shall be no maximum number of Trustees that may be appointed.

Governance, structure, and management (continued)

Appointment of Trustees and key management personnel (continued)

A Trustee may be appointed or discharged by a resolution of a meeting of the Trustees, provided that a memorandum declaring such appointment or discharge shall be signed as a deed, either at the meeting by the person presiding or in some other manner directed by the meeting and affected by two persons present at the meeting.

The Trustees meet as often as it needs to be effective. At Trustees' meetings, the Trustees agree the board strategy and areas of activity, including considering grant making, investment, reserves and risk management policies and performance.

Risk management

The Trustees have considered the major risks to which the Trust is exposed and have reviewed those risks and established systems and procedures to manage those risks.

The major operational risk is the extent to which our grants successfully meet the Trust's objectives. The Trustees manage this risk by retaining Trustees and a Director of sufficient expertise and skill and gaining advice from experts in the field so as to ensure that their activities continue to meet our charitable objectives.

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' report and accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Trust and of the incoming resources and application of resources of the Trust for that period. In preparing these accounts, the Trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- ◆ prepare the accounts on the going concern basis unless it is inappropriate to presume that the Trust will continue in operation.

Governance, structure, and management (continued)

Statement of Trustees' responsibilities (continued)

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Trust and enable them to ensure that the accounts comply with the Charities Act 2011, applicable Charity (Accounts and Reports) Regulations and the provisions of the governing documents. They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Trustees on 10 November 2021 and signed on their behalf by:

Sarah Evans

Trustee

Independent examiner's report to the members of AP Challenge Trust

I report to the board of Trustees on my examination of the accounts of the Trust for the year ended 31 August 2021.

Responsibilities and basis of report

As the board of Trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with my examination giving me cause to believe that in any material respect:

- ◆ accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
- ◆ The accounts do not accord with those records; or
- ◆ the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Hugh Swainson
for and on behalf of Buzzacott LLP
130 Wood Street
London
EC2V 6DL

Date: 18 January 2022

Statement of financial activities Year to 31 August 2021

	Notes	Total funds 2021 £	Total funds 2020 £
Income from:			
Donations	1	65,000	51,370
Other income	2	3,016	—
Total income		68,016	51,370
Expenditure on:			
Charitable activities	3	66,786	79,241
Total expenditure		66,786	79,241
Net income (expenditure) for the year and net movement in funds		1,230	(27,871)
Reconciliation of funds:			
At 1 September 2020		57,593	85,464
At 31 August 2021		58,823	57,593

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

All income and expenditure are derived from continuing operations during the above two financial periods.

Balance sheet 31 August 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Current assets:					
Cash at bank and in hand		<u>61,501</u>		<u>64,599</u>	
Creditors: amounts falling due within one year	8	<u>(2,678)</u>		<u>(7,006)</u>	
Net current assets and net assets			<u>58,823</u>		<u>57,593</u>
The funds of the Trust:					
Unrestricted income funds			<u>58,823</u>		<u>57,593</u>

Approved by the board of Trustees and signed on their behalf by:

Sarah Evans

Trustee

Date: 10 November 2021

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

AP Challenge Trust is a Charitable Incorporated Organisation (CIO).

Basis of preparation

These accounts have been prepared for the year to 31 August 2021. Comparative information is provided in respect to the year to 31 August 2020.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The Trust constitutes a public benefit entity as defined by FRS 102.

The accounts are presented in sterling and are rounded to the nearest pound.

Critical accounting estimates and areas of judgement

Preparation of the accounts requires the Trustees to make significant judgements and estimates.

The items in the accounts where these judgements and estimates have been made include the allocation of support costs.

In addition to the above, the full impact following the recent emergence of the global coronavirus pandemic is still unknown. It is therefore not currently possible to evaluate all the potential implications for the charity's activities, beneficiaries, funders, suppliers and the wider economy. Estimates of future income and expenditure flows have been made in assessing the impact of the pandemic on the charity's financial position and on its going concern (see below).

Assessment of going concern

The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The Trustees have made this assessment in respect to a period of one year from the date of approval of these accounts.

The Trustees are of the opinion that the Trust will have sufficient resources to meet its liabilities as they fall due.

Income recognition

Income is recognised in the period in which the Trust has entitlement to the income, the amount of income can be measured reliably, and it is probable that the income will be received.

Income recognition (continued)

Donations are recognised when the Trust has confirmation of both the amount and the settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that the donation is subject to conditions that require a level of performance before the Trust is entitled to the funds, the income is deferred and not recognised until either the conditions are fully met, or the fulfilment of these conditions are wholly within the control of the Trust and it is probable that these conditions will be fulfilled in the reporting period.

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Trust to make a payment 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.

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs.

Expenditure on charitable activities comprises staff costs and support costs.

All expenditure is statement inclusive of irrecoverable VAT.

Allocation of support and governance costs

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the Trust it is necessary to provide support in the form of administrative services.

Governance costs comprise the costs involving the public accountability of the Trust (including audit costs) and costs in respect of its compliance with regulation and good practice.

Support costs and governance costs are apportioned directly to the one charitable activity.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid.

Cash at bank and in hand and short-term deposits

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short-term deposits.

Creditors

Creditors 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. Creditors are recognised at the amount the Trust anticipates it will pay to settle the debt.

Principal accounting policies 31 August 2021

Fund structure

The unrestricted income fund represents funds available for the general charitable purposes of the Trust at the discretion of the Trustees.

Cash flow

The accounts do not include a statement of cash flow because the Trust is exempt from the requirement to prepare such a statement under the Charities SORP (FRS 102).

1 Income from: donations

	Total 2021 £	Total 2020 £
Donations		
. Westside Community Enterprises Limited	—	31,000
. Other gifts and donations	65,000	20,370
	65,000	51,370

2 Other income

	Total 2021 £	Total 2020 £
Membership subscriptions	2,266	—
Consultancy	750	—
	3,016	—

3 Expenditure on: charitable activities

	Total 2021 £	Total 2020 £
Staff costs (note 6)	55,998	76,227
Support costs (note 4)	5,648	310
Governance costs (note 5)	5,140	2,704
	66,786	79,241

4 Support costs

	Total 2021 £	Total 2020 £
Website costs	4,303	—
Travel and subsistence	371	—
Insurance	360	250
Bank charges	84	—
Other support costs	529	60
Total	5,648	310

5 Governance costs

	Total 2021 £	Total 2020 £
Independent examiner's remuneration – current year	1,140	1,104
Accountancy fees	3,600	1,200
Governors' meeting expenses	400	400
Total	5,140	2,704

6 Staff costs and Trustees' remuneration

	2021 £	2020 £
Gross salaries	32,218	20,904
Employers Pension Contributions	1,877	—
Social security costs	3,911	320
	38,006	21,224
Consultancy fees	17,992	55,003
	55,998	76,227

There was one employee during the year (2020 – one employee) who was involved in the co-ordination and direction of the work of the Trust. No employees received remuneration in excess of £60,000 during the year (2020 – none).

No Trustee received any remuneration in respect of their services during the period (2020 – none).

No Trustees were reimbursed for expenditure incurred in the performance of their duties during the period (2020 – none).

The key management personnel of the Trust in charge of directing and controlling the Trust comprise the Trustees. The total remuneration (including taxable benefits but excluding employer's pension contributions) of the key management personnel for the period was £nil (2020 – £nil).

7 Taxation

AP Challenge Trust is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

8 Creditors: amounts falling due within one year

	2021 £	2020 £
Accruals and deferred income	2,678	7,006
	2,678	7,006

9 Related party transactions

In the year to 31 August 2020, AP Challenge Trust (formally Westside Education Trust) received a donation of £31,000 from Westside Community Enterprises Limited, which is a trading subsidiary of Westside Academy Trust. Two of the Trustees of AP Challenge Trust are also trustees of Westside Academy Trust. There was no similar donation in the year to 31 August 2021.

At 31 August 2021, no amounts were due from Westside Community Enterprises Limited (2020 - £nil).

During the year to 31 August 2021, £35,000 (2020 – £nil) was donated to the Trust from the Hepburn Foundation of which J Hepburn, who is a Trustee of the AP Challenge Trust is also a trustee.

9 Related party transactions (continued)

During the year to 31 August 2021, £20,000 (2020 – £20,000) was donated to the Trust from the PVT Trust of which Sarah Evans, who is a Trustee of the AP Challenge Trust is also a trustee.

During the year to 31 August 2021, one Trustee donated £10,000 (2020 – £nil) to the Trust.

There were no other related party transactions during the year (2020 – none).