

Company Registration Number: 07965316 (England & Wales)

SKILLS FOR LIFE TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022



SKILLS FOR LIFE TRUST
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members

Ms N King
Mr P Horton
Ms S Miles
Mr L Miller
Mrs A Barry (appointed 15 December 2021)

Trustees

Ms N King, Chair of Trustees
Mr T Maddison
Mrs K Boon
Mr I Brown
Mr A Reese
Ms E Roche
Mr N Scott
Mrs J Stephens
Mr J Tuley (appointed 26 May 2022)

Company registered number

07965316

Company name

Skills For Life Education Trust

Registered office

157 Walderslade Road, Walderslade, Chatham, Kent, ME5 0LP

Principal operating office

157 Walderslade Road, Walderslade, Chatham, Kent, ME5 0LP

Company secretary

Mrs R Stevens

Chief executive officer

Mr A Reese

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Senior Management team

Mr A Reese, Chief Executive Office
Mr A Jackson, Chief Financial Officer
Mrs S Bridger, Deputy Chief Executive Officer
Mr G Evans, Head of Primary Education

Greenacre Academy Senior Leadership Team

Headteacher - Mrs S Bridger
Deputy Headteacher Mrs L Campbell

Walderslade Girls' School Senior Leadership Team

Headteacher - Mrs L Hardie (appointed 29/08/2022)
Headteacher - Mrs E Eddy (appointed 19/04/2021 to 28/08/2022) - Returned 16/05/2022
Acting Deputy Headteacher - Mrs T Simm – 31/08/21 to 31/10/21 and 21/02/22 – 18/04/22
Acting Deputy Headteacher – Mrs J Harrison 1/11/21 – 02/01/22 and 19/04/22 – 5/06/2022
Acting Deputy Headteacher – Mrs L Wildey - 3/01/2022 – 18/02/2022
Acting Deputy Headteacher – Mrs C Ferguson – 6/06/2022 – 30/08/2022

Warren Wood Primary Academy Senior Leadership Team

Headteacher - Mrs L Woodroof (appointed 29/08/2022)
Headteacher - Mrs L Hardie (appointed 01/09/2015 to 28/08/2022)
Deputy Headteacher - Mrs A Howe

Chantry Community Academy Senior Leadership Team

Headteacher - Mrs K Duncan
Deputy Head teacher - Mrs A Watson

Hilltop Primary Academy Senior Leadership

Headteacher - Mrs E Eddy (appointed 29/08/2022)
Headteacher - Mr G Evans (appointed 31/08/2021 to 28/08/2022)
Deputy Headteacher - Mrs S Sodhi
Deputy Headteacher - Mrs L Woodroof
Deputy Headteacher - Mrs S Sodhi (was on maternity leave from 24/02/21 to 02/05/2022)

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Independent auditor

Crowe U.K. LLP, Riverside House, 40 - 46 High Street, Maidstone, Kent, ME14 - 1JH

Bankers

Lloyds Bank, 1 Legg Street, Chelmsford, Essex, CM1 1JS

HSBC Bank Plc, 1-5 Week St, Maidstone, Kent, ME14 1QW

Solicitors

Womble Bond Dickinson (UK) LLP, 4 More London Riverside, London, SE1 2AU

Member Schools

Greenacre Academy
Walderslade Girls' School
Warren Wood Primary Academy
Chantry Community Academy
Hilltop Primary Academy

Other Addresses

Greenacre Academy
157 Walderslade Road
Walderslade
Chatham
Kent
ME5 0LP

Walderslade Girls' School
Bradfields Avenue
Chatham
Kent
ME5 0LE

Warren Wood Primary Academy
Arethusa Road
Rochester
Kent
ME1 2UR

Chantry Community Academy
Ordance Road
Gravesend
Kent
DA12 2RL

Hilltop Primary Academy
Hilltop Road

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Frindsbury
Rochester
ME2 4QN

Websites

<http://www/sflt.org.uk/>
<http://www/sflt.org.uk/greenacre/>
<http://www/sflt.org.uk/waldersladegirls/>
<http://www/sflt.org.uk/warrenwood/>
<http://www/sflt.org.uk/chantry/>
<http://www/sflt.org.uk/hilltop/>

SKILLS FOR LIFE TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2021 to 31 August 2022. The annual report serves the purposes of both a Trustees' report, and a Directors' report and strategic report under company law.

The Academy Trust operated two secondary academies in Walderslade and three primary academies in Rochester, Strood, and Gravesend respectively. Its academies had a combined pupil capacity of 3,156 and had a roll of 3,211 pupils in the school census for Spring 2022.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

Skills for Life Trust is a company limited by guarantee and an exempt charity. The trust's memorandum and articles of association are the primary governing documents of the trust. The trustees of Skills for Life Trust are also the directors of the company for the purposes of company law. The charitable company operates as Skills for Life Trust.

The trust was incorporated on 27th February 2012 trust and was re-constituted on 30th June 2014 as a multi academy trust. There are currently five academies within the Trust.

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

Greenacre Academy is an 11-18 academy in a selective area. On 31st August 2022 the school had 985 pupils (including 6th form) (2021: 990) on its roll.

Walderslade Girls' School is an 11-18 academy in a selective area. On 31st August 2022 the school had 872 pupils (including 6th form) (2021: 862) on its roll.

Greenacre Academy and Walderslade Girls' School have a collaborative sixth form partnership which operates under the name of Partnership Greenacre Walderslade (PGW).

Warren Wood Primary Academy is a 3-10 academy and on 31st August 2022 had 490 pupils on its roll (2021: 437).

Chantry Community Academy is a 3-10 academy and on 31st August 2022 had 451 pupils on its roll (2021: 411).

Hilltop Primary Academy is a 4-10 academy and on 31st August 2022 had 422 pupils on its roll (2021: 420).

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 cease to be a Member.

Trustees' indemnities

Subject to the provision of the Companies Act 2006, the Trust maintains Trustees' and Officers' liability insurance which gives appropriate cover for any liability incurred or legal action brought against them in connection with their acting in their capacity as Directors of the Trust.

Method of recruitment and appointment or election of new trustees

The management of the Trust is the responsibility of the Trustees who are elected and co-opted under the terms of the Memorandum of Association. The Trust's Articles of Association allows the Members to appoint up to 9 Trustees (by ordinary resolution). Providing that the Chief Executive Officer agrees so to act, the Members may by ordinary resolution appoint the Chief Executive Officer as a Trustee.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

The Trustees may appoint Co-opted Trustees. A Co-opted Trustee means a person who is appointed to be a Trustee by being Co-opted by Trustees who have not themselves been so appointed.

The number of Trustees shall not be less than three but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum.

The term of office for any Trustee shall be four years, save that this time limit shall not apply to any post which is held ex-officio. Subject to remaining eligible to be a particular type of Trustee. Any Trustee may be re-appointed or re-elected at a General Meeting or Annual General Meeting.

Under the Articles of Association, the Trustees are responsible for the appointment of all committees within the governance structure, including that of the Local Governing Body (LGB) for each academy within the Trust. The Scheme of Delegation provides the Trust with a written framework for governance and provides operational clarity around the delegation of powers, those that the Trustees retain and those that have been formally delegated, including their roles and responsibilities. Terms of Reference for all committees including the Local Governing Body (LGB) are in place and reviewed annually by the Trustees, who may alter or revoke them at any time. Governors of the Local Governing Body are not Trustees of the Skills for Life Trust.

All Trustees and Governors are provided with access to induction and continuous training through the NGA and the National College. Trustees and Governors are encouraged to complete appropriate training in order for them to carry out their duties effectively.

Policies and procedures adopted for the induction and training of trustees

The training and induction provided for new Members, Trustees and Governors will depend on their existing experience and be tailored to the individual, but will include training on charity, education, legal and finance matters. Trustees and Governors are provided with copies of relevant policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to be effective.

Organisational structure

As a Multi-Academy Trust, the organisational structure covers Members, Trustees, Governors, Senior Executives and staff within Skill for Life Trust.

Members of the Skills for Life Trust are the guardians of the governance of the Trust. They play a limited but crucial role in safeguarding trust governance. Members may step in if the governance is failing and use their powers as set out in the Trust's Articles of association.

The Board of Trustees (Trust Board) is the decision-making body of the Trust and is accountable and responsible for the Trust and all the academies within it.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

In the academic year 2021-2022, the Board of Trustees also delegated responsibilities to the following sub-committees, with the chair of each committee reporting to the Trustees at each meeting of the board:

- Operational board
- Remuneration, finance and audit committee
- Premises committee
- Skills for Life committee

The governors of each local governing body are delegated the responsibility for:

- Agreeing an annual school improvement plan (SIP)
- Monitoring progress against the SIP
- Awareness of revenue and capital expenditure (within certain limits)
- Continuing professional development
- Behaviour
- Raising standards
- Quality of teaching & learning
- Involvement of local community

However, at the start of 2022, an internal audit of governance was undertaken. A new framework was created and agreed by the Board of Trustees in September 2022, the new governance structure included:

- Trust Board
- Committees;
- Educational standards and Performance Committee
- Finance, Audit and Risk Committee
- Performance Management & Remuneration Committee
- Local Governing Body (LGB)
- Steering Groups
- Chief Executive Officer and the Executive Team

The Chief Executive Officer (CEO) is the Accounting Officer for the Trust.

A new Scheme of Delegation was published on 8 September 2022 which provides the Skills for Life Trust with a written framework for structure for governance and provides operational clarity around the delegation of powers, those that the Trustees retain and those that have been formally delegated, including their roles and responsibilities.

Effective governance is based on six key features: Strategic Leadership, Accountability, People, Structures, Compliance and Evaluation. Our Scheme of Delegation ensures that all six are applied across the Trust.

Within each Academy there is a Senior Leadership Team (SLT). Each SLT will include the Headteacher, Deputy Headteacher and Assistant Head teachers. The Head of Primary Education is also part of the SLT for the primary academies. The SLT controls their academy at an executive level implementing the policies set out by the Trust and monitored by Trustees and Governors, who report on this within their meetings.

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TRUSTEES' REPORT (CONTINUED)
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Arrangements for setting pay and remuneration of key management personnel

In the academic year 2021-2022, the setting of the pay and remuneration of the academy's key management personnel is via the remuneration, finance and audit committee, and is guided by the Trust pay policy. This policy provides guidance for all staff from support staff through to the Chief Executive Officer. Additional support and direction may also be sought from external HR advisors to support any such recommendations, benchmarking and final decisions.

In the academic year 2022-2023, the newly formed committee for Performance Management and Remuneration will undertake the setting of executive pay and performance management. The Terms of Reference (appendix 4 of the Scheme of Delegation) provides the remit for this committee.

Trade Union Facility Time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
4	4

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	NIL
1% - 50%	4
51% - 99%	NIL
100%	NIL

Percentage of pay bill spent on facility time

Provide the total cost of facility time	£415
Provide the total pay bill	£ 16,214,075
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) × 100	0.003%

Paid trade union activities

Time spent on trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) × 100	100%
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Related Parties and other Connected Charities and Organisations

A collaborative commercial agreement is established with the privately owned Kloisters Kindergarten.

Greenacre Academy is also the lead school in a School Direct Partnership called Teach in Kent. It also operates the Greenacre Sports Partnership, which both operate from Trust premises and are in direct control of the Senior Management Team.

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

Engagement with employees

The Trustees maintained excellent communication with Trust employees and their representatives (trade unions) in the reporting period. As the company is an exempt charity, it has also extended this to other volunteers who are part of the Trust governance structure. Engagement has been achieved by regular newsletters which are shared with both internal and external stakeholders, whilst timely communication on internal matters is shared with employees and volunteers, via email, including reminders on the process to access employee benefits. This includes access to topical and preventative services to safeguard employee wellbeing.

When internal communications that relate to employees are being prepared, such as in regard to wellbeing or pay and conditions, trade union consultation has been sought at every turn prior to dissemination. This has led to an excellent working relationship with trade unions.

Executive decision making at Trust and school level has been informed and influenced by regular staff feedback, which has been received in the form of staff surveys. This year a survey was conducted that included a deep dive into the effectiveness of our Trustee and senior management's commitment to the Trust values.

The Trust also retained and attracted several new business mentors. A programme of targeted business mentoring for upper school and sixth form students has been enhanced during the pandemic in a virtual capacity. Business leaders, professional trades and industry senior managers and leadership volunteer their time in order to support and coach students who may have an interest in a particular sector. These mentors have been attracted to the trust from a wide range of sectors and some of the biggest organisations in their field. This programme has a celebrated track record of success, with students moving on into entrepreneurial endeavours or apprenticeships and further training. Employers cite the student's work readiness, that has been cultivated during their time developing their soft skills, as a major contributory factor.

Disabled persons

All academies with the trust have made appropriate provisions for disabled persons. The trust's recent, organisational-wide review of the accessibility policy has ensured the trust remains at the forefront in ensuring the fair and equal access to our premises by recognising and maintaining appropriate adaptations to physical environments. In addition, the trust remains steadfast in its commitment to equal opportunities in regards to recruitment and career progression.

Engagement with suppliers, customers and others in a business relationship with the trust

The trust is able to demonstrate how it nurtures and develops business relationships by placing our improved procurement processes within the fabric of our day-to-day operations. All suppliers are treated equally to ensure there is no bias and payment terms are now adhered to on a more regular basis. This is due to the clarity provided by clearer reporting and better operational practice.

During the course of the reporting period, this has given rise to an improved relationship with both suppliers and customers. A huge effort to ensure that both debtors and creditors lists are accurate has been undertaken to counteract years of uncertainty which has underpinned this commitment to greater transparency and clarity.

The majority of our customers are those who use our facilities for recreational use. These relationships have been developed with the implementation of a booking management system and a vastly improved central operation to manage hirers effectively.

Lastly from a strategic perspective, the trust has pushed its own 'Skills for Life', something that the trustees and senior management believe should be adopted by central government, by marketing and securing agreements with maintained schools from across the home counties to implement the primary 'passport of experiences', which has been a success.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Objectives and aims

The main aim of the Trust is specifically restricted to the following: to advance the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

Objectives, strategies and activities

The trust's mission is encapsulated in its vision statement: **"Skills for Life"**.

Over the past 3 years the World has seen a range of societal changes linked to the Covid 19 pandemic. The Trust needed to ensure it is dynamic and move with changing trends to best meet the needs of its students, staff and local employers.

This process of change was done in collaboration with students, staff, parents, employers and trustees. A focus group of staff and students was conducted to review the old principles and propose new ones. Parents/carers and students were fully immersed in voting for the overarching Trust Vision Line. This was done Trust wide. Collaboration took place with Trustees for input. This was conducted over an afternoon on Teams to aid accessibility. Dialogue with current employer links was had obtaining feedback on the core values they want from young people leaving education. That complimented the secondary research completed. Trust leadership has also been part of the review process from start to finish, providing informed feedback on all aspects of the Vision, Mission and Values.

The main objectives of the Trust during the year ended 31st August 2022 are summarised below:

- ensuring that the Skills for Life programme is prioritised in all of the trust's activities;
- ensuring every child enjoys the same high-quality education in terms of resourcing, tuition and care;
- raising the standard of educational achievement of all pupils;
- improving the effectiveness of the academies by keeping the curriculum and organisational structure under continual review;
- providing value for money for the funds expended;
- complying with all appropriate statutory and curriculum requirements;
- maintaining close links with industry and commerce; and
- conducting the trust's business in accordance with the highest standards of integrity, probity and openness.

The trust's main strategy is to raise standards of achievement and progress through continuous improvement and engagement in all aspects of the organisation.

In addition, the very unique Skills for Life programme ensures pupils are equipped to move on to secondary education or ready for employment or further education both academically and also with all the soft skills necessary to become successful adults.

In striving to achieve the objectives, the trust is committed to the creation of vibrant, diverse and innovative learning communities in which every person matters, and which promotes:

- The highest standards of achievement
- Courteousness, respect and self-discipline
- Leading edge practises in curriculum, teaching and learning
- A challenging, enjoyable and tailored learning journey for all
- Outstanding provision and outcomes in all the areas of extra-curricular activities
- An emphasis on participation, inclusion, enterprise, personal development, spirituality and well-being
- Partnership with parents and the wider community

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

The key activities and priorities that support this strategy are:

- **Adhering to the "Skills for Life" vision statement**
The Skills for Life Vision & Mission embodies our focus on employability, community and personal values but still drives academia and life skills at its heart. It reflects the need in our local communities to provide a level of educational service to all, that supports family & community development. Our vision is focused on investing our time in the whole student and not just their academic progress.
- **Standards and achievements**
Continuing to increase standards, with a particular focus on the proportion of students achieving the highest grades. Providing a robust performance management system coupled with continuing professional development and training opportunities for staff, governor and trustees.
- **Teaching and learning**
Embedding assessment for learning in all classrooms across the academies with a particular focus on challenging the most able. Continuing to learn from each other and from the best practice locally, nationally and internationally.
- **Curriculum and assessment:**
Promoting an exciting, challenging and varied curriculum, and celebrating extra-curricular / enrichment curriculum by focusing on learning beyond the classroom including sports and the creative arts. Using data and tracking procedures to measure progress and inform actions and interventions.
- **Well-being:**
Provide a learning environment that is safe, and that promotes respect, tolerance and responsibility.
- **Recruitment and retention:**
Committing to building an effective, highly skilled and well supported workforce by recruiting the best staff possible, growing capacity from within and sharing best practice within and between academies.
- **Partnerships:**
Working in partnership to both respond to and anticipate community needs.
- **Leadership and Governance:**
Establishing a solid organisational structure that supports both students and staff and also informs all stakeholders of clear lines of accountability and responsibility. Embedding robust quality assurance processes including financial controls, which are transparent, that support the key strategies Through the further development of "distributed" leadership, supported by flexible and rigorous monitoring and evaluation:-
 - o Continuing to improve standards in each academy
 - o Ensuring that leadership at all levels is focussed on further raising of standards
 - o Ensuring sound financial management in a climate of falling school budgets
 - o Ensuring accommodation is fit for 21st century teaching and learning
 - o Using infinite resource responsibly and "recycling, re-using and reducing" wherever possible.

Public benefit

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

The activities undertaken to further the academy trust's purposes for the public benefit are discussed under the 'Objectives, strategies and activities' section.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

STRATEGIC REPORT

It should be borne in mind that following two years of Centre Assessment Grades/Teacher Assessed Grades in secondary and no national assessment in primary, a return to normality was exceptionally stressful for all pupils.

Greenacre Academy

Progress 8 measures in 2022 saw the academy attain -0.64. This is a reduction compared to the score of -0.21 achieved in 2021 and lower than the score of -0.27 achieved in 2019 from the last set of examined KS4 results.

Maths achieved a subject progress 8 score of -0.64 compared to -0.50 achieved in 2019. English achieved -0.55 compared to -0.30 in 2019 and -0.56 in 2018.

A comparison from 2019 reveals progress compares favourably with 2019 although behind the position last year.

	2019	2021	2022
% 9-4 Grades - All Entries	53.1%	59.5%	56.3%
% 9-4 Grades - English	63.5%	68.9%	69.7%
% 9-4 Grades - Maths	52.6%	58.3%	56.4%
% 9-4 Grades - English & Maths	47.0%	52.0%	53.0%
Attainment 8	40.6	39.73	37.68

All of these results should be seen in the context of the school as a non-selective school in a selective Local Authority.

Performance of the boys in the joint sixth form (with Walderslade Girls' School)

The average points per entry for Applied General qualifications has reduced from 28.45 in 2019 to 23.69 in 2022. Expressed as a grade, this is a decrease from Merit+ (2019) to Merit (2022).

Results in Tech Level qualifications have also decreased with the average points per entry dropping from 28.13 in 2019 to 21.33 in 2022. Expressed as a grade, the average points per entry for 2019 is Merit+ compared to Merit- in 2022.

Results in academic qualifications have remained largely consistent with 2020; the average points per entry expressed as a grade in 2020 and 2021 was D+ although this has declined in 2022 at E+. The value-added score has reduced from -0.12 in 2020 to -0.73, but is still an increase on -0.92 achieved in 2019.

Walderslade Girls' School

Progress 8 measures in 2022 saw the academy attain -0.67. This is a reduction compared to the score of -0.34 achieved in 2019 from the last set of examined KS4 results.

Maths achieved a subject progress 8 score of -0.58 weaker than the -0.39 achieved in 2019. There has been a significant drop in the English subject progress 8 score from -0.13 in 2019 to -0.43 in 2022.

A comparison with 2019 and last year reveals positive areas and others which have stagnated.

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FOR THE YEAR ENDED 31 AUGUST 2022

	2019	2021	2022
% 9-4 Grades - All Entries	58.6%	84.5%	58.3%
% 9-4 Grades - English	64.6%	56.9%	70.9%
% 9-4 Grades - Maths	59.0%	59.5%	58.9%
% 9-4 Grades - English & Maths	49.0%	48.0%	54.0%
Attainment 8	37.2	37.23	39.23

All of these results should be seen in the context of the school as a non-selective school in a selective Local Authority.

Performance of the girls in the joint sixth form (with Greenacre Academy) has seen a consistent increase in results for academic subjects over the three previous years although outcomes have reverted to 2019 levels in 2022. The average points per entry increased from 26.0 in 2019, 26.6 in 2020 to 29.8 in 2021 but back down to 26.35 in 2022. Expressed as a grade, the outcome of C- in 2019 is the same for 2022.

The average point score for Applied General qualifications has remained broadly consistent compared to 2020 with a marginal decrease in average points per entry from 28.8 in 2020 to 27.1 in 2021. Expressed as a grade this is Merit+ for both 2020 and 2021. 2019 remains a particularly strong year for Applied General results with an average points score of 32.7, equivalent to a Distinction-. In 2022, at 30.67 the score is more in line with 2019 performance and the Distinction- grade is exactly the same.

No pupils completed Tech Level qualifications at Walderslade Girls' School in 2020, however 2021 has seen excellent performance in these qualifications compared to 2019. The average points per entry improved from 24 to 33.8, which when expressed as a grade is an increase equivalent to an entire grade, from Merit to Distinction. 2022 outcomes were even better at 35.00 and the grade stayed the same at Distinction level.

Chantry Community Academy

Unsurprisingly following COVID the Year 1 Phonics outcome at 60% was far below the 80% achieved in 2019 which was the last time that national primary school assessments took place. Concerning SATs outcomes, reading at 74% has improved as compared to 2019, writing at 72% is similar, Maths at 71% is behind 2019 performance (78%) as is the Combined percentage which at 64% compares to 66% in 2019. The Combined measure of 64% is however above the national average (59%).

Hilltop Primary Academy

Unsurprisingly following COVID the Year 1 Phonics outcome at 75% was far below the 83% achieved in 2019 which was the last time that national primary school assessments took place. Concerning SATs outcomes, reading at 75% has improved as compared to 2019, writing at 70% is behind the 2019 figure (80%), Maths at 55% is a long way behind 2019 performance (85%) as is the Combined percentage which at 48% compares to 67% in 2019.

Warren Wood Primary Academy

Unsurprisingly following COVID the Year 1 Phonics outcome at 62% was far below the 81% achieved in 2019 which was the last time that national primary school assessments took place. Concerning SATs outcomes, reading at 73% has much improved as compared to 2019 (56%), writing at 65% is in line with the 2019 figure (64%), Maths at 57% is behind 2019 performance (63%) and the Combined percentage at 54% compares to 51% in 2019.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Key performance indicators

The core purpose of the trust is teaching and learning, with performance being measured against how this is translated into students' achievement and progress. The trustees believe that the other key performance indicators which require specific monitoring are as follows:

- Student numbers, which provide the basis for funding from the ESFA
- Spend on staff costs across each academy as a percentage of funding from the ESFA
- Adequate financial provision and reserves being established to meet known expenditure increase in forthcoming years
- Achieving an Ofsted rating of good as a minimum at each academy
- Achieving a successful onward destination for all school leavers Student achievement has been addressed in the achievement and performance section above.

Student numbers have increased at Warren Wood Primary Academy and Walderslade Girls' School and have remained steady at Chantry Community Academy, Hilltop Primary Academy and Greenacre Academy who remain full. Overall, there are 40 more pupils in our schools compared to one year ago. Trustees have addressed ways to improve student numbers by use of social media campaigns and establishing more purposeful links with local primary schools, whilst also ensuring that assimilation of the strong ethos and values of the organisation are deeply embedded throughout the school, which is having a positive impact.

Considered alongside the intangible, yet irrefutable reputational impact a 'Good' Ofsted report has, which also cited the influence of 'Skills for Life' and the unique business mentoring programme, trustees are confident that student numbers will grow at the school in forthcoming academic years, to improve on the recruitment of students in September 2022.

In response to a multiple year-on year demographic 'bulge' in required school places in the immediate area, the local authority have required Greenacre Academy to accept an extra class of students in the last five years. This is a testament to the much improved reputation of the school and the success of the Skills for Life programme. A sizeable key stage 3 cohort has grown as a result, which has put pressure on the constraints of an aging school estate, which is being carefully managed moving into future periods. As a result of this growth, the local authority has granted access to funding which will add 8 additional classrooms including 6 Science laboratories to accommodate the bulge years as they move through the academy.

Warren Wood Primary Academy has turned falling rolls around and movement has been prevalent across multiple year group cohorts and not just in EYFS recruitment.

Also at Warren Wood, the Evergreen speech and language unit has had their capacity increased by the local authority on account of the quality of the provision.

Both Chantry Community Academy and Hilltop Primary Academy continue to be a popular choice and has continued to attract more first choice preferences than available places, which is a demonstration of the consistently high standards across a number of years.

Spend on staff costs represented 86% as a percentage of ESFA funding which is within a reasonable range for a multi-academy trust, benchmarked nationally, but it is towards its top end. This is indicative of the challenges faced within the academies within the trust, where deprivation is high, coupled with special educational needs challenges, whilst capacity has also been steadily built to ensure that there is specialist cover for planning and preparation time within the primary academies, that enhance the education of our cohorts.

The success of the all-through approach to the 'Skills for Life' ethos and values is clear. Work to scrutinise the impact Skills for Life is having long term is being conducted in order to present to central government how the model works, with the expectation that with the drive to create jobs in a post-Brexit economy, this could become a key part of government policy.

SKILLS FOR LIFE TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Going concern

The trustees assess whether the use of going concern is appropriate and the trustees make this assessment in respect of a period of one year from the date of approval of the financial statements. When satisfying themselves that the trust remains a going concern, management and trustees consider the level of current reserves, future forecast levels of funding and expected spending. Given the known and potential future increases in salaries and pension contributions, assumptions have been made in preparing the forecasts regarding the future funding of these additional costs.

Pressure on school budgets is heavier than ever and the organisation is always reviewing ways in which sustainability can be achieved. This is especially true in light of the government white paper where the target of moving towards 10 schools and 7,500 students is in the wider multi-academy trust roadmap. The trust is exploring opportunities to ensure that the trust remains a going concern into future reporting periods. Although there is considerable uncertainty over the factors outlined above, the trust has a track record of managing such uncertainty and the model presented to the trustees shows that the reserves are sufficient to avoid short term decision making and to secure the future of the trust going forward.

Promoting the success of the company

The trustees have acted in accordance with their duties codified in law, which include their duty to act in the way in which they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members, stakeholders and the matters set out in section 172(1) of the Companies Act 2006. The Charities Commission has issued guidance which explains that charitable companies should take "promoting the success of the company" to mean "promoting the success of the charity to achieve its charitable purposes."

The Skills for Life Trust is governed by its charitable objects. These charitable objects set out the purpose of the charity. The consequences of all decisions and activities of the charity are assessed by how they drive us towards achieving that long-term purpose, including by reference to the charity's strategy, vision and values.

As an educational charity, the trust is accountable not only to its funders and direct beneficiaries (the pupils) but also the pupils parents and wider community. These stakeholders support and engage with the trust and challenge senior leaders and trustees, as has been evidenced in other areas of this report. They ensure that the decisions the trust makes, as a charity, from the ground level through to the board, are for their benefit.

The trust is a values driven organisation and its values mean that it is informed, shaped and powered by the determination to uphold the vision and values. Well-established involvement and consultation mechanisms, both direct (through parental and staff surveys) and indirect (through the involvement of parents and local people on our Local Governing Bodies and Trust Board) ensure that decisions made by the trustees are informed by the needs of the organisation's stakeholders.

Financial Review

The majority of the Trust's income arises in the form of recurrent grants from the ESFA, to each of the academies within the trust. The use of this income is restricted to the particular purpose of the grant. The grant received from the ESFA in the year to 31st August 2022 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities. Fixed assets are included in the Restricted Fixed Asset Fund.

During the year to 31st August 2022

- Total income, including capital income, was £20,134,335 (2021: £19,592,516) of which £351,583 (2021: £458,669) was unrestricted income.
- Total expenditure for the year to 31st August 2021 was £22,817,767 (2021: £21,219,738) of which:
- Employee costs of £17,949,076 (2021: £15,827,402) represented 79% (2021: 75%) of total expenditure.
- The depreciation of fixed assets which was £1,202,164 (2021: £1,163,065).
- The in-year deficit on restricted general funds, excluding pension reserve, plus unrestricted funds, after accounting for transfers was £904,963 (2021: £4,827 surplus). Before accounting for transfers, this was an in-year deficit of £521,902 (2021: £147,807 Surplus).

SKILLS FOR LIFE TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Reserves Policy

The trustees have put in place a GAG pooling policy which directs academies to set balanced budgets, based on the integrated curriculum financial planning principles. Historic levels of reserves at school level, prior to this arrangement, are kept and accounted for internally for monitoring purposes, but externally this is reported as a consolidated figure. It is understood that the trust is one entity and as such, fund balances should be viewed in that manner and utilised for the betterment for all students in all cohorts across the trust.

As balanced budgets are set, where a school within the trust has had an in-year surplus, it may retain, with the consent of trustees, the reserves provided that the trust overall is in a surplus position. On the contrary, internal recovery plans, where there is an in-year deficit, are put in place to ensure fairness across the system.

With regards to reserves for the purpose of designation, a qualifying statement will be made within the annual audited accounts, detailing the reasons for the set aside, where the funds currently sit and the timing of that expenditure.

At the year end the trust has total funds £36,742,693 (2021: £27,815,126) comprising of negative £781,485 (2021: positive of £92,000) of restricted funds, excluding restricted fixed asset funds and pension reserve, and £487,541 (2021: £519,019) of unrestricted funds.

Restricted funds, excluding restricted fixed asset funds, show a deficit at the year-end of £2,373,485 (2021: £12,490,963) after accounting for the deficit on the local government pension scheme. The deficit on the scheme as at 31st August 2022 was £1,592,000 (2021: £11,678,000). It should be noted however that this deficit will not crystallise in the foreseeable future and that the Trust follows the advice of the pension scheme actuary and makes contributions in accordance with the rates advised. This level of contributions has been taken into account when preparing the trust's budgets for the year ending 31st August 2022. The balance on restricted general funds, excluding pension reserve, plus the balance on unrestricted funds at 31st August 2022 was a deficit of £293,944 (2021: surplus of £611,019).

Investment policy

The trustees' investment powers are governed by the memorandum and articles of association, which permit the trust's funds, not immediately required for the furtherance of its objects, to be invested in or upon such investments, securities or property, as may be thought fit, subject to such conditions and consents as may for the time being be imposed or required by law. The trust and the academies within the trust, have not engaged in any investment of surplus funds during the year under review.

Principal risks and uncertainties

The trustees consider that in the present economic climate the principal risks facing the trust would have financial implications. These are:

- Funding for education is under pressure, especially for 6th form provision. Whilst there are 3 year financial plans in place, the funding arrangements are based on the prior academic year census, and therefore where an academy is seeing growth this places pressure on the in-year balances; should any unforeseen circumstance occur this may have a significant impact on the 3 year plans.
- With an academy's income largely based on student numbers, a fall in the roll would have significant financial implications.
- The control of staff costs, matched to teaching requirements; the difficulties in recruitment; yet being mindful of the need to continue to drive up performance, standards and results.
- Any sudden changes to the liability with regard to the local government pension scheme.
- The risk of inheriting an aging estate with no certainty of future capital funding to undergo major

Other risks and uncertainties which could face the trust relate to the reputation of the trust or an academy within the trust. This could arise from an Ofsted or other governmental report, or an event outside of the control of the trustees.

SKILLS FOR LIFE TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

The trustees have considered the principal risks and uncertainties facing the trust and have as far as appropriate taken steps to minimise these risks. Examples of risk management and mitigation are referenced throughout this report, especially in relation to income that is predicated on student numbers and control of staffing costs.

Fundraising

The trust has not engaged the services of any commercial participators nor professional fundraisers during the reported financial year.

The individual academies permit their own Parent-Teacher Association or Friends of the Schools (PTFA) to assist with running of low key and minor fundraising events during the year; such as a cake sale. The funds raised are controlled and reconciled by the respective PTFA. Minor donations are made to the academy to assist with the provision of education of pupils. This extends to the raising of funds for other charitable causes with the provision of charity days within each academy.

The trust has not received any complaints in relation to any of these processes, and ensures that no individual is intimidated, or feels compelled to participate in any of the activities that may be organised through the PTFA or equivalent. In its fundraising activities the trust has due regard to the Charity Commission guidance 'Charity Fundraising; a guide to trustee duties (CC20)' and meets the requirements of the 'Fundraising Code of Practice' set by the Fundraising Regulator.

Where possible the individual academies hire out their facilities. The income received is retained by the academy to support the management and provision of the facilities. Residual funds support the provision of the education of the pupils.

Streamlined Energy and Carbon Reporting

As the trust is considered a large company, as determined by sections 465 and 466 of the Companies Act 2006 and has consumed more than 40,000 KWh of energy (in the UK) in this reporting period, the trustees present the energy usage in the below table:

SKILLS FOR LIFE TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

UK Greenhouse Gas Emissions and Energy Use Data for the period		
Energy consumption used to calculate emissions (kWh)	2022	2021
Energy consumption breakdown (kWh)		
• Gas	2,105,908	706,466
• Electricity	1,632,329	1,030,778
<u>Scope 1 Emissions in Metric Tonnes CO2e</u>		
Gas consumption	407	129
Owned transport	5	4
<u>Total Scope 1</u>	412	133
<u>Scope 2 – emissions in metric tonnes CO2e</u>		
Purchased electricity	298	219
<u>Scope 3 - emissions in metric tonnes CO2e</u>		
Business travel in employee owned vehicles	2	2
Total gross emissions in metric tonnes CO2e	712	354
<u>Intensity ratio</u>		
Tonnes CO2e per pupil	0.23	0.11
<u>Qualification and Reporting Methodology</u>		
<ul style="list-style-type: none"> We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting 		
<u>Intensity Measurement</u>		
The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per pupil, the recommended ratio for the sector.		

Measures taken to improve energy efficiency

The trust has invested in more efficient boilers at two of its schools in the year in a bid to become more efficient. The premises committee manage priorities for the trusts school condition allowance funding and energy efficiency issues across the trust can be tackled within this prioritisation. This is in the hope that replacement windows, better insulation and more efficient heating systems can be implemented.

A positive from the pandemic is that our trust board and committee meetings are still being conducted, in the main, remotely.

SKILLS FOR LIFE TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Plans for Future Periods

Trustees have been revising the strategic plan to suit the changing social, economic, and sector landscape, especially considering the pandemic. This has taken the form of an additional trust development plan, time-limited to one academic year, tackling the issues our schools face after returning to full-time, face-to-face study. This has focused on the development of cloud-based systems to increase operational efficiency and more importantly, strategies to tackle mental health and wellbeing issues, exacerbated by the pandemic and the socio-economic background of our cohorts.

In the wider context of the national academy trust system, after a period of consolidation where rapid growth was prevalent within the trust, it has been imperative to understand how efficiency can be driven internally, both now and in the future. A series of workforce and talent management reviews have been conducted to ascertain, both centrally and within academies, where capacity is and where it could be built to achieve:

- Taking on an additional two primary academies and one secondary academy
- Recognition by the government of 'Skills for Life'
- Central services being utilised by other trusts
- Forming a blueprint for potential joiner academies
- Optimising rental opportunities and being effective fundraisers
- Optimising purchasing power

Work towards these objectives has continued, following on from previous periods. Where last year, in talent identification, areas were identified for improvement, such as employing a governance professional, centralising our approach to vulnerability, and creating community-style hubs within our academies, this year has seen considerable progress towards this and in future periods, this is set to continue. Vast improvements to our structure and indeed maximizing the service delivery levels within central services has and will continue to be achieved. This has included removing primary/secondary specialism within central services and supporting cross-phase interaction to allow for greater flexibility in teaching methods.

As trustees, we want to ensure that when maintained schools are considering academisation, an academy is being re-brokered, or if there is potential for a merger, that the trust is best placed to take those opportunities and Skills for Life is a viable, sustainable organisation that is attractive to external parties. As we move into the next reporting period, we feel better placed than ever to achieve our growth plans.

Funds Held as Custodian Trustee on Behalf of Others

The trust holds no funds as custodian trustee on behalf of others. During the year covered by this report neither the trust nor its trustees held any funds as a custodian trustee on behalf of any other charitable organisation.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 15th December 2022 and signed on its behalf by:



Ms N King



Mr A Reese

SKILLS FOR LIFE TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Skills For Life 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.

Within the 2022-2023 internal review of governance, the Board of Trustees ensured that the review of the guidance in the DfE's Governance Handbook and Competency Framework for Governance was taken into account when setting the new governance framework for the Trust.

The board of trustees has delegated the day-to-day responsibility to the CEO, 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 Skills for Life Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

SKILLS FOR LIFE TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 7 times during the year, with effective oversight of funds being maintained via the oversight of the remuneration, finance and audit committee, and trustees participation in other sub-committees such as the operational board. Attendance during the year at meetings of the board of trustees was as follows:

Attendance during the year at meetings of the Board of Trustees was as follows:

Name	Meetings attended	Out of a possible
Trustees		
N King (CBE) (Chair)	6	7
T Maddison (Vice Chair)	6	7
K Boon	5	7
I Brown	5	7
E Roche	7	7
N Scott	7	7
J Stephens	5	7
J Tuley	1	1
Attendees:		
A Reese (CEO/AO)	7	7

During the reporting period the Trustees have secured the service of an additional experienced professional to join the board. The effectiveness of the board is reviewed annually by the Trust Board and by the Chair and Members at the Annual General Meeting.

The skills sets of the Trustees and composition within the board enables those trustees to have key areas of responsibility and to chair committees, ensuring effective governance, scrutiny, support and guidance. These areas include finance, primary and secondary education improvement, effective leadership and developing and making pupils ready for transitions encompassing the trust's 'Skills for Life' ethos.

Remuneration, finance and audit committee

The remuneration, finance and audit committee is a committee of the main Board of Trustees. Its purpose is to:

- In consultation with the Chief Financial Officer, draft the first formal budget plan of the financial year.
- Establish and maintain an up-to-date 3-year financial plan.
- Consider a budget position statement monthly and to report significant anomalies from the anticipated position to the Board of Trustees.
- Ensure that the Trust operates within the Academy Trust Handbook.
- Annually review all finance related policies.
- Make decisions on expenditure following recommendations from other committees.
- Ensure that sufficient funds are available for pay increments as recommended by the Headteacher and the Headteacher's Performance Management Team.
- Monitor expenditure of any voluntary funds kept on behalf of the Board of Trustees.

SKILLS FOR LIFE TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Attendance at meetings in the year was as follows:

Name	Meetings attended	Out of a possible
<u><i>Committee members</i></u>		
E Roche (Chair- until 1 st June 2021 and then returned from 28 th June 2022)*	7	7
P Reynolds (Interim Chair)**	6	7
C Bergess	4	7
J Brooke	7	7
P Sims	5	7
<u><i>Attendees</i></u>		
A Reese (CEO)	7	7
S Bridger	6	7
A Jackson	6	7

REVIEW OF VALUE FOR MONEY

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

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

- Cross-trust utilisation of employees
- Effective management, prioritisation, and maximisation of the trust level School Condition Allowance (SCA)
- Further consolidation of trust and school level systems, driving economies of scale
- Sharing of teaching resources, both purchased and internal lesson plans, for example, to save on planning time, thus increasing contact time with students

The trust has timely and accurate management information, which makes it simpler to make more strategic, trust-level decisions. Significant reviews of staffing and trust and academy-level contracts have seen movement in several areas where the trust is looking to amalgamate or streamline contracts and harness any economy of scale that can be achieved.

Furthermore, the culture and values of the trust have driven much more of a 'trust view' amongst employees. This has resulted in there being more cross-trust utilisation of resources, which has in most cases, meant there has been a limited need to recruit externally to cover short-term temporary absence or planning and preparation time.

This is also true of our administrative areas, where staff can work remotely from whatever trust site, meaning short term administrative absence can be covered without impact budgets.

SKILLS FOR LIFE TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

THE PUPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Skills for Life Trust for the period 1 September 2021 to 31 August 2022 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 ongoing process for identifying, evaluating, and managing the academy trust's significant risks that have been in place for the period 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees and Finance Audit and Risk committee. This has been further embedded into the culture of Skills for Life by engaging with operational and educational managers, to create a bottom-up approach where risk is considered at grassroots level and quality assured by 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. 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 remuneration, finance and audit committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- identification and management of risks.

The Board of Trustees has decided to buy in an internal audit service from UHY Hacker Young LLP, which has created a separation of the internal and external audit processes as per the changes to ethical standards.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial and other systems. In particular, the checks carried out in the current period included:

- IT, cyber and data security;
- Academy trust handbook compliance;
- Central services function
- Risk management
- HR
- Payroll

The internal auditor provides a report to the remuneration, finance and audit committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The board of trustees confirms that the internal auditor has delivered their schedule of work as planned and no material control issues arose because of the internal auditor's work.

SKILLS FOR LIFE TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Three times a year, the internal auditor reports to the Board of Trustees, through the remuneration, finance and audit committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. On an annual basis the internal auditor prepares a summary report to the committee outlining the areas reviewed, key findings, recommendations, and conclusions to help the committee consider actions and assess year on year progress.

REVIEW OF EFFECTIVENESS

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

- the work of the internal auditor;
- the financial management and governance self-assessment process or the school resource management self-assessment tool;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework
- the work of the external auditor;
- correspondence from ESFA e.g. FNTI/NtI and "minded to" letters.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the remuneration, finance and audit committee and a plan to address any weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 15th December 2022 and signed on their behalf by:



Ms N King
Chair of Trustees



Mr A Reese
Accounting Officer

SKILLS FOR LIFE TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Skills For Life Trust I have considered my responsibility to notify the Academy 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 received by the Academy, under the funding agreement in place between the Academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2021.

I confirm that I and the Academy Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook 2021.

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.



Mr A Reese
Accounting Officer
Date:
15th December
2022

SKILLS FOR LIFE TRUST
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2022

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Academies Accounts Direction 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 of the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgments 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;
- 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 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 15th December 2022 and signed on its behalf by:



Ms N King
Chair of Trustees



Mr A Reese
Accounting Officer

SKILLS FOR LIFE TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SKILLS
FOR LIFE TRUST**

Opinion

We have audited the financial statements of Skills For Life Trust (the 'academy') for the year ended 31 August 2022 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 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 Academy's affairs as at 31 August 2022 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

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 in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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'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.

SKILLS FOR LIFE TRUST
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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SKILLS
FOR LIFE TRUST (CONTINUED)**

Other information

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

We have nothing to report in this regard.

Opinion on other 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 Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

In preparing the financial statements, the Trustees are responsible for assessing the Academy'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 Academy or to cease operations, or have no realistic alternative but to do so.

SKILLS FOR LIFE TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SKILLS
FOR LIFE TRUST (CONTINUED)**

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The key laws and regulations we considered in this context were General Data Protection Regulation, health and safety legislation and employee legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquire of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing and completeness of income recognition and the override of controls by management.

Our audit procedures to respond to these risks included enquiries of management and the Board about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the ESFA, and reading minutes of meetings of those charged with governance.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

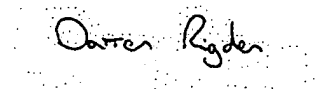
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

SKILLS FOR LIFE TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SKILLS
FOR LIFE TRUST (CONTINUED)**

Use of our report

This report is made solely to the Academy'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 Academy'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 Academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Darren Rigden (Senior statutory auditor)

for and on behalf of
Crowe U.K. LLP

Statutory Auditor

Riverside House

40 - 46 High Street

Maidstone

Kent

ME14 - 1JH

Date: 23/12/2022

SKILLS FOR LIFE TRUST
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated [enter date here] and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Skills For Life Trust during the year 1 September 2021 to 31 August 2022 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 Skills For Life Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Skills For Life 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 Skills For Life Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Skills For Life Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Skills For Life Trust's funding agreement with the Secretary of State for Education dated [enter date here] and the Academy Trust Handbook, extant from 1 September 2021, 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 2021 to 2022. 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 year 1 September 2021 to 31 August 2022 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's income and expenditure.

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

SKILLS FOR LIFE TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO SKILLS FOR
LIFE TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

Crowe UK LLP

Reporting Accountant
Crowe U.K. LLP

Statutory Auditor

Date: 23/12/2022

SKILLS FOR LIFE TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2022**

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:						
Donations and capital grants	3	49,790	-	565,596	615,385	557,844
Other trading activities		301,721	-	-	301,720	462,855
Investments	6	72	-	-	72	121
Charitable activities		-	19,217,156	-	19,217,156	18,571,696
Total income		351,583	19,217,156	565,596	20,134,335	19,592,516
Expenditure on:						
Charitable activities		119,553	21,496,087	1,202,127	22,817,767	21,219,738
Total expenditure		119,553	21,496,087	1,202,127	22,817,767	21,219,738
Net income/(expenditure)		232,030	(2,278,931)	(636,531)	(2,683,432)	(1,627,222)
Transfers between funds	19	(383,061)	-	383,061	-	-
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	26	11,611,000	-	-	11,611,000	(1,325,000)
Net movement in funds		11,459,969	(2,278,931)	(253,470)	8,927,568	(2,952,222)
Reconciliation of funds:						
Total funds brought forward		519,019	(11,586,000)	38,882,107	27,815,125	30,767,347
Net movement in funds		11,459,969	(2,278,931)	(253,470)	8,927,568	(2,952,222)
Total funds carried forward		11,978,988	(13,864,931)	38,628,637	36,742,694	27,815,125

The Statement of Financial Activities includes all gains and losses recognised in the year. The notes on pages 37 to 67 form part of these financial statements.

SKILLS FOR LIFE TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 07965316

BALANCE SHEET
AS AT 31 AUGUST 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	14	38,687,513	38,820,356
		<u>38,687,513</u>	<u>38,820,356</u>
Current assets			
Stocks	15	3,908	3,908
Debtors	16	804,040	987,039
Cash at bank and in hand		533,984	1,203,312
		<u>1,341,932</u>	<u>2,194,259</u>
Creditors: amounts falling due within one year	17	(1,694,752)	(1,463,296)
Net current liabilities / assets		<u>(352,820)</u>	<u>730,963</u>
Total assets less current liabilities		<u>38,334,693</u>	<u>39,551,319</u>
Creditors: amounts falling due after more than one year	18	-	(58,193)
Defined benefit pension scheme liability	26	(1,592,000)	(11,678,000)
Total net assets		<u><u>36,742,693</u></u>	<u><u>27,815,126</u></u>
Funds of the Academy			
Restricted funds:			
Fixed asset funds	19	38,628,637	38,882,107
Restricted income funds	19	(661,932)	92,000
		<u>37,966,705</u>	<u>38,974,107</u>
Restricted funds excluding pension asset	19	37,966,705	38,974,107
Pension reserve	19	(1,592,000)	(11,678,000)
Total restricted funds	19	<u>36,374,705</u>	<u>27,296,107</u>
Unrestricted income funds	19	367,988	519,019
Total funds		<u><u>36,742,693</u></u>	<u><u>27,815,126</u></u>

SKILLS FOR LIFE TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 07965316

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2022

The financial statements on pages 35 to 67 were approved by the Trustees, and authorised for issue on 15th December 2022 and are signed on their behalf, by:



Ms N King



Mr A Reese

The notes on pages 38 to 68 form part of these financial statements.

SKILLS FOR LIFE TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash used in operating activities	21	(140,778)	(460,833)
Cash flows from investing activities	23	(503,653)	(371,853)
Cash flows from financing activities	22	(24,897)	(31,315)
Change in cash and cash equivalents in the year		(669,328)	(864,001)
Cash and cash equivalents at the beginning of the year		1,203,312	2,067,313
Cash and cash equivalents at the end of the year	24, 25	<u>533,984</u>	<u>1,203,312</u>

The notes on pages 38 to 68 form part of these financial statements

SKILLS FOR LIFE TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Academies Accounts Direction 2020 to 2021 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Skills For Life Trust meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Trustees report.

SKILLS FOR LIFE TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.3 Income

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

- **Donated goods, facilities and services**

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in 'Stocks' and 'Income from Other Trading Activities'. Upon sale, the value of the stock is charged against 'Income from Other Trading Activities' and the proceeds are recognised as 'Income from Other Trading Activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from Other Trading Activities'.

- **Transfer of existing academies into the Academy**

Where assets and liabilities are received on the transfer of an existing academy into the Academy, the transferred assets are measured at fair value and recognised in the Balance sheet at the point when the risks and rewards of ownership pass to the Academy. An equal amount of income is recognised for the transfer of an existing academy into the Academy within 'Income from Donations and Capital Grants' to the net assets acquired.

SKILLS FOR LIFE TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

- **Expenditure on raising funds**

This includes all expenditure incurred by the Academy 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's educational operations, including support costs and costs relating to the governance of the Academy apportioned to charitable activities.

1.5 Taxation

The Academy 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 is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 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.

1.6 Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. All resources expended are inclusive of irrecoverable VAT.

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 requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset on a basis over its expected useful life, as follows:

SKILLS FOR LIFE TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.6 Tangible fixed assets (continued)

Freehold property	- over 50 years straight line
Land	- Over the term of the lease
	- Not depreciated if owned
Furniture and equipment	- over 3-5 years straight line
Computer equipment	- over 3 years straight line
Motor vehicles	- over 5 years straight line
Improvements to Property	- over 50 years straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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

1.7 Stocks

Stocks are valued at the lower of cost and net realisable value, on a first in first out basis, after making due allowance for obsolete and slow-moving stocks.

1.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.10 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 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.

SKILLS FOR LIFE TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

1. Accounting policies (continued)

1.11 Provisions

Provisions are recognised when the Academy has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.12 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. 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 as detailed in notes 17 and 18. 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.

1.13 Leasehold property

Some of the land and buildings from which the academy trust operates are leased from Medway Council and Kent County Council for a period of 125 years. Rentals payable in respect of this lease are one peppercorn per annum. Under the terms of the lease the risks and rewards of ownership have been substantially transferred to the academy trust and accordingly to reflect its use, the value of the properties has been included in fixed assets with an appropriate credit to voluntary income within the restricted fixed asset fund. The properties were valued at depreciated replacement cost by relevant registered professionals specialising in public sector property valuation at the time of each school converting to an academy and joining the Trust. The valuations were specifically carried out in accordance with the capital accounting requirements of the Charities SORP 2019.

1.14 Operating leases

Rentals paid under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

SKILLS FOR LIFE TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

1. Accounting policies (continued)

1.15 Pensions

Retirement benefits to employees of the Academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy 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 on the basis of quadrennial valuations using a prospective unit credit method. 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 recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy 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 operating surplus 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.

1.16 Agency arrangements

The Academy Trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are not excluded from the Statement of financial activities as the Trust does have control over the charitable application of the funds. The Academy Trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the Statement of financial activities. The funds received and paid and any balances held are disclosed in note 30.

1.17 Fund accounting

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

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

SKILLS FOR LIFE TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

2. Critical accounting estimates and areas of judgment

Estimates and judgments 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 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.

Multi-employer defined benefit pension scheme

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 26, will impact 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 2022. 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.

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 2021. 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. The next actuarial valuation of the fund will be carried out as at 31 March 2022 and will set contributions for the period from 1 April 2023 to 31 March 2026.

The net book value of freehold property, included within fixed assets, is based on assumptions in relation to the useful life of property and the residual value of the assets. The element of freehold property which relates to land is deemed not to have a finite life and is not depreciated. The element of freehold property which does not relate to land is depreciated on a straight line basis of 50 years, and it is assumed that the asset has no residual value. Any changes in these assumptions will have an impact on the carrying amount of fixed assets.

Critical areas of judgment:

The trustees do not consider there to be any critical areas of judgement, other than those relating to estimation above, which have a significant effect on the amounts recognised in the financial statements.

SKILLS FOR LIFE TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

3. Income from donations and capital grants

	Unrestricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Donations	49,790	-	49,790
Capital Grants	-	565,596	565,596
	<u>49,790</u>	<u>565,596</u>	<u>615,386</u>
	<u><u>49,790</u></u>	<u><u>565,596</u></u>	<u><u>615,386</u></u>
	<i>Unrestricted funds 2021 £</i>	<i>Restricted fixed asset funds 2021 £</i>	<i>Total funds 2021 £</i>
Donations	3,808	-	3,808
Capital Grants	-	554,036	554,036
	<u>3,808</u>	<u>554,036</u>	<u>557,844</u>
	<u><u>3,808</u></u>	<u><u>554,036</u></u>	<u><u>557,844</u></u>

4. Funding for the Academy's charitable activities

	Restricted funds 2022 £	Total funds 2022 £
Education		
DfE/ESFA grants		
Other DfE/ESFA grants		
General Annual Grant (GAG)	16,269,594	16,269,594
Other DfE/ESFA Grants	877,712	877,712
Pupil premium	1,089,079	1,089,079
Universal free school meals	150,885	150,885
Other DfE/ESFA grants	51,857	51,857
Local authority grants	778,029	778,029
	<u>19,217,156</u>	<u>19,217,156</u>
	<u><u>19,217,156</u></u>	<u><u>19,217,156</u></u>

SKILLS FOR LIFE TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

4. Funding for the Academy's charitable activities (continued)

	<i>Restricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Education		
General Annual Grant (GAG)	15,192,692	15,192,692
Other DfE/ESFA Grants	867,514	867,514
Pupil premium	998,484	998,484
Teachers pension grant	530,563	530,563
Local authority grants	579,614	579,614
Catch-up premium	214,640	214,640
Other COVID-19 funding	175,172	175,172
Other income from academy trust's educational operations	13,017	13,017
<i>Total Education</i>	<u>18,571,696</u>	<u>18,571,696</u>
<i>Total 2021</i>	<u>18,571,696</u>	<u>18,571,696</u>

5. Income from raising funds

	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Income from facilities/services	<u>301,721</u>	<u>301,721</u>

	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Income from facilities/services	<u>135,560</u>	<u>327,295</u>	<u>462,855</u>

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6. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £
Bank interest	72	72

	Unrestricted funds 2021 £	Total funds 2021 £
Bank interest	121	121

7. Expenditure

	Other 2022 £	Total 2022 £
Education:		
Direct costs	13,198,348	13,198,348
Allocated support costs	9,619,419	9,619,419
	<u>22,817,767</u>	<u>22,817,767</u>

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £
Education:				
Direct costs	11,187,777	781,479	736,077	12,705,333
Allocated support costs	5,657,623	1,391,992	1,464,790	8,514,405
	<u>16,845,400</u>	<u>2,173,471</u>	<u>2,200,867</u>	<u>21,219,738</u>

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8. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £
Education	13,198,348	9,619,419	22,817,767

	<i>Activities undertaken directly 2021 £</i>	<i>Support costs 2021 £</i>	<i>Total funds 2021 £</i>
Education	12,705,333	8,514,405	21,219,738

Analysis of support costs

	Education 2022 £	Total funds 2022 £
Staff costs	6,519,428	6,519,428
Depreciation	105,845	105,845
Premises and other support costs	2,722,461	2,722,461
IT costs	233,070	233,070
Governance costs	38,615	38,615
	<u>9,619,419</u>	<u>9,619,419</u>

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8. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	<i>Education 2021 £</i>	<i>Total funds 2021 £</i>
Staff costs	4,638,537	4,638,537
Depreciation	104,676	104,676
Premises and other support costs	3,591,660	3,591,660
IT costs	141,394	141,394
Governance costs	38,138	38,138
	<u>8,514,405</u>	<u>8,514,405</u>

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2022 £	2021 £
Depreciation of tangible fixed assets	1,202,164	1,163,065
Fees paid to auditor for:		
- audit	25,000	15,599
- other services	1,950	4,785
	<u>1,229,114</u>	<u>1,183,449</u>

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10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2022 £	2021 £
Wages and salaries	12,303,532	11,930,438
Social security costs	1,297,021	1,207,677
Pension costs	4,199,469	2,557,603
	<u>17,800,022</u>	<u>15,695,718</u>
Agency staff costs	149,054	131,684
	<u>17,949,076</u>	<u>15,827,402</u>

Staff restructuring costs comprise:

b. Staff numbers

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

	2022 No.	2021 No.
Teachers and education support	366	257
Administration and support	67	69
Management	29	29
	<u>462</u>	<u>355</u>

c. Higher paid staff

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

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NOTES TO THE FINANCIAL STATEMENTS
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10. Staff (continued)

c. Higher paid staff (continued)

	2022	2021
	No.	No.
In the band £60,001 - £70,000	6	7
In the band £70,001 - £80,000	4	3
In the band £80,001 - £90,000	-	1
In the band £90,001 - £100,000	1	1
In the band £100,001 - £110,000	1	-
In the band £130,001 - £140,000	1	1
	=====	=====

All of the above employees participated in the Teacher's Pension Scheme except for one employee who is enrolled in the LGPS. During the year ended 31 August 2022, pension contributions for these staff amounted to £242,825 (2021: £235,498)

d. Key management personnel

The key management personnel of the Academy comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £2,447,195 (2021 £2,225,377).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

11. Central services

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

- Human resources
- Financial services
- Legal services
- Educational support services
- ICT Network and data analysis management
- Others as arising

The Academy charges for these services on the following basis:

Flat percentage of 7.5% of GAG income charged to each individual academy

The actual amounts charged during the year were as follows:

	2022 £	2021 £
Greenacre Academy	566,587	388,602
Warren Wood Primary Academy	315,194	139,925
Chantry Community Academy	273,384	127,479
Hilltop Primary Academy	252,688	115,815
Walderslade Girls' School	400,223	344,687
Total	1,808,076	1,116,508

12. Trustees' remuneration and expenses

The CEO and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees.

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

		2022 £	2021 £
Mr A Reese	Remuneration	135,000 -	135,000 -
		140,000	140,000
	Pension contributions paid	30,000 -	30,000 -
		35,000	35,000
Ms E Roche	Remuneration	5,000 -	0 - 5,000
		10,000	
	Pension contributions paid	0 - 5,000	0 - 5,000

Ms E Roche, a trustee, was temporarily employed between 1st June 2021 and 28th April 2022 as facilities administrator for Skills for Life Trust. This arrangement was fully discussed with the regulatory bodies prior to being put in place. Mrs E Roche is Chair of the Finance and Audit Committee. Accordingly

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12. Trustees' remuneration and expenses (continued)

whilst the above arrangement was in place Mr P Reynolds was acting Chair of the Finance and Audit Committee. Additionally a separate member of the Trust Board attended the meetings of that committee to provide independent oversight.

During the year ended 31 August 2022, no Trustee expenses have been incurred (2021 - £482.97).

13. Trustees' and Officers' insurance

The charitable company has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers' indemnity element from the overall cost of the RPA scheme and it is therefore included in the total insurance cost.

14. Tangible fixed assets

	Freehold property	Long-term leasehold property	Furniture and equipment	Computer equipment	Plant and motor vehicles	Total
	£	£	£	£	£	£
Cost or valuation						
At 1 September 2021	2,833,000	39,700,611	1,491,139	1,101,788	10,500	45,137,038
Additions	-	694,131	95,739	279,451	-	1,069,321
At 31 August 2022	2,833,000	40,394,742	1,586,878	1,381,239	10,500	46,206,359
Depreciation						
At 1 September 2021	404,713	3,743,548	1,367,863	792,759	7,800	6,316,683
Charge for the year	56,660	821,715	75,694	246,295	1,800	1,202,164
At 31 August 2022	461,373	4,565,263	1,443,557	1,039,054	9,600	7,518,847
Net book value						
At 31 August 2022	2,371,627	35,829,479	143,321	342,185	900	38,687,512
At 31 August 2021	2,428,287	35,957,063	123,276	309,030	2,700	38,820,356

Included in cost or valuation of land and buildings is freehold land of £405,000 (2021: £405,000) which is not depreciated.

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15. Stocks

	2022 £	2021 £
Finished goods and goods for resale	3,908	3,908

16. Debtors

	2022 £	2021 £
Due within one year		
Trade debtors	125,432	129,466
VAT	125,955	280,453
Prepayments and accrued income	552,653	577,120
	804,040	987,039

17. Creditors: Amounts falling due within one year

	2022 £	2021 £
Other loans	58,913	31,315
Trade creditors	575,019	651,963
Other taxation and social security	300,393	302,560
Other creditors	311,995	250,921
Accruals and deferred income	448,432	226,537
	1,694,752	1,463,296

	2022 £	2021 £
Deferred income at 1 September 2021	93,153	114,750
Resources deferred during the year	50,654	93,153
Amounts released from previous periods	(93,153)	(114,750)
	50,654	93,153

The deferred income above relates to money received in advance of the 2021/22 year to which it relates from the ESFA in relation to Universal Infant Free School Meals, Rates Relief, from students in respect of future trips and staff fund money received.

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18. Creditors: Amounts falling due after more than one year

	2022	2021
	£	£
Other loans	-	58,193

Other loans include a long term loan from Kent County Council repayable by monthly instalments attracting interest at a rate of 1.0% per annum. The loan was inherited from the predecessor school upon conversion to the Academy Trust.

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**NOTES TO THE FINANCIAL STATEMENTS
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19. Statement of funds

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Unrestricted funds						
Unrestricted revenue fund	519,019	351,583	(119,553)	(383,061)	-	367,988
Restricted general funds						
General Annual Grant	32,024	16,269,594	(16,963,550)	-	-	(661,932)
Other DfE	7,627	877,712	(885,339)	-	-	-
Pupil premium	-	1,089,079	(1,089,079)	-	-	-
Universal free school meals	-	150,855	(150,855)	-	-	-
Other DfE/ESFA grants	52,349	829,915	(882,264)	-	-	-
Pension reserve	(11,678,000)	-	(1,525,000)	-	11,611,000	(1,592,000)
Other restricted general funds	-	-	-	-	-	-
	(11,586,000)	19,217,155	(21,496,087)	-	11,611,000	(2,253,932)
Restricted fixed asset funds						
Restricted fixed asset fund	38,882,107	565,596	(1,202,127)	383,061	-	38,628,637
Total Restricted funds	27,296,107	19,782,751	(22,698,214)	383,061	11,611,000	36,374,705
Total funds	27,815,126	20,134,334	(22,817,767)	-	11,611,000	36,742,693

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

- i) General Annual Grant must be used for the normal running costs of the Trust. Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward as at 31 August 2022.
- ii) Consists of income the trust has generated

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**NOTES TO THE FINANCIAL STATEMENTS
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19. Statement of funds (continued)

iii) Funds inherited on conversion of the school to the Trust

iv) Funds include income generated from sponsorship and donations and hire of facilities.

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

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 August 2021 £
Unrestricted funds					
General Funds	264,426	458,669	(193,872)	(10,204)	519,019
Restricted general funds					
General Annual Grant	296,360	15,192,692	(15,336,705)	(120,323)	32,024
Other DfE	-	888,645	(875,318)	(5,700)	7,627
Pension reserve	(9,187,000)	-	(1,166,000)	(1,325,000)	(11,678,000)
Pupil premium	-	998,484	(998,484)	-	-
Other government grants	-	579,614	(569,860)	(9,754)	-
School voluntary fund	45,406	13,031	(9,089)	3,001	52,349
Covid catch up premium	-	214,640	(214,640)	-	-
Teachers' Pension Grant	-	530,563	(530,563)	-	-
Other DfE/ESFA COVID-19 funding	-	162,142	(162,142)	-	-
	(8,845,234)	18,579,811	(19,862,801)	(1,457,776)	(11,586,000)
	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 August 2021 £
Restricted fixed asset funds					
Assets held for depreciation	38,831,946	-	(1,163,065)	1,085,899	38,754,780
Other capital grants	516,210	554,036	-	(942,919)	127,327
	39,348,156	554,036	(1,163,065)	142,980	38,882,107
Total Restricted funds	30,502,922	19,133,847	(21,025,866)	(1,314,796)	27,296,107

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19. Statement of funds (continued)

Total funds	<u>30,767,348</u>	<u>19,592,516</u>	<u>(21,219,738)</u>	<u>(1,325,000)</u>	<u>27,815,126</u>
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Total funds analysis by academy

Fund balances at 31 August 2022 were allocated as follows:

	2022	2021
	£	£
Greenacre Academy	(25,373)	(78)
Warren Wood Primary Academy	772,747	670,196
Chantry Community Academy	1,042,658	934,975
Hilltop Primary Academy	(378,828)	(164,358)
Walderslade Girls' School	(228,058)	(166,354)
Central service	(1,477,090)	(663,362)
Total before fixed asset funds and pension reserve	(293,944)	611,019
Restricted fixed asset fund	38,628,637	38,882,107
Pension reserve	(1,592,000)	(11,678,000)
Total	<u>36,742,693</u>	<u>27,815,126</u>

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19. Statement of funds (continued)

The following academy is carrying a net deficit on its portion of the funds as follows:

	Deficit £
Trust	(293,944)

The Academy is taking the following action to return the academy to surplus:

The Skills for Life Trust reports funds balances at a central level, operating a GAG pooling arrangement across its schools. The trust has worked to set balanced budgets at each school for 2022/23 and beyond, whilst also covering central operations. In the 2021/22 reporting year, capital projects relating to condition were forward funded. There was a transfer made from revenue to capital in order to cover this, but in the 2022/23 financial year, the transfer will be reversed, pushing the trust back into surplus.

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19. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2022 £
Greenacre Academy	4,558,153	234,366	69,391	963,525	5,825,435
Warren Wood Primary Academy	1,816,213	118,913	33,268	455,694	2,424,088
Chantry Community Academy	1,507,155	86,426	18,569	413,939	2,026,089
Hilltop Primary Academy	1,550,125	154,438	22,073	423,570	2,150,206
Walderslade Girls' School	3,722,338	380,208	44,457	915,363	5,062,366
Central service	609,980	3,125,768	20,284	371,424	4,127,456
Academy	13,763,964	4,100,119	208,042	3,543,515	21,615,640

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2021 £
Greenacre Academy	3,795,538	1,024,498	132,722	694,108	5,646,866
Warren Wood Primary Academy	1,209,401	617,579	46,044	271,102	2,144,126
Chantry Community Academy	1,017,787	524,068	47,877	319,652	1,909,384
Hilltop Primary Academy	1,037,724	547,538	34,320	321,214	1,940,796
Walderslade Girls' School	3,549,722	776,039	136,233	620,443	5,082,437
Central service	577,605	2,167,991	16,849	570,618	3,333,063
Academy	11,187,777	5,657,713	414,045	2,797,137	20,056,672

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20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	38,687,513	38,687,513
Current assets	367,988	973,943	-	1,341,931
Creditors due within one year	-	(1,635,876)	(58,876)	(1,694,752)
Provisions for liabilities and charges	-	(1,592,000)	-	(1,592,000)
Total	367,988	(2,253,933)	38,628,637	36,742,692

Analysis of net assets between funds - prior year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	38,820,356	38,820,356
Current assets	519,019	1,523,980	151,260	2,194,259
Creditors due within one year	-	(1,431,980)	(31,316)	(1,463,296)
Creditors due in more than one year	-	-	(58,193)	(58,193)
Provisions for liabilities and charges	-	(11,678,000)	-	(11,678,000)
Other unallocated	(472,097)	11,717,493	(6,591,977)	4,653,419
Total	46,922	131,493	32,290,130	32,468,545

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**NOTES TO THE FINANCIAL STATEMENTS
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21. Reconciliation of net expenditure to net cash flow from operating activities

	2022 £	2021 £
Net expenditure for the year (as per Statement of financial activities)	(2,683,432)	(1,627,222)
Adjustments for:		
Depreciation	1,202,164	1,163,065
Capital grants from DfE and other capital income	(565,596)	(554,036)
Interest received	(72)	(121)
Defined benefit pension scheme cost less contributions payable	1,525,000	1,166,000
Decrease in debtors	182,999	83,168
Increase/(decrease) in creditors	198,159	(691,687)
Net cash used in operating activities	(140,778)	(460,833)

22. Cash flows from financing activities

	2022 £	2021 £
Repayments of salix loans	(24,897)	(31,315)
Net cash used in financing activities	(24,897)	(31,315)

23. Cash flows from investing activities

	2022 £	2021 £
Interest received	72	121
Purchase of tangible fixed assets	(1,069,321)	(926,010)
Capital grants from DfE Group	565,596	554,036
Net cash used in investing activities	(503,653)	(371,853)

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**NOTES TO THE FINANCIAL STATEMENTS
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24. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand and at bank	533,984	1,203,312
Total cash and cash equivalents	533,984	1,203,312

25. Analysis of changes in net debt

	At 1 September 2021 £	Cash flows £	Other non- cash changes £	At 31 August 2022 £
Cash at bank and in hand	1,203,312	(669,328)	-	533,984
Debt due within 1 year	(31,315)	30,595	(58,193)	(58,913)
Debt due after 1 year	(58,193)	58,193	-	-
	1,113,804	(580,540)	(58,193)	475,071

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NOTES TO THE FINANCIAL STATEMENTS
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26. Pension commitments

The Academy'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 Kent County Council. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £ - were payable to the schemes at 31 August 2022 (2021 - £ -) and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. 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.

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% 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, 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 2023.

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26. Pension commitments (continued)

The employer's pension costs paid to TPS in the year amounted to £1,512,895 (2021 - £1,486,371).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The Academy has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy 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 contribution made for the year ended 31 August 2022 was £953,000 (2021 - £899), of which employer's contributions totalled £753,000 (2021 - £697,000) and employees' contributions totalled £ 200,000 (2021 - £202,000). The agreed contribution rates for future years are 20 per cent for employers and 5.5-12.5% per cent for employees.

As described in note the LGPS obligation relates to the employees of the Academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy at the balance sheet date.

The asset values are reported using estimated asset allocations prepared by the scheme Actuary. The asset value is calculated at each triennial valuation. Thereafter it is rolled forward to accounting dates using investment returns, contributions received and benefits paid out. During each annual reporting period between triennial valuations, asset returns are estimated using 11 months of market experience and one month of extrapolation being assumed.

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.

Principal actuarial assumptions

	2022	2021
	%	%
Rate of increase in salaries	3.95	3.9
Discount rate for scheme liabilities	4.25	1.65
Inflation assumption (CPI)	2.95	2.9

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

SKILLS FOR LIFE TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
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26. Pension commitments (continued)

	2022 Years	2021 Years
<i>Retiring today</i>		
Males	21	21.6
Females	23.5	23.6
<i>Retiring in 20 years</i>		
Males	22.3	22.9
Females	24.9	25.1

Share of scheme assets

The Academy's share of the assets in the scheme was:

	At 31 August 2022 £	At 31 August 2021 £
Equities	8,025,000	7,739,000
Gilts	71,000	66,000
Corporate bonds	1,620,000	1,641,000
Property	1,440,000	1,215,000
Cash and other liquid assets	208,000	338,000
Absolute return fund	881,000	823,000
Total market value of assets	12,245,000	11,822,000

The amounts recognised in the Statement of Financial Activities are as follows:

	2022 £	2021 £
Current service cost	2,085,000	1,715,000
Interest income	186,000	141,000
Administrative expenses	7,000	7,000
Total amount recognised in the Statement of Financial Activities	2,278,000	1,863,000

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**NOTES TO THE FINANCIAL STATEMENTS
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26. Pension commitments (continued)

Changes in the present value of the defined benefit obligations were as follows:

	2022 £	2021 £
At 1 September	23,500,000	18,893,000
Current service cost	2,085,000	1,715,000
Interest cost	386,000	302,000
Employee contributions	200,000	202,000
Actuarial (gains)/losses	(11,963,000)	2,606,000
Benefits paid	(371,000)	(218,000)
At 31 August	13,837,000	23,500,000

Changes in the fair value of the Academy's share of scheme assets were as follows:

	2022 £	2021 £
At 1 September	11,822,000	9,706,000
Expected return on assets	(352,000)	1,281,000
Interest income	200,000	161,000
Employer contributions	753,000	697,000
Employee contributions	200,000	202,000
Benefits paid	(371,000)	(218,000)
Administration expenses	(7,000)	(7,000)
At 31 August	12,245,000	11,822,000

27. Operating lease commitments

At 31 August 2022 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022 £	2021 £
Not later than 1 year	32,356	43,430
Later than 1 year and not later than 5 years	15,718	48,074
	48,074	91,504

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

29. Related party transactions

Owing to the nature of the Academy 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 Academy Trust Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy's financial regulations and normal procurement procedures relating to connected and related party transactions.

30. 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 Academies Financial Handbook, including notifying ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and 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.

Mr A Reese, a staff trustee, has a close family relationship with C Kari, an employee of the academy trust. Mr Reese is a member of the Remuneration, finance and audit committee of the multi-academy trust, however he was not involved in the initial appointment and is not involved in any discussions surrounding that particular employee's pay, in accordance with the Academies Financial Handbook.

31. Agency arrangements

The Academy Trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2022 the Academy Trust received £nil (2021: £16,034) and disbursed £nil (2021: £13,895) from the fund.