

Charity registration number 1069993

Company registration number 03487635 (England and Wales)

SKILLS FOR PEOPLE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

SKILLS FOR PEOPLE

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	J Whaley G Atwal-Churchley S Woosey A Dagg S Halpin
Secretary	E Wright
Charity number	1069993
Company number	03487635
Principal address	4 Glendale Terrace Byker Newcastle upon Tyne Tyne and Wear NE6 1PB
Key management personnel	E Wright - Chief Executive N Ball - Deputy Chief Executive K Chaplin - Deputy Chief Executive L Cottrell - Office Manager
Auditor	Robson Laidler Accountants Limited Fernwood House Fernwood Road Jesmond Newcastle upon Tyne Tyne and Wear England NE2 1TJ
Bankers	Unity Trust Bank 4 Brindley Place Birmingham B1 2JB

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SKILLS FOR PEOPLE

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT)

FOR THE YEAR ENDED 31 MARCH 2023

The trustees present their annual report and financial statements for the year ended 31 March 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Objectives and activities

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Our purpose is to enable disabled people and their families to lead fulfilling and independent lives, to be healthy and safe, to exercise choice and control over the services which affect their lives, to be strong, confident and able to speak up for themselves and to overcome the daily challenges they face.

In pursuit of our purpose, we offer a range of services and activities that help disabled people to develop greater resilience, independence, confidence and well-being. These include:

- Information, advice, guidance and advocacy to ensure the rights of disabled people and their families are protected, and that they get the help they need to lead fulfilled, healthy lives.
- Wellbeing: We offer a comprehensive health and wellbeing education programme for people with a learning disability, offering education and support to help people live a healthy life. A range of groups offering healthy activity and friendship are provided each week. Our Learning Disability Community Link Workers work with local GPs to help their patients who have a learning disability make the connections they need to maintain good health.
- Social and Friendship Groups: We run a range of social and friendship groups for people with a learning disability and autistic people, which aim to reduce social isolation and loneliness.
- Social inclusion: Information, advice and support to help people to connect with people, places, and activities within their communities in order to reduce social isolation.
- Self Advocacy: We support people with learning disabilities to build their self-advocacy skills by involving them in 'Speaking Up Groups'.
- Support for family carers: our Families Advice and Support team (Newcastle upon Tyne) provides advice and information, training for families of disabled children, and supports the Pass it on Parents online peer support group which has over 4000 members. Across the North East and Cumbria, we provide support for family carers to learn about Positive Behaviour Support, and provide Keyworkers for young people facing admission to hospital due to their mental health, and their families.
- Easy Information Service: The Accessible information Standard (AIS) says that everyone should be given information in a way they can understand. We translate documents into 'easyread' format, and make short films, on behalf of a range of organisations, including councils, colleges, health services and others. This helps people with a learning disability understand information, benefiting thousands of people each year.
- Changing services: We support disabled people to influence policy and local health and care services, providing support for engagement of local people, and workforce training.
- Quality Checkers: our team of people with learning disabilities created this project which checks that health and social care services offer good support. The idea has spread across the country and is now used across many health and social care services. Our team train Quality Checkers across the country.

SKILLS FOR PEOPLE

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Public benefit

The trustees confirm that they have complied with the requirements of section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

The outcomes of our work includes:

- Improvements in health and wellbeing through programmes of health education, healthy activities and one-to-one support.
- A reduction in social isolation: beneficiaries are supported to gain friends, enjoy social activities and to play an active role in their communities.
- The active engagement of disabled people and their families in shaping and improving local services.
- An increased understanding among people who support disabled people and their families, and the public.
- Quality of life is improved by supporting people to understand their rights, to access services, and to feel more confident in voicing their needs.

Achievements and performance

The organisation worked across the North East and Cumbria. Our work benefited around 5000 people: both disabled people and family carers.

The **Families Advice and Support Team** benefited around 1500 parents and family carers and their children directly, with advice information about support services, help to secure small grants for equipment, short breaks etc, with around £100,000 secured in small grants. Our online coffee mornings at schools and community settings provide these services and encourage peer support. The Pass it on Parents facebook peer support group is supported and reaches over 4000 people. Workshops were created and delivered to help parents support their children with their mental health and wellbeing. Toys and gifts were distributed to families in need at Christmas. **The Keyworker project**, working in partnership with the Children and Young People's Provider Collaborative for the North East and North Cumbria. Keyworkers support children, young people who have a learning disability or are autistic, when they are at risk of admission to hospital due to their mental health. Each Keyworker works alongside young people and their family to help ensure they get the right support, and are at the heart of decision making.

Information guidance and support: around 250 people who have a learning disability, received individual advice, guidance, advocacy and help to connect with their community.

Health and wellbeing for adults who have a learning disability

Around 400 people benefited from projects aimed at improving the health and wellbeing of people who have a learning disability. We offered a range of activities, online and face to face to help people be connected to others, and supported to have a happy and healthy life. Activities included walking groups, cooking groups, gardening and outdoor activities, with workshops about cancer and screening, delivered by and for people with a learning disability. The **Mindfulness for Life** programme continues to offer a range of groups, and courses, virtually and face-to-face. **The Love Life** programme educates and supports people with a learning disability in relation to sexual health and relationships. **Learning Disability Community Link Workers** supported people with a learning disability, who are patients of seven GPs in Newcastle upon Tyne. They worked with over 100 people to improve their mental health, social inclusion, healthy eating, fitness, and to help them attend for vaccination and screening.

Connecting people in their communities

In Redcar and Cleveland, and Newcastle upon Tyne, our work continues help individual people who have a learning disability get connected with people, activities and places in their neighbourhoods. This improves their health and wellbeing and reduces isolation.

Speaking out

Speaking up (or 'self advocacy') groups help people to learn about their rights, and become more confident about speaking up. Many go on to influence health and care services providing a forum for consultation and co-production. This year we engaged with over 100 people.

Quality Checkers are people with personal experience of receiving services: our team came up with the idea many years ago. How they check the quality of health and social care services across the North East, and train new Quality Checkers around the country.

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TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Our **Easy Information Service** continued to create accessible information ('easyread' documents and short films) to help councils, health professionals, colleges and other organisations to communicate their message, particularly to people with a learning disability, in line with the Accessible Information Standard.

Financial review

There has been a small increase in income from £1,051,498 to £1,058,287 although there has been a move from grant income in 2022 to income from charitable activities in 2023. Grant income has reduced this year however this is mainly due to the large one-off grant received in the previous year. Contract income has increased due to the increased activity of the charity, in particular in the delivery of the Keyworker project described above.

Expenditure increased from £756,103 to £1,168,314, with direct costs (wages and service delivery costs) increasing by 57% due to the increase in delivery of services/projects. IT costs increased with some additional equipment being purchased for new staff employed. Other costs remain consistent to previous years and expectation.

Overall the surplus has decreased from £295,395 in 2022 to a deficit of £110,027 in 2023. This is largely due to the way that grant income is recognised in charity accounts. In 2022, a large charitable grant was fully recognised as income (in restricted funds) however much of the associated expenditure was not incurred until the 2023 financial year. Outside the restricted funds, there is a surplus of £66,809 in the unrestricted funds.

The balance sheet remains healthy, with significant income held to be deferred into 2023/2024, much of it relating to contracts which started at the end of March 2023. Since these contracts were invoiced for in March, the debtors figure is much higher than the previous year.

Reserves

Unrestricted reserves stand at £844,038 of which £365,681 (2022: £293,228) is classed as free reserves. Restricted funds have fallen significantly mainly because the charitable funding received in 2022 have been fully spent in the 2022/2023 financial year.

Reserves policy

The calculation of reserves is based on the definition included in the charity statement for recommended practice (SORP) which provides recommendations for accounting and reporting for charities. The trustees have examined the requirements of the charitable company to hold free reserves - those reserves not invested in tangible fixed assets, excluding long term liabilities, or designated for a particular purpose. This exercise considered

- Identification and planning for the maintenance of essential services for beneficiaries;
 - The risks of unplanned closure, spending commitments, potential liabilities and financial forecasts; and
 - The risks of unplanned closure on their beneficiaries (in particular, vulnerable beneficiaries), staff and volunteers.
- The challenges faced by the charity sector in the current financial climate, and the impact of the Covid pandemic.

The board have formally agreed to aspire holding the equivalent of six months operating costs in reserve, which allows for potential closure/redundancy costs, in order to provide short term financial resilience. This is to cover unexpected events, reductions in funding or to seize on new opportunities that may present themselves.

Going concern

The trustees have prepared a budget and cashflow forecast and have concluded that the charity continues to be a going concern for the foreseeable future. On that basis they have continued to adopt the going concern basis when preparing the financial statements.

Plans for future periods

The Board has taken precautions to ensure that the organisation is sustainable. The Board and the staff team manage budgets closely. The Board plans to secure the future of the organisation through careful financial management, and raising income through a diverse range of contracts, grants and sales. We will continue to provide and build on the successful programmes described earlier in this report, which will enable access to new sources of income.

SKILLS FOR PEOPLE

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2023**

Structure, governance and management

Skills for People is a company limited by guarantee, not having share capital, and is therefore governed by a memorandum and articles of association. Every member of the company undertakes to contribute to the assets if the company is wound up while he/she is a member or within one year of ceasing to be a member, such amount as may be required not exceeding £1. The company is a registered charity number 1069993.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

J Whaley

K Johnston

(Resigned 27 September 2022)

G Atwal-Churchley

S Woosey

A Dagg

S Halpin

Recruitment and appointment of new trustees

The directors of the company are also charity trustees for the purposes of charity law and under the company's articles are known as directors. Under the requirements of the Memorandum and Articles of Association one third of directors retire by rotation every year and can offer themselves for re-election. The Board can also co-opt directors to join them until the next AGM. The charity ensures that a range of skills are represented on the Board (business, financial, educational and management). Efforts are made to recruit Board Members who possess the skills which the organisation requires and membership is kept under review by the Board.

Organisational structure

Skills for People has a Board which meets at least 4 times a year. The Board members are trustees of the charity, and directors of the company. They are legally responsible for the organisation. The Board is responsible for the strategic direction of the organisation. A scheme of delegation is in place and day to day. Responsibility for the running of the organisation rests with the Chief Executive (CEO). She is responsible for ensuring the charity delivers the services specified and for meeting key performance targets. She also has responsibility for making sure that staff and volunteers are well supported.

Members of the Board, the CEO and the Senior Management Team meet at other times during the year, in smaller strategic groups, in order to guide and oversee the business management of the organisation.

Advisory Board

The organisation and its board are supported by an advisory group made up of local disabled people, ('Self Advocate Board') who advise on matters of importance for disabled people.

Induction and training of new trustees

New board members are made aware of:

- the obligations of the directors/trustees
- the main documents which set out the operational framework for the charity
- resourcing and the current financial position
- future plans and objectives

A handbook is provided to Board members and training provided as required.

Key management remuneration

The board members give their time freely. No trustees received remuneration in the year. The board has considered who the key management personnel of the charitable company. Together with the board, these staff are those in charge of directing and controlling, running and operating the activities of the charity on a day to day basis.

The pay of the key management personnel is reviewed annually. The trustees benchmark against pay levels of other charities and similar organisations within the sector and the region. Pay levels are set using this information together with budget and forecast information, ensuring that the charitable company can afford any proposed increases.

SKILLS FOR PEOPLE

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Risk management

The Board has conducted a review of the major risks to which the organisation is exposed. This assessment of risk is reviewed and updated at least annually. Where appropriate, systems and procedures have been established to mitigate risks. Internal control risks are minimised by the implementation of robust policies and procedures which safeguard the resources and reputation of the organisation. A key element in the management of financial risk is the setting of a Reserves Policy and its regular review by directors/trustees. Aside from building a prudent level of reserves and maintaining the level of working capital, there are limited funds for long term investment.

Statement of trustees' responsibilities

The trustees, who are also the directors of Skills For People for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

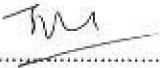
Auditor

In accordance with the company's articles, a resolution proposing that Robson Laidler Accountants Limited be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.


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J Whaley
Trustee

Date: 24-11-23

SKILLS FOR PEOPLE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SKILLS FOR PEOPLE

Opinion

We have audited the financial statements of Skills For People (the 'charity') for the year ended 31 March 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 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.

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

Conclusions relating to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

SKILLS FOR PEOPLE

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF SKILLS FOR PEOPLE

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose 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 charity'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 charitable company 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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

The risk of material misstatement due to error or fraud is deemed to be low within the entity as the charity operate strong internal controls to mitigate any such risk. These controls are reviewed as part of the audit by performing systems walkthroughs to ensure they are operating effectively. Other substantive testing is also performed on all material balances and therefore any instances of non-compliance should be identified or considered as insignificant. Manual journal entries are scrutinised by data analytics software used as part of the audit.

The laws and regulations which are considered to be significant to the entity relate to health and safety. Discussions are held with management to determine whether any breaches have occurred as well as legal expenditure being scrutinised for any evidence on non-compliance.

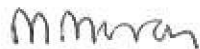
A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

SKILLS FOR PEOPLE

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF SKILLS FOR PEOPLE

Use of our report

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



Michael T Moran BA FCA (Senior Statutory Auditor)
for and on behalf of Robson Laidler Accountants Limited

Statutory Auditor

29 november 2023

Fernwood House
Fernwood Road
Jesmond
Newcastle upon Tyne
Tyne and Wear
England
NE2 1TJ

SKILLS FOR PEOPLE

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2023

Current financial year

	Notes	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Total 2022 £
<u>Income and endowments from:</u>					
Donations and legacies	2	108,506	41,990	150,496	448,115
Charitable activities		833,687	435	834,122	539,131
Other trading activities	3	71,750	-	71,750	48,920
Investments		1,919	-	1,919	296
Other income	4	-	-	-	15,036
Total income		1,015,862	42,425	1,058,287	1,051,498
<u>Expenditure on:</u>					
Charitable activities	5	949,053	219,261	1,168,314	756,103
Net income/(expenditure) for the year/ Net movement in funds		66,809	(176,836)	(110,027)	295,395
Fund balances at 1 April 2022		777,229	207,435	984,664	689,269
Fund balances at 31 March 2023		844,038	30,599	874,637	984,664

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

SKILLS FOR PEOPLE

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

Prior financial year

		Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
	Notes			
<u>Income and endowments from:</u>				
Donations and legacies	2	194,594	253,521	448,115
Charitable activities		535,986	3,145	539,131
Other trading activities	3	48,920	-	48,920
Investments		296	-	296
Other income	4	15,036	-	15,036
Total income		794,832	256,666	1,051,498
<u>Expenditure on:</u>				
Charitable activities	5	702,895	53,208	756,103
Net income/(expenditure) for the year/ Net movement in funds		91,937	203,458	295,395
Fund balances at 1 April 2021		685,292	3,977	689,269
Fund balances at 31 March 2022		777,229	207,435	984,664

SKILLS FOR PEOPLE

BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	10		478,357		484,001
Current assets					
Stocks	11	-		131	
Debtors	12	676,966		172,051	
Cash at bank and in hand		581,292		958,852	
		1,258,258		1,131,034	
Creditors: amounts falling due within one year	13	(861,978)		(630,371)	
Net current assets			396,280		500,663
Total assets less current liabilities			874,637		984,664
Income funds					
Restricted funds	14		30,599		207,435
Unrestricted funds			844,038		777,229
			874,637		984,664

The financial statements were approved by the Trustees on 19-9-23



J Whaley
Trustee

Company registration number 03487635

SKILLS FOR PEOPLE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	17		(366,251)		554,365
Investing activities					
Purchase of tangible fixed assets		(13,228)		(9,156)	
Investment income received		1,919		296	
Net cash used in investing activities			(11,309)		(8,860)
Net cash used in financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(377,560)		545,505
Cash and cash equivalents at beginning of year			958,852		413,347
Cash and cash equivalents at end of year			581,292		958,852

SKILLS FOR PEOPLE

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

1 Accounting policies

Charity information

Skills For People is a private company limited by guarantee incorporated in England and Wales. The registered office is 4 Glendale Terrace, Byker, Newcastle upon Tyne, Tyne and Wear, NE6 1PB.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Assets for distribution are recognised only when distributed. Assets given for use by the charity are recognised when receivable. Stocks of undistributed donated goods are not valued for balance sheet purposes.

SKILLS FOR PEOPLE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold land and buildings	Over term of the lease
Fixtures and fittings	25% reducing balance basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Taxation

The charity is exempt from corporation tax on its charitable activities.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

SKILLS FOR PEOPLE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

2 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2023 £	2023 £	2023 £	2022 £	2022 £	2022 £
Donations and gifts	1,854	23,752	25,606	2,081	11,050	13,131
Grants	106,652	18,238	124,890	192,513	242,471	434,984
	<u>108,506</u>	<u>41,990</u>	<u>150,496</u>	<u>194,594</u>	<u>253,521</u>	<u>448,115</u>

Included in gifts and donations are amounts from Joseph Strong Frazer Trust and The Bernicia Foundation.

Grants receivable for core activities

The Sir James Knott Trust	-	5,000	5,000	6,000	-	6,000
Newcastle City Council	32,550	1,515	34,065	37,550	-	37,550
Charities Aid Foundation	-	-	-	-	239,471	239,471
NHS Sunderland CCG	-	-	-	24,270	-	24,270
NHS County Durham CCG	50,000	-	50,000	46,940	-	46,940
Postcode Neighbourhood Trust	-	-	-	9,000	-	9,000
NHS Tees Valley CCG	-	-	-	17,499	-	17,499
Your Voice Counts	-	-	-	15,063	-	15,063
Garfield Weston	-	-	-	25,000	-	25,000
National Lottery Awards for All	8,490	-	8,490	7,290	-	7,290
Other	15,612	11,723	27,335	3,901	3,000	6,901
	<u>106,652</u>	<u>18,238</u>	<u>124,890</u>	<u>192,513</u>	<u>242,471</u>	<u>434,984</u>

Other grants includes £6,723 from Community Foundation Ringtons Fund, £5,000 from the Bailey Thomas Charitable Fund and £15,063 from NHS Charities Together.

SKILLS FOR PEOPLE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

3 Other trading activities

	Unrestricted funds	Restricted funds	Total	Unrestricted funds
	2023 £	2023 £	2023 £	2022 £
Rents receivable	12,267	-	12,267	11,696
Better days recharge	52,808	-	52,808	34,140
Room hire	6,532	-	6,532	3,028
Other trading income	143	-	143	56
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Other trading activities	71,750	-	71,750	48,920
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

4 Other income

	Total Unrestricted funds
	2023 £
	2022 £
Job Retention Scheme funding	-
	<u> </u>
	<u> </u>

SKILLS FOR PEOPLE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

5 Charitable activities

	Charitable activities 2023 £	Charitable activities 2022 £
Staff costs	889,653	566,195
Depreciation and impairment	18,872	16,863
Consultancy fees	24,336	14,860
Other staff costs	37,966	17,875
Project costs	67,220	34,789
IT costs	31,871	22,638
Rent & rates	4,714	5,747
Insurance	5,861	4,981
Light & heat	11,100	6,871
Premises repairs	15,937	20,981
Telephone	13,997	8,380
Postage and stationery	20,579	13,206
Health & safety	3,066	5,495
Sundry expenses	2,112	1,906
	<u>1,147,284</u>	<u>740,787</u>
Share of support costs (see note 6)	2,992	3,144
Share of governance costs (see note 6)	18,038	12,172
	<u>1,168,314</u>	<u>756,103</u>
Analysis by fund		
Unrestricted funds	949,053	702,895
Restricted funds	219,261	53,208
	<u>1,168,314</u>	<u>756,103</u>

SKILLS FOR PEOPLE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

6 Support costs

	Support costs	Governance costs	2023	Support costs	Governance costs	2022
	£	£	£	£	£	£
Bank interest	294	-	294	262	-	262
Cleaning	2,698	-	2,698	2,882	-	2,882
Audit fees	-	2,934	2,934	-	2,600	2,600
Legal and professional	-	15,104	15,104	-	9,572	9,572
	<u>2,992</u>	<u>18,038</u>	<u>21,030</u>	<u>3,144</u>	<u>12,172</u>	<u>15,316</u>
Analysed between Charitable activities	<u>2,992</u>	<u>18,038</u>	<u>21,030</u>	<u>3,144</u>	<u>12,172</u>	<u>15,316</u>

7 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

8 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Employees	<u>46</u>	<u>31</u>
Employment costs	2023 £	2022 £
Wages and salaries	815,267	513,464
Social security costs	54,743	35,521
Other pension costs	19,643	17,210
	<u>889,653</u>	<u>566,195</u>

The total employee benefits of the key management personnel of the charity were £82,090 (2022: £84,142).

There were no employees whose annual remuneration was more than £60,000.

9 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

SKILLS FOR PEOPLE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

10 Tangible fixed assets

	Leasehold land and buildings £	Fixtures and fittings £	Total £
Cost			
At 1 April 2022	464,439	85,820	550,259
Additions	4,072	9,156	13,228
At 31 March 2023	468,511	94,976	563,487
Depreciation and impairment			
At 1 April 2022	9,289	56,969	66,258
Depreciation charged in the year	9,370	9,502	18,872
At 31 March 2023	18,659	66,471	85,130
Carrying amount			
At 31 March 2023	449,852	28,505	478,357
At 31 March 2022	455,150	28,851	484,001

11 Stocks

	2023 £	2022 £
Raw materials and consumables	-	131

12 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	665,212	103,763
Other debtors	11,754	68,288
	676,966	172,051

SKILLS FOR PEOPLE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

13 Creditors: amounts falling due within one year

	Notes	2023 £	2022 £
Other taxation and social security		16,492	11,788
Deferred income		828,980	598,920
Trade creditors		11,225	14,877
Other creditors		1,232	1,462
Accruals		4,049	3,324
		<u>861,978</u>	<u>630,371</u>

Deferred income represents contract income received in advance of the related service being provided.

14 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			Movement in funds			
	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Balance at 31 March 2023 £
Geordie Mums	-	145	(145)	-	435	(395)	40
Speaking Up Groups	3,000	17,050	(20,050)	-	41,990	(12,408)	29,582
Pottery	977	-	-	977	-	-	977
Charities Aid Foundation	-	239,471	(33,013)	206,458	-	(206,458)	-
	<u>3,977</u>	<u>256,666</u>	<u>(53,208)</u>	<u>207,435</u>	<u>42,425</u>	<u>(219,261)</u>	<u>30,599</u>

Purpose of restricted funds

Geordie Mums: Fundraising to support the activities of the group of mothers who have a learning disability

Speaking up groups: Funding was received from the Sir James Knott Trust and an anonymous donation to support speaking up groups for people with a learning disability.

Charities Aid Foundation: Funding was received from the Charities Aid Foundation Resilience Fund, which aims to help the people and causes hardest hit by Covid-19. It supported the delivery of wellbeing and community connecting services, and a development programme to improve the resilience of the organisation.

SKILLS FOR PEOPLE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

15 Analysis of net assets between funds

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Fund balances at 31 March 2023 are represented by:						
Tangible assets	478,357	-	478,357	484,001	-	484,001
Current assets/(liabilities)	365,681	30,599	396,280	293,228	207,435	500,663
	<u>844,038</u>	<u>30,599</u>	<u>874,637</u>	<u>777,229</u>	<u>207,435</u>	<u>984,664</u>

16 Related party transactions

There were no disclosable related party transactions during the year (2022 - none).

17 Cash generated from operations

	2023 £	2022 £
(Deficit)/surplus for the year	(110,027)	295,395
Adjustments for:		
Investment income recognised in statement of financial activities	(1,919)	(296)
Depreciation and impairment of tangible fixed assets	18,872	16,863
Movements in working capital:		
Decrease in stocks	131	-
(Increase) in debtors	(504,915)	(81,599)
Increase in creditors	1,547	14,576
Increase in deferred income	230,060	309,426
Cash (absorbed by)/generated from operations	<u>(366,251)</u>	<u>554,365</u>

18 Analysis of changes in net funds

The charity had no debt during the year.