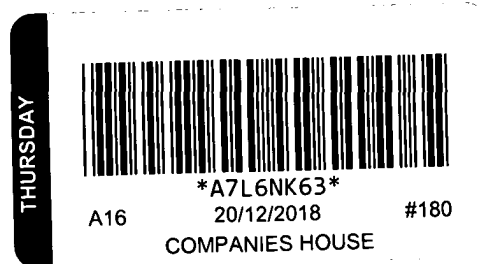


REGISTERED COMPANY NUMBER: 07965316 (England and Wales)

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018
FOR**

**SKILLS FOR LIFE TRUST
(A COMPANY LIMITED BY GUARANTEE)
FORMERLY KNOWN AS THE GREENACRE ACADEMY TRUST**



McCabe Ford Williams
Statutory Auditors and Chartered Accountants
Bank Chambers
1 Central Avenue
Sittingbourne
Kent
ME10 4AE

SKILLS FOR LIFE TRUST (A COMPANY LIMITED BY GUARANTEE)
FORMERLY KNOWN AS THE GREENACRE ACADEMY TRUST

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FOR THE YEAR ENDED 31 AUGUST 2018

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SKILLS FOR LIFE TRUST (A COMPANY LIMITED BY GUARANTEE)
FORMERLY KNOWN AS THE GREENACRE ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018

Members

Ms N King (OBE) (Chair of Trustees)
Mrs S Miles
Mr P Horton (appointed 04/05/2018)
Mrs J Stephens (appointed 04/05/2018)
Mr B Wilkins (appointed 04/05/2018)

Trustees

Ms N King (OBE) (Chair of Trustees)
Mr J Fouracre (Vice Chair of Trustees) (Appointed 24/01/2018) +
Mr A Reese (CEO) * +
Mr D J Winter (Engineering Leader) * #
Mr I Brown
Mr K Johnson (Appointed 12/10/2017)
Mrs A Bracknell (Appointed 04/05/2018)
Mrs S Miles (Service Director) (Vice Chair of Trustee) (Resigned 04/05/2018)
Ms K P Duncan (HoS) (Resigned 14/03/2018)
Mrs J Brooke (Resigned 14/03/2018) +
Mrs S Butler (Resigned 14/03/2018) *
Mrs C Dennis (Resigned 14/03/2018)
Mrs N Bromley (Resigned 14/03/2018)

* members of the premises committee + members of the finance and audit committee # members of the skills for life committee

Operational Board (Formed 14/03/2018)

Mrs S Butler
Mrs J Brooke
Mrs L Ward
Mrs K Duncan
Mrs S Bridger
Mrs S Weeden-Arter
Mr G Evans
Mrs C Dennis
Mrs N Bromley

Greenacre Academy Senior Leadership Team

Head of School	Mrs S Bridger
Deputy Head teacher	Mrs L Holden
Assistant Head teacher	Mr D Wise
Assistant Head teacher	Mrs E Eddy
Assistant Head teacher	Mr M Dallas

Warren Wood Primary Academy Senior Leadership Team

Head of School	Mrs L Ward
Deputy Head teacher	Mrs A Howe
Assistant Head teacher	Miss A Dawkins
Assistant Head teacher	Mr R Ward (Transferred to Chantry Community Academy 01/06/2018)

SKILLS FOR LIFE TRUST (A COMPANY LIMITED BY GUARANTEE)
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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018

Chantry Community Academy Senior Leadership Team

Head of School	Mrs K Duncan
Deputy Head teacher	Mrs S Sodhi (Transferred to Hilltop Primary 01/07/2018)
	Mrs L Woodroof (Appointed 01/07/2018)
Assistant Head teacher	Mr P Delahaye
Assistant Head teacher	Mr R Ward (Transferred from Warren Wood Primary 01/06/2018)
Assistant Head teacher	Mrs S Edmonds (Resigned 15/04/2018)
Assistant Head teacher	Mrs L Woodroof (Promoted to Deputy Head teacher 01/07/2018)

Hilltop Primary Academy Senior Leadership Team

Head teacher	Mr G Evans (Promoted to Head of Primary Education 01/07/2018)
Head of School	Mrs K Tillet (Appointed 01/07/2018)
Deputy Head teacher	Mrs K Tillet (Promoted to Head of School 01/07/2018)
	Mrs S Sodhi (Appointed 01/07/2018)
Assistant Head teacher	Miss S Hills
	Miss C Wooder

Company Secretary

Prima Secretary Limited

Registered Office

157 Walderslade Road
Walderslade
CHATHAM
Kent
ME5 0LP

Registered Company Number

07965316 (England and Wales)

Auditors

McCabe Ford Williams
Statutory Auditors and Chartered Accountants
Bank Chambers
1 Central Avenue
Sittingbourne
Kent
ME10 4AE

Solicitors

Bond Dickinson LLP
St Ann's Wharf
112 Quayside
Newcastle Upon Tyne
NE1 3DX

Bankers

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

SKILLS FOR LIFE TRUST (A COMPANY LIMITED BY GUARANTEE)
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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018

Member Schools

Greenacre Academy
Warren Wood Primary Academy
Chantry Community Academy
Hilltop Primary Academy (From 1st February 2018)
Walderslade Girls' School (From 1st September 2018)
Kloisters Kindergarten (Affiliation Agreement)

Other Addresses

Greenacre Academy
157 Walderslade Road
Walderslade
Chatham
Kent
ME9 0LP

Warren Wood Primary Academy
Arethusa Road
Rochester
Kent
ME1 2UR

Chantry Community Academy
Ordnance Road
Gravesend
Kent
DA12 2RL

Hilltop Primary Academy
Hilltop Road
Frindsbury
Rochester
ME2 4QN

Walderslade Girls' School
Bradfields Avenue
Chatham
Kent
ME5 0LE

Websites

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

SKILLS FOR LIFE TRUST (A COMPANY LIMITED BY GUARANTEE)
FORMERLY KNOWN AS THE GREENACRE ACADEMY TRUST

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2018

The trustees who are also directors of the academy trust for the purposes of the Companies Act 2006, present their report with the financial statements of the charitable company for the year ended 31 August 2018. The annual report serves the purposes of both a trustees' report, and a directors' report under company law. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) and the Academies Accounts Direction issued by the Education and Skills Funding Agency.

The academy trust operated three Primary and one Secondary Academy in Rochester, Strood, Gravesend and Walderslade respectively during the year under review. Its academies had a combined pupil capacity of 2,220 and had a roll of 2,114 pupils in the school census for Spring 2018. On 1st September 2018 Walderslade Girls' School joined the academy trust.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

Skills for Life Trust (formerly The Greenacre Academy Trust) was incorporated on 27th February 2012, as a company limited by guarantee. The Trust's memorandum and articles of association are the primary governing documents of the Trust. The Trust was re-constituted on 30th June 2014 as a multi academy trust. There are now five academies within the Trust; and by a commercial agreement, a privately owned kindergarten. The conversion of Greenacre Boys Secondary school to Greenacre Academy was the basis of the formation of the original Trust. On the 1st July 2014, Warren Wood Community Primary School, upon conversion to a sponsored academy, joined the Trust under the name of Warren Wood Primary Academy. As at the 1st January 2016 Chantry Community Academy was re-brokered from Meopham Community Academy Trust and joined the Trust. Hilltop Primary School joined upon conversion on the 1st February 2018. On 1st September 2018 the Walderslade Girls' School joined the Trust.

The Trust changed its name on 16th October 2018 from The Greenacre Academy Trust to Skills for Life Trust.

Conversion dates to academy status are as below:-

- Greenacre Boys Secondary School – now Greenacre Academy – 1st April 2012
- Warren Wood Community Primary School – now Warren Wood Primary Academy – 1st July 2014
- Chantry Community School – now Chantry Community Academy – 1st June 2013
- Hilltop Primary School – now Hilltop Primary Academy – 1st February 2018
- Walderslade Girls' School – 1st November 2011

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

Members' liability

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

Trustees' indemnities

Subject to the provision of the Companies Act 2006, the Trust intends to maintain trustees' and officers' liability insurance which gives appropriate cover for any liability incurred or legal action brought against them in connection with their acting in their capacity as directors of the Trust.

SKILLS FOR LIFE TRUST (A COMPANY LIMITED BY GUARANTEE)
FORMERLY KNOWN AS THE GREENACRE ACADEMY TRUST

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2018

STRUCTURE, GOVERNANCE AND MANAGEMENT - continued

Method of recruitment and appointment or election of new trustees

The Trust's articles of association require that the members appoint at least three trustees (unless otherwise determined by ordinary resolution) but shall not be subject to any maximum.

The original members appointed, have now resigned their positions. Replaced by a members board totalling 5 in number. The original Trustees, bar the CEO have been replaced with newly appointed Trustees; bringing in key skills to enhance the strategic and visionary approach of the Trustee Board.

Members may appoint:-

- New trustees
- The Chief Executive Officer for as long as he / she remains in office
- Co-opted trustees

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

Under the articles of association, the trustees are responsible for the appointment of the Local Governing Bodies for each Academy within the Trust. A scheme of delegation for each Local Governing Body is in place and this is regularly reviewed and the trustees may alter or revoke this. Governors of the Local Governing Bodies do not have to be trustees of the Trust.

All trustees and Governors are encouraged to attend appropriate training in order for them to carry out their duties effectively.

Policies and procedures adopted for the induction and training of Trustees

The training and induction provided for new Members / Trustees / Governors will depend on their existing experience, but will include training on charity, education, legal and finance matters. All will be given a tour of the Academies and the chance to meet with staff and students. All relevant Members / Trustees / Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Members / Trustees / Governors.

For Governors as there are normally only two or three new Governors per period, induction tends to be done informally and is tailored specifically to the individual.

Organisational structure

As a multi-academy Trust, the trustees are at the head of the organisational structure. They are responsible for making major decisions about the direction of the Trust. They are responsible for the appointment of a Local Governing Body for each Academy.

The Governors of each Local Governing Body are delegated the responsibility for:

- Agreeing an annual school improvement plan (SIP)
- Awareness of revenue and capital expenditure (within certain limits)
- Monitoring progress against the SIP
- Continuing Professional Development
- Behaviour
- Raising Standards
- Quality of Teaching & Learning
- Involvement of local community

SKILLS FOR LIFE TRUST (A COMPANY LIMITED BY GUARANTEE)
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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2018

STRUCTURE, GOVERNANCE AND MANAGEMENT - continued

Organisational structure - continued

The Chief Executive Officer is the Accounting Officer for the Trust.

Within each Academy there is a Senior Leadership Team or Leadership Group. Each Senior Leadership Team (SLT) or Leadership Group (LG) will include the Chief Executive Officer, the Head of Primary Education, the Headteacher (or Head of School as appropriate), Assistant and / or Deputy Headteacher and senior teachers. The SLT (LG) control the Academy at an executive level implementing the policies laid down by the Directors and Governors and reporting back to them.

Arrangements for setting pay and remuneration of key management personnel

The setting of the pay and remuneration of the academy's key management personnel, is via the pay committee, and is guided by the Trust Pay Policy. This policy provides guidance for all staff from support through to Chief Executive Officer. Additional support and direction is also sought from external HR advisors, in supporting any such recommendations and final decisions.

Trade Union Facility Time

Relevant union officials

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

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

Provide the total cost of facility time	£NIL
Provide the total pay bill	£8,894,480
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) × 100	0%

Paid trade union activities

Time spent on trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) × 100	0%
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Related Parties and other Connected Charities and Organisations

Greenacre Academy acts as the Registered Address for the Multi Academy Trust; Greenacre Academy, Warren Wood Primary Academy, Chantry Community Academy, Hilltop Primary Academy and Walderslade Girls' School all hold equal status within the Trust.

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

SKILLS FOR LIFE TRUST (A COMPANY LIMITED BY GUARANTEE)
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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2018

OBJECTIVES AND ACTIVITIES

Objectives and aims

Greenacre Academy is an 11-18 Academy in a selective area and has a collaborative sixth form partnership with Walderslade Girls' School. On 31st August 2018 the school had 895 pupils (including 6th form) (2014: 901; 2015: 898; 2016: 885; 2017: 884) on its roll.

Warren Wood Primary is a 3-10 Academy and had 364 pupils on its roll (2015: 315; 2016: 327; 2017: 347).

Chantry Community is a 3-10 Academy and had 421 pupils on its roll (2015: 341; 2016: 361; 2017: 391).

Hilltop Primary is a 4-10 Academy and had 422 pupils on its roll (2015: 419; 2016: 424; 2017: 423).

Walderslade Girls' School joined the Trust on 1st September 2018.

The main aim of the Academy is specifically restricted to the following: to advance the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum. The School offers a fully inclusive, wide ranging and holistic education for all students.

Objectives, strategies and activities

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

The Trust seeks to promote outstanding educational experiences that will inspire and challenge all learners to achieve the best of their abilities and prepare them to live and work as active and participating citizens.

The main objectives of the Trust during the year ended 31st August 2018 are summarised below:

- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- to raise the standard of educational achievement of all pupils; to improve the effectiveness of the Academies by keeping the curriculum and organisational structure under continual review;
- to provide value for money for the funds expended;
- to comply with all appropriate statutory and curriculum requirements;
- to maintain close links with industry and commerce; and
- to conduct the Trust's business in accordance with the highest standards of integrity, probity and openness.

The Trust's main strategy is to raise standards of achievement and progress through continuous improvement and engagement in all aspects of the organisation. The core purpose is teaching and learning. Performance is measured against the overall quality of teaching and learning and how these are translated into students' achievement and progress.

The key activities that support this strategy are:

- A solid organisational structure that supports both students and staff and also informs all stakeholders of clear lines of accountability and responsibility.
- We are seeking to enable all pupils to achieve their full potential academically, creatively, through sports and the development of personal and business skills that will fully equip them for the world of work.
- A robust performance management system coupled with CPD and training opportunities for staff and Governors.
- Use of data and tracking procedures to measure progress and inform actions and interventions.
- Robust quality assurance processing including financial controls, which are transparent, that supports the key strategies.

SKILLS FOR LIFE TRUST (A COMPANY LIMITED BY GUARANTEE)
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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2018

OBJECTIVES AND ACTIVITIES - continued

Objectives, strategies and activities - continued

In achieving this, the Trust is committed to the creation of vibrant, diverse and innovative learning communities in which every person matters, which promotes:

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

The Priorities for the Trust are:

- Adhering to the Vision Statement: "**Skills for Life**", the Trust seeks to promote outstanding educational experiences that will inspire and challenge all learners to achieve to the best of their abilities and prepare them to live and work as active and participating citizens.
- Standards and Achievements; standards to continue to rise with a particular focus on the proportion of students achieving the highest grades.
- Teaching and Learning: assessment for learning will be embedded in all classrooms across the schools with a particular focus on challenging the most able. To continue to learn from each other and from the best practice locally, nationally and internationally.
- Curriculum and Assessment: to promote an exciting, challenging and varied curriculum. To continue to celebrate extra-curricular / enrichment curriculum by focusing on learning beyond the class room.
- Well-being: to provide a learning environment that is safe, that promotes respect, tolerance and responsibility and that prepares students (pupils) for the world of further study and work.
- Recruitment and Retention: to be committed to building an effective, highly skilled and well supported workforce by recruiting the best staff we possibly can, growing capacity from within and sharing best practice within and between partner schools.
- Partnerships: through working in partnership to both respond to and anticipate community needs.
- Leadership and Governance: through the further development of "distributed" leadership, supported by flexible and rigorous monitoring and evaluation to:-
 - Continue to improve standards in partner school
 - Ensure that Leadership at all levels is focussed on further raising of standards
 - Ensure sound financial management in a climate of falling school budgets
 - Ensure accommodation is fit for 21st Century teaching and learning
 - Use infinite resource responsibly and "recycle, re-use and reduce" wherever we can

Public benefit

The Trust confirm that they have complied with the duties in section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit when reviewing the charitable company's aim and objectives and in planning future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

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

Social investments

The Trustees recognise that equal opportunities are integral part of good practice within the workplace. The Trust aims to establish equality of opportunity in all areas of its activities including the creation of a working environment in which the contribution and needs of all people are fully valued.

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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2018

OBJECTIVES AND ACTIVITIES - continued

Disabled persons

Ramps and disabled toilets are installed and door widths are adequate to enable wheelchair access to all ground floor areas to the Trust buildings. Where appropriate, lifts have been installed to facilitate wheelchair and disabled access to the upper levels (or lower) of the buildings. The policy of the Trust is to support recruitment and retention of students and employees with disabilities. The Trust does this by adapting the physical environment by making support resources available and through training and career development

STRATEGIC REPORT

ACHIEVEMENT AND PERFORMANCE

Greenacre Academy

Progress 8 measures saw the academy attain -0.37 in 2018, which is lower than the national average of -0.02 and boys national of -0.25.

For the second year of new progress 8 measures and newly numbered grading in 2017, Maths saw results of -0.50 and English saw progress 8 at -0.60 which saw a slight dip on the previous year.

% 9-4 Grades

Total Entries - 49.4%

English - 60.9%

Maths - 51.1%

English & Maths - 47%

Attainment 8

2018 - 37.8

2017 - 40.4

2016 - 41.0

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

2018 national provisional data for boys at a non-selective school in a highly selective area is as follows:

P8	-0.34
A8	39.7
9-4 E&M	52.6%
9-5 E&M	28.4%

Performance of the boys in our joint sixth form showed a solid performance. Attainment in the year 2017-18 the average grade in Academic subjects improved from a D- to a D.

Vocational attainment is not comparable between 2017 and 2018 due to introduction of examined units and online tests for all applied general and tech level qualifications finishing in 2018.

Applied General

	2017	2018
Average Grade	Dist	Merit
APS	34.75	24.6

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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2018

ACHIEVEMENT AND PERFORMANCE - continued

Tech Level

	2017	2018
Average Grade	Dist+	Merit
APS	38.37	25.84

Value added data will be comparable, but only for academic and applied general, however 2018 value added data is not yet available.

Warren Wood Primary Academy

The combined outcome for Reading, Writing and Maths at the end of KS2 was 40% in Reading, Writing and Maths combined.

Individual subjects: Reading 49%, writing 51%, maths 47% of children meeting the expected standard. This is a 16% increase on the previous year. Excluding children in the Evergreen Centre, the combined score was 44%.

Progress in Reading was -4.07, Writing -1.36 and Mathematics -2.79.

Performance at the end of KS1 was also improved with reading 65%, writing 59% and Maths 63%.

Year 1 Phonics screening (81%).

Early Years Foundation stage (69%) were both in line with national average.

Chantry Community Academy

Year 6 combined 52%

Year 6 Reading	58%	Progress Reading	1.6
Year 6 Writing	58%	Progress Writing	3.1
Year 6 Maths	63%	Progress Maths	2.5

Progress for year 6 was very strong in all subjects.

Year 2 R 54% Wr 56% Ma 56%

Year 1 phonics 81%

EYFS GLD 64%

Hilltop Primary Academy

KS2 combined Reading, Writing and Maths 2018 = 62%

KS2 Reading = 70%

KS2 Writing = 83%

KS2 Maths = 87%

Progress at KS2 = Reading -2, Writing -1.4, Maths -1.3

KS1 Reading = 86%

KS1 Writing = 85%

KS1 Maths = 88%

Year 1 Phonics = 87%

EYFS = 82%

SKILLS FOR LIFE TRUST (A COMPANY LIMITED BY GUARANTEE)
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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2018

ACHIEVEMENT AND PERFORMANCE - continued

Key performance indicators

The Trustees are of the opinion that given the nature of the financial management of the business there are only a few key performance indicators which require specific monitoring. The significant indicators are:

- Student numbers - which provides the basis for funding from the ESFA
- Spend on staff costs across each Academy as a percentage of funding from the ESFA
- Adequate financial provision and reserves being established to meet known expenditure increase in forthcoming years

Through involvement of the Senior Leadership, the individual academies development plans, discussions of needs for the forthcoming year with the Head of School, a detailed budget plan of monthly expenditure and income is set formulated. The budget plans are agreed by the Trust Board, having been overseen by the Local Governing Bodies and then scrutinised by the Finance and Audit Committee.

Detailed monthly monitor occurs with regular reporting and monitoring to ensure each academy is on track not to see its in year position at a point not as predicted. Carry forward individual academy reserves may be utilised to support any in year deficit, provided sufficient and robust plans clearly show that this would not be a continuing trend.

Going concern

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

FINANCIAL REVIEW

Reserves policy

The Trustees review the reserve levels of the Trust and respective Academies annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trust have determined that the appropriate level of free reserves for each academy should be at least £30,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants; to provide a cushion to deal with unexpected emergencies such as urgent maintenance, or to provide a bolster for the catch up of lagged ESFA funding. Should the trust or an academy suffer an in year trading deficit, and reserves be used to support, the Trust Board will be made aware of this at the budget setting, provided with updates on the impact throughout the academic year, and be given satisfactory financial plans to show how this will be rectified in following years.

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

The Trust's current level of free reserves (unrestricted funds) is £325,427 (2017: £298,554) and the Trustees' strategy to maintain free reserves of at least £30,000 has been achieved by Warren Wood Primary Academy, Chantry Primary Academy and Hilltop Primary Academy. The free reserves held by Greenacre Academy were below £30,000 due to a transfer to restricted general funds in order to make up for a shortfall in GAG funding.

At the year end the academy trust has total funds £20,887,032 (2017: £16,862,726). Restricted funds, excluding restricted fixed asset funds of £23,115,224 (2017: £18,951,745), show a deficit at the year-end of £2,553,619 (2017: £2,387,573) after accounting for the deficit on the local government pension scheme. The deficit on the scheme as at 31st August 2018 was £3,405,000 (2017: £3,364,000). It should be noted however that this deficit will not crystallise in the foreseeable future and that the Academy follows the advice of the pension scheme actuary and makes contributions in accordance with the rates advised. This level of contributions has been taken into account when preparing the Academy's budgets for the year ending 31st August 2019. The balance on restricted general funds, excluding pension reserve, plus the balance on unrestricted funds at 31st August 2018 was a surplus of £1,176,808 (2017: £1,274,981).

SKILLS FOR LIFE TRUST (A COMPANY LIMITED BY GUARANTEE)
FORMERLY KNOWN AS THE GREENACRE ACADEMY TRUST

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2018

FINANCIAL REVIEW - continued

Investment policy

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

Principal risks and uncertainties

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

- Funding for education is under pressure, especially for 6th form provision. Whilst there are 3 year financial plans in place, the funding arrangements are that where an academy is seeing growth this places pressure on the in-year balances; should any unforeseen circumstance occur this may have a significant impact on the 3 year plans.
- With an Academy's income largely based on student numbers, a fall in the roll would have significant financial implications.
- The control of staff costs, matched to teaching requirements; the difficulties in recruitment; yet being mindful of the need to continue to drive up performance, standards and results.
- Any sudden changes to the liability with regard to the LGPS.

Other risks and uncertainties which could face the Trust are in relation to the reputation of the trust or an Academy within the Trust. This could arise from an Ofsted or other governmental report, or an event outside of the control of the Trustees.

The Trustees have considered the principal risks and uncertainties facing the Trust and have as far as appropriate taken steps to minimise these risks.

Principal funding sources

The majority of the Trust's income arises in the form of recurrent grants from the ESFA, to each of the Academies within the Trust. The use of this income is restricted to the particular purpose of the grant. The grant received from the ESFA in the year to 31st August 2018 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities. Fixed assets are included in the Restricted Fixed Asset Fund.

During the year to 31st August 2018

- Total income, including capital income, was £14,760,397 (2017: £9,766,473) of which £575,052 (2017: £440,548) was unrestricted income and £3,848,503 (2017: £nil) related to donations of net assets on conversion of Hilltop Primary Academy.
- Total expenditure for the year to 31st August 2018 was £11,728,091 (2017: £10,195,783) of which:
- Employee costs of £8,993,307 (2017: £7,449,192) represented 77% (2017: 73%) of total expenditure.
- Premises related costs of £1,017,817 (2017: £1,236,311), represented 9% (2017: 12%) of total expenditure (Included in the figures reported are the funds received for the CIF fund by The Greenacre Academy and Warren Wood Primary Academy).
- The depreciation of fixed assets which was £583,029 (2017: £597,958).
- The in-year deficit on restricted general funds, excluding pension reserve, plus unrestricted funds was £98,173 (2017: £539,347 surplus).

FUNDRAISING

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

That said the individual academies permit their own Parent-Teacher Association or Friends of the Schools (PTFA) to assist with running and raise low key and minor fundraising events during the year; such as a cake sale. The funds raised are controlled and reconciled by the respective PTFA. Minor donations are made to the academy to assist with the provision of education of pupils.

SKILLS FOR LIFE TRUST (A COMPANY LIMITED BY GUARANTEE)
FORMERLY KNOWN AS THE GREENACRE ACADEMY TRUST

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2018

FUNDRAISING - continued

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

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

PLANS FOR FUTURE PERIODS

As previously set out, the Trustees will continue to monitor and revise the Trust Plan to strengthen the Trust.

The Trustees will continue, in accordance with the Trust's vision statements "Skills for Life" to seek improvement in the levels of performance of its students to allow them to perform to the best of their abilities and to prepare them to live and work as active citizens.

To further implant the vision statement whilst ensuring all academies within the Trust recognise that they are equal in delivering an all-round education; Greenacre Academy Trust will rebrand itself under the "Skills for Life Trust" early into the next accounting period.

The Trustees will continue to look to develop the Trust by considering schools that wish to join the Trust or by offering assistance in other ways, if appropriate. As such the Trust welcomed Hilltop Primary in February 2018 and saw Walderslade Girls' School join with effect from 1st September 2018.

Regarding Hilltop, a Head of Primary Education has been put in place to ensure that the school 'bonds' with the other two primary academies and as a result pupil performance continues to improve.

At Walderslade Girls' School, a one year action plan has been drawn up and designed to impact upon the areas in most need of improvement. Governors will regularly oversee progress and report back the anticipated progress to trustees at the termly board meetings.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

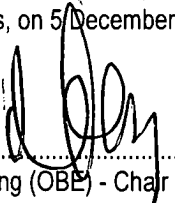
The Academy holds no funds as custodian trustee on behalf of others. During the year covered by this report neither the Trust nor its trustees held any funds as a custodian trustee on behalf of any other charitable organisation.

AUDITOR

In so far as the trustees are aware:

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

Report of the trustees, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 5 December 2018 and signed on the board's behalf by:


.....
Ms N King (OBE) - Chair of Trustees

SKILLS FOR LIFE TRUST (A COMPANY LIMITED BY GUARANTEE)
FORMERLY KNOWN AS THE GREENACRE ACADEMY TRUST

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2018

Scope of Responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Skills For Life Trust (A Company Limited by Guarantee) has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The board of the trustees has delegated the day-to-day responsibility to the CEO, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Skills for Life Trust (A Company Limited by Guarantee) and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

Skills For Life Trust has a Board of Trustees which is responsible for the strategic direction of the Trust. An Operational Board was formed 14th March 2018 consisting of Trustees, Heads of Schools and Chairs of the Local Governing Body (LGB). Each academy has its own LGB which reports to the Board.

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 5 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Name	Meetings attended	Out of a possible
<u>Trustees</u>		
N King (OBE) (Chair of Trustees)	5	5
A Reese (CEO)	5	5
K Johnson (Appointed 12/10/17)	1	5
S Miles (Resigned 04/05/18)	1	3
D Winter	4	5
I Brown	3	5
J Fouracre (Appointed 24/01/18)		
A Bracknell (Appointed 04/05/18)	1	2
N Bromley (Resigned 14/03/18)	4	5
C Dennis (Resigned 14/03/18)	3	5
<u>Operational Board</u>		
S Butler	5	5
J Brooke	4	5
L Ward	5	5
K Duncan	5	5
S Bridger	4	5
S Weeden-Arter	0	3
G Evans	3	3

N Bromley and C Dennis resigned as trustees during the year, at which point they were appointed to the newly formed Operational Board.

The absences of K Johnson were for personal reasons which has been acknowledged at the Trust Board meetings.

SKILLS FOR LIFE TRUST (A COMPANY LIMITED BY GUARANTEE)
FORMERLY KNOWN AS THE GREENACRE ACADEMY TRUST

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2018

Governance - continued

As part of reviewing the strategic capacity of the Trust Board, the number of Trustees (Directors) has been reduced. The Operational Board has been established which permits all Trustees and those listed to show their involvement.

The skills sets of Trustees and composition within the Board enables those Trustees to have key areas of responsibility, ensuring effective governance, scrutiny, support and guidance. Areas such as Finance, Primary and Secondary education improvement, effective leadership and developing and making pupils ready for transitioning encompassing the Trust's Skills for Life ethos.

Both the Trust and Operational Boards are presented with regular updates on Trust-wide KPI's performance; focused but limited to pupil and individual academy performance, financials, compliance and the effectiveness of Skills for Life. The documentation being a factual summary of the collective inputs, discussion and scrutiny derived from staff input, via leadership groups, local governance and trust committees.

During the reporting period the Board has retained and secured the services of experienced professionals. The effectiveness of the board is reviewed annually by the Chair and members at the annual general meeting. By taking the decision in March to form the Operational Board; Trustees are to remain strategic and focused on ensuring the Trust continues to deliver at every level.

The next self-evaluation of governance is due to take place in January 2019.

The information given below in respect of each individual Academy is for the year or from the date the Trust joined if during the year.

Greenacre Academy / Warren Wood Primary Academy - LGB

	Meetings attended	Out of a possible
S Butler	6	6
C Bergess	6	6
S Bridger	6	6
L Ward	6	6
O Smith	5	6
P Provins (resigned 30/01/2018)	2	3
D Simmonds	5	6
S O'Brien (resigned 30/01/2018)	1	3
S Ingham-Hope	5	6
K Boon (resigned 11/10/2017)	0	1
C Taylor (resigned 04/12/2017)	1	2
Cllr T Clarke (term of office expired 15/12/2017)	0	3
A Cox	6	6
G Cook (appointed 27/03/2018)	2	2
A Broadhurst (appointed 27/03/2018)	2	2
C Williams (appointed 10/07/2018)	1	1
J Cable (appointed 10/07/2018)	1	1
C Razzell (appointed 10/07/2018)	1	1

**SKILLS FOR LIFE TRUST (A COMPANY LIMITED BY GUARANTEE) -
FORMERLY KNOWN AS THE GREENACRE ACADEMY TRUST**

**GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2018**

Governance - continued

Chantry Community Academy - LGB

	Meetings attended	Out of a possible
J Brooke	7	7
D Gingell	6	7
K Duncan	7	7
A Penning	7	7
S Te (resigned December 2017)	1	2
N Treleaven	6	7
A Roberts (deceased 11/08/2018)	5	7
K Blakemore	6	7
E Evernden (appointed 24/01/2018)	3	4

Hilltop Primary Academy - LGB

	Meetings attended	Out of a possible
S Weeden-Arter	3	3
G Evans	3	3
J Snelling	3	3
A Tester	3	3
S Presneill	2	3
P Reynolds	2	3
C Wooder	2	3
C Whetton	1	3

The Local Governing Bodies have undertaken a review of governors' visits to the Academy which included discussing past visits and how to further formalise the information gathered. A Visit policy and pro-forma for recording visits was agreed. The process is regularly reviewed at Governors meetings and additional Work Scrutiny training is planned. An end of year review will take place, this will include feedback on the impact of governors understanding of the process of learning in the Academy.

The Governors have also had the opportunity to provide input into the updating of the School Improvement Plan, this took place on Governors Day using worksheets provided by the Head of School. The School Improvement Plan is used throughout the year as an information tool for governors to evaluate the Academy's progress.

A review of Governors' skills sets has been undertaken and is assessed by the respective Chairs. All Governors have access training, conferences and support as required or requested.

SKILLS FOR LIFE TRUST (A COMPANY LIMITED BY GUARANTEE)
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GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2018

Governance - continued

The **Audit and Finance Committee** is a sub-committee of the main board of trustees. Its purpose is to:

1. In consultation with the Head Teacher, to draft the first formal budget plan of the financial year.
2. To establish and maintain an up-to-date 3 year financial plan.
3. To consider a budget position statement at least termly and to report significant anomalies from the anticipated position to the Board of Trustees.
4. To ensure that the academy trust operates within the Financial Regulations.
5. To annually review all finance related policies.
6. To make decisions on expenditure following recommendations from other committees.
7. To ensure that sufficient funds are available for pay increments as recommended by the Head Teacher and the Head Teacher's Performance Management Team.
8. To monitor expenditure of any voluntary funds kept on behalf of the Board of Trustees.

Attendance at meetings in the year was as follows:

	Meetings attended	Out of a possible
J Fouracre	3	4
J Brooke	3	4
A Reese	4	4
S Radlett	4	4
C Bergess	2	2

Review of Value for Money

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

The accounting officer considers how the academy trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the academy trust has delivered improved value for money during the year by

- regularly reviewing the functions of the Trust and Academies, **challenging** how and why services are provided and setting targets and performance indicators for improvement.
- monitoring outcomes and comparing performance with similar Trusts and Academies and within.
- consulting appropriate stakeholders before major decisions are made.
- promoting fair competition through quotations and tenders to ensure that goods and services are secured in the most economic, efficient and effective way.

We seek to ensure that the Trust is using its resources effectively to meet the needs of pupils.

Collectively during the year we sought to achieve Best Value by focusing on the following activities:

SKILLS FOR LIFE TRUST (A COMPANY LIMITED BY GUARANTEE)
FORMERLY KNOWN AS THE GREENACRE ACADEMY TRUST

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2018

Review of Value for Money – continued

The planning, delivery and monitoring of the curriculum by further personalising learning, for example by:

- Evaluating changes to the KS4, Ks3 and KS2 curriculum to ensure outstanding provision and value for money.
- Implementing and evaluating the impact of revised specifications for post 16 qualifications.
- Meeting, but with focus on exceeding challenging pupil progress targets across the school.
- Robust self-evaluation, reported in the Self Evaluation Form (SEF), with a particular focus on the quality of teaching and learning and on pupil progress.

Staffing by:

- Continuing to implement as far as possible the Workforce remodelling initiatives.
- Reviewing TLR and other payments to ensure they are fit for purpose.
- Reviewing Appraisal arrangements to ensure that targets are rigorous.
- Reducing bureaucracy where possible.
- Working collaboratively across the Trust where savings can be made.

The school environment by:

- Maintaining an annual refurbishment programme.
- Ensuring building programmes progresses efficiently and with no detrimental impact on learning.

Resources by:

- Allocating resources as identified in Business Plan addressing the priorities identified in the Improvement Plan.
- Obtaining competitive quotations for goods and services.
- Collaborating as a Trust on procurement where possible.

School leadership and management by:

- Putting in place an induction programme for all new teaching staff.
- Encouraging applications for appropriate leadership courses from suitable staff.
- Further developing - Trust and Academy-based continuing professional development.
- Using Trust status to provide professional development opportunities for leaders.

Financial management by:

- Maintaining a careful oversight on expenditure.
- Maximising income from lettings.

The care, guidance and support of pupils by:

- Ensuring that all children are valued as individuals and that safeguarding procedures are fully in place.
- Tracking pupil progress and target setting using the respective Academy's' LA and national data.

SKILLS FOR LIFE TRUST (A COMPANY LIMITED BY GUARANTEE)
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GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2018

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Skills For Life Trust (A Company Limited by Guarantee) for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the Audit and Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed McCabe Ford Williams, the external auditor, to perform additional checks on behalf of the internal reviewer.

The internal reviewer on the Board of Trustees resides with the Chair of the Audit and Finance Committee. The internal reviewer's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular the checks carried out in the period included the testing and review of:

- payroll and personnel systems;
- purchase processing systems and tendering procedures;
- completeness of ESFA income;
- completeness of other income;
- sales processing and debtors ledger;
- balance sheet control accounts;
- expense claims; and
- petty cash reconciliations.

On a quarterly basis, the internal reviewer takes the auditor's reports to the Board of Trustees concerning the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. The Board of Trustees confirms that the internal reviewer function has been fully delivered in line with the ESFA's requirements and that no material internal control issues were identified during those visits.

SKILLS FOR LIFE TRUST (A COMPANY LIMITED BY GUARANTEE)
FORMERLY KNOWN AS THE GREENACRE ACADEMY TRUST

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2018

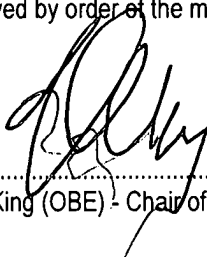
Review of Effectiveness


As accounting officer, the CEO has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal reviewer;
- the work of the external auditor; and
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of trustees on 5 December 2018 and signed on its behalf by:


.....
Ms N King (OBE) - Chair of Trustees


.....
A Reese - Accounting Officer

SKILLS FOR LIFE TRUST (A COMPANY LIMITED BY GUARANTEE)
FORMERLY KNOWN AS THE GREENACRE ACADEMY TRUST

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2018

As accounting officer of Skills For Life Trust, I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the trust, or material non-compliance with the terms and conditions of funding under the trust's funding agreement and the Academies Financial Handbook 2017.

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

- **Financial issues**

Walderslade Girls' School's deputy head has been paid off payroll for a number of years with no PAYE or NI deducted. The academy only joined the academy trust on 1st September 2018 and the issue was identified by the MAT finance team upon them taking over responsibility for payroll at the end of October, with a subsequent internal investigation conducted. Accordingly, the issue did continue for a short time in the new MAT before being discovered.



A Reese - Accounting Officer

Date: 5 December 2018

SKILLS FOR LIFE TRUST (A COMPANY LIMITED BY GUARANTEE)
FORMERLY KNOWN AS THE GREENACRE ACADEMY TRUST

STATEMENT OF TRUSTEES RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2018

The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with the Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

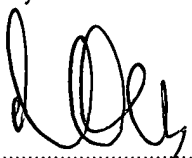
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 charitable company will continue in business.

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

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

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

Approved by order of the board of trustees on 5 December 2018 and signed on its behalf by:



.....
Ms N King (OBE) - Chair of Trustees

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
SKILLS FOR LIFE TRUST (A COMPANY LIMITED BY GUARANTEE)
FORMERLY KNOWN AS THE GREENACRE ACADEMY TRUST

Opinion

We have audited the financial statements of Skills For Life Trust (the 'academy trust') for the year ended 31 August 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2018, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the academy trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the report of the trustees (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
SKILLS FOR LIFE TRUST (A COMPANY LIMITED BY GUARANTEE)
FORMERLY KNOWN AS THE GREENACRE ACADEMY TRUST**

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 22, the trustees (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the academy trust or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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



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

Date: 5 December 2018

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY
TO SKILLS FOR LIFE TRUST (FORMERLY KNOWN AS THE GREENACRE ACADEMY TRUST) AND THE
EDUCATION AND SKILLS FUNDING AGENCY.**

In accordance with the terms of our engagement letter dated 27 September 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA), as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Skills For Life Trust during the period 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of Skills For Life Trust's funding agreement with the Secretary of State for Education dated 3 March 2012 and the Academies Financial Handbook, extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

- Review of the internal control environment which is designed to ensure compliance with regulations;
- Review of the accounting officer's consideration of issues surrounding regularity, propriety and compliance;
- Review of the work and reports of the internal reviewer during the period;
- Analytical procedures regarding declaration of potential conflicts of interest by key staff and the governing body;
- Review of fixed asset transactions against the requirements of the funding agreement between the academy trust and the Secretary of State and the Academies Financial Handbook;
- Testing of grants and other income for application in accordance with the terms and requirements attached;
- Review of the academy trust's activities to check they are in line with the Academies Framework and the academy trust's charitable objectives;
- Review of bank statements and financial transactions for indications of any items which may be improper;
- Review of bank accounts to check that they are operated within the terms of the academy trust's governing document and borrowing limits imposed by the funding agreement are not exceeded;

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY
TO SKILLS FOR LIFE TRUST (FORMERLY KNOWN AS THE GREENACRE ACADEMY TRUST) AND THE
EDUCATION AND SKILLS FUNDING AGENCY.**

Approach - continued

- Testing of expenditure, including expense claims for signs of transactions for personal benefit;
- Review of any extra-contractual payments made to staff;
- Review of procurement activity during the period

Conclusion

In the course of our work, except for the matter listed below, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

We draw attention to the issue raised in the Accounting Officer's Statement of Regularity, Propriety and Compliance which did not impact on the year on which we are required to report.



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

Date: 5 December 2018

SKILLS FOR LIFE TRUST (A COMPANY LIMITED BY GUARANTEE)
FORMERLY KNOWN AS THE GREENACRE ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT
AND STATEMENT OF OTHER COMPREHENSIVE INCOME)
FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	Unrestricted fund £	Restricted funds £	Restricted fixed asset funds £	31.8.18 Total funds £	31.8.17 Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and capital grants	2	21,936	-	319,775	341,711	424,558
Transfer from local authority on conversion	25	-	(470,474)	4,318,977	3,848,503	-
Charitable activities						
Funding for the trust's educational operations	3	33,587	9,999,514	-	10,033,101	8,897,327
Other trading activities	4	519,067	17,552	-	536,619	444,191
Investments	5	462	1	-	463	397
Total		575,052	9,546,593	4,638,752	14,760,397	9,766,473
EXPENDITURE ON						
Raising funds	7	-	10,070	-	10,070	4,787
Charitable activities						
Trust's educational operations	8	339,846	10,766,443	611,732	11,718,021	10,190,996
Total	6	339,846	10,776,513	611,732	11,728,091	10,195,783
NET INCOME/(EXPENDITURE)		235,206	(1,229,920)	4,027,020	3,032,306	(429,310)
Transfers between funds	20	(208,333)	71,874	136,459	-	-
		26,873	(1,158,046)	4,163,479	3,032,306	(429,310)
Other recognised gains/(losses)						
Actuarial gains/losses on defined benefit pension schemes	24	-	992,000	-	992,000	1,125,000
Net movement in funds		26,873	(166,046)	4,163,479	4,024,306	695,690
RECONCILIATION OF FUNDS 20						
Total funds brought forward		298,554	(2,387,573)	18,951,745	16,862,726	16,167,036
TOTAL FUNDS CARRIED FORWARD		325,427	(2,553,619)	23,115,224	20,887,032	16,862,726

CONTINUING OPERATIONS

All of the Trust's activities derive from continuing operations during the above financial periods.

The notes form part of these financial statements

SKILLS FOR LIFE TRUST (A COMPANY LIMITED BY GUARANTEE)
FORMERLY KNOWN AS THE GREENACRE ACADEMY TRUST (REGISTERED NUMBER: 07965316)

BALANCE SHEET
AT 31 AUGUST 2018

		31.8.18 £	31.8.18 £	31.8.17 £	31.8.17 £
	Notes				
FIXED ASSETS					
Tangible assets	14		23,113,081		18,859,652
CURRENT ASSETS					
Stocks	15	5,077		5,077	
Debtors: amounts falling due within one year	16	277,371		154,756	
Cash at bank and in hand		1,668,722		1,614,746	
		<u>1,951,170</u>		<u>1,774,579</u>	
LIABILITIES					
Creditors: Amounts falling due within one year	17	<u>(643,462)</u>		<u>(363,593)</u>	
NET CURRENT ASSETS			<u>1,307,708</u>		<u>1,410,986</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			24,420,789		20,270,638
Creditors: Amounts falling due after more than one year	18		(128,757)		(43,912)
NET ASSETS EXCLUDING PENSION LIABILITY			<u>24,292,032</u>		<u>20,226,726</u>
Pension scheme liability	24		<u>(3,405,000)</u>		<u>(3,364,000)</u>
NET ASSETS INCLUDING PENSION LIABILITY			<u>20,887,032</u>		<u>16,862,726</u>
FUNDS OF THE ACADEMY:					
RESTRICTED FUNDS					
Fixed asset funds	20	23,115,224		18,951,745	
General funds	20	851,381		976,427	
Pension fund	20	<u>(3,405,000)</u>		<u>(3,364,000)</u>	
TOTAL RESTRICTED FUNDS			20,561,605		16,564,172
UNRESTRICTED INCOME FUNDS	20		325,427		298,554
TOTAL FUNDS			<u>20,887,032</u>		<u>16,862,726</u>

The financial statements on pages 27 to 55 were approved by the Board of Trustees on 5 December 2018 and were signed on its behalf by

Ms N King (OBE) - Chair of Trustees

The notes form part of these financial statements

SKILLS FOR LIFE TRUST (A COMPANY LIMITED BY GUARANTEE)
FORMERLY KNOWN AS THE GREENACRE ACADEMY TRUST

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	31.8.18 £	31.8.17 £
Cash flows from operating activities			
Net cash provided by operating activities	1	96,298	118,476
Cash flows from investing activities	2	(146,717)	357,763
Cash flows from financing activities	3	104,395	24,755
		<hr/>	<hr/>
Change in cash and cash equivalents in the reporting period		53,976	500,994
		<hr/>	<hr/>
Cash and cash equivalents at 1 September 2017	4	<u>1,614,746</u>	<u>1,113,752</u>
Cash and cash equivalents at 31 August 2018	4	<u><u>1,668,722</u></u>	<u><u>1,614,746</u></u>

The notes form part of these financial statements

SKILLS FOR LIFE TRUST (A COMPANY LIMITED BY GUARANTEE)
FORMERLY KNOWN AS THE GREENACRE ACADEMY TRUST

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2018

1. Reconciliation of net income/(expenditure) to net cash flow from operating activities		
	31.8.18	31.8.17
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	3,032,306	(429,310)
Adjustments for:		
Depreciation	583,029	597,958
Capital grants from DfE/ESFA	(319,775)	(406,266)
Interest received	(463)	(397)
Assets and liabilities transferred from Hilltop on conversion	(3,848,503)	-
(Increase)/decrease in debtors	(122,615)	25,956
Increase/(decrease) in creditors	260,319	(91,465)
Difference between pension charge and cash contributions	512,000	422,000
Net cash provided by operating activities	<u>96,298</u>	<u>118,476</u>
2. Cash flows from investing activities		
Interest received	463	397
Purchase of tangible fixed assets	(517,481)	(48,900)
Capital grants from DfE/ESFA	319,775	406,266
Cash transferred from Hilltop on conversion	50,526	-
Net cash provided by investing activities	<u>(146,717)</u>	<u>357,763</u>
3. Cash flows from financing activities		
Loan repayments in year	(22,590)	(4,245)
Cash inflows from new borrowing	126,985	29,000
Net cash provided by financing activities	<u>104,395</u>	<u>24,755</u>
4. Analysis of cash and cash equivalents		
	31.8.18	31.8.17
	£	£
Cash in hand and in bank	9,565	707
Notice deposits (less than 3 months)	1,659,157	1,614,039
Total cash and cash equivalents	<u>1,668,722</u>	<u>1,614,746</u>

SKILLS FOR LIFE TRUST (A COMPANY LIMITED BY GUARANTEE)
FORMERLY KNOWN AS THE GREENACRE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. STATEMENT OF ACCOUNTING POLICIES

Skills For Life Trust is a charitable company limited by guarantee and an exempt charity incorporated in England and Wales. The registered office is 157 Walderslade Road, Walderslade, Chatham, Kent, ME5 0LP. The principal activity of the Trust is to provide education for pupils that satisfies the requirements of the Education Act 2002.

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

Basis of preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006.

Going concern

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

In addition, the academy trust has a consistent pupil roll and is always over-subscribed. The academy trust produces its annual budgets with prudent figures for both income and expenditure. For this reason the trustees continue to adopt the going concern basis in preparing the financial statements.

Income

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

- **Grants**

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

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

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

SKILLS FOR LIFE TRUST (A COMPANY LIMITED BY GUARANTEE)
FORMERLY KNOWN AS THE GREENACRE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2018

1. STATEMENT OF ACCOUNTING POLICIES - continued

- **Donations**

Donations are recognised on a receivable basis (where there are no performance related conditions), where it is probable that the income will be received and the amount can be measured reliably.

- **Other income**

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

- **Donated goods, facilities and services**

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

- **Conversion to an Academy Trust**

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from Hilltop Primary School to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Specific details of the nature and valuation of fixed assets including the allocation between Land & Buildings and Other Fixed Assets, pension and other assets and liabilities transferred as well as further details of the transaction are set out in note 25.

- **Transfer on conversion**

Where assets and liabilities are received by the academy trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the academy trust. An equal amount of income is recognised as transfer on conversion within Donations and capital grant income to the net assets received.

- **Property transferred upon conversion to an Academy**

Upon Hilltop Primary becoming an academy, the academy trust received title to the leasehold of the school building for no consideration. The leasehold property has been valued by Kier Limited on 8 October 2018. As the school is a specialised property the valuation has been assessed on a depreciated replacement cost basis after allowance for factors of age and obsolescence. Upon conversion the properties were brought into the restricted fixed asset fund as a donation within the Statement of Financial Activities.

SKILLS FOR LIFE TRUST (A COMPANY LIMITED BY GUARANTEE)
FORMERLY KNOWN AS THE GREENACRE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2018

1. STATEMENT OF ACCOUNTING POLICIES - continued

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. All resources expended are inclusive of irrecoverable VAT. Central staff costs are allocated on a basis of time spent, and depreciation charges allocated on the portion of the asset's use.

- **Expenditure on raising funds**

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

- **Charitable activities**

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

Tangible fixed assets

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

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

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

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

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

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

**SKILLS FOR LIFE TRUST (A COMPANY LIMITED BY GUARANTEE)
FORMERLY KNOWN AS THE GREENACRE ACADEMY TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2018**

1. STATEMENT OF ACCOUNTING POLICIES - continued

Liabilities

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

Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 27.

Provisions

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

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

Leased assets

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

Leasehold property

Some of the land and buildings from which the academy trust operates are leased from Kent County Council for a period of 125 years. Rentals payable in respect of this lease are one peppercorn per annum. Under the terms of the lease the risks and rewards of ownership have been substantially transferred to the academy trust and accordingly to reflect its use, the value of the properties has been included in fixed assets with an appropriate credit to voluntary income within the restricted fixed asset fund. The properties were valued at depreciated replacement cost by relevant registered professionals specialising in public sector property valuation at the time of each school converting to an academy and joining the Trust. The valuations were specifically carried out in accordance with the capital accounting requirements of the Charities SORP 2015.

Financial instruments

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

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments.

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

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 17 and 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

SKILLS FOR LIFE TRUST (A COMPANY LIMITED BY GUARANTEE)
FORMERLY KNOWN AS THE GREENACRE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2018

1. STATEMENT OF ACCOUNTING POLICIES - continued

Stocks

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

Taxation

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

Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Pension benefits

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

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

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

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education and Skills Funding Agency/Department for Education and other funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education and Skills Funding Agency and Kent County Council.

SKILLS FOR LIFE TRUST (A COMPANY LIMITED BY GUARANTEE)
FORMERLY KNOWN AS THE GREENACRE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2018

1. STATEMENT OF ACCOUNTING POLICIES - continued

Critical accounting estimates and areas of judgement

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

Critical accounting estimated and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability.

Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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

Critical areas of judgement

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

SKILLS FOR LIFE TRUST (A COMPANY LIMITED BY GUARANTEE)
FORMERLY KNOWN AS THE GREENACRE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2018

2. DONATIONS AND CAPITAL GRANTS

	Unrestricted funds £	Restricted funds £	31.8.18 Total funds £	31.8.17 Total funds £
Donations	21,936	-	21,936	18,292
Grants	-	319,775	319,775	406,266
	<u>21,936</u>	<u>319,775</u>	<u>341,711</u>	<u>424,558</u>

3. FUNDING FOR THE TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	31.8.18 Total funds £	31.8.17 Total funds £
DfE/ESFA revenue grant				
General Annual Grant(GAG)	-	8,329,084	8,329,084	7,611,879
Other DfE/ESFA grants	-	884,823	884,823	866,036
	-	9,213,907	9,213,907	8,477,915
Other government grant				
Local Authority grants	31,853	707,764	739,617	282,914
	<u>31,853</u>	<u>9,921,671</u>	<u>9,953,524</u>	<u>8,760,829</u>
 Other income from the academy trust's educational operations	 1,734	 77,843	 79,577	 136,498
	<u>33,587</u>	<u>9,999,514</u>	<u>10,033,101</u>	<u>8,897,327</u>

SKILLS FOR LIFE TRUST (A COMPANY LIMITED BY GUARANTEE)
FORMERLY KNOWN AS THE GREENACRE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2018

4. OTHER TRADING ACTIVITIES

	Unrestricted funds £	Restricted funds £	31.8.18 Total funds £	31.8.17 Total funds £
Sponsorships	30,357	-	30,357	3,187
Other Income	-	17,552	17,552	65,087
Hire of facilities	488,710	-	488,710	375,917
	<u>519,067</u>	<u>17,552</u>	<u>536,619</u>	<u>444,191</u>

5. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	31.8.18 Total funds £	31.8.17 Total funds £
Interest received	462	1	463	397
	<u>462</u>	<u>1</u>	<u>463</u>	<u>397</u>

6. EXPENDITURE

	Staff costs £	Non-pay expenditure Premises £	Other costs £	31.8.18 Total £	31.8.17 Total £
Expenditure on raising funds					
Costs incurred by trading for a fundraising purpose	-	-	10,070	10,070	4,787
Academies educational operations					
Direct costs	5,884,184	389,322	1,278,852	7,552,358	6,193,934
Allocated support costs	<u>3,109,123</u>	<u>567,303</u>	<u>489,237</u>	<u>4,165,663</u>	<u>3,997,062</u>
	<u>8,993,307</u>	<u>956,625</u>	<u>1,778,159</u>	<u>11,728,091</u>	<u>10,195,783</u>

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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
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6. EXPENDITURE - continued

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

	31.8.18	31.8.17
	£	£
Operating lease rentals	28,758	13,928
Auditors' remuneration	17,878	16,000
Auditors' remuneration for non audit work	5,500	5,000
Depreciation - owned assets	<u>583,029</u>	<u>597,958</u>

Included within expenditure are the following transactions:

	Total £	Individual items above £5,000	
		Amount £	Reason
Gifts made by the trust	150	-	-

7. RAISING FUNDS

Costs incurred by trading for a fundraising purpose

	Unrestricted funds	Restricted funds	31.8.18 Total funds	31.8.17 Total funds
	£	£	£	£
Purchases	-	10,070	10,070	4,787
	<u>-</u>	<u>10,070</u>	<u>10,070</u>	<u>4,787</u>

8. CHARITABLE ACTIVITIES

	Unrestricted funds	Restricted funds	31.8.18 Total funds	31.8.17 Total funds
	£	£	£	£
Direct costs – educational operations	339,846	7,212,512	7,552,358	6,193,934
Support costs – educational operations	-	4,165,663	4,165,663	3,997,062
	<u>339,846</u>	<u>11,378,175</u>	<u>11,718,021</u>	<u>10,190,996</u>

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8. CHARITABLE ACTIVITIES – continued

	31.8.18 £	31.8.17 £
Analysis of support costs		
Support staff costs	3,109,123	2,571,655
Depreciation	52,471	53,815
Technology costs	4,335	5,830
Premises costs	567,303	887,278
Other support costs	393,878	438,653
Governance costs	38,553	39,831
Total support costs	4,165,663	3,997,062

9. STAFF

a. Staff costs

	31.8.18 £	31.8.17 £
Wages and salaries	6,881,113	5,700,020
Social security costs	587,398	487,653
Other pension costs	1,425,969	1,169,977
	8,894,480	7,357,650
Supply teacher costs	98,827	91,542
	8,993,307	7,449,192

b. Non-statutory / non-contractual staff severance payments

There are no non-statutory/non-contractual severance payments included in staff restructuring costs (2017: none).

c. Staff numbers

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

	31.8.18	31.8.17
Teachers and educational support	124	105
Administration and support	107	94
Management	17	21
	248	220

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9. STAFF - continued

d. Higher paid staff

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

	31.8.18	31.8.17
£60,001 - £70,000	3	2
£100,001 - £110,000	-	1
£130,001 - £135,000	1	-
	<u>4</u>	<u>3</u>

All of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2018, pension contributions for these staff amounted to £54,481 (2017: £20,842).

e. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior leadership team as listed on pages 1 and 2. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £974,859 (2017: £634,019).

10. TRUSTEES' REMUNERATION AND EXPENSES

The CEO and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees. The value of the trustees' remuneration and other benefits was as follows:

Mr Andy Reese (CEO and staff trustee)		
Remuneration	£130,000 - £135,000	(2017: £125,000 - £130,000)
Employer's pension contributions	£20,000 - £25,000	(2017: £20,000 - £25,000)
Ms K Edge (staff trustee) (resigned 31/08/2017)		
Remuneration	£nil	(2017: £25,000 - £30,000)
Employer's pension contributions	£nil	(2017: £5,000 - £10,000)
Mrs S Bridger (staff trustee) (appointed 01/09/2017) (resigned 14/03/2018)		
Remuneration	£25,000 - £30,000	(2017: £nil)
Employer's pension contributions	£10,000 - £15,000	(2017: £nil)
Mrs K Duncan (staff trustee) (resigned 14/03/2018)		
Remuneration	£35,000 - £40,000	(2017: £60,000 - £65,000)
Employer's pension contributions	£0 - £5,000	(2017: £10,000 - £15,000)

During the period ended 31 August 2018, travel and subsistence expenses totalling £867 were reimbursed to 1 trustee (2017: £nil)

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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2018

11. TRUSTEES' AND OFFICERS' INSURANCE

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

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Restricted fixed asset funds £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and capital grants	18,292	-	406,266	424,558
Charitable activities				
Funding for the academy's educational operations	41,525	8,855,802	-	8,897,327
Other trading activities	380,334	63,857	-	444,191
Investments	397	-	-	397
Total	440,548	8,919,659	406,266	9,766,473
EXPENDITURE ON				
Raising funds	1,954	2,833	-	4,787
Charitable activities				
Academy's educational operations	304,358	8,856,895	1,029,743	10,190,996
Total	306,312	8,859,728	1,029,743	10,195,783
NET INCOME/(EXPENDITURE)	134,236	59,931	(623,477)	(429,310)
Transfers between funds	(94,590)	17,770	76,820	-
Other recognised gains/(losses)				
Actuarial gains/losses on defined benefit pension schemes	-	1,125,000	-	1,125,000
Net movement in funds	39,646	1,202,701	(546,657)	695,690
RECONCILIATION OF FUNDS				
Total funds brought forward	258,908	(3,590,274)	19,498,402	16,167,036
TOTAL FUNDS CARRIED FORWARD	298,554	(2,387,573)	18,951,745	16,862,726

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13. CENTRAL SERVICES

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

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

The trust charges for these services on the basis of a flat percentage of income of 6.75%.

The actual amounts charged during the year were as follows:

	Year ended 31.8.18 £	Year ended 31.8.17 £
Top Slice Greenacre Academy	295,826	291,708
Top Slice Warren Wood Primary Academy	105,700	100,236
Top Slice Chantry Primary Academy	104,615	98,852
Top Slice Hilltop Primary Academy	38,746	-
	<u>544,887</u>	<u>490,796</u>

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FOR THE YEAR ENDED 31 AUGUST 2018

14. TANGIBLE FIXED ASSETS

	Freehold property £	Long leasehold £	Improvements to property £	Plant and machinery £
COST				
At 1 September 2017	2,833,000	17,327,555	117,482	183,429
Additions	-	-	382,187	-
Transfers on conversion	-	4,223,000	95,977	-
Disposals	-	-	-	(14,145)
At 31 August 2018	<u>2,833,000</u>	<u>21,550,555</u>	<u>595,646</u>	<u>169,284</u>
DEPRECIATION				
At 1 September 2017	178,073	1,461,308	9,610	183,429
Charge for year	56,660	371,165	6,386	-
Disposals	-	-	-	(14,145)
At 31 August 2018	<u>234,733</u>	<u>1,832,473</u>	<u>15,996</u>	<u>169,284</u>
NET BOOK VALUE				
At 31 August 2018	<u>2,598,267</u>	<u>19,718,082</u>	<u>579,650</u>	<u>-</u>
At 31 August 2017	<u>2,654,927</u>	<u>15,866,247</u>	<u>107,872</u>	<u>-</u>
	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1 September 2017	884,939	1,500	421,675	21,769,580
Additions	49,095	9,000	77,199	517,481
Transfers on conversion	-	-	-	4,318,977
Disposals	(5,400)	-	(83,966)	(103,511)
At 31 August 2018	<u>928,634</u>	<u>10,500</u>	<u>414,908</u>	<u>26,502,527</u>
DEPRECIATION				
At 1 September 2017	683,600	1,500	392,408	2,909,928
Charge for year	108,221	900	39,697	583,029
Disposals	(5,400)	-	(83,966)	(103,511)
At 31 August 2018	<u>786,421</u>	<u>2,400</u>	<u>348,139</u>	<u>3,389,446</u>
NET BOOK VALUE				
At 31 August 2018	<u>142,213</u>	<u>8,100</u>	<u>66,769</u>	<u>23,113,081</u>
At 31 August 2017	<u>201,339</u>	<u>-</u>	<u>29,267</u>	<u>18,859,652</u>

Included in cost or valuation of land and buildings is freehold land of £405,000 (2017 - £405,000).

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15. STOCKS

	31.8.18	31.8.17
	£	£
Clothing	<u>5,077</u>	<u>5,077</u>

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.18	31.8.17
	£	£
Trade debtors	55,310	40,128
VAT recoverable	118,941	72,148
Prepayments and accrued income	<u>103,120</u>	<u>42,480</u>
	<u>277,371</u>	<u>154,756</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.18	31.8.17
	£	£
Other loans (see note 19)	25,866	6,316
Trade creditors	83,762	94,788
Social security and other taxes	338,521	262,489
Accrued expenses	<u>195,313</u>	<u>-</u>
	<u>643,462</u>	<u>363,593</u>

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

	31.8.18	31.8.17
	£	£
Other loans (see note 19)	<u>128,757</u>	<u>43,912</u>
	<u>128,757</u>	<u>43,912</u>

19. SALIX LOANS

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

- A loan for £29,925 repayable over a 7 year duration, with 4 years remaining. Loan repayments of £4,275 per annum will pay off this loan.
- A loan of £29,000 repayable over a 7 year period, repayments started in March 2018. Loan repayments of £4,143 per annum will pay off this loan.
- A loan for £88,210 repayable over a 7 year duration, repayments started in March 2018. Loan repayments of £12,601 per annum will pay off this loan.
- A loan for £38,775 repayable over a 7 year duration, repayments started in March 2018. Loan repayments of £4,847 per annum will pay off this loan.

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19. SALIX LOANS - continued

An analysis of the maturity of the Salix loans within other creditors is given below:

	31.8.18	31.8.17
	£	£
Amounts falling due within one year	25,836	6,316
Amounts falling due between one and two years	25,836	6,346
Amounts falling due between two and five years	73,265	19,038
Amounts falling due in more than five years	29,686	18,528
	<u>154,623</u>	<u>50,288</u>

20. FUNDS

	Balance at 1 September 2017 £	Incoming Resources £	Resources Expended £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	935,581	8,379,610	(8,568,682)	71,874	818,383
School Voluntary Fund	40,846	77,844	(85,692)	-	32,998
Other government grants	-	725,316	(725,316)	-	-
Pension reserve	(3,364,000)	(521,000)	(512,000)	992,000	(3,405,000)
Pupil Premium	-	575,078	(575,078)	-	-
Other DfE/ESFA grants	-	309,745	(309,745)	-	-
	<u>(2,387,573)</u>	<u>9,546,593</u>	<u>(10,776,513)</u>	<u>1,063,874</u>	<u>(2,553,619)</u>
Restricted fixed asset funds					
Transfer on conversion	18,713,367	4,318,977	(544,386)	4,246	22,492,204
Expenditure from GAG	11,616	-	(12,156)	70,109	69,569
DfE/ESFA capital grants	226,762	319,775	(55,190)	62,104	553,451
	<u>18,951,745</u>	<u>4,638,752</u>	<u>(611,732)</u>	<u>136,459</u>	<u>23,115,224</u>
Total restricted funds	<u>16,564,172</u>	<u>14,185,345</u>	<u>(11,388,245)</u>	<u>1,200,333</u>	<u>20,561,605</u>
Unrestricted funds					
Unrestricted funds	298,554	575,052	(339,846)	(208,333)	325,427
Total funds	<u>16,862,726</u>	<u>14,760,397</u>	<u>(11,728,091)</u>	<u>992,000</u>	<u>20,887,032</u>

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

General Annual Grant (GAG)

Funds must be used for the normal running costs of the Academy.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

Other restricted general funds

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

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20. FUNDS - continued

Restricted fixed asset funds

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

A one-off transfer of buildings and other fixed assets previously in use by Hilltop Primary School occurred upon conversion to an Academy.

Unrestricted funds

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

Transfers between funds

During the year the academy trust has used £116,292 of unrestricted income and £20,167 of GAG income to purchase capital equipment. There has also been a transfer of £71,874 from unrestricted income to GAG in order to reduce the in-year deficit on the fund for Greenacre Academy.

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

	Balance at 1 September 2016 £	Incoming Resources £	Resources Expended £	Gains, losses and transfers £	Balance at 31 August 2017 £
Restricted general funds					
General Annual Grant (GAG)	450,870	7,611,879	(7,144,938)	17,770	935,581
School Voluntary Fund	25,856	134,752	(119,762)	-	40,846
Other government grants	-	243,135	(243,135)	-	-
Pension reserve	(4,067,000)	-	(422,000)	1,125,000	(3,364,000)
Pupil Premium	-	491,240	(491,240)	-	-
Other DfE/ESFA grants	-	438,653	(438,653)	-	-
	<u>(3,590,274)</u>	<u>8,919,659</u>	<u>(8,859,728)</u>	<u>1,142,770</u>	<u>(2,387,573)</u>
Restricted fixed asset funds					
Transfer on conversion	19,268,714	-	(559,592)	4,245	18,713,367
Expenditure from GAG	18,096	-	(6,480)	-	11,616
DfE/ESFA capital grants	211,592	406,266	(463,671)	72,575	226,762
	<u>19,498,402</u>	<u>406,266</u>	<u>(1,029,743)</u>	<u>76,820</u>	<u>18,951,745</u>
Total restricted funds	<u>15,908,128</u>	<u>9,325,925</u>	<u>(9,889,471)</u>	<u>1,219,590</u>	<u>16,564,172</u>
Unrestricted funds					
Unrestricted funds	258,908	440,548	(306,312)	(94,590)	298,554
	<u>258,908</u>	<u>440,548</u>	<u>(306,312)</u>	<u>(94,590)</u>	<u>298,554</u>
Total funds	<u>16,167,036</u>	<u>9,766,473</u>	<u>(10,195,783)</u>	<u>1,125,000</u>	<u>16,862,726</u>

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20. FUNDS - continued

Analysis of academies by fund balance

Fund balances at 31 August 2018 were allocated as follows:

	31.8.18 £	31.8.17 £
Greenacre Academy	6,041	237,444
Warren Wood Primary Academy	174,628	174,878
Chantry Primary Academy	907,883	789,322
Hilltop Primary Academy	67,695	-
Central service	20,561	73,337
	<u>1,176,808</u>	<u>1,274,981</u>
Total before fixed assets and pension reserve		
	<u>1,176,808</u>	<u>1,274,981</u>
Restricted fixed asset fund	23,115,224	18,951,745
Pension liability	(3,405,000)	(3,364,000)
	<u>20,887,032</u>	<u>16,862,726</u>
Total		
	<u>20,887,032</u>	<u>16,862,726</u>

Analysis of academies by cost

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

	Teaching and educational support costs	Other support staff costs	Educational supplies	Other costs (excluding depreciation)	Total 31.8.18 £	Total 31.8.17 £
	£	£	£	£	£	£
Greenacre Academy	3,159,785	1,036,606	445,487	644,488	5,286,366	5,343,909
Warren Wood Primary Academy	1,031,411	477,706	59,411	277,187	1,845,715	2,009,481
Chantry Primary Academy	941,850	551,403	71,868	266,930	1,832,051	1,790,212
Hilltop Primary Academy	510,581	279,853	29,178	182,317	1,001,929	-
Central services	240,556	763,555	1,208	173,680	1,178,999	955,019
	<u>5,884,183</u>	<u>3,109,123</u>	<u>607,152</u>	<u>1,544,602</u>	<u>11,145,060</u>	<u>10,098,621</u>

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21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund £	Restricted funds £	Restricted fixed asset funds £	31.8.18 Total funds £
Fixed assets	-	-	23,113,081	23,113,081
Current assets	325,427	1,376,936	248,807	1,951,170
Current liabilities	-	(525,555)	(117,907)	(643,462)
Long term liabilities	-	-	(128,757)	(128,757)
Pension liability	-	(3,405,000)	-	(3,405,000)
	<u>325,427</u>	<u>(2,553,619)</u>	<u>23,115,224</u>	<u>20,887,032</u>

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

	Unrestricted fund £	Restricted funds £	Restricted fixed asset funds £	31.8.17 Total funds £
Fixed assets	-	-	18,859,652	18,859,652
Current assets	298,554	1,291,674	184,351	1,774,579
Current liabilities	-	(315,247)	(48,346)	(363,593)
Long term liabilities	-	-	(43,912)	(43,912)
Pension liability	-	(3,364,000)	-	(3,364,000)
	<u>298,554</u>	<u>(2,387,573)</u>	<u>18,951,745</u>	<u>16,862,726</u>

22. OPERATING LEASE COMMITMENTS

At 31 August 2018 the academy had annual commitments under non cancellable operating leases as follows:

	31.8.18 £	31.8.17 £
Other		
Amounts due within one year	154,982	19,992
Amounts due between one and five years	<u>271,731</u>	<u>31,563</u>
	<u>426,713</u>	<u>51,555</u>

23. MEMBERS' LIABILITY

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

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24. PENSION AND SIMILAR OBLIGATIONS

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £127,925 were payable to the schemes at 31 August 2018 (2017: £110,021) and are included within creditors.

Teachers' pension scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers 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. 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 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £671,000 (2017: £567,000). A copy of the valuation report and supporting documentation is on the Teachers' Pensions website. Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme as if it were a defined contribution scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
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24. PENSION AND SIMILAR OBLIGATIONS - continued

Local government pension scheme

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £493,000 (2017: £417,000), of which employer's contributions totalled £382,000 (2017: £323,000) and employees' contributions totalled £111,000 (2017: £94,000). The agreed contribution rates for future years are 19.8 per cent for employers and range between 5.5 and 12.5 per cent for employees depending on pensionable pay.

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

Principal actuarial assumptions

	31.8.18	31.8.17
Discount rate	2.65%	2.60%
Future salary increases	3.80%	4.20%
Future pension increases	2.30%	2.70%
CPI Increases	2.30%	2.70%
Commutation of pension to lump sums	50.00%	50.00%

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

	31.8.18	31.8.17
Retiring today		
Males	23.1	23.0
Females	25.2	25.1
Retiring in 20 years		
Males	25.3	25.2
Females	27.5	27.4

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24. PENSION AND SIMILAR OBLIGATIONS - continued

Sensitivity analysis

The following table sets out the impact of a small change in the discount rates on the defined benefit obligation and projected service cost along with a +/- 1 year age rating adjustment to the mortality assumption:

	£ +0.1%	£ 0.0%	£ -0.1%
Adjustment to discount rate			
Present value of total obligation	8,308,000	8,501,000	8,698,000
Projected service cost	691,000	708,000	725,000
Adjustment to mortality age rating assumption	+ 1 year	None	- 1 year
Present value of total obligation	8,524,000	8,501,000	8,478,000
Projected service cost	708,000	708,000	708,000
Adjustment to CPI assumption	+0.1%	0.0%	-0.1%
Present value of total obligation	8,792,000	8,501,000	8,330,000
Projected service cost	725,000	708,000	686,000

The academy's share of the assets in the scheme were:

	Fair value at 31.8.18 £	Fair value at 31.8.17 £
Equities	3,474,000	2,788,000
Gilts	39,000	28,000
Other bonds	452,000	381,000
Property	630,000	486,000
Cash	156,000	126,000
Target return portfolio	345,000	152,000
Total market value of assets	5,096,000	3,961,000

The actual return on scheme assets was £196,000 (2017: £72,000).

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**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
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24. PENSION AND SIMILAR OBLIGATIONS - continued

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

	31.8.18	31.8.17
	£	£
Current service cost	1,322,000	657,000
Net interest from net defined benefit asset/liability	91,000	86,000
Administration expenses	<u>2,000</u>	<u>2,000</u>
	<u>1,415,000</u>	<u>745,000</u>

The actuarial remeasurements for the current year are recognised in the Statement of Financial Activities. The cumulative amount of actuarial remeasurements recognised in the Statement of Financial Activities since the adoption of the relevant pensions accounting is a £180,000 gain (2016: £812,000 loss).

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

	31.8.18	31.8.17
	£	£
At 1 September	(7,325,000)	(7,268,000)
Conversion of academy trust	(1,082,000)	-
Current service cost	(801,000)	(657,000)
Contributions by scheme participants	(111,000)	(94,000)
Interest cost	(207,000)	(160,000)
Actuarial losses/(gains)	912,000	774,000
Benefits paid	<u>113,000</u>	<u>80,000</u>
At 31 August	<u>(8,501,000)</u>	<u>(7,325,000)</u>

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

	31.8.18	31.8.17
	£	£
At 1 September	3,961,000	3,201,000
Conversion of academy trust	561,000	-
Return on assets less interest	80,000	351,000
Contributions by employer	382,000	323,000
Contributions by scheme participants	111,000	94,000
Interest on assets	116,000	74,000
Administrative expenses	(2,000)	(2,000)
Benefits paid	<u>(113,000)</u>	<u>(80,000)</u>
At 31 August	<u>5,096,000</u>	<u>3,961,000</u>

The estimated value of employer contributions for the year ending 31 August 2019 is £384,000 (2018: £322,000).

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25. TRANSFER ON CONVERSION TO AN ACADEMY

On 1 February 2018 the Hilltop Primary School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Skills For Life Trust from the Medway Local Authority for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as Transfer from local authority on conversion.

The following table sets out the fair value of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA.

	Unrestricted funds £	Restricted General funds £	Restricted Fixed Asset funds £	Total £
Tangible fixed assets				
Leasehold land and buildings	-	-	4,223,000	4,223,000
Other tangible fixed assets	-	-	95,977	95,977
Current assets				
Cash – representing surplus on LA funds	-	50,526	-	50,526
Current assets				
LGPS pension deficit	-	(521,000)	-	(521,000)
Net assets	<u>-</u>	<u>(470,474)</u>	<u>4,318,977</u>	<u>3,848,503</u>

26. RELATED PARTY DISCLOSURES

Owing to the nature of the Academy's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 10.

27. AGENCY ARRANGEMENTS

The academy trust distributes 16-19 bursary funds to students as an agent for the ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. In the accounting period ended 31 August 2018 the trust received £12,001 (2017: £12,000) and disbursed £12,001 (2017: £12,000) from the fund. An amount of £nil (2017: £nil) is included in other creditors relating to undistributed funds that is repayable to ESFA.

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28. EVENTS AFTER THE END OF THE REPORTING PERIOD

On 1st September 2018 Walderslade Girls' School joined the Skills For Life Trust. All the assets and liabilities of the former Trust were transferred to Skills For Life Trust as at that date and recognised as a donation.