

COMPANY REGISTRATION NUMBER: 07965316 (England and Wales)

REPORT OF THE TRUSTEES AND AUDITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021
FOR
SKILLS FOR LIFE TRUST
(A COMPANY LIMITED BY GUARANTEE)

SKILLS FOR LIFE TRUST (A COMPANY LIMITED BY GUARANTEE)

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FOR THE YEAR ENDED 31 AUGUST 2021

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SKILLS FOR LIFE TRUST (A COMPANY LIMITED BY GUARANTEE)

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2021**

Members

Ms N King (CBE) (Chair of Trustees)
Mrs S Miles
Mr P Horton
Mr L Miller (MBE) (appointed 01/09/2020)

Trustees

Ms N King (CBE) (Chair of Trustees)
Mr T Maddison (Vice Chair of Trustees)
Mrs K Boon (appointed 06/05/2021)
Mr I Brown
Mrs J Murphy (resigned 18/05/2021)
Mr A Reese (staff trustee)
Ms E Roche
Mr P Rowlands (resigned 30/09/20)
Mr N Scott
Mrs J Stephens
Mr W Wilkins (resigned 15/07/21)

Senior Management Team

Mr A Reese (Chief Executive Officer and Accounting Officer)
Mrs S Bridger (Deputy Chief Executive Officer)
Mr G Evans (Head of Primary Education)
Mr A Jackson (Chief Financial Officer)

Greenacre Academy Senior Leadership Team

Head teacher	Mrs S Bridger
Deputy Head teacher	Mrs L Campbell
Assistant Head teacher	Mr O Smith
Assistant Head teacher	Mrs K Pamphlett
Assistant Head teacher	Miss L Barr
Assistant Head teacher	Mrs C Bennett
Assistant Head teacher	Mrs M Allen

Walderslade Girls' School Senior Leadership Team

Head teacher	Mr A Reese (reverted to full time CEO 19/04/21)
Head teacher	Mrs E Eddy (appointed 19/04/2021)
Deputy Head teacher	Mrs E Eddy (until 18/04/2021)
Deputy Head teacher	Mrs E Ranson-McCabe
Assistant Head teacher	Mr R Elphick
Assistant Head teacher	Mrs C Ferguson
Assistant Head teacher	Dr J Harrison
Assistant Head teacher	Miss T Simm
Assistant Head teacher	Miss L Wildey

Warren Wood Primary Academy Senior Leadership Team

Head teacher	Mrs L Hardie
Deputy Head teacher	Mrs A Howe
Assistant Head teacher	Mrs H Roberts (appointed 08/03/21)
Assistant Head teacher	Mrs A Watson (mat cover at Chantry 08/03/21)

Chantry Community Academy Senior Leadership Team

Head teacher	Mrs K Duncan
Deputy Head teacher	Mrs A Watson (appointed as mat cover 08/03/21)
Deputy Head teacher	Mrs L Woodroof (mat cover at Hilltop 08/03/21)
Assistant Head teacher	Mr A Penning (appointed 01/01/2021)
Assistant Head teacher	Mr R Ward

SKILLS FOR LIFE TRUST (A COMPANY LIMITED BY GUARANTEE)

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2021**

Hilltop Primary Academy Senior Leadership Team

Head teacher	Mrs K Tillett (resigned 31/08/2021)
Deputy Head teacher	Mrs S Sodhi (maternity leave 24/02/21)
Deputy Head teacher	Mrs L Woodroof (maternity cover 08/03/21)
Assistant Head teacher	Miss C Wooder

Company Secretary Prima Secretary Limited

Registered Office 157 Walderslade Road
Walderslade
Chatham
Kent
ME5 0LP

Company Registration Number 07965316 (England and Wales)

Independent Auditor Ashley Phillips FCCA
McCabe Ford Williams
Statutory Auditors and Chartered Accountants
Bank Chambers
1 Central Avenue
Sittingbourne
Kent
ME10 4AE

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

Bankers Lloyds Bank
1 Legg Street
Chelmsford
Essex
CM1 1JS

HSBC Bank plc
1-5 Week St
Maidstone
Kent
ME14 1QW

SKILLS FOR LIFE TRUST (A COMPANY LIMITED BY GUARANTEE)

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2021

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
ME9 0LP

Walderslade Girls' School
Bradfields Avenue
Chatham
Kent
ME5 0LE

Warren Wood Primary Academy
Arethusa Road
Rochester
Kent
ME1 2UR

Chantry Community Academy
Ordnance Road
Gravesend
Kent
DA12 2RL

Hilltop Primary Academy
Hilltop Road
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 (A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT **FOR THE YEAR ENDED 31 AUGUST 2021**

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2021. The annual report serves the purposes of both a trustees' report, and a directors' 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 3,160 and had a roll of 3,115 pupils in the school census for Spring 2021.

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 2021 the school had 990 pupils (including 6th form) (2020: 951) on its roll.

Walderslade Girls' School is an 11-18 academy in a selective area. On 31st August 2021 the school had 862 pupils (including 6th form) (2020: 857) 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 had 437 pupils on its roll (2020: 422).

Chantry Community Academy is a 3-10 academy and had 453 pupils on its roll (2020: 456).

Hilltop Primary Academy is a 4-10 academy and had 420 pupils on its roll (2020: 420).

Members' liability

Each member of the academy trust undertakes to contribute to the assets of the 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 require that the members appoint at least three trustees (unless otherwise determined by ordinary resolution) but shall not be subject to any maximum.

SKILLS FOR LIFE TRUST (A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT **FOR THE YEAR ENDED 31 AUGUST 2021**

STRUCTURE, GOVERNANCE AND MANAGEMENT - continued

Method of recruitment and appointment or election of new trustees - continued

Members may appoint:-

- new trustees
- the Chief Executive Officer for as long as they remain in office
- co-opted trustees

A trustee's term of office is four years, but the trustee is eligible for re-election at the meeting at which they retire.

Under the articles of association, the trustees are responsible for the appointment of the local governing bodies for each academy within the trust. A scheme of delegation for each local governing body is in place and this is regularly reviewed and the trustees may alter or revoke this. Governors of the local governing bodies do not have to be trustees of the trust.

All trustees and governors are encouraged to attend 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. All will be given a tour of the academies and the chance to meet with staff and students. Members, trustees and governors are provided with copies of relevant policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role.

Organisational structure

As a multi-academy trust, the board of trustees are at the head of the organisational structure. They are responsible for making major decisions about the direction of the trust and for the appointment of a local governing body for each academy.

The board of trustees also delegates 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

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

SKILLS FOR LIFE TRUST (A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT - continued

Organisational structure - continued

Within each Academy there is a Senior Leadership Team (SLT). Each SLT will include the Head teacher, Assistant and / or Deputy Head teacher and senior 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 trustees and governors and reporting back to them.

Arrangements for setting pay and remuneration of key management personnel

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.

Trade Union Facility Time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
6	4.94

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	NIL
1% - 50%	6
51% - 99%	NIL
100%	NIL

Percentage of pay bill spent on facility time

Provide the total cost of facility time	£1,572.24
Provide the total pay bill	£15,637,211
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) × 100	0.010%

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.

The trust also runs 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 trust senior management team.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT - continued

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 within 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' programme, that the trustees and senior management feel 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'. This has seen a number of maintained academies take advantage of this offer and has proved a great success. Our business mentoring programme also continues to go from strength to strength, which has seen businesses secure excellent trainees and apprentices from our secondary cohorts and students afforded quality employment opportunities post-study.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

OBJECTIVES AND ACTIVITIES

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**".

The trust seeks to promote outstanding educational experiences that will inspire and challenge all learners to achieve the best of their abilities and prepare them to live and work as active and participating citizens in society. The trust academies offer a fully inclusive, wide ranging and holistic education for all students.

The main objectives of the Trust during the year ended 31st August 2021 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

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

OBJECTIVES AND ACTIVITIES - continued

The key activities and priorities that support this strategy are:

- Adhering to the "**Skills for Life**" vision statement
Promoting outstanding educational experiences that will inspire and challenge all learners to achieve to the best of their abilities and to develop personal and business skills that will fully equip them for the world of work and to live as active and participating citizens in today's society.
- 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:-
 - Continuing to improve standards in each academy
 - Ensuring that leadership at all levels is focussed on further raising of standards
 - Ensuring sound financial management in a climate of falling school budgets
 - Ensuring accommodation is fit for 21st century teaching and learning
 - 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.

STRATEGIC REPORT

Achievements and performance

Please note that progress 8 performance data for 2021 was calculated using the revised estimated attainment 8 scores from 2019.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

STRATEGIC REPORT – continued

Achievements and performance – continued

Greenacre Academy

Progress 8 measures in 2021 saw the academy attain -0.19. This is a reduction compared to the score of +0.20 achieved in 2020 with Centre Assessed Grades, but an increase on the score of -0.27 achieved in 2019 from the last set of examined KS4 results. It is also higher than the 2019 boys' national average of -0.23. The 2021 results were awarded based on Teacher Assessed Grades that went through a robust quality assurance process, backed up by evidence of pupils' work.

Maths achieved a subject progress 8 score of -0.19; an increase on -0.50 achieved in 2019, but a reduction compared to +0.21 in 2020. There has been steady improvement in English with the subject progress 8 score increasing to -0.23, from -0.30 in 2019 and -0.56 in 2018, but less than +0.21 recorded in 2020.

Three Year Trend

	2019	2020	2021
% 9-4 Grades - All Entries	53.1%	59.5%	59.5%
% 9-4 Grades - English	63.5%	67.6%	68.9%
% 9-4 Grades - Maths	52.6%	55.9%	58.3%
% 9-4 Grades - English & Maths	47.0%	51.0%	52.0%
Attainment 8	40.6	40.5	39.73

All of these results should be seen in the context of the school as a non-selective school in a selective Local Authority. The 2019 national performance data for boys at a non-selective school in a highly selective area is as follows:

Progress 8	-0.34
Attainment 8	39.7
% 9-4 Grades - English & Maths	52.6%
% 9-5 Grades - English & Maths	28.4%

Performance of the boys in the joint sixth form (with Walderslade Girls' School) has decreased over the period. The average points per entry for Applied General qualifications has reduced over the past three years from 28.45 in 2019, to 26.5 in 2020 and 23.2 in 2021. Expressed as a grade, this is a decrease from Merit+ (2019) to Merit (2020) and Merit- (2021).

Results in Tech Level qualifications have also decreased with the average points per entry dropping to 25.83 in 2021, from 30.42 in 2020 and 28.13 in 2019. Expressed as a grade, the average points per entry for 2021 is Merit, which is a decrease from Merit+ (2019) and Distinction- (2020).

Results in academic qualifications have remained consistent with 2020; the average points per entry expressed as a grade in 2020 and 2021 was D+. 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 2021 saw the academy attain -0.23. This is a reduction compared to the score of +0.35 achieved in 2020 with Centre Assessed Grades, but an increase on the score of -0.34 achieved in 2019 from the last set of examined KS4 results. The 2021 results were awarded based on Teacher Assessed Grades that went through a robust quality assurance process, backed up by evidence of pupils' work.

Maths achieved a subject progress 8 score of +0.09; an increase on -0.39 achieved in 2019 and only a slight reduction compared to +0.19 in 2020. There has been a significant drop in the English subject progress 8 score from +0.14 in 2020 and -0.13 in 2019 to -0.75 in 2021. This is likely a result of conservative teacher assessments in response to the increased quality assurance measures put in place by awarding organisations in 2021.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

STRATEGIC REPORT - continued

Achievements and performance - continued

Walderslade Girls' School – continued

Three Year Trend

	2019	2020	2021
% 9-4 Grades - All Entries	58.6%	70.2%	84.5%
% 9-4 Grades - English	64.6%	74.0%	56.9%
% 9-4 Grades - Maths	59.0%	64.9%	59.5%
% 9-4 Grades - English & Maths	49.0%	49.0%	48.0%
Attainment 8	37.2	42.2	37.23

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 past three years. The average points per entry increased from 26.0 in 2019 and 26.6 in 2020 to 29.8 in 2021. Expressed as a grade, this is an increase from C- in 2019 and 2020 to a C in 2021. The value added progress score has also remained broadly consistent in academic subjects over the last three years with a slight increase to -0.15 in 2021 compared to -0.16 in 2019 and -0.18 in 2020.

The average grade of 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-. The value added progress scores for Applied General subjects indicates an improvement in 2021 compared to 2020 with an increase from -0.13 to -0.09, however this is still a lower than +0.17 achieved in 2019.

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 has improved from 24 to 33.8, which when expressed as a grade is an increase equivalent to an entire grade, from Merit to Distinction.

Warren Wood Primary Academy, Chantry Community Academy and Hilltop Primary Academy

Owing to the COVID-19 pandemic and the cancellation of public exams, primary phase assessments were curtailed in the 2020/21 academic year, as was the case in 2019/20. Therefore, there are no results or assessment data to publish.

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 Greenacre Academy, Warren Wood Primary Academy and Walderslade Girls' School and have remained steady at Chantry Community Academy and Hilltop Primary Academy.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

STRATEGIC REPORT - continued

Key performance indicators - continued

Numbers increased marginally at Walderslade Girls' School, as there was an increased year 7 cohort recruited and efforts continue to be made to see this increase further. 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 clearly having an 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, and will even improve on the recruitment of students in September 2021.

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 four years. This is a testament to the consistently good outcomes achieved by 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 additional classrooms 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. Chantry Community Academy are moving towards being full, on account of increased performance and public perception, whilst their new build is another attractive proposition for prospective parents. The cohort at Chantry can be considered more volatile as the cohort tends to be more transient. Hilltop Primary Academy continues 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, where 'RECIPE' in the primary phase and 'EMPLOY ME' in the secondary phase 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.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

STRATEGIC REPORT - continued

COVID 19

The pandemic continued to play a role in shaping the direction of the year for the trust. In the last reporting period, the initial response to COVID-19 was supported by a COVID committee that provided a multi-faceted, multi-disciplined support for our academies. The committee was required to meet much less frequently, as our academies were able to operate within the framework that had been agreed, in line with the safety first approach the trust had adopted.

Aside from safety, which was the trust's highest priority, there was a continued drive to support remote learning and the creation of a virtual learning library. The former has remained an option and been utilised throughout the year and has been ably supported by ICT and safeguarding professionals, who have shaped good practice and upskilled staff where necessary. This drive for remote learning has meant that even during periods where pupils have been abroad, particularly where there was a visit to a native country that became protracted, they were still able to access learning online and feel part of the academy community. The key to this has been huge investment in our ICT networks and on hardware, supplemented by additional laptops supplied by the government.

Academy life within the 'new normal' has seen new challenges arise and routine challenges exacerbated. In our strategic workforce planning, we've looked to plug the gaps where the social care system is under pressure, particularly around areas such as mental health and vulnerability. The trustees are heartened to learn of the recent discussion within central government detailing how academies can play their part in preventive measures and are keen to be at its forefront. Combatting the pandemic's effect on the health and wellbeing of the students within our cohorts is likely to be, alongside accelerated digitalisation, the long lasting impact of the pandemic and it is the trust's intention to invest heavily in these areas to ensure the trust is providing an education fit for the twenty-first century.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

STRATEGIC REPORT - continued

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 Statement of Accounting Policies.

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.

SKILLS FOR LIFE TRUST (A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT **FOR THE YEAR ENDED 31 AUGUST 2021**

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 2021 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 2021

- Total income, including capital income, was £19,592,516 (2020: £25,185,677) of which £458,669 (2020: £446,902) was unrestricted income. There were no donations into the Trust of school buildings during the year ended 31 August 2021 (2020: £6,652,907 related to donations under the Priority School Building Programme).
- Total expenditure for the year to 31st August 2021 was £21,219,738 (2020: £19,128,504) of which:
- Employee costs of £16,845,400 (2020: 15,239,177) represented 79% (2020: 80%) of total expenditure.
- Premises related costs (excluding depreciation) of £533,224 (2020: £737,519), represented 2.5% (2020: 4%) of total expenditure.
- The depreciation of fixed assets which was £1,163,065 (2020: £1,084,959).
- The in-year deficit on restricted general funds, excluding pension reserve, plus unrestricted funds, after accounting for transfers was a surplus of £4,827 (2020: £208,294 deficit). Before accounting for transfers, this was an in-year surplus of £147,807 (2020: £277,919 Surplus).

Reserves policy

The trustees review the free level of reserves of the trust and respective academies annually. This review encompasses the nature of income and expenditure streams and the need to match income with commitments. The trust has determined that the appropriate level of free reserves for each academy should be at least £30,000. The policy is set for review in 2021/22.

Carry forward individual academy reserves may be utilised to support any in year deficit, provided sufficient and robust plans clearly show that this would not be a continuing trend.

The Trust's current level of free reserves (unrestricted funds) is £519,019 (2020: £264,426) and the trustees' strategy to maintain free reserves of at least £30,000 has been achieved by Warren Wood Primary Academy and Chantry Community Academy. The free reserves held by Greenacre Academy, Hilltop Primary Academy and Walderslade Girls' School were below £30,000 due to an overspend and reliance on agency staff to cover staff illness and maternity leave in prior years. A plan has been set for the trust to return reserves to the levels expected.

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 of £27,815,126 (2020: £30,767,348) comprising of £92,000 (2020: £341,766) of restricted funds, excluding restricted fixed asset funds and pension reserve, and £519,019 (2020: £264,426) of unrestricted funds. Restricted funds, excluding restricted fixed asset funds, show a deficit at the year-end of £11,586,000 (2020: £8,845,234) after accounting for the deficit on the local government pension scheme. The deficit on the scheme as at 31st August 2021 was £11,678,000 (2020: £9,187,000). 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 2021 was a surplus of £611,019 (2020: £606,192).

SKILLS FOR LIFE TRUST (A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT **FOR THE YEAR ENDED 31 AUGUST 2021**

FINANCIAL REVIEW – continued

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 refurbishment works.

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.

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.

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.

SKILLS FOR LIFE TRUST (A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

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:

	2020/21	2019/20 – comparable year
Energy consumption used to calculate emissions (kWh)	1,737,244	2,121,008
Energy consumption break down (kWh) <ul style="list-style-type: none">• gas• electricity	706,466 1,030,778	937,738 1,183,270
Scope 1 emissions in metric tonnes CO ₂ e Gas consumption Owned transport – mini-buses Total scope 1	129 4 129	370 0 370
Scope 2 emissions in metric tonnes CO ₂ e Purchased electricity	219	532
Scope 3 emissions in metric tonnes CO ₂ e Business travel in employee owned vehicles	2	0
Total gross emissions in metric tonnes CO ₂ e	354	902
Intensity ratio Tonnes CO ₂ e per pupil	0.11	0.29

Quantification and Reporting Methodology

The trust has followed the 2019 HM Government Environmental Reporting Guidelines, and have used the GHG Reporting Protocol – Corporate Standard and the 2021 UK Government’s Conversion Factors for Company Reporting.

Intensity measurement

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 modern 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 (A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT **FOR THE YEAR ENDED 31 AUGUST 2021**

PLANS FOR FUTURE PERIODS

In the past twelve months, the trustees have been revising its strategic plan to suit the changing social, economic and sector landscape, especially in light of the pandemic. After a period of consolidation, it has been imperative to understand the position of the trust and how it can operate, 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 has and could be built to achieve:

- Taking on an additional two primary academies and one secondary academy
- Recognition by the government of 'Skills for Life'
- To be leaders in virtual learning
- Forming a blueprint for potential joiner academies
- Optimising rental opportunities and being effective fundraisers
- Optimising purchasing power
- Implementation of a trust wide performance related pay structure

Work towards these objectives has commenced, with the aforementioned workforce and talent reviews. They have identified areas of improvement, such as employing a governance professional, centralising our approach to vulnerability and creating community style hubs within our academies. Vast improvements to our structure and indeed maximising 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 are best placed to take those opportunities and are the natural choice. 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.

AUDITOR

In so far as the trustees are aware:

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

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 7 December 2021 and signed on the board's behalf by:



Ms N King (CBE) - Chair of Trustees

SKILLS FOR LIFE TRUST (A COMPANY LIMITED BY GUARANTEE)

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2021

SCOPE OF REPOSIBILITY

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.

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.

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 4 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:

Name	Meetings attended	Out of a possible
Trustees		
N King (CBE) (Chair)	4	4
T Maddison (Vice Chair)	4	4
A Reese (staff trustee)	4	4
K Boon (appointed 06/05/21)	2	2
I Brown	3	4
J Murphy (resigned 18/05/21)	0	2
E Roche	4	4
P Rowlands (resigned 30/09/20)	1	1
N Scott	4	4
J Stephens	3	4
W Wilkins (resigned 15/07/21)	1	3
Attendees		
A Jackson (CFO)	4	4

During the reporting period the trustees have secured the services of experienced professionals to join the board. The effectiveness of the board is reviewed annually 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 sub-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.

The need to add certain areas of expertise has been identified, particularly in view of COVID and the anticipated changes in learning environments post pandemic. It is therefore planned to add a premises expert and a further IT specialist in the next reporting period.

In view of the age of the CEO, increased capacity has been added within the executive team to assist with continuity. This was mandated by the Regional Schools Commissioner after the annual review of 2018/19. To also assist with planning for continuity, a Vice Chair of trustees has been elected.

SKILLS FOR LIFE TRUST (A COMPANY LIMITED BY GUARANTEE)

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2021

GOVERNANCE - continued

The trustees formed an operational board in March 2018 which consists of trustees, head teachers and chairs of local governing bodies to operate together in an advisory capacity. This enables the board of trustees to remain strategic and focused on ensuring the trust continues to deliver at every level.

Both the trust and operational boards are presented with regular updates on trust-wide KPI's; focused but not limited to pupil and individual academy performance, financials, compliance and the effectiveness of the Skills for Life programme. The trustees review documentation summarising the collective inputs, discussion and scrutiny derived from staff input, via leadership groups, local governance and trust committees.

The next external review of governance is due to take place in 2022.

Operational board

The operational board is a sub-committee of the main board of trustees, which consists of trustees, head teachers and chairs of local governing bodies. Its purpose is to:

- Enable the board of trustees to remain strategic and focused on ensuring the trust continues to deliver at every level.
- Allow the senior management of each academy to work together to:
 - share and implement best practice across the trust;
 - make day-to-day operational decisions that are to be implemented across the trust.
- Provide head teachers and governors access to the specialist knowledge and skill sets of the trustees.

Attendance at meetings in the year was as follows:

Name	Meetings attended	Out of a possible
<u>Trustees</u>		
N King (CBE) (Chair)	2	2
T Maddison (Vice Chair)	2	2
A Reese (CEO / AO) (staff trustee)	2	2
K Boon (appointed 06/05/21)	0	0
I Brown	2	2
J Murphy (resigned 18/05/21)	0	2
E Roche	2	2
P Rowlands (resigned 30/09/20)	1	1
N Scott	2	2
J Stephens	2	2
W Wilkins (resigned 15/07/21)	0	2
<u>Senior Trust Management</u>		
S Bridger	2	2
G Evans	2	2
A Jackson	2	2
<u>Governors</u>		
S Butler	2	2
S Greenfield	2	2
J Brooke	2	2
S Weeden-Arter	2	2
<u>Head teachers</u>		
K Duncan	2	2
E Eddy	2	2
L Hardie	2	2
K Tillet	2	2

SKILLS FOR LIFE TRUST (A COMPANY LIMITED BY GUARANTEE)

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2021

GOVERNANCE - continued

Remuneration, finance and audit committee

The remuneration, finance and audit committee is a sub-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 academy trust operates within the Academies Financial 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 Head teacher and the Head teacher's Performance Management Team.
- Monitor expenditure of any voluntary funds kept on behalf of the board of trustees.

Attendance at meetings in the year was as follows:

Name	Meetings attended	Out of a possible
<u>Committee members</u>		
E Roche (Chair- until 1 st June 2021)*	5	6
P Reynolds (Interim Chair)**	6	6
A Reese (CEO /AO) (staff trustee)	6	6
C Bergess	4	6
K Boon** (appointed 06/05/21)	1	1
J Brooke	6	6
N King**	1	1
P Sims	6	6
<u>Attendees</u>		
S Bridger	6	6
A Jackson	6	6

*E Roche entered paid employment within the trust premises team during the period and stepped back as chair in an arrangement agreed by the RSC. P Reynolds became interim chair to ensure compliance with the academies financial handbook. **Another trustee attended in the place of E Roche in subsequent meetings to ensure quorum was achieved.

Premises committee

The premises committee is a sub-committee of the main board of trustees. Its purpose is to:

- Advise the trustees on priorities, including health and safety, for the maintenance of the existing school buildings.
- Oversee arrangements for repairs and maintenance.
- Make recommendations on premises-related expenditure, including prioritising the school condition allowance.
- Oversee arrangements, including health and safety, for the use of the premises by outside users.
- Establish and keep under review accessibility plan and travel plan.
- Establish and keep under review the lettings and for hire of facilities.

Attendance at meetings in the year was as follows:

Name	Meetings attended	Out of a possible
<u>Committee Members</u>		
P Rowlands (Chair)* (resigned 30/09/20)	1	1
N Scott (Chair)*	1	1
A Reese (CEO /AO) (staff trustee)	5	5
K Boon** (appointed 06/05/21)	1	1
S Butler	5	5
K Blackmore	3	5

SKILLS FOR LIFE TRUST (A COMPANY LIMITED BY GUARANTEE)

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2021

GOVERNANCE - continued

Premises committee- continued

S Mitchell	1	1
P Sims	4	4
J Stephens**	1	1
J Snelling	4	5
<u>Attendees</u>		
N Hewitt (resigned 30/04/21)	3	3
A Jackson	4	5
E Roche (appointed 01/07/21)	1	1
P Rowlands (appointed 01/10/20)	4	4

*P Rowlands resigned as a trustee to take up paid employment as the trust estates director. N Scott now installed as permanent chair.

**Trustee representation to ensure quorum during the period without a permanent chair.

Skills for Life committee

The Skills for Life committee is a sub-committee of the main board of trustees. Its purpose is to:

- Provide strategic oversight and leadership of all matters related to the delivering and developing the Skills for Life vision.
- Take delegated responsibility on behalf of the Board for ensuring that there is a framework for the provision and delivery of this vision.
- Champion the Skills for Life programme within and outside the work areas, and assist the Skills for Life manager and partners in delivering this across the trust.

Name	Meetings attended	Out of a possible
W Wilkins (resigned 15/07/21)	2	2
S Presneill	2	2
S Doree	2	2
K Pamphlett	2	2
E Eddy	2	2
L Woodruff	2	2
S Sodhi	1	2
A Watson	1	2
A Howe	2	2

REVIEW OF VALUE FOR MONEY

As accounting officer, the CEO 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 good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the academy trust has delivered value for money during the year by:

- Making a sustained effort to move towards a curriculum based budgeting approach and economies of scale being considered across all schools.
- Tendering and consolidating the management information system to cloud based system.
- Achieving the best meal price possible for the 3,155 students within the cohorts with a considered approach to catering provision.

SKILLS FOR LIFE TRUST (A COMPANY LIMITED BY GUARANTEE)

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2021

REVIEW OF VALUE FOR MONEY- continued

- Cross-trust utilisation of employees.

Now that the trust has timely and accurate management information, it has become much simpler to make more strategic, trust level decisions. Significant reviews of staffing and trust and academy level contracts have seen movement in a number of areas where the trust are 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 the majority of 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 are able to work remotely from whatever trust site, meaning short term administrative absence can be covered without impacting budgets.

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 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2020 to 31 August 2021 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 has undergone a major revamp in the reporting period; breaking down risk categorisation and 'owners' of risk to ensure the risk 'expert' is in charge of managing the risk to maximise information sharing and to ensure our risks are managed in the most efficient way.

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the 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.

SKILLS FOR LIFE TRUST (A COMPANY LIMITED BY GUARANTEE)

**GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2021**

THE RISK AND CONTROL FRAMEWORK - continued

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

- payroll and personnel systems;
- purchase processing systems and tendering procedures;
- credit card order processing
- human resources processes;
- governance;
- academies financial handbook compliance;

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. There have been delays in internal audit reports in the reporting period, given the impact of COVID-19 on a tendering process, but this was resolved by the close of the year and internal audit delivered as expected.

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

REVIEW OF EFFECTIVENESS

As accounting officer, the CEO 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 work of the external auditor;
- the financial management and governance self-assessment process or the school resource management self-assessment tool; and
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of trustees on 7 December 2021 and signed on its behalf by:



Ms N King (CBE) - Chair of Trustees



Mr A Reese - Accounting Officer

SKILLS FOR LIFE TRUST

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2021

As accounting officer of Skills for Life Trust, I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the trust, or material non-compliance with the terms and conditions of funding under the trust's funding agreement and the Academies Financial Handbook 2020.

I confirm that the following instance of material irregularity, impropriety or funding non-compliance discovered to date has been notified to the board of trustees and ESFA. If any instances are identified after the date of this statement, these will be notified to the board of trustees and ESFA:

A handwritten signature in black ink, appearing to read 'A. Reese', written over a faint horizontal line.

Mr A Reese - Accounting Officer

Date: 7 December 2021

SKILLS FOR LIFE TRUST

TRUSTEES' RESPONSIBILITY STATEMENT **FOR THE YEAR ENDED 31 AUGUST 2021**

The trustees (who act as governors of Skills for Life Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with the Academies Accounts Direction issued 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 the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements

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 to 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 the ESFA/DfE have been applied for the purposes intended.

In so far as the trustees are aware:

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

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 7 December 2021 and signed on its behalf by:



Ms N King (CBE) - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SKILLS FOR LIFE TRUST

Opinion

We have audited the financial statements of Skills For Life Trust (the 'academy trust') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency (ESFA).

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2020 to 2021.

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the academy trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

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

We have nothing to report in this regard.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
SKILLS FOR LIFE TRUST**

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters where 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 Trustees' Responsibilities Statement, the trustees (who are also the directors of the charitable company 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 trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the academy trust or to cease operations, or have no realistic alternative but to do so.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SKILLS FOR LIFE TRUST

Our 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 a Report of the Independent Auditors 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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the academy trust through discussions with directors and our experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the academy trust, including, but not limited to, the Companies Act 2006, the Charities SORP 2019, the Academies Financial Handbook 2020 and UK tax legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- reviewing the report produced via the academy trust's internal scrutiny function;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 1 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

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

- agreeing financial statements disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and relevant regulators such as the ESFA.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Committee of Management and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
SKILLS FOR LIFE TRUST**

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 Report of the Independent Auditors.

Use of our report

This report is made solely to the academy trust'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 trust's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy trust and the academy trust's members as a body, for our audit work, for this report, or for the opinions we have formed.



Ashley Phillips FCCA (Senior Statutory Auditor)
for and on behalf of McCabe Ford Williams
Statutory Auditors and Chartered Accountants
Bank Chambers
1 Central Avenue
Sittingbourne
Kent
ME10 4AE

7 December 2021

**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 and further to the requirements of the Education and Skills Funding Agency (ESFA), as included in the Academies Accounts Direction 2020 to 2021, 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 period 1 September 2020 to 31 August 2021 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 the 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 the 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 the 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 and the Academies Financial Handbook, extant from 1 September 2020, 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 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

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

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2020 to 2021 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy Trust's income and expenditure. The work undertaken to draw to our conclusion includes:

- Review of the internal control environment which is designed to ensure compliance with regulations;
- Review of the accounting officer's consideration of issues surrounding regularity, propriety and compliance;
- Review of the work and reports of the internal auditor during the period;
- Review of governance arrangements and procedures and related compliance with the requirements of the Academies Financial Handbook, including the distribution and content of management accounts and quantity of meetings;
- Analytical procedures regarding declaration of potential conflicts of interest by key staff and the Board of Governing Body and the occurrence of transactions with connected parties;
- Review of fixed asset transactions against the requirements of the funding agreement between Skills for Life Trust and the Secretary of State and the Academies Financial Handbook;
- Testing of grants and other income for application in accordance with the terms and requirements attached;
- Review of the academy trust's activities to check they are in line with the Academies Framework and the academy trust's charitable objectives;
- Review of bank statements, minutes of meetings and financial transactions for indications of any items which may be improper;
- Review of bank accounts to check that they are operated within the terms of the academy trust's governing document and borrowing limits imposed by the funding agreement are not exceeded;
- Testing of expenditure, including expense claims for signs of transactions for personal benefit;
- Review of any extra-contractual payments made to staff;
- Review of procurement activity during the period.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

McCabe Ford Williams

McCabe Ford Williams
Chartered Accountants
Reporting Accountant
Bank Chambers
1 Central Avenue
Sittingbourne
Kent
ME10 4AE

7 December 2021

SKILLS FOR LIFE TRUST

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021**

		31.8.21	31.8.20			
	Notes	Unrestricted fund £	Restricted funds £	Restricted fixed asset funds £	Total funds £	Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and capital grants	3	3,808	-	554,036	557,844	7,674,746
Charitable activities						
Funding for the academy's educational operations	4	-	18,571,696	-	18,571,696	17,040,818
Other trading activities	5	454,754	8,101	-	462,855	466,497
Investment income	6	107	14	-	121	3,616
Total		458,669	18,579,811	554,036	19,592,516	25,185,677
EXPENDITURE ON Charitable activities						
Academy's educational operations	7	193,872	19,862,802	1,163,064	21,219,738	19,128,504
Total		193,872	19,862,802	1,163,064	21,219,738	19,128,504
NET INCOME/(EXPENDITURE)		264,797	(1,282,991)	(609,028)	(1,627,222)	6,057,173
Transfers between funds	22	(10,204)	(132,776)	142,980	-	-
Other recognised gains/(losses)						
Actuarial gains/(losses) on defined benefit schemes		-	(1,325,000)	-	(1,325,000)	(1,134,000)
Net movement in funds		254,593	(2,740,767)	(466,048)	(2,952,222)	4,923,173
RECONCILIATION OF FUNDS						
Total funds brought forward		264,426	(8,845,234)	39,348,156	30,767,348	25,844,175
TOTAL FUNDS CARRIED FORWARD		519,019	(11,586,001)	38,882,108	27,815,126	30,767,348

The notes form part of these financial statements

SKILLS FOR LIFE TRUST**BALANCE SHEET**
31 AUGUST 2021

	Notes	31.8.21 £	31.8.20 £
FIXED ASSETS			
Tangible assets	14	38,820,356	39,057,411
CURRENT ASSETS			
Stocks	15	3,908	3,908
Debtors	16	987,039	1,070,207
Cash at bank and in hand		<u>1,203,312</u>	<u>2,067,313</u>
		2,194,259	3,141,428
CREDITORS			
Amounts falling due within one year	17	(1,463,296)	(2,154,983)
		<u>730,963</u>	<u>986,445</u>
NET CURRENT ASSETS			
		39,551,319	40,043,856
TOTAL ASSETS LESS CURRENT LIABILITIES			
CREDITORS			
Amounts falling due after more than one year	18	(58,193)	(89,508)
PENSION LIABILITY	23	(11,678,000)	(9,187,000)
		<u>27,815,126</u>	<u>30,767,348</u>
NET ASSETS			

The notes form part of these financial statements

SKILLS FOR LIFE TRUST

BALANCE SHEET - continued
31 AUGUST 2021

	Notes	31.8.21 £	31.8.20 £
FUNDS	22		
Restricted funds:			
General Annual Grant		32,024	296,360
Other DfE/ESFA grants		7,627	-
Pension reserve		(11,678,000)	(9,187,000)
School voluntary fund		52,349	45,406
Assets held for depreciation		38,754,780	39,057,411
Other capital grants		<u>127,327</u>	<u>290,745</u>
		<u>27,296,107</u>	<u>30,502,922</u>
Unrestricted income fund		<u>519,019</u>	<u>264,426</u>
TOTAL FUNDS		<u><u>27,815,126</u></u>	<u><u>30,767,348</u></u>

The financial statements were approved by the Board of Trustees and authorised for issue on 7 December 2021 and were signed on its behalf by:



Ms N King (CBE) - Trustee

SKILLS FOR LIFE TRUST**CASH FLOW STATEMENT**
FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	31.8.21 £	31.8.20 £
Cash flows from operating activities			
Cash generated from operations	1	(458,306)	134,660
Interest paid		<u>(2,527)</u>	<u>(1,622)</u>
Net cash (used in)/provided by operating activities		<u>(460,833)</u>	<u>133,038</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(926,010)	(1,810,723)
Capital grants from DfE/EFA		554,036	1,004,018
Interest received		<u>121</u>	<u>3,616</u>
Net cash used in investing activities		<u>(371,853)</u>	<u>(803,089)</u>
Cash flows from financing activities			
Loan repayments in year		<u>(31,315)</u>	<u>(32,294)</u>
Net cash used in financing activities		<u>(31,315)</u>	<u>(32,294)</u>
Change in cash and cash equivalents in the reporting period			
Cash and cash equivalents at the beginning of the reporting period	2	<u>2,067,313</u>	<u>2,769,658</u>
Cash and cash equivalents at the end of the reporting period	2	<u><u>1,203,312</u></u>	<u><u>2,067,313</u></u>

The notes form part of these financial statements

SKILLS FOR LIFE TRUST

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 AUGUST 2021

1. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.8.21 £	31.8.20 £
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(1,627,222)	6,057,173
Adjustments for:		
Depreciation charges	1,163,065	1,084,959
Capital grants from DfE/ESFA	(554,036)	(1,004,018)
Interest received	(121)	(3,616)
Interest paid	2,527	1,622
Assets donated to the trust	-	(6,652,907)
Decrease in stocks	-	148
Decrease/(increase) in debtors	83,168	(790,488)
(Decrease)/increase in creditors	(691,687)	635,787
Difference between pension charge and cash contributions	<u>1,166,000</u>	<u>806,000</u>
Net cash (used in)/provided by operations	<u>(458,306)</u>	<u>134,660</u>

2. ANALYSIS OF CASH AND CASH EQUIVALENTS

	31.8.21 £	31.8.20 £
Cash in hand	917	917
Notice deposits (less than 3 months)	<u>1,202,395</u>	<u>2,066,397</u>
Total cash and cash equivalents	<u>1,203,312</u>	<u>2,067,313</u>

SKILLS FOR LIFE TRUST

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2021

3. **ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.9.20 £	Cash flow £	At 31.8.21 £
Net cash			
Cash at bank and in hand	<u>2,067,313</u>	<u>(864,001)</u>	<u>1,203,312</u>
	<u>2,067,313</u>	<u>(864,001)</u>	<u>1,203,312</u>
Debt			
Debts falling due within 1 year	(31,315)	-	(31,315)
Debts falling due after 1 year	<u>(89,508)</u>	<u>31,315</u>	<u>(58,193)</u>
	<u>(120,823)</u>	<u>31,315</u>	<u>(89,508)</u>
Total	<u>1,946,490</u>	<u>(832,686)</u>	<u>1,113,804</u>

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. ACCOUNTING POLICIES

Basis of preparing the 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.

Going concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements. As part of this assessment the trustees have taken account of the impact on its finances as a result of the COVID-19 pandemic and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

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

Grants

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

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

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grant are reflected in the balance 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 it is probable that the income will be received and the amount can be measured reliably.

Other income

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

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021

1. ACCOUNTING POLICIES - continued

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 stock and 'Income from other trading activities'. Upon sale, the value of 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 Trust

Where assets and liabilities are received on the transfer of an existing academy into the trust, the transferred net 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 trust. An equal amount of income is recognised for the transfer of an existing academy into the trust within donations and capital grant income to the net assets acquired.

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 a 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 trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Charitable activities

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

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021

1. ACCOUNTING POLICIES - continued

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 to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted fund, 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 straight-line basis over its estimated useful life, as follows:

Buildings	- Straight line over 50 years
Land	- Over the term of the lease - Not depreciated if owned
Furniture and Equipment	- Straight line over 3 - 5 years
Computers	- Straight line over 3 years
Motor Vehicles	- Straight line over 5 years
Improvements to Property	- Straight line over 50 years

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.

Leased assets

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

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.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021

1. ACCOUNTING POLICIES - continued

Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost 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.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

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 items.

Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by 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.

Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education and Skills Funding Agency/Department for Education and other 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 Education and Skills Funding Agency and Kent County Council.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021

1. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

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

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 trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions 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 trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to 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 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.

Liabilities

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

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 excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The 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 28.

Provisions

Provisions are recognised when the academy trust 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.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021****2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, 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 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 judgement

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.

3. DONATIONS AND CAPITAL GRANTS

	31.8.21	31.8.20
	£	£
Donations	3,808	6,670,728
Grants	<u>554,036</u>	<u>1,004,018</u>
	<u>557,844</u>	<u>7,674,746</u>

Grants received, included in the above, are as follows:

	31.8.21	31.8.20
	£	£
Devolved Capital Grant	76,312	65,874
School condition allocations	477,724	465,812
Other capital grants	<u>-</u>	<u>472,332</u>
	<u>554,036</u>	<u>1,004,018</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021**

4. FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	31.8.21 Total funds £	31.8.20 Total funds £
DfE/ESFA grants				
General Annual Grant(GAG)	-	15,192,692	15,192,692	14,127,161
Other DfE/ESFA Grants	-	867,514	867,514	814,573
Pupil Premium	-	998,484	998,484	904,347
Teachers pension grant	-	530,563	530,563	306,471
	-	<u>17,589,253</u>	<u>17,589,253</u>	<u>16,152,552</u>
Other Government grant				
Local Authority grants	-	579,614	579,614	730,656
COVID-19 additional funding (DfE/ESFA)				
Catch-up premium	-	214,640	214,640	-
Other COVID-19 funding	-	175,172	175,172	-
COVID-19 additional funding (non-DfE/ESFA)				
Coronavirus job retention scheme grant	-	-	-	2,886
Other COVID-19 funding	-	-	-	37,385
	-	<u>969,426</u>	<u>969,426</u>	<u>770,927</u>
Other income from the academy trust's educational operations	-	<u>13,017</u>	<u>13,017</u>	<u>117,339</u>
	-	<u><u>18,571,696</u></u>	<u><u>18,571,696</u></u>	<u><u>17,040,818</u></u>

The academy received £214,640 of funding for catch up premium, £37,385 Covid-19 Support, £95,097 Supplementary and £42,690 for mass testing. The costs incurred in respect of this funding totalled £389,812. These costs are included in notes 7 and 8 below as appropriate.

SKILLS FOR LIFE TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 AUGUST 2021

4. FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS - continued

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department for Education and ESFA, the academy trust's funding for Pupil Premium and Teachers Pensions' Grant is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

In 2020 the academy trust was eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "COVID-19 additional funding (non-DfE/ESFA)".

- The funding received for coronavirus exceptional support covers of £nil (2020: £37,385) of health and safety, hygiene services, cleaning materials and utility costs for extended opening hours. These costs are included in notes 7 and 8 below as appropriate.
- The academy furloughed a member of staff under the government's CJRS. The funding received during year of £nil (2020: £2,886) relates to staff costs in respect of one member of staff, who left the Trust to work outside of teaching but for whom their start date with their new employer was delayed due to coronavirus and accordingly they were re-employed as was allowable under the CJRS rules, which are included within notes 7, 8 and 10 below as appropriate.

5. OTHER TRADING ACTIVITIES

	31.8.21	31.8.20
	£	£
Other Income	350,288	299,564
Hire of facilities	<u>112,567</u>	<u>166,933</u>
	<u>462,855</u>	<u>466,497</u>

6. INVESTMENT INCOME

	31.8.21	31.8.20
	£	£
Deposit account interest	<u>121</u>	<u>3,616</u>

7. EXPENDITURE

	Non-pay expenditure			31.8.21	31.8.20
	Staff costs	Premises	Other costs	Total	Total
	£	£	£	£	£
Charitable activities					
Academy's educational operations					
Direct costs	11,187,777	781,479	863,759	12,833,015	11,966,969
Allocated support costs	<u>5,657,623</u>	<u>1,391,992</u>	<u>1,337,108</u>	<u>8,386,723</u>	<u>7,161,535</u>
	<u>16,845,400</u>	<u>2,173,471</u>	<u>2,200,867</u>	<u>21,219,738</u>	<u>19,128,504</u>

SKILLS FOR LIFE TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 AUGUST 2021

7. EXPENDITURE - continued

Net income/(expenditure) is stated after charging/(crediting):

	31.8.21	31.8.20
	£	£
Auditors' remuneration	15,599	20,923
Auditors' remn - non-audit	4,785	5,400
Depreciation - owned assets	<u>1,163,065</u>	<u>1,084,959</u>

8. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds	Restricted funds	31.8.21 Total funds	31.8.20 Total funds
	£	£	£	£
Direct costs	133,630	12,699,385	12,833,015	11,966,969
Support costs	<u>60,242</u>	<u>8,326,481</u>	<u>8,386,723</u>	<u>7,161,535</u>
	<u>193,872</u>	<u>21,025,866</u>	<u>21,219,738</u>	<u>19,128,504</u>

	31.8.21 Total	31.8.20 Total
	£	£
Analysis of support costs		
Support staff costs	5,657,623	4,958,882
Depreciation – excluding building depreciation	27,386	23,587
Technology costs	12,628	11,370
Premises costs – including building depreciation	1,391,992	874,153
Other support costs	1,276,710	1,267,220
Governance costs	<u>20,384</u>	<u>26,323</u>
Total support costs	<u>8,386,723</u>	<u>7,161,535</u>

9. TRUSTEES' REMUNERATION AND BENEFITS

The CEO and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff, 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 the trustees' remuneration and other benefits was as follows:

Mr Andy Reese (CEO and Staff Trustee):

Remuneration £135,000 - £140,000, (2020: £130,000 - £135,000)

Employer's pension contributions £30,000 - £35,000, (2020: £30,000 - £35,000)

Mrs E Roche (Trustee):

Remuneration £Nil - £5,000, (2020: N/A)

Employer's pension contributions £Nil - £5,000, (2020: N/A)

SKILLS FOR LIFE TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 AUGUST 2021

9. TRUSTEES' REMUNERATION AND BENEFITS - continued

Mrs E Roche, a trustee, has been temporarily employed as facilities administrator for Skills for Life Trust during the year ended 31 August 2021.

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

Trustees' expenses

During the period ended 31 August 2021, a total of £482.97 reimbursed to trustees (2020: £nil) in their role as trustees.

10. STAFF COSTS

	31.8.21	31.8.20
	£	£
Wages and salaries	11,930,435	11,414,817
Social security costs	1,207,678	963,986
Operating costs of defined benefit pension schemes	<u>3,575,603</u>	<u>2,836,893</u>
	16,713,716	15,215,696
Supply teacher costs	<u>131,684</u>	<u>24,213</u>
	<u>16,845,400</u>	<u>15,239,909</u>

The average number of persons (including senior management team) employed by the academy trust during the year was as follows:

	31.8.21	31.8.20
Teachers and education support	257	257
Administration and support	69	63
Management	<u>29</u>	<u>29</u>
	<u>355</u>	<u>349</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021

10. STAFF COSTS - continued

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

	31.8.21	31.8.20
£60,001 - £70,000	7	4
£70,001 - £80,000	3	2
£80,001 - £90,000	1	-
£90,001 - £100,000	1	1
£130,001 - £140,000	1	1
	<u>13</u>	<u>8</u>

All of the above employees participated in the Teachers' Pension Scheme except for one employee who is enrolled in the LGPS. During the year ended 31 August 2021, pension contributions for these staff amounted to £235,498 (2020 £147,106).

Key Management Personnel

The key management personnel of the academy trust comprise the trustees and the senior leadership team as listed on pages 1 and 2. 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 trust was £2,225,377 (2020: £2,046,511).

11. 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.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Restricted fixed asset funds £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and capital grants	17,821	-	7,656,925	7,674,746
Charitable activities				
Funding for the academy's educational operations	4,684	17,036,134	-	17,040,818
Other trading activities	420,795	32,414	13,288	466,497
Investment income	<u>3,602</u>	<u>14</u>	<u>-</u>	<u>3,616</u>
Total	446,902	17,068,562	7,670,213	25,185,677
EXPENDITURE ON				
Charitable activities				
Academy's educational operations	261,517	17,782,027	1,084,960	19,128,504
Total	<u>261,517</u>	<u>17,782,027</u>	<u>1,084,960</u>	<u>19,128,504</u>
NET INCOME/(EXPENDITURE)	185,385	(713,465)	6,585,253	6,057,173
Transfers between funds	<u>(106,311)</u>	<u>(379,902)</u>	<u>486,213</u>	<u>-</u>
Other recognised gains/(losses)				
Actuarial gains/(losses) on defined benefit schemes	<u>-</u>	<u>(1,134,000)</u>	<u>-</u>	<u>(1,134,000)</u>
Net movement in funds	79,074	(2,227,367)	7,071,466	4,923,173
RECONCILIATION OF FUNDS				
Total funds brought forward	185,352	(6,617,866)	32,276,689	25,844,175
TOTAL FUNDS CARRIED FORWARD	<u><u>264,426</u></u>	<u><u>(8,845,233)</u></u>	<u><u>39,348,155</u></u>	<u><u>30,767,348</u></u>

SKILLS FOR LIFE TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 AUGUST 2021

13. CENTRAL SERVICES

The Trust has provided the following central services during the year:

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

The Trust charges each individual academy a flat percentage of 7.5% of GAG income.

The actual amounts charged during the year were as follows:

	Year Ended 31.08.21 £	Year Ended 31.8.20 £
Greenacre Academy	388,602	316,938
Warren Wood Primary Academy	139,925	82,502
Chantry Community Academy	127,479	91,055
Hilltop Primary Academy	115,815	80,025
Walderslade Girls' School	<u>344,687</u>	<u>253,989</u>
Funding carried forward 31 August 2021	<u>1,116,508</u>	<u>824,509</u>

SKILLS FOR LIFE TRUST**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021****14. TANGIBLE FIXED ASSETS**

	Freehold property £	Long leasehold £	Improvements to property £	Plant and machinery £
COST				
At 1 September 2020	2,833,000	34,338,457	4,670,530	169,284
Additions	-	-	691,624	-
At 31 August 2021	<u>2,833,000</u>	<u>34,338,457</u>	<u>5,362,154</u>	<u>169,284</u>
DEPRECIATION				
At 1 September 2020	348,053	2,776,890	164,586	169,284
Charge for year	<u>56,660</u>	<u>669,843</u>	<u>132,265</u>	<u>-</u>
At 31 August 2021	<u>404,713</u>	<u>3,446,733</u>	<u>296,851</u>	<u>169,284</u>
NET BOOK VALUE				
At 31 August 2021	<u>2,428,287</u>	<u>30,891,724</u>	<u>5,065,303</u>	<u>-</u>
At 31 August 2020	<u>2,484,947</u>	<u>31,561,567</u>	<u>4,505,944</u>	<u>-</u>
	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1 September 2020	1,299,163	10,500	890,131	44,211,065
Additions	<u>22,728</u>	<u>-</u>	<u>211,658</u>	<u>926,010</u>
At 31 August 2021	<u>1,321,891</u>	<u>10,500</u>	<u>1,101,789</u>	<u>45,137,075</u>
DEPRECIATION				
At 1 September 2020	1,114,607	6,000	574,234	5,153,654
Charge for year	<u>83,972</u>	<u>1,800</u>	<u>218,525</u>	<u>1,163,065</u>
At 31 August 2021	<u>1,198,579</u>	<u>7,800</u>	<u>792,759</u>	<u>6,316,719</u>
NET BOOK VALUE				
At 31 August 2021	<u>123,312</u>	<u>2,700</u>	<u>309,030</u>	<u>38,820,356</u>
At 31 August 2020	<u>184,556</u>	<u>4,500</u>	<u>315,897</u>	<u>39,057,411</u>

Included in cost or valuation of land and buildings is freehold land of £405,000 (2020 - £405,000) which is not depreciated.

SKILLS FOR LIFE TRUST**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021**

15. STOCKS	31.8.21	31.8.20
	£	£
Stock	<u>3,908</u>	<u>3,908</u>
16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	31.8.21	31.8.20
	£	£
Trade debtors	129,465	125,144
VAT	280,454	163,182
Prepayments and accrued income	<u>577,120</u>	<u>781,881</u>
	<u>987,039</u>	<u>1,070,207</u>
17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	31.8.21	31.8.20
	£	£
Other loans (see note 19)	31,315	31,315
Trade creditors	651,962	972,335
Social security and other taxes	302,560	261,914
Other creditors	250,921	114,957
Accruals and deferred income	<u>226,538</u>	<u>774,462</u>
	<u>1,463,296</u>	<u>2,154,983</u>

DEFERRED INCOME

	31.8.21	31.8.20
	£	£
Deferred income at 1 September 2020	114,750	157,683
Resources deferred in the year	93,153	114,750
Amounts released from previous periods	(114,750)	(157,683)
Deferred income at 31 August 2021	93,153	114,750

Deferred income at 31 August 2021 relates to rates grants received from the ESFA, Free School Meal grants received from the ESFA and Hub income which all relate to the year commencing 1 September 2020 (2020: £114,750).

SKILLS FOR LIFE TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 AUGUST 2021

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.8.21	31.8.20
	£	£
Other loans (see note 19)	<u>58,193</u>	<u>89,508</u>

19. LOANS

An analysis of the maturity of loans is given below:

	31.8.21	31.8.20
	£	£
Amounts falling due within one year on demand:		
Other loans	<u>31,315</u>	<u>31,315</u>
	<u>31,315</u>	<u>31,315</u>
Amounts falling between one and two years:		
Other loans - 1-2 years	<u>31,315</u>	<u>31,315</u>
Amounts falling due between two and five years:		
Other loans - 2-5 years	<u>26,878</u>	<u>58,193</u>

SALIX LOANS

The loans included in creditors are from Salix and are provided interest free on the following terms:

- A loan for £29,925 repayable over a 7-year duration, with 2 years remaining. Loan repayments of £4,246 per annum will pay off this loan.
- A loan of £24,640 repayable over a 7-year period, with 5 years remaining. Loan repayments of £3,520 per annum will pay off this loan.
- A loan for £88,210 repayable over a 7-year duration, with 5 years remaining. Loan repayments of £12,601 per annum will pay off this loan.
- A loan for £38,775 repayable over a 7-year duration, with 5 years remaining. Loan repayments of £4,848 per annum will pay off this loan.
- A loan for £42,700 repayable over a 7-year duration, with 3 years remaining. Loan repayments of £6,100 per annum will pay off this loan.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021**

20. MEMBERS' LIABILITY

Each member of the academy trust undertakes to contribute to the assets of the 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.

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

			31.8.21
		Restricted fixed asset funds	
	Unrestricted fund	Restricted funds	Total funds
	£	£	£
Fixed assets	-	-	38,820,356
Current assets	519,019	1,523,980	151,260
Current liabilities	-	(1,431,980)	(31,316)
Long term liabilities	-	-	(58,193)
Pension liability	-	(11,678,000)	-
	<u>519,019</u>	<u>(11,586,000)</u>	<u>38,882,107</u>
			<u>27,815,126</u>

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

			31.8.20
		Restricted fixed asset funds	
	Unrestricted fund	Restricted funds	Total funds
	£	£	£
Fixed assets	-	-	39,057,411
Current assets	264,426	2,302,252	411,568
Current liabilities	-	(1,960,486)	(31,315)
Long term liabilities	-	-	(89,508)
Pension liability	-	(9,187,000)	-
	<u>264,426</u>	<u>(8,845,234)</u>	<u>39,348,156</u>
			<u>30,767,348</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021

22. MOVEMENT IN FUNDS

	At 1.9.20 £	Net movement in funds £	Transfers between funds £	At 31.8.21 £
Restricted general funds				
General Annual Grant	296,360	(144,013)	(120,323)	32,024
Other DfE/ESFA grants	-	13,327	(5,700)	7,627
Pension reserve	(9,187,000)	(2,491,000)	-	(11,678,000)
Other government grants	-	9,754	(9,754)	-
School voluntary fund	45,406	3,942	3,001	52,349
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
	<u>30,502,922</u>	<u>(3,217,019)</u>	<u>10,204</u>	<u>27,296,107</u>
Unrestricted fund				
General fund	264,426	264,797	(10,204)	519,019
	<u>264,426</u>	<u>264,797</u>	<u>(10,204)</u>	<u>519,019</u>
TOTAL FUNDS	<u>30,767,348</u>	<u>(2,952,222)</u>	<u>-</u>	<u>27,815,126</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Restricted general funds				
General Annual Grant	15,192,692	(15,336,705)	-	(144,013)
Other DfE/ESFA grants	888,645	(875,318)	-	13,327
Pension reserve	-	(1,166,000)	(1,325,000)	(2,491,000)
Pupil Premium	998,484	(998,484)	-	-
Other government grants	579,614	(569,860)	-	9,754
School voluntary fund	13,031	(9,089)	-	3,942
Assets held for depreciation	-	(1,163,065)	-	(1,163,065)
Other capital grants	554,036	-	-	554,036
Teachers' Pension Grant	530,563	(530,563)	-	-
Catch-up premium	214,640	(214,640)	-	-
Other DfE/ESFA COVID-19 funding	162,142	(162,142)	-	-
	<u>19,133,847</u>	<u>(21,025,866)</u>	<u>(1,325,000)</u>	<u>(3,217,019)</u>
Unrestricted fund				
General fund	458,669	(193,872)	-	264,797
	<u>458,669</u>	<u>(193,872)</u>	<u>-</u>	<u>264,797</u>
TOTAL FUNDS	<u>19,592,516</u>	<u>(21,219,738)</u>	<u>(1,325,000)</u>	<u>(2,952,222)</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021**

22. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.9.19 £	Net movement in funds £	Transfers between funds £	At 31.8.20 £
Restricted general funds				
General Annual Grant	594,006	82,256	(379,902)	296,360
Pension reserve	(7,247,000)	(1,940,000)	-	(9,187,000)
School voluntary fund	35,128	10,278	-	45,406
Assets held for depreciation	31,678,740	5,567,948	1,810,723	39,057,411
Other capital grants	597,949	1,017,306	(1,324,510)	290,745
	<u>25,658,823</u>	<u>4,737,788</u>	<u>106,311</u>	<u>30,502,922</u>
Unrestricted fund				
General fund	185,352	185,385	(106,311)	264,426
	<u>185,352</u>	<u>185,385</u>	<u>(106,311)</u>	<u>264,426</u>
TOTAL FUNDS	<u>25,844,175</u>	<u>4,923,173</u>	<u>-</u>	<u>30,767,348</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Restricted general funds				
General Annual Grant	14,127,161	(14,044,905)	-	82,256
Other DfE/ESFA grants	817,305	(817,305)	-	-
Pension reserve	-	(806,000)	(1,134,000)	(1,940,000)
Pupil Premium	904,347	(904,347)	-	-
Other government grants	730,656	(730,656)	-	-
School voluntary fund	142,351	(132,073)	-	10,278
Assets held for depreciation	6,652,907	(1,084,959)	-	5,567,948
Other capital grants	1,017,306	-	-	1,017,306
Teachers' Pension Grant	306,471	(306,471)	-	-
Coronavirus Job Retention Scheme grant	2,886	(2,886)	-	-
Other COVID-19 funding	37,385	(37,385)	-	-
	<u>24,738,775</u>	<u>(18,866,987)</u>	<u>(1,134,000)</u>	<u>4,737,788</u>
Unrestricted fund				
General fund	446,902	(261,517)	-	185,385
	<u>446,902</u>	<u>(261,517)</u>	<u>-</u>	<u>185,385</u>
TOTAL FUNDS	<u>25,185,677</u>	<u>(19,128,504)</u>	<u>(1,134,000)</u>	<u>4,923,173</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021****22. MOVEMENT IN FUNDS - continued****General Annual Grant (GAG)**

Funds must be used for the normal running costs of the Academy. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2021.

Other restricted general funds

Funding is provided by Government grants in addition to the GAG which must be used for the provision of education for special needs purposes and other specified activities.

Other restricted general funds

Funding is provided by Government grants in addition to the GAG which must be used for the provision of education for special needs purposes and other specified activities.

Restricted fixed asset funds

Funding is provided by way of Government grants or capital expenditure from the GAG in order to acquire specified fixed assets for use by the Academy in achieving its educational objectives.

Unrestricted funds

Unrestricted funds can be used for any purpose at the discretion of the academy trust.

COVID-19 funding

During the year under review various funding streams were made available to the Academy to mitigate the educational impact of the pandemic and to support the mental health of our students. For example, study materials were distributed to students to assist with their on-line learning, as well as support in connecting to the on-line facilities and programmes that were made available to the students. Funds were received, including through the use of the Coronavirus Job Retention Scheme, to support staff and maintain viability of employment during the COVID period.

Analysis of academies by fund balance

Fund balances at 31 August 2021 were allocated as follows:

	31.8.21	31.8.20
	£	£
Greenacre Academy	(78)	(10,879)
Warren Wood Primary Academy	670,196	425,721
Chantry Community Academy	934,975	711,003
Hilltop Primary Academy	(164,358)	(96,453)
Walderslade Girls' School	(166,354)	(127,810)
Central service	<u>(663,362)</u>	<u>(295,390)</u>
Total before fixed assets and pension reserve	<u>611,019</u>	<u>606,192</u>
Restricted fixed asset fund	38,882,107	39,348,156
Pension reserve	<u>(11,678,000)</u>	<u>(9,187,000)</u>
Total	<u>27,815,126</u>	<u>30,767,348</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021**

22. MOVEMENT IN FUNDS - continued

Deficits exist at three trust academies and within central services. The biggest driver of the deficit at Hilltop Primary Academy is the loss of lettings income over the past two years, plus a number of instances of maternity leave that required cover. Walderslade Girls' School, on joining the trust in Sept 2018, had a falling roll and a 'Requires Improvement' Ofsted rating, which stymied progress with pupil recruitment. A move to 'Good' in December 2019 and with more students recruited in the subsequent academic years, funding levels will improve. Talent identification has also been conducted across the trust, which has given Walderslade Girls' School a clear workforce plan that will help it match its funding levels with the correct level of staffing to achieve their curriculum plans, whilst returning to a balanced budget. Greenacre historically had taken a disproportionate amount of central costs, which has been rectified. Whilst this has returned Greenacre to a break even position, this had an impact on the central services budgets. As a result, the trust has taken progressive action to move to general annual grant pooling from September 2021, which ensures academy level budgets are proportionate given their size and scope, using integrated curriculum financial planning, whilst the central costs are adequately covered.

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)	31.08.21 Total	31.08.20 Total
	£	£	£	£	£	£
Greenacre Academy	3,795,538	1,024,408	132,722	694,108	5,646,776	5,667,202
Warren Wood Primary Academy	1,209,401	617,579	46,044	271,102	2,144,126	2,022,965
Chantry Community Academy	1,017,787	524,068	47,877	319,652	1,909,384	1,784,193
Hilltop Primary Academy	1,037,724	547,538	34,320	321,214	1,940,796	1,769,859
Walderslade Girls' School	3,549,722	776,039	136,233	620,443	5,082,437	4,841,897
Central services	577,605	2,167,991	16,849	570,711	3,333,156	1,957,429
	<u>11,187,777</u>	<u>5,657,623</u>	<u>414,045</u>	<u>2,797,230</u>	<u>20,056,675</u>	<u>18,043,545</u>

Included within Central services 'Other support staff costs' is £1,166,000 relating to the FRS 102 pension adjustment (2020: £673,000).

Transfers between funds

During the year the academy trust has used £10,204 of unrestricted income to fund fixed assets additions at certain schools. The academy trust has also, in accordance with its funding agreement, utilised £120,323 of GAG funds as a contribution towards the acquisition of fixed assets during the year. £5,700 has been transferred from Other DfE/ESFA grants to fixed assets to allocated monies received in relation to an insurance claim to cover the cost of the replacement item listed in additions. £9,754 was transferred from other government grants as a contribution towards the acquisition of fixed assets.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021

23. PENSION AND SIMILAR OBLIGATIONS

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by 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 to the period ended 31 March 2019.

Contributions amounting to £214,516 were payable to the schemes at 31 August 2021 (2020 - £172,113) 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 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. The assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the period amounted to £1,486,371 (2020 - £1,385,893).

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

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

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021

23. PENSION AND SIMILAR OBLIGATIONS - continued

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 2021 was £899,000 (2020 - £778,000), of which employer's contributions totalled £697,000 (2020 - £600,000). and employees' contributions totalled £202,000 (2020 - £178,000). The agreed contribution rates for future years are 21 per cent for employers and on a sliding scale of 5.50 to 12.50 per cent for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of an academy trust closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

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

	Defined benefit pension plans	
	31.8.21	31.8.20
	£	£
Current service cost	1,715,000	1,273,000
Net interest from net defined benefit asset/liability	141,000	128,000
Past service cost	-	-
Admin Costs	7,000	5,000
	<u>1,863,000</u>	<u>1,406,000</u>
Actual return on plan assets	<u>154,000</u>	<u>159,000</u>

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	31.8.21	31.8.20
	£	£
Opening defined benefit obligation	18,893,000	15,800,000
Current service cost	1,715,000	1,273,000
Contributions by scheme participants	202,000	178,000
Interest cost	302,000	292,000
Benefits paid	(218,000)	(170,000)
Remeasurements:		
Actuarial (gains)/losses from changes in demographic assumptions	(238,000)	(522,000)
Actuarial (gains)/losses from changes in financial assumptions	3,181,000	1,167,000
Other remeasurements	(337,000)	875,000
	<u>23,500,000</u>	<u>18,893,000</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021

23. PENSION AND SIMILAR OBLIGATIONS - continued

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	31.8.21	31.8.20
	£	£
Opening fair value of scheme assets	9,706,000	8,553,000
Contributions by employer	697,000	600,000
Contributions by scheme participants	202,000	178,000
Expected return	161,000	164,000
Actuarial gains/(losses)	(7,000)	(5,000)
Benefits paid	(218,000)	(170,000)
Remeasurements:		
Return on plan assets (excluding interest income)	1,281,000	495,000
Other remeasurements	-	(109,000)
	<u>11,822,000</u>	<u>9,706,000</u>

The amounts recognised in other recognised gains and losses are as follows:

	Defined benefit pension plans	
	31.8.21	31.8.20
	£	£
Actuarial (gains)/losses from changes in demographic assumptions	238,000	522,000
Actuarial (gains)/losses from changes in financial assumptions	(3,181,000)	(1,167,000)
Other remeasurements	337,000	(875,000)
Return on plan assets (excluding interest income)	1,281,000	495,000
Other remeasurements	-	(109,000)
	<u>(1,325,000)</u>	<u>(1,134,000)</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021

23. PENSION AND SIMILAR OBLIGATIONS - continued

The major categories of scheme assets as amounts of total scheme assets are as follows:

	Defined benefit pension plans	
	31.8.21	31.8.20
	£	£
Equities	7,739,000	6,287,000
Gilts	66,000	65,000
Other Bonds	1,641,000	1,253,000
Property	1,215,000	1,066,000
Cash	338,000	296,000
Absolute return fund	823,000	739,000
	<u>11,822,000</u>	<u>9,706,000</u>

The actual return on scheme assets was £1,442,000 (2020: £659,000)

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	31.8.21	31.8.20
Discount rate	1.65%	1.60%
Future salary increases	3.90%	3.25%
Future pension increases	2.90%	2.25%
CPI Increases	2.90%	2.25%
Commutation of pension to lump sums	50.00%	50.00%

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

Retiring today		
Males	21.6	21.8
Females	23.6	23.8
Retiring in 20 years		
Males	22.9	23.2
Females	25.1	25.2

Sensitivity analysis	31.8.21	31.8.20
	£	£
Discount rate +0.1%	22,912,000	18,420,000
Discount rate -0.1%	24,104,000	19,379,000
Mortality assumption - 1 year increase	24,433,000	19,583,000
Mortality assumption - 1 year decrease	22,603,000	18,277,000
CPI rate +0.1%	24,037,000	19,325,000
CPI rate -0.1%	22,977,000	18,472,000

SKILLS FOR LIFE TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued **FOR THE YEAR ENDED 31 AUGUST 2021**

24. CONTINGENT LIABILITIES

The trust may have a contingent liability in respect of term time annual leave calculation. During the previous year, certain trade unions began looking at potentially making claims against Kent and Medway based education employers regarding the calculation of term time only workers' annual leave. This has arisen across the Local Authorities as a whole and is not unique to this trust. The ultimate liability, if any, cannot be determined with any certainty and arises in respect of calculations of full-time equivalent hours of a small proportion of staff. It is possible that in the event of any claim the trust will be reimbursed for some or all of any liability arising. KCC have suggested that this will be the case, however Medway are not as advanced in their discussions with the unions. For these reasons, the trustees do not believe any liability should be included in the accounts for the year ended 31 August 2021.

25. CAPITAL COMMITMENTS

	31.8.21	31.8.20
	£	£
Contracted but not provided for in the financial statements	<u>103,184</u>	<u>213,000</u>

26. OPERATING LEASE COMMITMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.8.21	31.8.20
	£	£
Within one year	43,430	202,987
Between one and five years	<u>48,074</u>	<u>93,489</u>
	<u>91,504</u>	<u>296,476</u>

27. RELATED PARTY DISCLOSURES

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.

28. AGENCY ARRANGEMENTS

The academy trust distributes 16-19 bursary funds to students as an agent for the ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. In the accounting period ended 31 August 2021 the trust received £20,960 (2020: £23,146) and disbursed £21,509 (2020: £21,860) from the fund. An amount of £737 (2020: £1,286) is included in other creditors relating to undistributed funds that is repayable to ESFA.