
SKILLS AND EDUCATION GROUP
(A Company Limited by Guarantee)

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

SKILLS AND EDUCATION GROUP
(A Company Limited by Guarantee)

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SKILLS AND EDUCATION GROUP
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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2023

Trustees	S C Alton J P Beaty G Clipson MBE P A Eeles V A Hancock J Meenaghan Y Y Mellor A G Stott, Chair L J Tildsley T Hamilton-Dick (resigned 15 September 2023) L D Probert (resigned 20 October 2023)
Company registered number	02640936
Charity registered number	1004087
Registered office	Robins Wood House Robins Wood Road Aspley Nottingham NG8 3NH
Company Secretary	T De'Ath (appointed 7 December 2023) S Feneley-Lamb (resigned 7 December 2023)
Key management	Chief Executive: P A Eeles Deputy Chief Executive: S A Forbes
Independent auditors	Streets Audit LLP Tower House Lucy Tower Street Lincoln LN1 1XW
Bankers	Natwest 536 Valley Road Nottingham NG5 1FL
Solicitors	Bates Wells 10 Queen Street London EC4R 1BE

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

The Trustees present their annual report together with the audited financial statements of the Charity for the year from year 1 September 2022 to 31 August 2023. The Annual Report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective October 2019).

Objectives and activities

a. Policies and objectives

The Charity provides a range of service in furtherance of its charitable objective to support “the advancement of skills and education to improve the lives of individuals”. These services include:

- awarding and assessment services and qualifications regulated by CCEA (Northern Ireland), Ofqual, Qualification Wales and SQA (Scotland) on a national and international level
- awarding Access to HE Diplomas regulated by the Qualifications Approval Agency (QAA)
- awarding and assessment services for non-regulated skills and education programmes on a national and international level
- delivering end-point-assessment (EPA) services approved and regulated by the Institute for Apprenticeships and Technical Education (IfATE) and Ofqual
- the development and delivery of professional development programmes to meet the training needs of teaching and non-teaching staff across the further education sector
- customised training for colleges and training providers developing programmes to support and develop the professionalisation of the further education sector
- delivery of project-based activities to improve individuals knowledge on labour exploitation and modern slavery
- local, regional and national stakeholder engagement to inform and support policy developments and implementation
- championing social mobility, supporting learners with grants and support through a Foundation

The Charity's strategic aims adopted in support of these objectives are identified by an annual strategic planning process culminating in “Ambition 2025” setting out the strategy and direction of the charity to August 2025. This is supported by an annual process which sets out clear strategic targets for in-year achievement. Plans are agreed and monitored by the Board of Trustees.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Strategic report

Achievements and performance

a. Main achievements of the Charity

Achievements and performance delivering public benefit

The Charity is dedicated to making a positive impact on people's lives through education and skills-based training. It is guided by values of ethics, professionalism, teamwork, and a commitment to achieving educational, economic, and social advancement for all. The Charity, through its work, provides financial support to learners, access to professional development programmes, and other initiatives to support teaching, learning, assessment, and governance across the further education sector.

Professional Development

The Charity continues to provide high quality professional development programmes, networks, and conferences all of which aim to support the sectors workforce. The range of services provided is designed to enable the sector, and the staff that work within it, to enhance the lives of young people, adults, and the communities our members and non-members serve.

Professional development events were attended by 3,350 participants. The demand for in-house/bespoke training continues. Organisations are opting for more in-house delivery, this led to over 716 participants engaging in these types of programmes throughout 2022/23. Furthermore, our professional development services expanded internationally, and is helping to make a real impact in enhancing the quality of teaching and learning in countries like India and Sri Lanka.

The Charity's Conference also returned in May 2023. The fully booked event attracted over 300 delegates, including staff from across the further education and skills sector, 17 sponsors and exhibitors, and a delegation of international visitors from South Africa. Focusing on the theme of Levelling Up, the conference included keynote speeches, panel sessions, workshops, and an exhibition, with a range of speakers sharing their perspectives on how we can ensure equal opportunities across the country and how the further education and skills sector can contribute to this.

Work to support minority communities also continues in collaboration with the Foreign, Commonwealth and Development Office, Gangmasters and Labour Abuse Authority and the Home Office. This work focuses on increasing awareness within the Romanian community in the UK of their workers' rights under UK law to prevent labour exploitation. The programme successfully trained 271 members of the community over a four-week period and has been extended through to April 2025 with a target of reaching 4,000 members of the Romanian community.

Skills and Education Group Foundation

The Charity's Foundation champions social mobility by supporting learners and education providers through grants, advocacy, and recognition. It provides financial support to learners, staff, and providers, with the goal of expanding access to education, accelerating social mobility and building a fairer society. Through the Foundation's Learner Grants, Action Research Grants and Resource and Facilities Grants, the Charity gave a total of £89,059 in 2022/23.

The Foundation also appointed its first Ambassador, the Rt Hon. the Baroness Morgan of Cotes. Baroness Morgan is the former MP for Loughborough and served in government for eight years, where she held various senior Ministerial and Cabinet roles including Secretary of State for Education. In her role as Ambassador of the Foundation, Baroness Morgan will help champion the work of the Foundation and further strengthen the sectors contribution to social mobility.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Strategic report (continued)

Achievements and performance (continued)

Learner Grants

The Foundation's Learner Grant helps individuals to overcome social barriers and advance their skills and education, these grants are for applicants who demonstrate a commitment and willingness to achieve but face financial and/or social adversity. Through 2022/23, we supported and received:

- 588 applications
- Issued 106 grants benefiting 309 individuals
- Provided £58,294 in grant funding
- 72.4% of applicants were aged 16 to 35 and were either moving into employment or seeking further study at higher level
- 28.3% of applicants declared a learning difficulty/disability that impeded their learning
- 28.3% of applicants reported that their situation was having an adverse effect on their mental health
- 57.3% of applicants were white British and 42.7% of applicants were from BAME groups.

Grants help provide learners with digital equipment like laptops and tablet devices, transportation costs, educational resources and more. This enables learners to advance in their studies and prevents them from being excluded and at a disadvantage in comparison to their peers.

Action Research Grants

Action Research Grants up to £6,000 to support action research projects that improve practice, widen learner participation, and increase social inclusion across a breadth of student demographics. During 2022/23, the Foundation issued:

- Four grants totaling £24,000 across eight-member organisations
- Action Research Projects engaged 314 staff and 243 learners
- Engaged 26 stakeholder organisations – local authorities, employers, schools and more

Projects included activities aimed at helping retention of English and maths students of lower socio-economic backgrounds, improving inclusion for learners with special educational needs and disabilities and more.

Resource and Facilities Grants

The Resource and Facilities Grants provide up to £2,000 to deliver material improvements at learning providers. These grants can be used to fund time-limited projects with clear physical outcomes, or to renew or improve resources or facilities. They support applicants in mitigating a problem that is negatively affecting the experience of their learners or the ability of their colleagues to deliver high-quality teaching. During 2022/23, the Foundation provided:

- 9 grants totaling £13,000
- Supported 102 staff
- Benefitted 1,704 learners

One of the grants issued in 2022/23 helped create a sensory garden at York College for learners from hard-to-reach backgrounds. The purpose of the sensory garden was to create a space and atmosphere that was fun, vibrant, stimulating, relaxing, and educating that provided a calming environment for these learners to complete their studies, engage with nature and leave the stressors of everyday life behind.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Strategic report (continued)

Achievements and performance (continued)

Awarding Services

The Charity's awarding services are delivered through Skills and Education Awards and BIIAB Qualifications Limited (BIIAB). Skills and Education Group Awards is a leading national awarding organisation with a long-established reputation for providing high quality support and services to the education sector regulated by CCEA, Ofqual and Qualifications Wales.

BIIAB is an awarding and end-point assessment organisation of choice for work-based learning providers, employers, and the further education sector with a focus on licence to practice qualifications and the hospitality sector. BIIAB is regulated by CCEA, Ofqual, Qualifications Wales and SQA.

During 2022/23 our awarding services collectively certificated 83,840 qualifications from 100,440 registrations. The collective market share increased, and the Charity's awarding services became the eleventh largest awarding organisation for regulated delivery in England. The Charity's awarding services continue to deliver licence to practice qualifications across APLH, CPC, MOT, SCPLH, and Security. BIIAB became the largest market share holder for Door Supervisor qualifications and retained its share of the market for APLH qualifications. Equally, Skills and Education Group Awards continued to be the market leader for MOT qualifications.

Skills and Education Group Awards

Skills and Education Group Awards portfolio continues to offer 259 qualifications across 18 sectors. New sectors for 2022/23 include computing and software, construction and ESOL. It continues to develop and expand upon its current portfolio with new qualifications added in animal care, youth work and more. New qualifications are developed in partnership with employer to ensure they meet industry needs and align to new government reforms.

Skills and Education Group Awards also continue to be market leaders in offering MOT qualifications and training. During 2022/23, 32,989 MOT Testers sat their annual assessment with Skills and Education Group Awards, in addition to this, it helped 3,040 new and existing MOT Testers to progress and start their careers in this industry.

2022/23 was also a year of celebration for Skills and Education Group Awards, as it gained recognition for developing its Level 1 Award in Workers' Rights and Labour Exploitation. The qualification won Collaboration of the Year Award for its work in developing the qualification with the Gangmasters and Labour Abuse Authority, Boston College, and the University of Nottingham's Rights Lab. The qualification continues to have significant impact and is helping to prevent 1,000's of individuals from being victims of labour exploitation on an annual basis.

In numbers, Skills and Education Group Awards delivered the following:

- 25,991 registrations across its regulated portfolio
- 16,535 qualifications certificated
- 13,302 were male learners
- 10,515 were female learners
- 2,174 learners did not associate to a gender
- The youngest learner was 12
- The eldest learner was 101.

Aside from qualification delivery, Skills and Education Group Awards continue to grow its end-point assessment

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Strategic report (continued)

Achievements and performance (continued)

portfolio and it now offers 20 standards. It continues to specialise in a range of sectors, and has developed new resources for learners, employers, and training providers. Skills and Education Group Awards is passionate about apprenticeships and aims to do the very best to ensure apprentices have the very best start to their careers. During 2022/23, it delivered the following:

- A new end-point assessment system for its providers
- Developed new, collaborative partnerships with other organisations
- Won new business
- Contributed to the Federation of Awarding Bodies End-Point Assessment Organisation's Guide to Good Practice
- Created 9 new standards
- Supported 113 apprentices through Gateway.

Wrapping up a busy 2022/23, Skills and Education Group Awards went global. It gained recognition through the Knowledge and Human Development Agency (KHDA) to deliver qualifications and assessments in Dubai and the wider UAE; and gained recognition with the Tertiary and Vocational Education Commission in Sri Lanka.

Skills and Education Group Awards, in association with UK Awards, forged new partnerships with education providers in Dubai, India, Sri Lanka, and Turkey accrediting high quality assessments and Ofqual regulated qualifications allowing Skills and Education Group Awards to reach thousands more learners, and strengthen the bonds between the UK and overseas providers in the pursuit of advancing social mobility.

BIIAB

BIIAB continues to diversify its portfolio in line with government reforms. Its existing portfolio consists of 164 qualifications. The portfolio of qualifications continues to thrive, which led to significant growth across several sectors despite no new qualifications being developed. 2022/23 was a year of restoration, with huge aspects of BIIAB's portfolio being refreshed and redeveloped.

BIIAB saw significant growth in its security provision. It successfully grew its market share in this area by 12.64% on 2021/22 to become the third largest awarding organisation in this sector. Furthermore, BIIAB became the leading awarding organisation for Door Supervisor qualifications, growing its market share by 10.61%. It went from certificating 10,600 learners in 2021/22 to 29,775 certifications in 2022/23. BIIAB also continued to increase its market share in the delivery of APLH qualifications and remains the number one awarding organisation. All these successes led to BIIAB becoming the fifteenth largest awarding organisation in England.

In numbers, BIIAB delivered the following:

- 82,197 registrations across its regulated portfolio
- 67,305 qualifications awarded
- 49,226 male learners
- 17,841 female learners
- 15,130 learners did not specify a gender
- The youngest learner was 12
- The eldest learner was 83.

Like Skills and Education Group Awards, BIIAB continues to deliver high quality end-point assessment services. It has maintained its current portfolio of 19 standards and added one new standard, giving it a total offer of 20 standards. Through BIIAB's end-point assessment services, it continues to develop and support high end

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Strategic report (continued)

Achievements and performance (continued)

hospitality professionals stepping into their first careers across several major reputable brands. During 2022/23 BIIAB supported and delivered the following:

- A new collaborative partnership with Elite Hospitality Assessment Professionals (EHAP), Stonegate Group (the largest pub company in the UK) and Umbrella Training
- A new end-point assessment system for its providers
- New educational resources for apprentices, employers and training providers
- Created one new standard
- Supported 497 apprentices through Gateway.

BIIAB is also venturing overseas and supporting the delivery of high quality provision through a unique collaboration with Unifree Dutyfree in Turkey. Through this collaboration BIIAB is endorsing four programmes for individuals working in one of the largest airport duty free outlets across the globe. Individuals accessing this provision gain a BIIAB accredited certificate to certify their ability to work in alcohol, liquor, tobacco, and retail industries.

Skills and Education Group Access

Skills and Education Group Access continues to have a strong social purpose to recognise achievement, particularly for those who have benefitted least from their educational experiences, through its work it supports the needs of individuals, providers, businesses, and communities by enabling progression into higher education through Access to HE Diplomas.

2022/23 has seen several positive developments for Skills and Education Group Access, including growth in the number of customers, and an increase in the number Diploma qualifications it validates. Much of this work has seen the development of a range of new online Access to HE Diplomas, which is now enabling Skills and Education Group Access to offer an alternative mode of delivery that complements the traditional classroom-based model and allows greater participation for adults who will benefit from wholly, flexible, remote courses.

Alongside development and growth, Skills and Education Group Access' priority has been to deliver an excellent service to its customers. It listened to feedback and implemented a new awarding management system and further invested in Access to HE by building a new, highly skilled and developed team. To add to the successes of 2022/23, Skills and Education Group Access reported a significantly higher number of learners achieving their Diploma qualifications than the national average.

Success for Skills and Education Group Access in 2022/23 looked like:

- 18 Access to HE Diplomas offered across 9 sectors
- 15 Providers delivered Access to HE Diplomas
- 1,322 Diplomas were awarded in 2022/23
- 2,921 learners registered on Diplomas
- Achievement rate for fulltime learners was 79.5%
- Retention rate for fulltime learners was 79.7%
- Fulltime student pass rate was 99.8%
- 71% of learners studying on an Access to HE Diploma were female
- 29% of learners studying on an Access to HE Diploma were male
- 65% of students were aged 19 to 29
- 35% of students were aged 35% +
- 46% of students studying on Access to HE learners were from areas of disadvantage (up 12% over 2021/22) in comparison to 28% of the national average

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Strategic report (continued)

Achievements and performance (continued)

- 12% of students received all distinctions
- 40% of students received some merits and distinctions.

2023/24 is set to be an exciting year for Skills and Education Group Access as it looks to continue to grow its market share.

b. Fundraising activities and income generation

The charitable group does not carry out any significant fundraising activities.

Financial review

a. Going concern

Trustees worked closely with the Executive Leadership Team to develop strategic and operational plans that support the sustained growth of the Group and its subsidiaries. Such plans included the development of new products and services, and the identification of resources needed to support current and future planned developments.

Based on this work, Trustees have a continuing reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Consequently, the Trustees continue to adopt the going concern basis of accounts in preparing the financial statements. Further details on the adoption of the going concern basis can be found in the accounting policies. This confidence is based on:

- An agile strategic approach that is responsive to external factors
- Accelerating the development and introduction e-learning applications and other technologies to support the launch of new products and services
- Detailed analysis of income and expenditure linked to realistic activity projections that are underpinned by a positive cash flow.

There are no new acquisitions in 2022/23 however the Charity is investing in new products, services, and the development of new markets on an international level to unlock expansion and growth opportunities.

b. Reserves policy

It is the policy of the Charity that unrestricted funds which have not been designated for a specific purpose should be maintained at a level necessary to provide a contingency to support day-to-day business activities in the event of reduced income and provide a strategic fund to develop and grow the Charity. Trustees also wish to build reserves to fulfil a Group-wide objective to support social mobility.

In line with best practice guidance, Trustees review the reserves policy each year and confirm that this level of reserve has been maintained.

It is the Charity's policy to work to building and maintaining reserves to:

- support the short, medium and long-term objectives of the Charity and its subsidiary charities
- re-invest any surplus funds to support, develop and expand the delivery of high-quality services
- re-invest any surplus funds to support activities that enable social mobility and provide a public benefit
- maintain sufficient reserves that are readily realisable to sustain operations as and when required

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- cover deficits, when arising, from general reserves
- mitigate the risks of unforeseen challenges, emergencies or other unexpected requirement for funds
- maintain designated funds that recognise funds that are to be used for a specific purpose
- cover statutory obligations to close and wind-up the charitable Charity's affairs in an orderly manner, when required.

Unrestricted funds at the end of the year were £4,794,852 (2022: £4,718,391).

Reserve	Purpose	Target Amount
Contingency	<ul style="list-style-type: none"> •Sustain business operations •Cover deficits •Mitigate the risks of unforeseen challenges and/or emergencies •Cover statutory obligations 	£1,400,000
Strategic	<ul style="list-style-type: none"> •Support short, medium and long- term objectives •Support growth •Invest in research and development for new products and services •Infrastructure development to support strategic growth including IT infrastructure and applications 	£500,000
Social Mobility	<ul style="list-style-type: none"> •Re-invest surplus funds to support social mobility and provide public benefit 	£140,000
Designated Pension Fund	<ul style="list-style-type: none"> •Designated fund recognising local government pension scheme deficit 	£Nil - per actuary valuation
Designated Fund - Third Party Contracts	<ul style="list-style-type: none"> •Funds for a designated purposed defined by contractual agreements with third parties (project-based activities) 	£100,000

c. Material investments policy

The Charity holds an ethical investment portfolio of listed securities with Brewin Dolphin. The current risk profile is low to moderate which reflects a focus on income over capital growth. The Trustees consider the investment to be long term with an objective to grow the income at least in-line with inflation. At the end of August 2023, the portfolio had a value of £353,818 (2022: £366,760).

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d. Principal risks and uncertainties

Trustees remain aware of the educational and political environment in which the Charity operates and recognise the challenges facing providers in the further education sector.

Key risks to the Charity are:

- A fast-changing political environment that has an impact on education policy and funding to support this
- Regulatory changes and a failure to respond to these in the way that is needed to ensure continuing compliance
- Failure to appropriately manage and store personal data leading to a data breach under the General Data Protections regulations.

Trustees are satisfied that the systems and review processes are in place to mitigate and manage the risks. Strategic risks are managed and monitored through risk registers; one for each of the subsidiaries within the Group. Risk registers are reviewed and updated by the Senior Leadership Team monthly and further reviewed by Trustees quarterly.

Risk registers are rated on a weighted likelihood and impact scale based on Charity Commission Guidance.

e. Financial performance and position

The Charity remains in a financially healthy position and continues to meet its agreed financial targets.

The Charity achieved a surplus of £191,585 (2022: £110,537), before taking into account losses on investments and other recognised gains and losses.

Total income was £6,086,650 and total expenditure was £5,895,065 and reflects the cost of servicing project activities, including the distribution of funds to FE providers enabling them to develop new approaches to teaching, learning and assessment.

Staff costs for the year were £3,203,729. Salaries and associated costs remain the primary cost to the Charity.

Net assets for the year were £4,794,852 compared with £4,718,391 in 2022.

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FOR THE YEAR ENDED 31 AUGUST 2023

Structure, governance and management

a. Constitution

The organisation is a charitable company limited by guarantee, which was set-up on 27 August 1991.

The company was set-up under a Memorandum of Association which established the objectives and powers of the charitable company and is governed under its Articles of Association. Its charitable objective is “the advancement of skills and education to improve the lives of individuals”.

Skills and Education Group is the parent charitable company of the group, which includes:

- Skills and Education Group Awards, a charitable company limited by guarantee:
Company Number 04117784
Charity Number 1086947
- Skills and Education Group Access a charitable company limited by guarantee:
Company Number 03773914
Charity Number 1088839
- BIIAB Qualifications Limited, a company limited by shares:
Company Number 10054831
- Quality Licence Scheme Limited (from 1 September 2021) a private company limited by guarantee without share capital:
Company Number 10051052

The Skills and Education Group delivers its products and services through a brand structure that maintains and protects the profile and reputation of the Charities/companies within its structure.

b. Methods of appointment or election of Trustees

There was three changes to the Board during the year:

- T Hamilton-Dick
- A Hardy
- L Probert

Trustees are recruited in accordance with the Articles of Association (revised, adopted 12 October 2021) section 18 – 21 which covers elected, co-opted, and subsidiary representative Directors.

All newly appointed Trustees complete a skills audit to ensure a balance of skills, knowledge, and experiences to support the development of the Charity. Trustee recruitment reflects ongoing and future skills and knowledge needs.

c. Organisational structure and decision-making policies

The Board of Trustees meets four times a year. Trustees:

- support the Chief Executive and Senior Leadership Team (SLT) to determine the strategic direction of the Charity and review annual strategic plans, business plans and Key Performance Indicators.
- approve annual budgets, receive and review quarterly management accounts to monitor and challenge performance

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TRUSTEES' REPORT (CONTINUED)
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Structure, governance and management (continued)

- review and monitor the strategic risk register to ensure that the appropriate controls are in place to mitigate risks
- ensure that appropriate governance review mechanisms are in place and that performance is reviewed and that Charity Commission guidance is followed.

The Chairs and Chief Executive meets four times a year, which enables the Chairs to have a collective and strategic oversight of the Charity. The Chairs of the Charity, Skills and Education Group Access, Skills and Education Group Awards and BIIAB Qualifications Limited are members of this Group.

The Group meets ahead of quarterly Board of Trustees meetings and provides a structure for the Chairs to review and monitor:

- the performance of the Chief Executive and the Senior Leadership Team
- financial performance for the Charity and take a holistic view of all entities within the Group structure
- performance against strategic and business plans the Charity and all other entities
- identify opportunities for growth and the approach that may be taken to progress these
- determine longer-term strategic direction to help shape plans and proposals for all Trustees to consider.

The Chief Executive is a Trustee of the Skills and Education Group, an appointment made under article 20 of the Skills and Education Group Articles.

Day-to-day management of the Charity is delegated to the Chief Executive, Paul Eeles, who is supported by Scott Forbes, as Deputy Chief Executive.

The Executive is supported by a Senior Leadership Team (SLT), who support the Chief Executive and Deputy Chief Executive with operational and strategic matters. The Senior Leadership Team comprises off:

- Helen Gibson, Interim Director of Product Strategy
- Elizabeth Humphrey-Talmey, Interim Director of Finance
- Kaye Jackson, Director of External Affairs
- Jennie Lawson, Director of Access to HE
- Karl Stringer, Director of Quality and Compliance

The Senior Leadership Team meets on a weekly basis, with an extended monthly meeting which focuses on overall Group strategy, finance, and HR matters.

A Senior Management Team (SMT) in addition to SLT meets monthly focusing on operational and departmental matters across the Group. The SMT is chaired by the Deputy Chief Executive and comprises of all SLT members, and Heads of services and functions from across the Skills and Education Group.

In addition to SMT, a monthly Scrutiny Group is held. This meeting is attended by the Executive and SLT. The meeting is chaired by the Deputy Chief Executive and is used to formerly review regulatory needs across all awarding functions within the Group.

The Deputy Chief Executive acts as the Data Protection Officer across the Group and is supported by members of the Senior Leadership Team.

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Structure, governance and management (continued)

d. Policies adopted for the induction and training of Trustees

Newly appointed Trustees receive an induction under the direction of the Chief Executive. This normally includes an introductory visit to Robins Wood House where there is an opportunity to meet with key staff to gain a detailed understanding of the Charity and the subsidiaries within this.

Trustees also complete a declaration of interest record and skills audit on appointment. Declarations are noted on the Register which is reviewed and updated on an annual basis. Trustees are also asked to state any interests at the start of each Board meeting.

e. Pay policy for key management personnel

Remuneration for the Chief Executive is determined by the Chairs of the Skills and Education Group and subsidiaries. The Chief Executive determines the remuneration for all staff, including the Deputy Chief Executive and Senior Leadership Team.

All annual cost of living pay awards for staff are subject to recommendation to and approval of the Board of Trustees.

f. Financial risk management

The Trustees have assessed the major risks to which the Group and the Charity are exposed, in particular those related to the operations and finances of the Group and the Charity, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

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Plans for future periods

Trustees continue to support “Ambition 2025”, challenging assumptions and using their skills and knowledge to define objectives and associated targets. Ambition 2025 is a strategic plan that articulates ten key priorities that will take the Charity forward. This redefined the Charity’s purpose, mission, and vision to reflect the expanded Group and the services that this now provides:

Purpose:

1. To support the development and delivery of further education and skills providers and their staff
2. Champion and support the social impact of the further education and skills sector
3. To develop and award industry relevant, high-quality qualifications, accreditations and end-point assessments
4. To be a national leader in Access to HE, awarding high quality Access to HE Diplomas that enable learners to progress into further study and/or employment.

Mission:

The advancement of skills and education to improve the lives of individuals.

Vision:

To provide high-quality services centred on collaboration, responsiveness, and diversity, supporting our members and customers to positively impact on the learners, communities, and sectors they serve to achieve their full potential, no matter what their age, background or ability.

The plans set annual key performance indicators in the context of a longer-term objectives:

- To see a growth in membership
- Increase the number of people participating in professional development events
- An increase in the uptake of grants to learners awarded through the Group’s Foundation
- Raise awareness of the charities work, through its Foundation, in widening participation and social mobility
- Grow the number of learners benefiting from a certificate form at least one of the charity’s awarding brands
- Grow the collective awarding share
- Ensure that a surplus is generated
- Explore international opportunities
- Ensure good staff engagement and satisfaction.

2022/23 has seen further progress towards achieving Ambition 2025. 2023/24 will build on these successes, and with the support of Trustees the Executive and Senior Leadership Team will work towards creating a new three-year strategy to 2027.

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Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Charity for the purposes of company law) are responsible for preparing the Trustees' Report including the Strategic Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 Group and the Charity and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

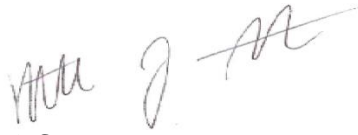
The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Charity and enable them to ensure that the financial statements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

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

Approved by order of the members of the board of Trustees on 2 May 2024 and signed on their behalf by:



A G Stott
(Chair of Trustees)

SKILLS AND EDUCATION GROUP
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SKILLS AND EDUCATION GROUP

Opinion

We have audited the financial statements of Skills and Education Group (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 August 2023 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charity Balance Sheet, the Consolidated Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

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 Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

SKILLS AND EDUCATION GROUP
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SKILLS AND EDUCATION GROUP
(CONTINUED)

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

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

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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.

SKILLS AND EDUCATION GROUP
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SKILLS AND EDUCATION GROUP
(CONTINUED)

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 Group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

SKILLS AND EDUCATION GROUP
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SKILLS AND EDUCATION GROUP
(CONTINUED)

Auditors' responsibilities for the audit of the financial statements

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

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

- 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 company through discussions with directors and other management, and from our commercial knowledge and experience of the company and sector in which it operates;
- 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 company, including the Companies Act 2006, Charities Act 2011, Ofqual and Qualifications Wales regulations, Council for the Curriculum, Examinations & Assessment (CCEA) regulations, employment law, General Data Protection Regulation (GDPR), Health & Safety and taxation 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 company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

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

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

SKILLS AND EDUCATION GROUP
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SKILLS AND EDUCATION GROUP
(CONTINUED)


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

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

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Robert Anderson BSc FCA (Senior Statutory Auditor)

for and on behalf of
Streets Audit LLP
Tower House
Lucy Tower Street
Lincoln
LN1 1XW

Date: 28 May 2024

SKILLS AND EDUCATION GROUP
(A Company Limited by Guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND
EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2023**

	Note	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:				
Charitable activities	4	3,151,534	3,151,534	3,456,419
Other trading activities	5	2,876,349	2,876,349	1,918,368
Investments	6	18,282	18,282	11,203
Other income	7	40,485	40,485	34,795
Total income		6,086,650	6,086,650	5,420,785
Expenditure on:				
Raising funds		2,641,879	2,641,879	1,405,189
Charitable activities	9	3,253,186	3,253,186	3,905,059
Total expenditure		5,895,065	5,895,065	5,310,248
Net income before net losses on investments		191,585	191,585	110,537
Net losses on investments		(15,124)	(15,124)	(28,642)
Net movement in funds before other recognised gains/(losses)		176,461	176,461	81,895
Other recognised gains/(losses):				
Derecognition of pension asset		70,000	70,000	(70,000)
Actuarial (losses)/gains on defined pension schemes		(170,000)	(170,000)	669,000
Foreign exchange losses		-	-	(508)
Net movement in funds		76,461	76,461	680,387
Reconciliation of funds:				
Total funds brought forward		4,718,391	4,718,391	4,038,004
Net movement in funds		76,461	76,461	680,387
Total funds carried forward		4,794,852	4,794,852	4,718,391

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 27 to 58 form part of these financial statements.

SKILLS AND EDUCATION GROUP
(A Company Limited by Guarantee)
REGISTERED NUMBER: 02640936

CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2023

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	14	1,577,582	1,039,805
Tangible assets	15	1,889,280	1,712,482
Investments	16	351,947	366,760
		<u>3,818,809</u>	<u>3,119,047</u>
Current assets			
Stocks	17	113,900	40,696
Debtors	18	1,222,129	1,416,522
Cash at bank and in hand		1,273,878	1,448,829
		<u>2,609,907</u>	<u>2,906,047</u>
Creditors: amounts falling due within one year	19	<u>(1,267,194)</u>	<u>(942,833)</u>
Net current assets		1,342,713	1,963,214
Total assets less current liabilities			
		<u>5,161,522</u>	<u>5,082,261</u>
Creditors: amounts falling due after more than one year	20	(269,670)	(363,870)
Net assets excluding pension liability / asset		<u>4,891,852</u>	<u>4,718,391</u>
Defined benefit pension scheme liability / asset	27	(97,000)	-
Total net assets		<u><u>4,794,852</u></u>	<u><u>4,718,391</u></u>

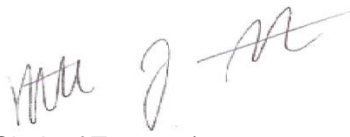
SKILLS AND EDUCATION GROUP
(A Company Limited by Guarantee)
REGISTERED NUMBER: 02640936

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2023

	Note	2023 £	2022 £
Charity funds			
Restricted funds	21	-	-
Unrestricted funds	21	4,794,852	4,718,391
Total funds		<u>4,794,852</u>	<u>4,718,391</u>

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorized for issue by the Trustees on 2 May 2024 and signed on their behalf by:



(Chair of Trustees) - **A G Stott**

The notes on pages 27 to 58 form part of these financial statements.

SKILLS AND EDUCATION GROUP
(A Company Limited by Guarantee)
REGISTERED NUMBER: 02640936

CHARITY BALANCE SHEET
AS AT 31 AUGUST 2023

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	14	96,613	66,987
Tangible assets	15	1,264,542	1,075,381
Investments	16	1,724,312	1,428,375
		3,085,467	2,570,743
Current assets			
Debtors	18	935,067	565,445
Cash at bank and in hand		44,254	125,879
		979,321	691,324
Creditors: amounts falling due within one year	19	(1,320,900)	(1,035,271)
Net current liabilities		(341,579)	(343,947)
Total assets less current liabilities		2,743,888	2,226,796
Creditors: amounts falling due after more than one year	20	(269,670)	(363,870)
Net assets excluding pension asset		2,474,218	1,862,926
Total net assets		2,474,218	1,862,926

SKILLS AND EDUCATION GROUP
(A Company Limited by Guarantee)
REGISTERED NUMBER: 02640936


CHARITY BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2023

	Note	2023 £	2022 £
Charity funds			
Restricted funds	21	-	-
Unrestricted funds	21	2,474,218	1,862,926
Total funds		<u>2,474,218</u>	<u>1,862,926</u>

The Charity's net movement in funds for the year was £611,292 (2022 - £(166,712)).

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorized for issue by the Trustees on 2 May 2024 and signed on their behalf by:


(Chair of Trustees) - **A G Stott**

The notes on pages 27 to 58 form part of these financial statements.

SKILLS AND EDUCATION GROUP
(A Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2023

	2023	2022
	£	£
Cash flows from operating activities		
Net cash used in operating activities	458,535	(235,990)
Cash flows from investing activities		
Dividends, interests and rents from investments	18,282	11,203
Purchase of intangible assets	(379,665)	(74,887)
Purchase of tangible fixed assets	(269,921)	(43,394)
Proceeds from sale of investments	76,518	62,842
Purchase of investments	(78,700)	(228,530)
Purchase of subsidiary	-	(200,000)
Net cash used in investing activities	(633,486)	(472,766)
Cash flows from financing activities		
Repayments of borrowing	-	(50,000)
Net cash provided by/(used in) financing activities	-	(50,000)
Change in cash and cash equivalents in the year	(174,951)	(758,756)
Cash and cash equivalents at the beginning of the year	1,448,829	2,207,585
Cash and cash equivalents at the end of the year	1,273,878	1,448,829

The notes on pages 27 to 58 form part of these financial statements

SKILLS AND EDUCATION GROUP
(A Company Limited by Guarantee)

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

1. General information

The Charity is a company limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. Its aim is the advancement of the education and training of young people and adults. Each of the Trustees is liable to contribute to an amount not exceeding £1 towards the assets of the parent charitable company in the event of liquidation.

The financial statements are prepared in pound sterling which is the functional currency of the entity.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements 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 October 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Skills and Education Group meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance Sheet consolidate the financial statements of the Charity and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis.

The Charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements.

2.2 Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

2.3 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

SKILLS AND EDUCATION GROUP
(A Company Limited by Guarantee)

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

2. Accounting policies (continued)

2.4 Expenditure

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

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.5 Research and development

Development costs are capitalised within intangible assets where they can be identified with a specific product or project anticipated to produce future benefits, and are amortised on the straight line basis over the anticipated life of the benefits arising from the completed product or project.

Deferred research and development costs are reviewed annually, and where future benefits are deemed to have ceased or to be in doubt, the balance of any related research and development is written off to the Consolidated Statement of Financial Activities.

2.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.7 Intangible assets and amortisation

Intangible assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

SKILLS AND EDUCATION GROUP
(A Company Limited by Guarantee)

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

2. Accounting policies (continued)

2.7 Intangible assets and amortisation (continued)

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

Amortisation is provided on the following bases:

Development expenditure	-	% not depreciated
Website	-	25 % straight line
Bespoke software	-	20 % straight line
Goodwill	-	10 % straight line

2.8 Tangible fixed assets and depreciation

Tangible fixed assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Property	-	1-15% straight line
Fixtures and fittings	-	10-25% straight line
Office equipment	-	20-33% straight line
Computer equipment	-	20-33% straight line
Other fixed assets	-	5-10% straight line

2.9 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated Statement of Financial Activities.

Investments in subsidiaries are valued at cost less provision for impairment.

2.10 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

SKILLS AND EDUCATION GROUP
(A Company Limited by Guarantee)

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

2. Accounting policies (continued)

2.11 Debtors

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

2.12 Cash at bank and in hand

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

2.13 Liabilities

Liabilities and provisions 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 Charity 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.

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 in the Consolidated Statement of Financial Activities as a finance cost.

2.14 Financial instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.15 Pensions

A charitable company within the group (Skills and Education Group Access) contributes to the West Yorkshire Pension Scheme (WYPS), a defined benefit scheme, at rates set by the scheme's actuaries. The charity accounts for the scheme as a defined benefit scheme in accordance with Charities SORP (FRS102).

The charity also contributes in respect of certain employees to the Teachers' Pension Scheme (TPS), a statutory, contributory, final salary scheme. The Teachers' Pension Scheme is unable to identify the charity's share of the underlying assets and liabilities on a consistent or reasonable basis, and accordingly the charity accounts for its contributions to the scheme in accordance with Charities SORP (FRS102) as if it were a defined contribution scheme.

The charity also contributes to defined contribution schemes for certain employees all of which are separately administered from the charity and the charge recognised in the Statement of Financial Activities.

SKILLS AND EDUCATION GROUP
(A Company Limited by Guarantee)

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

2. Accounting policies (continued)

2.16 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Investment income, gains and losses are allocated to the appropriate fund.

3. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

The Charity 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 WYPS defined 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 costs or income for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of the liability.

4. Income from charitable activities

	Unrestricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Learner recognition	2,679,318	2,679,318	2,694,419
Access to HE	252,280	252,280	333,308
Project, membership and CPD	219,936	219,936	428,692
Total 2023	<u>3,151,534</u>	<u>3,151,534</u>	<u>3,456,419</u>
<i>Total 2022</i>	<u>3,456,419</u>	<u>3,456,419</u>	

SKILLS AND EDUCATION GROUP
(A Company Limited by Guarantee)

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

5. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Income from trading subsidiaries	2,876,349	2,876,349	1,918,368
<i>Total 2022</i>	1,918,368	1,918,368	

6. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Dividends receivable from listed investments	13,507	13,507	10,682
Interest Receivable	4,775	4,775	521
Total 2023	18,282	18,282	11,203
<i>Total 2022</i>	11,203	11,203	

7. Other incoming resources

	Unrestricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Lettings, admin fees and other income	40,485	40,485	34,795
<i>Total 2022</i>	34,795	34,795	

SKILLS AND EDUCATION GROUP
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

8. Expenditure on raising funds

	2023	<i>2022</i>
	£	£
Cost of sales - BIIAB	445,744	326,997
Cost of sales - QLS	8,609	2,416
Administration expenses - BIIAB	984,055	308,500
Administration expenses - QLS	72,391	21,279
Depreciation - BIIAB	1,294	406
Salary recharges - BIIAB	1,066,081	687,567
Salary recharges - QLS	63,705	58,024
	2,641,879	<i>1,405,189</i>
	2,641,879	<i>1,405,189</i>

9. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2023	Total 2023	<i>Total 2022</i>
	£	£	£
Learner recognition	2,734,419	2,734,419	2,575,331
Access to HE	359,097	359,097	396,649
Project, membership and CPD	159,670	159,670	933,079
Total 2023	3,253,186	3,253,186	3,905,059
	3,253,186	3,253,186	3,905,059
<i>Total 2022</i>	<i>3,905,059</i>	<i>3,905,059</i>	
	<i>3,905,059</i>	<i>3,905,059</i>	

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

10. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Learner recognition	960,288	1,774,131	2,734,419	2,575,331
Access to HE	159,372	199,725	359,097	396,649
Project, membership and CPD	56,773	102,897	159,670	933,079
Total 2023	1,176,433	2,076,753	3,253,186	3,905,059
<i>Total 2022</i>	<i>1,398,922</i>	<i>2,506,137</i>	<i>3,905,059</i>	

Analysis of direct costs

	Learner recognition 2023 £	Access to HE 2023 £	Project, membershi p and CPD 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Staff costs	538,237	64,400	8,472	611,109	779,469
Moderator and examiner costs	244,926	61,662	-	306,588	258,980
Centre costs	9,653	-	-	9,653	14,247
CPD and project expenses	-	-	48,301	48,301	210,882
Certificates	64,245	-	-	64,245	9,508
QAA registration	-	33,310	-	33,310	27,581
Foundation activities	103,227	-	-	103,227	98,255
Total 2023	960,288	159,372	56,773	1,176,433	1,398,922
<i>Total 2022</i>	<i>917,507</i>	<i>210,068</i>	<i>271,347</i>	<i>1,398,922</i>	

SKILLS AND EDUCATION GROUP
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10. Analysis of expenditure by activities (continued)

Analysis of support costs

	Learner recognition 2023 £	Access to HE 2023 £	Project, membershi p and CPD 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Staff costs	807,355	93,601	12,708	913,664	<i>1,083,480</i>
Depreciation	181,004	35,051	11,809	227,864	<i>214,111</i>
Bad debt	65	-	-	65	<i>25,184</i>
Other staff costs	248,440	10,628	8,314	267,382	<i>225,015</i>
Qualification development	28,783	-	52	28,835	<i>34,619</i>
Administration	69,711	3,737	12,382	85,830	<i>108,376</i>
Communications and marketing	117,027	5,217	14,109	136,353	<i>122,708</i>
Donations	10,703	-	7,473	18,176	<i>44,135</i>
Premises	93,126	17,092	(7,519)	102,699	<i>109,149</i>
ICT costs	129,437	19,301	10,629	159,367	<i>264,365</i>
Professional fees	2,263	16,448	24,678	43,389	<i>94,469</i>
Bank charges	6,600	396	8,482	15,478	<i>12,250</i>
Irrecoverable VAT	61,685	(170)	3,500	65,015	<i>137,095</i>
Governance costs	17,932	(1,576)	(3,720)	12,636	<i>31,181</i>
Total 2023	1,774,131	199,725	102,897	2,076,753	<i>2,506,137</i>
<i>Total 2022</i>	<i>1,657,824</i>	<i>186,581</i>	<i>661,732</i>	<i>2,506,137</i>	

11. Auditors' remuneration

	2023 £	2022 £
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	24,000	<i>24,000</i>

SKILLS AND EDUCATION GROUP
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

12. Staff costs

	Group - 2023	<i>Group- 2022</i>
	£	£
Wages and salaries costs	2,688,826	2,218,349
Social security costs	249,269	229,599
Pension costs	265,634	213,033
	3,203,729	<i>2,660,981</i>

During the year a total of £2,506 (2022: £2,506) was paid in respect of contractual termination payments. This amount is an ongoing annual cost to the parent charitable company in perpetuity until the death of individual's covered within this payment. This arrangement was in place prior to any of the current trustees serving on the board. There were also further redundancy costs of £nil (2022: £23,600) in the year.

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

	Group - 2023	<i>Group - 2022</i>
	£	£
Charitable activities	53	40
Administration	12	12
Management	13	13
	78	<i>65</i>

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

	2023	<i>2022</i>
	£	£
In the band £60,001 - £70,000	-	2
In the band £70,001 - £80,000	2	1
In the band £140,001 - £150,000	1	1

The total remuneration and benefits received by key management personnel was £377,922 (2022: £449,104). The trustees consider the key management personnel to be the Chief Executive Officer, Deputy Chief Executive Officer and Chief Operating Officer (the prior year also included the Director of Member Services and Communications and the Director of Awarding Service).

SKILLS AND EDUCATION GROUP
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NOTES TO THE FINANCIAL STATEMENTS
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13. Trustees' remuneration and expenses

During the year, one or more Trustees has been paid remuneration or has received other benefits from an employment with the Charity for their role as CEO. The value of Trustees' remuneration and other benefits was as follows:

		2023	<i>2022</i>
		£	£
P A Eeles	Remuneration	144,003	<i>143,367</i>
	Pension contributions paid	29,543	<i>25,908</i>

During the year, retirement benefits were accruing to 1 Trustees (*2022 - 1*) in respect of defined benefit pension schemes.

During the year ended 31 August 2023, travel and accommodation expenses totalling £3,721 were reimbursed or paid directly to 11 Trustees of the charitable group (*2022 - £2,598 to 7 Trustees*).

Included in the above were travel, accommodation and subsistence expenses reimbursed to 5 trustees of the parent charitable company totalling £2,151 (*2022: £2,151 to 5 Trustees*).

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

14. Intangible assets

Group

	Develop- ment £	Bespoke software £	Website £	Goodwill £	Total £
Cost					
At 1 September 2022	101,464	26,595	314,663	922,220	1,364,942
Additions	291,126	13,619	74,181	310,750	689,676
At 31 August 2023	<u>392,590</u>	<u>40,214</u>	<u>388,844</u>	<u>1,232,970</u>	<u>2,054,618</u>
Amortisation					
At 1 September 2022	5,010	4,284	202,707	113,136	325,137
Charge for the year	13,060	5,889	40,728	92,222	151,899
At 31 August 2023	<u>18,070</u>	<u>10,173</u>	<u>243,435</u>	<u>205,358</u>	<u>477,036</u>
Net book value					
At 31 August 2023	<u><u>374,520</u></u>	<u><u>30,041</u></u>	<u><u>145,409</u></u>	<u><u>1,027,612</u></u>	<u><u>1,577,582</u></u>
At 31 August 2022	<u><u>96,454</u></u>	<u><u>22,311</u></u>	<u><u>111,956</u></u>	<u><u>809,084</u></u>	<u><u>1,039,805</u></u>

SKILLS AND EDUCATION GROUP
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14. Intangible assets (continued)

Charity

	Bespoke software £	Website £	Total £
Cost			
At 1 September 2022	3,570	141,763	145,333
Additions	13,619	47,321	60,940
At 31 August 2023	17,189	189,084	206,273
Amortisation			
At 1 September 2022	-	78,346	78,346
Charge for the year	1,284	30,030	31,314
At 31 August 2023	1,284	108,376	109,660
Net book value			
At 31 August 2023	15,905	80,708	96,613
<i>At 31 August 2022</i>	3,570	63,417	66,987

SKILLS AND EDUCATION GROUP
(A Company Limited by Guarantee)

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

15. Tangible fixed assets

Group

	Property £	Fixtures and fittings £	Office equipment £	Computer equipment £	Prefab'd building £	Total £
Cost or valuation						
At 1 September 2022	2,596,200	251,230	6,267	275,826	15,482	3,145,005
Additions	-	222,438	6,087	41,396	-	269,921
At 31 August 2023	<u>2,596,200</u>	<u>473,668</u>	<u>12,354</u>	<u>317,222</u>	<u>15,482</u>	<u>3,414,926</u>
Depreciation						
At 1 September 2022	1,008,091	209,276	5,233	194,441	15,482	1,432,523
Charge for the year	39,886	25,477	1,294	26,466	-	93,123
At 31 August 2023	<u>1,047,977</u>	<u>234,753</u>	<u>6,527</u>	<u>220,907</u>	<u>15,482</u>	<u>1,525,646</u>
Net book value						
At 31 August 2023	<u>1,548,223</u>	<u>238,915</u>	<u>5,827</u>	<u>96,315</u>	<u>-</u>	<u>1,889,280</u>
At 31 August 2022	<u>1,588,109</u>	<u>41,954</u>	<u>1,034</u>	<u>81,385</u>	<u>-</u>	<u>1,712,482</u>

SKILLS AND EDUCATION GROUP
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

15. Tangible fixed assets (continued)

Charity

	Freehold property £	Fixtures and fittings £	Computer equipment £	Prefab'd building £	Total £
Cost or valuation					
At 1 September 2022	1,270,284	225,498	201,568	15,482	1,712,832
Additions	-	222,438	41,396	-	263,834
At 31 August 2023	<u>1,270,284</u>	<u>447,936</u>	<u>242,964</u>	<u>15,482</u>	<u>1,976,666</u>
Depreciation					
At 1 September 2022	305,955	183,913	132,101	15,482	637,451
Charge for the year	23,436	25,421	25,816	-	74,673
At 31 August 2023	<u>329,391</u>	<u>209,334</u>	<u>157,917</u>	<u>15,482</u>	<u>712,124</u>
Net book value					
At 31 August 2023	<u>940,893</u>	<u>238,602</u>	<u>85,047</u>	<u>-</u>	<u>1,264,542</u>
At 31 August 2022	<u>964,329</u>	<u>41,585</u>	<u>69,467</u>	<u>-</u>	<u>1,075,381</u>

SKILLS AND EDUCATION GROUP
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NOTES TO THE FINANCIAL STATEMENTS
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15. Tangible fixed assets (continued)

Group

Property fixed assets consist of freehold property with a net book value of £940,893 (2022: £964,239) and long-term leasehold property with a net book value of £607,330 (2022: £623,780).

16. Fixed asset investments

Group	Listed investments £
Cost or valuation	
At 1 September 2022	366,760
Additions	78,700
Disposals	(78,371)
Revaluations	(15,142)
At 31 August 2023	<u>351,947</u>
Net book value	
At 31 August 2023	<u>351,947</u>
At 31 August 2022	<u>366,760</u>

SKILLS AND EDUCATION GROUP
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

16. Fixed asset investments (continued)

Charity	Investments in subsidiary companies £	Listed investments £	Total £
Cost or valuation			
At 1 September 2022	1,061,615	366,760	1,428,375
Additions	310,750	78,700	389,450
Disposals	-	(78,371)	(78,371)
Revaluations	-	(15,142)	(15,142)
At 31 August 2023	<u>1,372,365</u>	<u>351,947</u>	<u>1,724,312</u>
Net book value			
At 31 August 2023	<u>1,372,365</u>	<u>351,947</u>	<u>1,724,312</u>
At 31 August 2022	<u>1,061,615</u>	<u>366,760</u>	<u>1,428,375</u>

Fixed asset investment additions relate to additional costs arising from the acquisition of BIIAB Qualifications Limited.

SKILLS AND EDUCATION GROUP
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

16. Fixed asset investments (continued)

Principal subsidiaries

The following were subsidiary undertakings of the Charity:

Names	Company number	Charity registration number	Registered office or principal place of business	Principal activity	Holding
Skills and Education Group Awards	04117784	1086947	Robins Wood House, Robins Wood Road, Aspley, Nottingham, NG8 3NH	Advancement of skills and education	100%
Skills and Education Access	03773914	1088839	Robins Wood House, Robins Wood Road, Aspley, Nottingham, NG8 3NH	Advancement of education learning and training	100%
BIIAB Qualifications Limited	10054831	N/A	Robins Wood House, Robins Wood Road, Aspley, Nottingham, NG8 3NH	Advancement of education learning and training in the hospitality sector	100%
Quality Licence Scheme Limited	10051052	N/A	Robins Wood House, Robins Wood Road, Aspley, Nottingham, NG8 3NH	Advancement of primary and secondary education	100%

SKILLS AND EDUCATION GROUP
(A Company Limited by Guarantee)

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

16. Fixed asset investments (continued)

The financial results of the subsidiaries for the year were:

Names	Income £	Expenditure £	Profit/(Loss) / Surplus/ (Deficit) for the year £	Net assets £
Skills and Education Group Awards	1,996,764	2,146,432	(149,668)	1,546,911
Skills and Education Access	293,484	444,488	(151,004)	669,601
BIIAB Qualifications Limited	2,680,292	2,449,242	231,050	397,521
Quality Licence Scheme Limited	196,057	144,705	51,352	51,352

SKILLS AND EDUCATION GROUP
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NOTES TO THE FINANCIAL STATEMENTS
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17. Stocks

	Group 2023	<i>Group 2022</i>
	£	£
Finished goods and goods for resale	113,900	<i>40,696</i>

18. Debtors

	Group 2023	<i>Group 2022</i>	Charity 2023	<i>Charity 2022</i>
	£	£	£	£
Due within one year				
Trade debtors	681,458	<i>1,070,699</i>	26,345	<i>70,207</i>
Amounts owed by group undertakings	-	-	569,051	<i>368,202</i>
Other debtors	140,237	<i>2,154</i>	139,259	-
Called up share capital not paid	2	<i>2</i>	-	-
Prepayments and accrued income	400,432	<i>343,667</i>	200,412	<i>127,036</i>
	1,222,129	<i>1,416,522</i>	935,067	<i>565,445</i>

SKILLS AND EDUCATION GROUP
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

19. Creditors: Amounts falling due within one year

	Group 2023 £	<i>Group 2022 £</i>	Charity 2023 £	<i>Charity 2022 £</i>
Trade creditors	558,964	212,127	114,442	54,316
Amounts owed to group undertakings	-	-	695,887	429,188
Other taxation and social security	206,484	165,387	64,591	88,625
Other creditors	427,073	243,615	425,530	237,115
Accruals and deferred income	74,673	321,704	20,450	226,027
	1,267,194	<i>942,833</i>	1,320,900	<i>1,035,271</i>
	Group 2023 £	<i>Group 2022 £</i>	Charity 2023 £	<i>Charity 2022 £</i>
Deferred income at 1 September 2022	75,388	255,974	46,580	219,484
Resources deferred during the year	30,500	75,388	3,215	46,580
Amounts released from previous periods	(75,388)	(255,974)	(46,580)	(219,484)
	30,500	<i>75,388</i>	3,215	<i>46,580</i>

Deferred income represents monies received in advance for learner registrations, memberships, services and projects.

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

	Group 2023 £	<i>Group 2022 £</i>	Charity 2023 £	<i>Charity 2022 £</i>
Other creditors	269,670	363,870	269,670	363,870

SKILLS AND EDUCATION GROUP
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

21. Statement of funds

Statement of funds - current year

	Balance at 1 September 2022 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2023 £
Unrestricted funds					
General funds - charitable company	1,749,791	920,053	(385,859)	(15,124)	2,268,861
Skills and Education Group Awards - post acquisition reserves	1,660,918	1,996,764	(2,146,432)	-	1,511,250
Skills and Education Group Access	920,605	293,484	(447,488)	-	766,601
BIIAB Qualifications Limited - post acquisition reserves	254,685	2,680,292	(2,641,189)	-	293,788
Skills and Education Group Access - designated pension reserve	-	-	3,000	(100,000)	(97,000)
Quality Licence Scheme Limited	132,392	196,057	(277,097)	-	51,352
	<u>4,718,391</u>	<u>6,086,650</u>	<u>(5,895,065)</u>	<u>(115,124)</u>	<u>4,794,852</u>

SKILLS AND EDUCATION GROUP
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NOTES TO THE FINANCIAL STATEMENTS
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21. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 September 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2022 £</i>
Unrestricted funds					
General funds - charitable company	1,991,927	1,229,229	(1,442,215)	(29,150)	1,749,791
Skills and Education Group Awards - post acquisition reserves	1,634,913	1,900,760	(1,874,755)	-	1,660,918
Skills and Education Group Access	979,718	372,428	(431,541)	-	920,605
BIIAB Qualifications Limited - post acquisition reserves	31,446	1,697,151	(1,473,912)	-	254,685
Skills and Education Group Access - designated pension reserve	(600,000)	(70,000)	1,000	669,000	-
Quality Licence Scheme Limited	-	221,217	(88,825)	-	132,392
	<u>4,038,004</u>	<u>5,350,785</u>	<u>(5,310,248)</u>	<u>639,850</u>	<u>4,718,391</u>

22. Summary of funds

Summary of funds - current year

	Balance at 1 September 2022 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2023 £
General funds	<u>4,718,391</u>	<u>6,086,650</u>	<u>(5,895,065)</u>	<u>(115,124)</u>	<u>4,794,852</u>

SKILLS AND EDUCATION GROUP
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

22. Summary of funds (continued)

Summary of funds - prior year

	<i>Balance at 1 September 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2022 £</i>
General funds	4,038,004	5,350,785	(5,310,248)	639,850	4,718,391

23. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	1,889,280	1,889,280
Intangible fixed assets	1,577,582	1,577,582
Fixed asset investments	351,947	351,947
Current assets	2,609,907	2,609,907
Creditors due within one year	(1,267,194)	(1,267,194)
Creditors due in more than one year	(269,670)	(269,670)
Provisions for liabilities and charges	(97,000)	(97,000)
Total	4,794,852	4,794,852

SKILLS AND EDUCATION GROUP
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

23. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2022 £</i>	<i>Restricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Tangible fixed assets	1,712,482	-	1,712,482
Intangible fixed assets	1,039,805	-	1,039,805
Fixed asset investments	366,760	-	366,760
Current assets	2,906,047	-	2,906,047
Creditors due within one year	(942,833)	-	(942,833)
Creditors due in more than one year	(363,870)	-	(363,870)
Provisions for liabilities and charges	-	-	-
Total	<u><u>4,718,391</u></u>	<u><u>-</u></u>	<u><u>4,718,391</u></u>

24. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2023 £	<i>Group 2022 £</i>
Net income for the year (as per Statement of Financial Activities)	176,461	81,895
Adjustments for:		
Depreciation charges	93,123	70,097
Amortisation charges	151,899	153,237
Gains on investments	15,124	28,643
Dividends, interests and rents from investments	(18,282)	(11,203)
Increase in stocks	(73,204)	(734)
Decrease/(increase) in debtors	184,091	(681,194)
Increase/(decrease) in creditors	(67,677)	124,777
Defined benefit pension scheme FRS102 costs	(3,000)	(1,000)
Gains/(losses) on foreign exchange	-	(508)
Net cash provided by/(used in) operating activities	<u><u>458,535</u></u>	<u><u>(235,990)</u></u>

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

25. Analysis of cash and cash equivalents

	Group 2023	<i>Group 2022</i>
	£	£
Cash in hand	1,273,878	1,448,829
Total cash and cash equivalents	1,273,878	<i>1,448,829</i>

26. Analysis of changes in net debt

	At 1 September 2022	Cash flows	At 31 August 2023
	£	£	£
Cash at bank and in hand	1,448,829	(174,951)	1,273,878
	1,448,829	(174,951)	1,273,878

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27. Pension commitments

The Group operates a defined benefit pension scheme.

The Charity contributes to defined benefit pension schemes on behalf of those employees who remain auto-enrolled who are not members of either the West Yorkshire Pension Fund or the Teacher's Pension Scheme, which are defined benefit arrangements.

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

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

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

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

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

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27. Pension commitments (continued)

West Yorkshire Pension Fund

The charity participates in the West Yorkshire Fund (WYPF) which is a multi-employer defined benefit scheme.

The date of the most recent comprehensive actuarial valuation was 31 March 2019. The last full actuarial valuation of this scheme by a qualified, independent actuary as at 31 March 2019 was updated on an approximate basis to 31 August 2023.

Contributions were paid at rates of 6.5% to 8.5% for employees throughout the year. Employer's contributions were 45% in the year to 31 August 2023 (year to 31 August 2022 - 45%).

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2023	<i>2022</i>
	%	%
Key assumptions		
Discount rate	5	4
Future salary increases	4	4
Future pension increases	3	3
CPI inflation	3	3
	<u>3</u>	<u>3</u>
	2023	<i>2022</i>
	Years	Years
Mortality rate (in years)		
Males retiring today	21	22
Males retiring in 20 years	22	23
Females retiring today	24	25
Females retiring in 20 years	25	26
	<u>25</u>	<u>26</u>

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	2023	<i>2022</i>
	£	£
Sensitivity analysis		
Discount rate + 0.1%	19,000	<i>25,000</i>
Discount rate - 0.1%	(20,000)	<i>(25,000)</i>
Mortality assumption - 1 year increase	(54,000)	<i>(51,000)</i>
Mortality assumption - 1 year decrease	48,000	<i>51,000</i>
	<u>19,000</u>	<u><i>51,000</i></u>

The pension scheme surplus/deficit is based on the actuarial assumptions used as at the 31 August 2023. These can and do change after the year end. The above sensitivity analysis shows how the position stated can change significantly based on changes to the actuarial assumptions. A change in the markets is likely to result in an increased pension scheme deficit by the next year end. Post year end valuations could be obtained to provide an indication, however it is considered that the cost would outweigh the benefit to the users of the accounts, and would not be value for money.

	2023	<i>2022</i>
	£	£
Asset allocation		
Equities	1,493,000	<i>1,472,000</i>
Property	62,000	<i>72,000</i>
Government bonds	134,000	<i>118,000</i>
Corporate bonds	84,000	<i>79,000</i>
Cash and other liquid assets	58,000	<i>74,000</i>
Other	33,000	<i>28,000</i>
	<u>1,864,000</u>	<u><i>1,843,000</i></u>

The actual return on scheme assets was £75,000 (2022 - £32,000).

The amounts recognised in the statement of financial activities are as follows:

	2023	<i>2022</i>
	£	£
Total amount recognised in the Statement of financial activities		
Current service cost	5,000	<i>10,000</i>
Interest cost	(3,000)	<i>10,000</i>
Derecognise pension surplus	(70,000)	<i>70,000</i>
	<u>(68,000)</u>	<u><i>90,000</i></u>

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FOR THE YEAR ENDED 31 AUGUST 2023

	2023	<i>2022</i>
	£	£
Changes to the defined benefit obligation		
Opening defined benefit obligation	1,773,000	<i>2,530,000</i>
Interest cost	72,000	<i>42,000</i>
Contributions by scheme participants	1,000	<i>1,000</i>
Actuarial losses	117,000	<i>(669,000)</i>
Benefits paid	(104,000)	<i>(141,000)</i>
Current service cost	5,000	<i>10,000</i>
	1,864,000	<i>1,773,000</i>
	2023	<i>2022</i>
	£	£
Changes to the fair value of assets		
Opening fair value of scheme assets	1,843,000	<i>1,930,000</i>
Interest income	75,000	<i>32,000</i>
Actuarial gains/(losses)	(53,000)	<i>-</i>
Contributions by employer	5,000	<i>21,000</i>
Contributions by scheme participants	1,000	<i>1,000</i>
Benefits paid	(104,000)	<i>(141,000)</i>
	1,767,000	<i>1,843,000</i>

At 31 August 2022, the present value of the defined benefit obligation at the reporting date was valued at less than the fair value of plan assets and therefore the plan has a surplus. In accordance with FRS 102, an entity shall recognise a plan surplus as a defined benefit plan asset only to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan. On the basis that the separate triennial valuation is used to calculate future contribution rates on a different valuation basis, there is no realistic expectation that the surplus will be realised or will provide future economic benefit to the trust. As a result the pension asset has not been recognised in the balance sheet of the financial statements. The asset and liability movements as included in the FRS 102 valuation report has been disclosed below for transparency.

At 31 August 2023, the present value of the defined benefit obligation was valued higher than the fair value of plan assets, and therefore the plan has a liability at the reporting date.

The last member of the scheme has now ceased. Discussions have commenced with West Yorkshire Pension Fund with regards to the potential buyout value. The current value cannot at present be reliably estimated.

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28. Operating lease commitments

The Group and the Charity had no commitments under non-cancellable operating leases at 31 August 2023.

29. Related party transactions

Skills and Education Group Awards

During the year the charity recharged wages and other costs to its subsidiary, totalling £1,228,961 (2022: £1,365,352) and received payments from this entity totalling £1,495,661 (2022: £1,854,778). At the year end an amount of £695,888 (2022: 429,188) was owed to Skills and Education Group Awards.

Skills and Education Group Access

During the year the charity recharged wages and other costs to its subsidiary, totalling £167,313 (2022: £209,147) and received payments from this entity totalling £163,506 (2022: £205,122). At the year end an amount of £3,876 (2021: 69) was owed from Skills and Education Group Access.

BIIAB Qualifications Limited

During the year the charity recharged wages and other costs to its subsidiary, totalling £1,357,169 (2022: £838,009) and received payments from this entity totalling £1,248,352 (2022: £1,028,488). At the year end an amount of £431,947 (2022: £323,130) was owed by BIIAB Qualifications Limited.

Quality Licence Scheme Limited

During the year the charity recharged wages and other costs to its subsidiary, totalling £75,206 (2022: £65,130) and made payments to this entity totalling £17,136 (2022: £24,243 received from the entity). At the year end an amount of £133,229 (2022: £40,887) was owed by Quality Licence Scheme Limited.

Leicester College

V Hancock, a trustee, is also CEO and Principal of Leicester College. During the year income of £4,875 (2022: £12,100) was received from the College for the provision of charitable services. There were amounts outstanding at the year end of £25 (2022: £9,100).

York College

L Probert, a trustee until 20/10/2023, is also CEO and Principal of York College. During the year income of £5,500 (2022: £6,000) was received from the College for the provision of charitable services. There were amounts outstanding at the year end of £Nil (2022: £3,000).

Nottingham College

J Meenaghan, a trustee, is also CEO and Principal of Nottingham College. During the year income of £4,545 (2022: £12,055) was received from the College for the provision of charitable services. There are amounts outstanding at the year end of £240 (2022: £Nil).

Buxton and Leek College

J Tildsley, a trustee, is also a Principal of Buxton and Leek College. During the year income of £3,800 (2022: £960) was received from the College for the provision of charitable services. There were no amounts outstanding at the year end (2022: £Nil).

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29. Related party transactions (continued)

Northern College for Residential Adult Education

Y Y Mellor is also a trustee of North College for Residential Adult Education. During the year income of £800 (2022: 1,920) was received from the charity for the provision of charitable services. There were no amounts outstanding at the year end (2022: £ Nil).

TEC Partnership - Grimsby Institute

A Hardy, a trustee, is also CEO of the TEC Partnership. During the year income of £1,600 (2022: £5,170) was received from TEC for the provision of charitable services. There are no amounts outstanding at the year end (2022: £Nil).

Burton and South Derbyshire College

J Beaty, a trustee, is also a Principal of Burton and South Derbyshire College. During the year income of £37 (2022: £1,340) was received from the College for the provision of charitable services, and expenditure of £210 (2022: £Nil) incurred for the same purpose. There are no amounts outstanding at the year end (2022: £Nil).

North Warwickshire and South Leicester College

T Hamilton-Dick, a trustee until 15/09/2023, is also Deputy Principal of North Warwickshire and South Leicester College. During the year income of £4,850 (2022: £Nil) was received from the College for the provision of charitable services. There were amounts outstanding at the year end of £960 (2022: £Nil).

DN College Group

S Smith, a trustee until 14/09/2022, is also Deputy Principal of DN College Group. During the year income of £3,800 (2022: £Nil) was received from the College for the provision of charitable services. There were amounts outstanding at the year end of £360 (2022: £Nil).

Action Housing and Support

A Stott, chair of trustees, is also a trustee of Action Housing and Support. During the year income of £8,281 (2022: £Nil) was received for the provision of charitable services. There are amounts outstanding at the year end of £727 (2022: £Nil).