
SKILLS AND EDUCATION GROUP ACCESS
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

SKILLS AND EDUCATION GROUP ACCESS
(A company limited by guarantee)

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SKILLS AND EDUCATION GROUP ACCESS
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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2022

Trustees	A Birch (resigned 10 February 2023) P Bloor D Gray (appointed 26 April 2022) Y Mellor R Sami (appointed 26 April 2022) R Webber-Jones A G Stott (appointed 13 February 2023) G Clipson MBE (appointed 13 February 2023) Skills and Education Group
Company registered number	03773914
Charity registered number	1088839
Registered office	Robins Wood House Robins Wood Road Nottingham NG8 3NH
Company secretary	S N Feneley-Lamb
Chief executive officer	P A Eeles
Independent auditors	Streets Audit LLP Tower House Lucy Tower Street Lincoln LN1 1XW
Bankers	Natwest 536 Valley Road Nottingham NG5 1FL
Solicitors	Browne Jacobson LLP Mowbray House Castle Meadow Road Nottingham NG2 1BJ

SKILLS AND EDUCATION GROUP ACCESS

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2022

The Trustees present their annual report together with the audited financial statements of the Charity for the year 1 September 2021 to 31 August 2022. The annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the Charity qualifies as small under section 382 of the Companies Act 2006, the strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

a. Policies and objectives

The Charity provides a range of service in furtherance of its charitable objective to support “the advancement of the education, learning and training of adults”. The Charity has a strong social purpose, providing a high-quality and accessible awarding service to support the needs of learners, Centres (education providers), businesses and communities.

Skills and Education Group Access is an Access Validating Agency (AVA) and provides responsive and accessible Access to Higher Education Diplomas (Access to HE) that recognise achievement, particularly for those that have not benefited from previous educational experiences. Access to HE Diplomas are designed to maximise a student's chance of securing their place in higher education. Developed in partnerships with higher education institutions and further education, the Diplomas provide student's a second chance; a path to the skills needed to go on to study for a degree at university.

Qualifications and services are aligned with the needs of communities, and groups within these, that may not have benefited from traditional or formal educational opportunities, including:

- learners looking to return to work
- learners with few formal qualifications
- learning based in offender institutions
- the unemployed
- learners looking for an opportunity to progress into higher education
- people working in industries that have not traditionally valued formal qualifications

The strategic and business objectives of the Charity support those of the wider Group-structure but maintain a focus on its own objectives. Trustees have paid due regard guidance issued by the Charity Commission in deciding what activities the Charity should undertake. The Charity's objectives, supporting growth and long-term sustainability, are identified as part of an annual strategic planning process that Trustees and staff contribute to. This culminated in “Ambition 2025” setting out the strategy and direction of the charity to August 2025. This is supported by annual process which sets out clear strategic targets for in-year achievement. Plans are agreed and monitored by the Board of Trustees.

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

Achievements and performance

a. Main achievements of the Charity

Licensed by the Quality Assurance Agency (QAA) to validate and quality assure Access to HE Diplomas, we provide Diplomas that have been specially developed in partnership with higher education and further education experts to offer students a second chance to obtain the skills needed to go on to study for a degree at university. With new Centres, new diplomas and an increased number of learners taking our Access to HE Diploma, it's a real success. The Access to HE Diploma is a widely-recognised Level 3 qualification that provides opportunities for adults to transition to higher education and retrain for a second graduate-entry profession. Delivering locally-devised, flexible courses, the Diploma supports local and national skills needs.

There were 2,842 registrations (2021: 2,497) on diploma programmes and 1,660 diplomas awarded. 75.6% of the learner cohort were female with 40.2% of all learners coming from the 20-24 age group. 33.7% of learners came from an area of disadvantage compared with 26.6% nationwide. The most popular diplomas were Humanities and Social Science. Three new diplomas were developed in clothing and textiles manufacturing, early years and medicine.

A new awarding management platform was implemented at the start of the year. The new platform provides comprehensive regulatory compliance, an improved customer interface and has defined governance and risk management modules that will support the work of the Trustees and the delivery of their responsibilities. The platform has been well-received by customers and beneficiaries of the Charity, but as it becomes more widely used, development continues to strengthen its functionality.

Customers and beneficiaries of the Charity were engaged with throughout the year by established communications and relationship management teams. Building on changed working practices as a result of "lockdowns", the teams embraced an investment in technology to support online engagement through drop-in clinics, keep in touch meetings, sector groups and focused training.

b. Operations

The Operations team provided finance, IT and HR services and overseas data protection and the management of premises and health and safety. The 2021/22 year was spent supporting growth in activities and serves which also saw an increase in Staff numbers. In support of this growth, IT systems were reviewed, and appropriate development plans implemented. A move to a hybrid model of working for most staff resulted in an investment of technology to support both office-based and homeworking and to support remote access to meetings and trainings.

c. Fundraising standards information

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

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

Financial review

a. Going concern

Trustees worked closely with the Executive Leadership Team to develop strategic and operational plans that not only mitigate the ongoing impact of Covid-19 but also supported the sustained growth of the Group and its subsidiary charities. Such plans included the development of new products and services, and the identification of resources needed to support current and future planned developments.

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

b. Reserves policy

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

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

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

- support the short, medium and long-term objectives of the Charity and its fellow group entities
- re-invest any surplus funds to support, develop and expand the delivery of high-quality services
- re-invest any surplus funds to support activities that enable social mobility and provide a public benefit
- maintain sufficient reserves that are readily realisable to sustain operations as and when required
- cover deficits, when arising, from general reserves
- mitigate the risks of unforeseen challenges, emergencies or other unexpected requirement for funds
- maintain designated funds that recognise funds that are to be used for a specific purpose
- cover statutory obligations to close down and wind-up the charitable Charity's affairs in an orderly manner, if and when required.

Total funds at the end of the year which are all unrestricted were £920,605 (2021: £379,718). Free reserves at the end of the year (excluding the pension reserve and fixed assets) are £265,854 (2021: £313,346), which is in line with the reserves policy. The reserves policy is set at group level and more details on the policy are available in the consolidated Skills and Education Group accounts.

c. Financial performance and position

The Charity remains in a financially healthy position and continues to meet its agreed financial targets. The Charity generated a loss of £58,113, before actuarial pension gains of £599,000 net of the pension asset derecognition (2021: £20,570 surplus before actuarial gains of £306,000).

Total income was £372,428 (2021: £392,148). Total expenditure was £430,541 (2021: £371,578). The primary cost to the Charity are salaries and associated costs.

Net assets for the year are £920,605 (2021: £379,718).

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

Structure, governance and management

a. Constitution

The organisation is a charitable company limited by guarantee, incorporated in 1999.

The company was set-up under a Memorandum of Association which established the objectives and powers of the charitable company and is governed under its Articles of Association. The Articles were most recently revised in July 2018 and reflect current structural and governance requirements. The objectives of the Charity are defined as "the advancement of the education, learning and training of young persons and adults in Yorkshire and elsewhere".

Skills and Education Group Access is a controlled charity within the wider Skills and Education Group which includes:

- Skills and Education Group, the parent charitable company, limited by guarantee:
Company Number 02640936
Charity Number 1004087
- Skills and Education Group Awards, a charitable company limited by guarantee:
Company Number 04117784
Charity Number 1086947
- BIIAB Qualifications Limited, a private company limited by shares:
Company Number 10054831
- Quality Licence Scheme Limited, a private company limited by guarantee without share capital:
Company Number 10051052

b. Methods of appointment or election of Trustees

The management of the Charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Memorandum of Association.

There were five changes to the Board of Trustees during the period:

D J Gray (appointed 26 April 2022)
R Sami (appointed 26 April 2022)
A Birch (resigned 10 February 2023)
A G Stott (appointed 13 February 2023)
G Clipson MBE (appointed 13 February 2023)

Newly appointed trustees were recruited in accordance with the Articles of Association adopted 2 July 2018.

All newly appointed trustees complete a skills audit to ensure a balance of skills, knowledge and experiences to support the development of the charity. Trustee recruitment reflects on-going and future skills and knowledge needs.

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

Structure, governance and management (continued)

c. Organisational structure and decision-making policies

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

- support the CEO and Executive Leadership Team (ELT) to determine the strategic direction of the charity and review annual strategic plans, business plans and Key Performance Indicators
- approve annual budgets, receive and review quarterly management accounts to monitor and challenge performance
- review and monitor the strategic risk register to ensure that the appropriate controls are in place to mitigate risks
- ensure that appropriate governance review mechanisms are in place and that performance is reviewed and that Charity Commission guidance is followed

A Chairs and ELT Group meets four times a year and enables the Chairs to have a collective and strategic oversight of the Charity. The Chairs of the Charity, Skills and Education Group and Skills and Education Group Awards are members of this Group.

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

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

The Charity Chair is a Trustee of the Skills and Education Group, an appointment made under article 21 of the Skills and Education Group Articles.

Day-to-day management of the Charity is delegated to the Group Chief Executive Office, Paul Eeles, who is supported by:

- the Chief Operating Officer/Company Secretary (COO), Simon Feneley-Lamb.
- Director of Product Development and Delivery, Scott Forbes

The CEO, COO and Director of Product Development and Delivery form the Executive Leadership Team. The COO is the Company Secretary for the purpose of Company Law.

The Executive Leadership Team meets on a weekly basis with an extended meeting once a month which focuses on financial performance, compliance and regulation and human resources.

The Executive Leadership Team meets on a weekly basis with one meeting a month having a focus on financial performance. Other discussion items include:

- strategic issues, new opportunities and overall business performance
- financial performance and budgets
- human resources, resources and succession planning
- compliance and regulation, including Ofqual, QAA, CCEA, Qualification Wales Charities Commission and the Information Commissioners Officer

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

Structure, governance and management (continued)

A senior management team (SMT) meets monthly to inform the development and implementation of day-to-day business/operational plans and longer-term strategic plans. The SMT is made-up of the ELT and heads of services/functions from across the Group-wide structure.

A Scrutiny Group meets once a month to formally review regulatory needs across all awarding functions and other regulatory requirements including those relating to the Information Commissioners Officer (ICO), Companies House and the Charities Commission. Scrutiny Group membership is the ELT, and appropriate heads of service/functions.

d. Policies adopted for the induction and training of Trustees

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

Trustees complete a declaration of interest record and skills audit on appointment. Declarations are noted on a Register which is reviewed and updated on an annual basis.

e. Pay policy for key management personnel

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

Annual cost of living pay awards for all other staff are subject to recommendation and approval of the Board of Trustees.

f. Risk management

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

Key risks to the Charity are:

- A fast-changing political environment that has an impact on education policy and funding to support this
- Regulatory changes and a failure to respond to these in the way that is needed to ensure continuing compliance
- Failure to appropriately manage and store personal data leading to a data breach under the General Data Protections regulations
- The ongoing impact of Covid-19 on education as well as the wider economy

Trustees are satisfied that the systems and review process are in place to mitigate and manage the risks. Strategic risks are managed and monitored through risk registers; one for each of the charities within the charitable group. Risk registers are reviewed and updated by the Executive Leadership Team on a quarterly basis prior to a review by Trustees.

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

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TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Plans for future periods

Trustees supported the development and adoption of "Ambition 2025", challenging assumptions and using their skills and knowledge to define objectives and associated targets. Ambition 2025 is a five-year strategic plan that articulates ten key priorities that will take the Charity forward. This re-defined the Charity's purpose, mission and vision to reflect the expanded Group and the services that this now provides:

Purpose

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

Mission

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

Vision

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

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

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

Alongside these, Trustees endorse a focus in 2023 on investing in the charity's staff and related resources, the development of products and services and in the Foundation and the work that it does.

Members' liability

The Members of the Charity guarantee to contribute an amount not exceeding £1 to the assets of the Charity in the event of winding up.

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

Statement of Trustees' responsibilities

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

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

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and 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.

Disclosure of information to auditors

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

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

Approved by order of the members of the board of Trustees on 31 March 2023 and signed on their behalf by:



Y Mellor
(Chair of Trustees)

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

Opinion

We have audited the financial statements of Skills and Education Group Access (the 'charity') for the year ended 31 August 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law 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 August 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

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

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- 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.

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

Responsibilities of trustees

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

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the company and sector in which it operates;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation, data protection, anti-bribery and employment legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

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

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

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

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

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

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

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

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

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

Use of our report

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



Robert Anderson BSc FCA (senior statutory auditor)

for and on behalf of

Streets Audit LLP

Tower House

Lucy Tower Street

Lincoln

LN1 1XW

Date: **21 April 2023**

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

	Note	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:				
Charitable activities	3	353,788	353,788	374,202
Investments	4	45	45	30
Other income	5	18,595	18,595	17,916
Total income		372,428	372,428	392,148
Expenditure on:				
Charitable activities	6	430,541	430,541	371,578
Total expenditure		430,541	430,541	371,578
Net movement in funds before other recognised gains/(losses)		(58,113)	(58,113)	20,570
Other recognised gains/(losses):				
Derecognition of pension asset		(70,000)	(70,000)	-
Actuarial gains of defined benefit pension schemes		669,000	669,000	306,000
Net movement in funds		540,887	540,887	326,570
Reconciliation of funds:				
Total funds brought forward		379,718	379,718	53,148
Net movement in funds		540,887	540,887	326,570
Total funds carried forward		920,605	920,605	379,718

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

The notes on pages 18 to 35 form part of these financial statements.

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REGISTERED NUMBER: 03773914

BALANCE SHEET
AS AT 31 AUGUST 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	11	30,602	25,527
Tangible assets	12	624,149	640,845
		<u>654,751</u>	<u>666,372</u>
Current assets			
Debtors	13	128,729	48,101
Cash at bank and in hand		172,153	325,323
		<u>300,882</u>	<u>373,424</u>
Creditors: amounts falling due within one year	14	(35,028)	(60,078)
Net current assets		<u>265,854</u>	<u>313,346</u>
Total assets less current liabilities		<u>920,605</u>	<u>979,718</u>
Net assets excluding pension asset / liability		<u>920,605</u>	<u>979,718</u>
Defined benefit pension scheme asset / liability	18	-	(600,000)
Total net assets		<u><u>920,605</u></u>	<u><u>379,718</u></u>

SKILLS AND EDUCATION GROUP ACCESS
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REGISTERED NUMBER: 03773914

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2022

	Note	2022 £	2021 £
Charity funds			
Restricted funds	15	-	-
Unrestricted funds			
General funds	15	920,605	979,718
Pension Reserve	15	-	(600,000)
Total unrestricted funds	15	<u>920,605</u>	<u>379,718</u>
Total funds		<u><u>920,605</u></u>	<u><u>379,718</u></u>

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

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on 31 March 2023 and signed on their behalf by:



Y Mellor
(Chair of Trustees)

The notes on pages 18 to 35 form part of these financial statements.

SKILLS AND EDUCATION GROUP ACCESS
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. General information

The Charity is a company limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. Its aim is the advancement of the education and training of young people and adults primarily through the provision of nationally recognised qualifications.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

These financial statements are prepared in sterling, which is the functional currency of the entity.

2.2 Going concern

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

2.3 Income

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

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

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

2.4 Expenditure

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

SKILLS AND EDUCATION GROUP ACCESS
(A company limited by guarantee)

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

2. Accounting policies (continued)

2.4 Expenditure (continued)

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

All expenditure is inclusive of irrecoverable VAT.

2.5 Research and development

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

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

2.6 Interest receivable

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

2.7 Intangible assets and amortisation

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

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

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

Amortisation is provided on the following bases:

Development expenditure	- 17 % straight line
Website	- 17 % straight line

2.8 Tangible fixed assets and depreciation

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

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

SKILLS AND EDUCATION GROUP ACCESS
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

2. Accounting policies (continued)

2.8 Tangible fixed assets and depreciation (continued)

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

Depreciation is provided on the following basis:

Long-term leasehold property	-	2% straight line
Fixtures and fittings	-	10% straight line
Office equipment	-	25% straight line

2.9 Debtors

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

2.10 Cash at bank and in hand

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

2.11 Liabilities and provisions

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 Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the statement of financial activities as a finance cost.

2.12 Pensions

The charitable company contributes to the West Yorkshire Pension Scheme (WYPS), a defined benefit scheme, at rates set by the scheme's actuaries. The charity accounts for the scheme as a defined benefit scheme in accordance with Charities SORP (FRS 102).

The charity also contributes in respect of certain employees to the Teacher's Pension Scheme (TPS), a statutory, contributory, final salary scheme. The TPS is unable to identify the charity's share of the underlying assets and liabilities on a consistent or reasonable basis, and accordingly the charity accounts for its contributions to the scheme in accordance with Charities SORP (FRS 102) as if it were a defined contribution scheme.

SKILLS AND EDUCATION GROUP ACCESS
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

2. Accounting policies (continued)

2.13 Fund accounting

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

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

3. Income from charitable activities

	Unrestricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Learner recognition	20,480	20,480	17,995
HE recognition	333,308	333,308	356,207
	<u>353,788</u>	<u>353,788</u>	<u>374,202</u>
	<u><u>374,202</u></u>	<u><u>374,202</u></u>	
<i>Total 2021</i>			

4. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Investment income	45	45	30
	<u>45</u>	<u>45</u>	<u>30</u>
	<u><u>30</u></u>	<u><u>30</u></u>	
<i>Total 2021</i>			

SKILLS AND EDUCATION GROUP ACCESS
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

5. Other incoming resources

	Unrestricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Lettings and other income	18,595	18,595	15,893
Coronavirus job retention scheme grant income	-	-	2,023
	<u>18,595</u>	<u>18,595</u>	<u>17,916</u>
<i>Total 2021</i>	<u>17,916</u>	<u>17,916</u>	

6. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2022 £	Total 2022 £	<i>Total 2021 £</i>
Learner recognition	79,834	79,834	75,126
HE recognition	350,707	350,707	296,452
	<u>430,541</u>	<u>430,541</u>	<u>371,578</u>
<i>Total 2021</i>	<u>371,578</u>	<u>371,578</u>	

SKILLS AND EDUCATION GROUP ACCESS
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

7. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Learner recognition	63,062	16,772	79,834	75,126
HE recognition	79,271	271,436	350,707	296,452
	<u>142,333</u>	<u>288,208</u>	<u>430,541</u>	<u>371,578</u>
<i>Total 2021</i>	<u>120,926</u>	<u>250,652</u>	<u>371,578</u>	

Analysis of direct costs

	Learner recognition 2022 £	HE recognition 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Staff costs	63,062	-	63,062	62,727
Moderator and examiner costs	-	51,690	51,690	36,621
QAA registration	-	27,581	27,581	21,578
	<u>63,062</u>	<u>79,271</u>	<u>142,333</u>	<u>120,926</u>
<i>Total 2021</i>	<u>62,727</u>	<u>58,199</u>	<u>120,926</u>	

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

7. Analysis of expenditure by activities (continued)

Analysis of support costs

	Learner recognition 2022 £	HE recognition 2022 £	Total funds 2022 £	Total funds 2021 £
Staff costs	-	10,000	10,000	14,000
Depreciation	1,600	25,076	26,676	21,079
Bad debt	(44)	(682)	(726)	-
Other staff costs	42	666	708	1,470
Administration	303	4,756	5,059	9,361
Communications and marketing	-	-	-	769
Premises	1,063	16,641	17,704	15,620
ICT costs	362	5,669	6,031	14,989
Professional fees	469	7,337	7,806	2,301
Bank charges	26	403	429	516
Irrecoverable VAT	210	3,285	3,495	2,648
Governance costs	434	5,470	5,904	7,255
Central recharges	12,307	192,815	205,122	160,644
	<u>16,772</u>	<u>271,436</u>	<u>288,208</u>	<u>250,652</u>
<i>Total 2021</i>	<u>12,399</u>	<u>238,253</u>	<u>250,652</u>	

Support costs have been allocated based on a percentage of income basis.

8. Auditors' remuneration

The auditors' remuneration amounts to an auditor fee of £5,819 (2021 - £7,255).

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

9. Staff costs

	2022 £	2021 £
Wages and salaries	40,271	45,544
Social security costs	5,441	4,128
Contribution to defined contribution pension schemes	27,350	27,055
	<u>73,062</u>	<u>76,727</u>

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

	2022 No.	2021 No.
Administrative staff	<u>3</u>	<u>3</u>

No employee received remuneration amounting to more than £60,000 in either year.

Key management personnel are remunerated through the parent charity.

During the year, no redundancy payments were made.

10. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2021 - £NIL).

During the year ended 31 August 2022, expenses totalling £85 were reimbursed or paid directly to 1 Trustee (2021- £nil).

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

11. Intangible assets

	Developm't £	Website £	Total £
Cost			
At 1 September 2021	3,116	31,694	34,810
Additions	11,245	3,809	15,054
At 31 August 2022	<u>14,361</u>	<u>35,503</u>	<u>49,864</u>
Amortisation			
At 1 September 2021	-	9,283	9,283
Charge for the year	2,009	7,970	9,979
At 31 August 2022	<u>2,009</u>	<u>17,253</u>	<u>19,262</u>
Net book value			
At 31 August 2022	<u>12,352</u>	<u>18,250</u>	<u>30,602</u>
At 31 August 2021	<u>3,116</u>	<u>22,411</u>	<u>25,527</u>

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

12. Tangible fixed assets

	Long-term leasehold property £	Fixtures and fittings £	Office equipment £	Total £
Cost				
At 1 September 2021	1,325,916	25,732	44,425	1,396,073
At 31 August 2022	1,325,916	25,732	44,425	1,396,073
Depreciation				
At 1 September 2021	685,663	25,307	44,258	755,228
Charge for the year	16,473	56	167	16,696
At 31 August 2022	702,136	25,363	44,425	771,924
Net book value				
At 31 August 2022	623,780	369	-	624,149
At 31 August 2021	640,253	425	167	640,845

13. Debtors

	2022 £	2021 £
Due within one year		
Trade debtors	77,511	12,747
Amounts owed by group undertakings	8,156	973
Other debtors	-	1,528
Prepayments and accrued income	43,062	32,853
	128,729	48,101

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

14. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	12,689	33,912
Amounts owed to group undertakings	4,775	69
Other taxation and social security	3,854	2,129
Pension fund loan payable	1,261	3,011
Other creditors	750	260
Accruals and deferred income	11,699	20,697
	<u>35,028</u>	<u>60,078</u>

15. Statement of funds

Statement of funds - current year

	Balance at 1 September 2021 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2022 £
Unrestricted funds					
General funds	979,718	372,428	(431,541)	-	920,605
Pension reserve	(600,000)	(70,000)	1,000	669,000	-
	<u>379,718</u>	<u>302,428</u>	<u>(430,541)</u>	<u>669,000</u>	<u>920,605</u>

Statement of funds - prior year

	Balance at 1 September 2020 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds					
General funds	960,148	392,148	(372,578)	-	979,718
Pension reserve	(907,000)	-	1,000	306,000	(600,000)
	<u>53,148</u>	<u>392,148</u>	<u>(371,578)</u>	<u>306,000</u>	<u>379,718</u>

SKILLS AND EDUCATION GROUP ACCESS
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**NOTES TO THE FINANCIAL STATEMENTS
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16. Summary of funds

Summary of funds - current year

	Balance at 1 September 2021 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2022 £
General funds	379,718	302,428	(430,541)	669,000	920,605

Summary of funds - prior year

	Balance at 1 September 2020 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2021 £
General funds	53,148	392,148	(371,578)	306,000	379,718

17. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	624,149	624,149
Intangible fixed assets	30,602	30,602
Current assets	300,882	300,882
Creditors due within one year	(35,028)	(35,028)
Total	920,605	920,605

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

17. Analysis of net assets between funds (continued)

	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Tangible fixed assets	640,845	640,845
Intangible fixed assets	25,527	25,527
Current assets	373,424	373,424
Creditors due within one year	(60,078)	(60,078)
Provisions for liabilities and charges	(600,000)	(600,000)
Total	<u>379,718</u>	<u>379,718</u>

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

18. Pension commitments

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

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

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

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

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

West Yorkshire Pension Fund

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

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

The date of the most recent comprehensive actuarial valuation was 31 March 2019. The last full actuarial valuation of this scheme by a qualified, independent actuary as at 31 March 2019 was updated on an approximate basis to 31 August 2022.

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

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

	2022 %	2021 %
Key assumptions		
Discount rate	4	2
Future salary increases	4	4
Future pension increases	3	3
CPI inflation	3	3
Pension accounts revaluation rates	3	3
	<u>2022</u> Years	<u>2021</u> Years
Mortality rates (in years)		
Males retiring today	22	22
Males retiring in 20 years	23	23
Females retiring today	25	25
Females retiring in 20 years	26	26
	<u>2022</u> £	<u>2021</u> £
Sensitivity analysis		
Discount rate + 0.1%	(25,000)	(35,000)
Discount rate - 0.1%	25,000	35,000
Mortality assumption - 1 year increase	(51,000)	(99,000)
Mortality assumption - 1 year decrease	51,000	96,000

The pension scheme surplus/deficit is based on the actuarial assumptions used as at the 31 August 2022. These can and do change after the year end. The above sensitivity analysis shows how the position stated can change significantly based on changes to the actuarial assumptions. A change in the markets is likely to result in an increased pension scheme deficit by the next year end. Post year end valuations could be obtained to provide an indication, however it is considered that the cost would outweigh the benefit to the users of the accounts, and would not be value for money.

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	2022 £	2021 £
Asset allocation		
Equities	1,472,000	1,549,000
Property	72,000	73,000
Government bonds	118,000	154,000
Corporate bonds	79,000	85,000
Cash and other liquid assets	74,000	42,000
Other	28,000	27,000
	<u>1,843,000</u>	<u>1,930,000</u>

The actual return on scheme assets was £32,000 (2021 - £350,000).

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

	2022 £	2021 £
Total amount recognised in the Statement of financial activities		
Current service cost	10,000	10,000
Interest cost	10,000	14,000
Derecognise pension surplus	70,000	-
	<u>90,000</u>	<u>24,000</u>

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

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	2022 £	2021 £
Changes to the defined benefit obligation		
Opening defined benefit obligation	2,530,000	2,556,000
Interest cost	42,000	40,000
Contributions by scheme participants	1,000	1,000
Actuarial losses	-	18,000
Benefits paid	(141,000)	(95,000)
Current service cost	10,000	10,000
	<u>2,442,000</u>	<u>2,530,000</u>
	2022 £	2021 £
Changes to the fair value of assets		
Opening fair value of scheme assets	1,930,000	1,649,000
Interest income	32,000	26,000
Actuarial gains/(losses)	669,000	324,000
Contributions by employer	21,000	25,000
Contributions by scheme participants	1,000	1,000
Benefits paid	(141,000)	(95,000)
	<u>2,512,000</u>	<u>1,930,000</u>

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

19. Related party transactions

During the year the charity was recharged wages and other costs from its parent, totalling £209,147 (2021: £160,644), and made payments to its parent totalling £205,122 (2021: £160,577). At the year end an amount of £8,156 (2021: £69) was owed to Skills and Education Group.

Skills and Education Group Awards, a subsidiary of the parent company Skills and Education Group, was recharged costs of £8,156 (2021: £15,043) and payments were made to this charity of £Nil (2021: £4,003). At the year end a balance of £8,156 (2020: £973) was owed from Skills and Education Group Awards.

BIIAB Qualifications Limited, a subsidiary of the parent company Skills and Education Group recharged costs of £590 to the charity (2021: £Nil). At the year end a balance of £590 (2021: £10,282) was owed to the company.

Y Y Mellor, a trustee, is also a trustee of Northern College for Residential Adult Education. During the year income of £5,615 (2021: £9,622) was received from the charity. There was an outstanding amount owed from the charity at the year end of £50 (2021: £Ni).

A Birch, a trustee, is also Head of Higher Education at RNN Group. During the year income of £34,900 (2021: £29,407) was received from the College for the provision of charitable services. With amounts outstanding at the year end of £33,469 (2021: £225).

R Webber-Jones, a trustee, is also Vice Principal of The Sheffield College. During the year income of £45,940 (2021: £Nil) was received from the College for the provision of charitable services. With amounts outstanding at the year end of £26,035 (2021: £Nil).

R Sami, a trustee, was also Director of Quality at Solihull College during the year. During the year income of £26,650 (2021: £Nil) was received from the College for the provision of charitable services. With amounts outstanding at the year end of £100 (2021: £Nil).

20. Controlling party

The charity is managed and controlled by its immediate and ultimate parent Skills and Education Group, which is a registered charity (number 1004087) and a company limited by guarantee incorporated in England and Wales (company number 02640936).

The most senior parent entity producing publicly available consolidated financial statements is Skills and Education Group. These financial statements are available upon request from Skills and Education Group, Robins Wood House, Robins Wood Road, Aspley, Nottingham, Nottinghamshire, NG8 3NH.