

Company No: 02535199

Charity No: 1001586

**WORLDSKILLS UK
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

WORLDSKILLS UK
YEAR ENDED 31 MARCH 2020

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WORLDSKILLS UK
ANNUAL REPORT OF THE TRUSTEES INCORPORATING THE STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2020

The Board of Trustees of WorldSkills UK (“the Charity”) presents its annual report incorporating the strategic report for the year ended 31 March 2020, together with the audited financial statements for that year, under the Companies Act 2006, the Charities Act 2011, FRS 102 (effective 1 January 2019) and applicable accounting standards.

REFERENCE AND ADMINISTRATIVE DETAILS

WorldSkills UK is a registered charity (No. 1001586) and a company (No. 02535199) limited by membership guarantees. Its registered office is as shown on page 12.

The present Trustees (who are also the Directors), and any past Trustees who served during the year, are shown on page 12, together with the names of the senior executive staff. The external advisers of the Charity are also set out on page 12.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Charity is governed by its Articles of Association adopted on 29 August 1990 and last amended by a special resolution passed on 14 February 2019.

The Board of Trustees is responsible for the overall governance of the Charity. Trustees are elected by the Board after a procedure involving their proposal by a member, or members of the Board and a formal interview. The total number of Trustees may not exceed fifteen. Trustees may only remain in office for nine consecutive years unless the Board of Trustees resolves that they may remain for a further period.

Qualifying third party indemnity provision is in place for the benefit of all Trustees of the charity.

The Board delegates the exercise of certain powers in connection with the management and administration of the Charity as set out below. This is controlled by requiring regular reporting back to the Board, so that all decisions made under delegated powers can be ratified by the full Board in due course.

The Skills Show Ltd which is a fully owned subsidiary of WorldSkills UK has remained dormant throughout the year and has not traded in 2019/20.

AUDIT COMMITTEE

The Audit Committee comprises Trustees and other advisors who are independent of the management and free of any relationship that in the opinion of the Board of Trustees would conflict with the exercise of independent judgement as members of the Committee. Members of the Committee are elected by the Board at one of their regular Board meetings. The Committee meets at least three times a year. Its responsibilities include Risk Assessment, Risk Management and Internal Control, advising the Board of Trustees accordingly.

FINANCE AND GENERAL PURPOSES COMMITTEE

The role of the Finance & General Purposes Committee is to advise the WorldSkills UK Board on matters of financial management, accountability, and corporate services. This committee will meet at least quarterly and comprise a minimum of three members of which at least two will be Trustees.

REMUNERATION COMMITTEE

The role of the Remuneration Committee is to establish a formal and transparent procedure for developing policy on remuneration across the staff of WorldSkills UK and to specifically set the remuneration packages for members of WorldSkills UK’s Leadership Team (Chief Executive and Directors) and where appropriate Trustees of WorldSkills UK. The Committee meets at least annually and when needed for executive level recruitment. The Remuneration Committee benchmarks executive remuneration packages against comparable education and charitable organisations to ensure that remuneration is appropriate to the scale and resource of the charity and sufficiently competitive to attract and retain the skills required.

GOVERNANCE AND NOMINATIONS COMMITTEE

The role of the Governance & Nominations Committee is to oversee board membership and succession planning, including the recruitment of Chair and Trustees to the board, and to review the governance structures and processes of WSUK. The Committee will bring recommendations to the board that will ensure all requirements for company and charity governance are met, best practice in governance is supported, and the board has the right mix of skills and experience to support the mission and strategy of WSUK.

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COVID-19 RESPONSE COMMITTEE

In April 2020 the Board agreed to set up a sub committee comprised of the Chair of the Board and the Chairs of the existing sub-committees. This Covid-19 Response Committee is a temporary sub-committee of the Board formed to support WorldSkills UK's (WSUK) Senior Leadership Team/Executive during the 2020 Covid-19 crisis as it develops and escalates ensuring the organisation can react swiftly to events as they unfold whilst maintaining an appropriate level of governance. The Board will be asked to reaffirm the need and role of the Covid-19 Response Committee at each of their meetings.

TRUSTEES' INDUCTION AND TRAINING

New Trustees receive a copy of the WorldSkills UK Trustee Induction pack which includes information on their legal obligations under charity and company law, Trustee terms of reference, information about the charity and a copy of the Memorandum and Articles of Association. They also have one-to-one briefings with the Chair, Deputy Chair and Chief Executive where they receive information about the decision-making processes, Board structure, and receive a copy of the Business Plan. Trustees are able to attend external training events appropriate to their roles. During the year the charity provided indemnity insurance for its Trustees.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also Directors of WorldSkills UK for the purpose of company law) are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Policies).

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 charitable company and of the incoming resources and application of resources, including the income and expenditure of the charitable company for that period. In preparing 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom 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 company will continue in business.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as the Trustees are aware:

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

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CORPORATE GOVERNANCE

The system of internal control is designed to manage risk to a reasonable level rather than eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of control is based on an ongoing process designed to:

- identify and prioritise the risks related to the achievement of policies, aims and objectives;
- evaluate the likelihood of those risks being realised and the impact should they be realised; and
- manage them efficiently, effectively and economically.

The Trustees review the effectiveness of internal control. This comprises:

- review by the Audit Committee and the Board of the Business Plan and Annual Budget;
- review by the Audit Committee and the Board of management accounts;
- review of the appropriateness of processes and procedures by the Audit Committee;
- review by the Audit Committee and the Board of delivery activity across operational areas;
- advice on financial control by the Audit Committee;
- review and action resulting from comments by the external auditors in their management letter; and
- review and action resulting from comments of internal audit work.

WorldSkills UK does not have an in-house internal audit function at present. However, internal audit work may be commissioned in specific areas after undertaking a comprehensive risk assessment and value for money exercise.

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RISK MANAGEMENT

Leadership on risk management issues rests with the Board and the Audit Committee, supported by advice of the Finance and General Purposes Committee. All are able to draw on the expertise of non-executive members with experience of the private and public sectors. The Audit Committee acts in an advisory and overview capacity. At its three meetings across the year, it reviews the risk register as a standing agenda item and reports to the Board. The Finance and General Purposes Committee supports the Audit Committee by reviewing risks through a financial and management lens. The Board receives and comments on the risk register at each of its meetings.

At a strategic level, management of risk is embedded in the planning and performance reporting processes of the organisation. The instigation of each major work programme is assessed for risk.

The charity currently faces a number of principal risks and uncertainties:

Most notably, WorldSkills UK's grant relationship with the Department for Education (DfE) means its strategic direction and funding are closely linked with the policies and decisions of the Department. The onset of the Covid-19 pandemic at the end of 2019-20 caused a sea change in the policy and funding landscape, adding pressure to this risk. WorldSkills UK is further strengthening relations with the Department, responding actively to policy developments, delivering new products effectively, further developing its profile in government circles and evidencing value to the public purse to mitigate this risk. In the medium term, the expectation of a Comprehensive Spending Review means WorldSkills UK will work closely with officials in the DfE to further improve the understanding of WorldSkills UK across the Department and more widely, to ensure its contribution to policy, its impact and value and its potential to contribute to a skills led recovery are fully recognised.

In the light of the pandemic WorldSkills UK also faces risks relating to the delivery and reach of its products and will need to make a range of alterations to maintain its impact despite being unable to deliver the programme of face to face activities initially planned for 2019-20. This mitigation will relate mainly to the development and introduction of a range of digital and online products. The impact of these changes on all income streams will be significant and WorldSkills UK will review and revise its expenditure plans, work with investors to retain interest into 2021 and explore opportunities for new income streams. As part of managing these major changes, WorldSkills UK will ensure that there are high levels of communications and support for staff and that the organisation has the expertise and resource to deliver the new operational programme.

Effectively aligning with the differing policy and funding objectives of all four UK nations is a continuing challenge that WorldSkills UK is seeking to manage by establishing and maintaining robust relationships with the governments and elected representatives in each UK nation working to identify priority actions in line with WorldSkills UK's strategy and supporting DfE in their aim of securing strong policy positions and funding contributions to WorldSkills UK's core activities. WorldSkills UK is positioned as a unifying force within the political union in the run up to and after Brexit.

The current political and economic uncertainties, including those relating to the Covid-19 pandemic, the economic recession, the departure of the UK from the European Union and the policy developments in technical education and skills policies present a dynamic and challenging context to the work of WorldSkills UK. There is opportunity for WorldSkills UK to make a major contribution to the future skills and technical education landscape and use its unique global platform and partnerships to leverage involvement in its activities and drive further progress towards strategic goals. The push for global (non-EU) trade deals will grow, as will the demand for home-grown talent as future labour immigration changes and the ongoing need for skilled workers and apprentices continues to be vital to sustaining economic growth.

OBJECTS, AIMS AND PRINCIPAL ACTIVITIES OF THE CHARITY

The Charity's declared objects are the promotion of vocational training and education of organisations and individuals in the UK and to raise the standards of skill and technical knowledge of such persons.

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How activities deliver public benefit

The main activities of WorldSkills UK and its beneficiaries are described below. All charitable activities focus on the objectives of WorldSkills UK and are undertaken to further the organisation's charitable purposes for the public benefit. The trustees confirm that they have complied with the duty in Section 17 of the Charities Act 2011 to have regard to the Charity Commission's general guidance on public benefit, "Charities and Public Benefit."

PRINCIPAL ACTIVITIES

WorldSkills UK is an independent charity and a partnership between employers, education and governments. Together, it is raising standards in apprenticeships and technical education so more young people get the best start in work and life. WorldSkills UK is part of WorldSkills, a global movement supported by over 80 member countries, which celebrates young people achieving world-class standards in the biennial 'skills olympics'. As the only skills charity which can bring this global benchmarking back into the UK, it has the unique assets, resources and networks to help raise training standards and improve young people's technical and soft skills-set and resilient mindset to ever higher standards. It inspires young people via careers advice resources to choose excellence through apprenticeships and technical education as a prestigious career route on their path to reaching their potential, whatever their background. It develops excellence in young people by testing and assessing their skills and knowledge against their peers through national and international competitions programmes, improving their confidence and potential. It innovates to mainstream global excellence to help improve the standard of teaching, training and assessment through international benchmarking to help young people, employers and the UK economy succeed.

REVIEW OF ACTIVITIES

Over the last year, World Skills UK has continued to improve and build upon its core activities, including doubling its 2018-19 engagement of young people to over 232,000 during the year, while Team UK finished in the top 12 on the international stage at WorldSkills Kazan in Russia and World Skills UK LIVE 2019 welcomed over 72,000 visitors. The Productivity Lab programme went from strength to strength, launching powerful new innovations, carrying out research with business and education partners and using the unique positioning of WorldSkills UK in the global skills network to work with UK governments to bring best practice back to the UK and help develop a world-leading technical education sector

Engagement work in Scotland, Wales and Northern Ireland progressed to further build stakeholder and government support, including research by the Edge Foundation, to better understand perceptions of WorldSkills UK's work across the UK and identify priorities for the devolved nations. Competition activity in Scotland, Wales, and Northern Ireland continued at strength, making up 40% of the UK's total of all registrations and with above average increases in the numbers of registrations, skills entered, and colleges involved in each nation.

Developing excellence in UK standards through national and international training

The 2019 national competition cycle saw growth in registrations to 3,515, which was an 11% increase on 2018. This total included 18% more registrations from BAME young people and a 70% increase from the North West of England compared with the previous year. 33% of registrations were from young women demonstrating the growing gender equality in a number of sectors. Close to 350 national qualifying heats took place in 77 locations across the UK leading to 600 participants competing in 66 skills in the National Finals. Skills competitions for those with educational needs and disabilities were further integrated into the WorldSkills UK's national programme enabling 56 competitors to take part in eight National Finals (at entry level or level 1). In total, 13% of WorldSkills UK competition registrations were from young people with educational needs and disabilities. WorldSkills UK competitions continue to significantly impact those who participate, with high levels of young people reporting that competition training had positively affected their future careers, 95% stating they felt participating gave them higher technical skills and 95% reporting improved personal and employability skills. 89% believed their career progression was improved through their participation in competitions.

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37 members of Team UK in 32 skills attended WorldSkills Kazan in Russia, competing against 63 other countries, including in new skills aligned to the UK's industrial priorities such as Cloud Computing, Chemical Laboratory Technology and Cyber Security. Team UK achieved 19 medals including two golds, one silver and one bronze, retaining a strong standing on the world stage. The UK finished 12th overall and in the top 10 in 19 of the skills, as well as attaining top places in the world in Aircraft Maintenance and Beauty Therapy, top three in the world in Car Painting and Hairdressing and top five in the world in Landscape Gardening, Chemical Laboratory Technology, Architectural Stonemasonry and Plumbing and Heating. A best practice visit at WorldSkills Kazan, sponsored by NOCN, gave stakeholders unique learning insights into other nations' approaches to skills development towards world-class standards. Media content reached 114 million circulation with social media channels seen over 1.4 million times. In preparation for the next WorldSkills international competition, in Shanghai 2021, new skill areas that are of high importance to the UK economy including Business Information Modelling and Industry 4.0 have been included in Squad UK selection and training.

During the year WorldSkills UK commissioned The Social Innovation Partnership (TSiP) to undertake diversity, inclusion and social mobility research into how Special Educational Needs and Disabilities (SEND), BAME, LGBT+, those from disadvantaged areas and young women access, progress and perform in WorldSkills UK skills development programmes. The report has been adopted by WorldSkills UK with a response through a five-point action plan aimed to increase the inclusivity and diversity of engagement, to tackle long-standing challenges, to encourage more role modelling, to address regional cold spots and to address stereotypes.

Inspiring excellence in young people's career decisions through WorldSkills UK LIVE, Skills Champions and digital resources

WorldSkills UK again hosted the nation's largest experiential careers and advice event WorldSkills LIVE 2019 attracting more than 72,000 visitors over three days. The event continued to bring together the UK's leading employers, colleges, training providers and schools to provide an interactive and experiential national showcase that remains a highly informative and inspirational event. Youth people were able to watch the WorldSkills UK National Finals and experience 14 skill showcases demonstrating training, career and apprenticeships opportunities and 37 interactive and hands-on skills activities led by employers. The event was supported by 156 exhibitors, sponsors and 160 partners. The National Careers Service provided professional careers advice to over 7,300 young people, assisting them to make crucial career choices. Educators were able to join two days of seminars covering the latest approaches to careers education with a focus on preparing for work and skills options and technical and skills routeways. WorldSkills UK LIVE 2019 played a major role in inspiring young people and an independent evaluation showed that 70% of young people were likely to consider a technical career after attending LIVE 2019, while 76% had a better knowledge of technical education and apprenticeships and 68% said they were likely to consider registering for an apprenticeship, after attending LIVE. 71% of educators reported an intention to encourage young people to consider an apprenticeship after attending LIVE, while 69% felt more able to advise young people about technical skills routes. Employers were also highly positive about their interaction with WorldSkills UK at LIVE 2019, including how they accessed a diverse range of young people and promoted skills development and their organisation, the majority rated it as good or better than 2018.

Alongside LIVE, WorldSkills UK supported a further 6,600 students in schools and colleges during the year to learn more about technical education through events and activities led by its Skills Champions, an alumni network of previous competitors who educate and inspire young people into considering apprenticeships and technical skills routes. 84% of Skills Champions said being part of the alumni activity improved their own skills such as working under pressure and problem solving.

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Another resource for educators to use with young people that was progressed in the year was an updated careers advice toolkit, in a digital form. 1,145 schools and colleges registered for the resource which has been mapped to the Career Development Institute framework and Gatsby benchmarks, and supports educators in preparing young people for employment and in advising on technical skills routes. The toolkit was used with around 39,000 young people in the year helping them make decisions on career and education pathways.

Innovating and mainstreaming excellence through insights, analysis and partnerships

WorldSkills UK continued to expand its work and learning in exploring and developing insights, resources and products to help raise standards in technical education and productivity in businesses.

In 2019 this included carrying out new research in partnership with the Royal Society of Arts and the Further Education Trust for Leadership (RSA/FETL), University of Oxford, the Edge Foundation and NOCN. The research with RSA/FETL looked at global skills innovations enabling organisations across the UK to learn from the good practice identified in nations that perform highly in technical skills attainment. The research by Oxford University recognised the huge potential for the skills of WorldSkills UK's training experts to mainstream excellence in technical education. This led to a groundbreaking partnership between WorldSkills UK and NCFE to co-develop a Centre of Excellence across FE that will use WorldSkills UK expertise and skills on the international stage to raise standards.

During the year, WorldSkills UK hosted seven high level roundtables involving eminent speakers and over 200 representatives from business, government, the national and international skills communities and the media, to debate skills policy and research in areas including diversity and inclusion and future skills. One example includes an international discussion on best practice in technical education and how WorldSkills UK can provide insights on skills for use by governments across the UK. This drew on the expertise of WorldSkills Russia, who themselves have been at the heart of wide-ranging improvements to their skills system

Across all its activities, WorldSkills UK continued to build and strengthen its networks and partnerships in order to raise standards in FE and to progress debate amongst industry and government. WorldSkills UK worked with 1,960 partners across the UK and internationally, from colleges, schools and employers to governments and sector organisations and other nations.

Funding diversification

WorldSkills UK continued to move to an income portfolio that is increasingly diversified. The focus on commercial investments resulted in over £1.3 million of direct sponsorship income being achieved in 2019-20, while a further £479k was secured in value in kind from partners to support the National Competition Finals at WorldSkills UK LIVE, with additional support across the National Competition cycle from competition organisers which is valued through a management estimate to be worth in excess of £2.31m. Other VIK estimated at £1.4m is provided through Devolved Nation support for participation in WorldSkills UK national and international competitions. Commercial partners in 2019-20 included the Navy and Air Force, BAE Systems, Bosch, Autodesk and Forterra.

Strategic partnerships

The strategic partnership with the Education and Skills Funding Agency/Department for Education was strengthened enabling new relationships aimed at bringing closer links between WorldSkills UK activities and key skills and education policies and enabling competition activity to be more integrated with apprenticeship and technical education programmes to help raise standards and the employability of young people.

WorldSkills UK continued to work closely with the devolved nations to build stronger partnerships with the government, education and business and to start to tailor activities to better meet the needs of each nation.

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FUTURE PLANS

2020-21 undoubtedly will be a year of significant change, including to the economic, educational, employment and social worlds facing young people across the UK. WorldSkills UK will use successes and learnings from recent years to repurpose activities and resources so it can continue to support young people of all backgrounds to build skill and career routeways and to achieve high standards. Priorities will include strengthening activities in preparation for 2021-22 so WorldSkills UK can play a greater role in inspiring young people about their future pathways, developing their skills to match the best in the world and mainstreaming excellence across the UK's technical education systems.

In repurposing core activities in the 2020-21 year, a range of digital products and services will be developed to inspire young people to take up technical skills routes and to prepare them for changing employment and careers opportunities. The alumni network of previous competitors will play a key role in this.

WorldSkills UK national competitions and finals will be paused for the year, and redeveloped to have greater reach, impact and sustainability in future. In this year, competition resources will be digitised to provide greater access for young people across the UK, to provide and improve technical and employability skills, and to support the professional development of teachers so they can use competition methodologies to teach to higher standards.

With skills competitions at European level planned for later in 2020-21, the training and preparation of a team of young people to represent the UK to compete at the highest standards in Europe, and later in 2021 at WorldSkills Shanghai, will continue, accommodating the best practice in health and safety.

The progress made in recent years in gathering new insights and sharing innovations from national and international good practice will be enhanced so that WorldSkills UK can make a greater contribution to skills policy and improving teaching practices, with a focus on mainstreaming skills excellence to raise standards. This will include advancing the Centre of Excellence, further research and policy development work and wider applications of global best practice across the UK.

Across its work, WorldSkills UK will take forward its five point plan to improve diversity and inclusivity, concentrating on improving support for young people from all backgrounds, including those most affected by the coronavirus outbreak, in line with our five point plan.

WorldSkills UK recognises the pressure on public funding and will continue to work to raise further the quality and impact of its work and to improve efficiencies, underpinned by more digital delivery, delivering higher value for money, lower unit costs and even more relevant outcomes. An economic review will take place in the year to inform and support this drive. Further diversification of the income base will be a further priority through work with a new range of partners and investors with longer term relationships. Alongside this there will be a further focus on growing WorldSkills UK's profile and reach with all audiences through inspirational, relevant and informative communications and new channels.

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FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The Statement of Financial Activities (SoFA), set out on page 15 shows that gross income decreased by 1.5% to £10.1 million (2019: increased by 8% to £10.3 million) and expenditure on charitable activities decreased by 5.7% to £10.1 million (2019: increased by 14% to £10.7 million) resulting in an increase of net assets of £37k to £2.8 million (2019: decrease of £413k to £2.7 million).

Financially:

- income generated through unrestricted grants and donations (including investment income) totalled £1,137k (2019: £1,123k).
- income generated through restricted grants and donations was £8,987k (2019: £9,160k).
- expenditure on experiential careers advice events and skills competitions totalled £10,071k (2019: £10,687k).

Going concern

On 11 March 2020, the World Health Organisation declared the outbreak of a new strain of coronavirus (COVID-19) as a global pandemic, which continues to spread throughout the United Kingdom, the United States, and around the world.

The Trustees have received written confirmation that the DfE expects to continue to provide grant funding for 2021-22 and therefore it is considered that the charity will have sufficient funds to continue its activities for a period of at least twelve months from the date these financial statements are approved.

In the event that a final funding agreement is not reached, the Trustees have reviewed the impact that this would have on the remaining operations of the charity, and have prepared cash flow forecasts, considering mitigating actions as required to reduce expenditure, which confirm that there is sufficient cash for the charity to cover its fixed costs for a period of at least twelve months from the date of approval of these financial statements.

Therefore, the Trustees continue to operate the going concern basis in preparing these financial statements.

FINANCIAL MANAGEMENT POLICIES

Reserves

WorldSkills UK was predominantly funded by grants from Central UK Government to deliver a national cycle of Skills Competitions, undertake the training of a UK Team to compete in the International WorldSkills competitions; and mount WorldSkills UK LIVE.

The charity was also funded by sponsorship, exhibition sales and other grants including NCFE and The Further Education Trust for Leadership.

Reserves Policy

Minimum Reserves

The overriding principle is that WorldSkills UK should set and maintain a minimum level of reserves that is sufficient to both cover the organisation's statutory obligations and if required fund the winding up of its affairs in an orderly way.

Other Reserves

Any reserves generated over and above this minimum reserve level may be used to fund future growth. The Chief Executive must seek approval from the Finance & General Purposes Committee to use more than £500k of these reserves. Any amounts below £500k must be reported to the Finance & General Purposes Committee.

Investment policy

The Trustees, having regard for the liquidity requirements of the charity, and levels of risk appropriate to the organisation, hold all the charity's reserves in short term, interest bearing cash deposits.

Required Level of Minimum Reserves

The required level of minimum reserves is calculated as four months staffing costs, plus one year's office expenditure, plus the contracted minimum commitment for the Birmingham NEC. Annual forecast expenditure for these for 2020/21 are as follows: Staffing £2,846k; Office Expenditure £172k and NEC minimum contract £738k. The total level of minimum reserves is therefore set at £1,858k.

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Free reserves held at 31 March 2020 is £2,055k which is £197k higher than the required level of minimum reserves.

Should the level of reserves fall below the minimum then the Finance & General Purposes Committee needs to be informed and an action plan needs to be drawn up and approved by the Finance & General Purposes Committee to recover the reserves back to the minimum level.

Setting the Level of Minimum Reserves

The required level of minimum reserves is set at the beginning of the year according to the above formula based on the budgeted expenditure for that year and approved by the Finance & General Purposes Committee.

Monitoring the Level of Minimum Reserves

It is the responsibility of the Finance & General Purposes Committee to monitor the minimum level of reserves.

EMPLOYEES

WorldSkills UK had an average of 49 employees in the year. The charity believes its employees are its greatest asset and recognises its responsibility to ensure they are afforded appropriate support throughout their employment.


WorldSkills UK aims to support employees in their role so that they feel confident to undertake the responsibilities placed upon them and ultimately are able to contribute to the success of the organisation.

It is committed to providing equal opportunities in employment and to avoiding unlawful discrimination in the work environment. WorldSkills UK is fully aware of its responsibilities as an employer and acts in accordance with legislation.


AUDITOR

In accordance with the Companies Act 2006 a resolution proposing the appointment of RSM UK Audit LLP as auditors will be put to the members.

By order of the Board of Trustees


.....

Rooney Anand
Chairman of the Board,
signing as so authorised.


.....

Neil Bentley-Gockmann OBE
Trustee and CEO


.....

Stephen Crampton-Hayward
Company Secretary

Date: 26/03/2021

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MEMBERS OF THE BOARD

Rooney Anand (Chair)
Neil Bentley-Gockmann OBE (Ex-officio - joined 3/6/19)
Dawn Childs
Mark Dawe
Brian Doran (joined 1/1/20)
Sam Ingleby (joined 3/6/19)
Mike James (joined 3/6/19)
William Liles OBE
Paul Little
Marie-Therese McGivern (stepped down 1/1/20)
Marion Plant OBE (Deputy Chair)

AUDIT COMMITTEE

Dawn Childs (Committee Chair)
Mike James
Dan Wright (Co-opted Audit Committee Member – stepped down 20/5/19)
Justin Rix (Co-opted Audit Committee Member – joined 20/5/19)
Mark Farrar (Co-opted Audit Committee Member- joined 20/5/19)

FINANCE & GENERAL PURPOSES COMMITTEE

Mark Dawe (Committee Chair)
William Liles OBE
Paul Little
Marie-Therese McGivern (stepped down 1/1/20)

EXECUTIVE OFFICERS

Neil Bentley-Gockmann OBE, CEO
Stephen Crampton-Hayward, Company Secretary
Benjamin Blackledge, Deputy CEO

REGISTERED OFFICE

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SW1W 9SP

PRINCIPAL PROFESSIONAL ADVISERS

Solicitors

Bates Wells and Braithwaite
2-6 Cannon St
London EC4M 6YH

Bankers

Royal Bank of Scotland plc
62-63 Threadneedle Street
London EC2R 8LA

Auditors

RSM UK Audit LLP
Chartered Accountants
Highfield Court
Tollgate
Chandlers Ford
Eastleigh
Hampshire SO53 3TY

WORLDSKILLS UK
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
WORLDSKILLS UK
YEAR ENDED 31 MARCH 2020

Opinion

We have audited the financial statements of WorldSkills UK (the 'charitable company') for the year ended 31 March 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 2020 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report and the incorporated Strategic Report prepared for the purpose of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report and the incorporated Strategic Report have been prepared in accordance with applicable legal requirements.

WORLDSKILLS UK
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
WORLDSKILLS UK (CONTINUED)
YEAR ENDED 31 MARCH 2020

Matters on which we are required to report by exception

In the light of the 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 and the incorporated Strategic Report.

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 3, 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.

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the 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.

RSM UK Audit LLP

Frances Millar (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
Highfield Court
Tollgate
Chandlers Ford
Eastleigh
Hampshire
SO53 3TY

Date: 30 March 2021

WORLDSKILLS UK
STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating the Income and Expenditure Account
and Statement of Total Recognised Gains and Losses)
FOR THE YEAR ENDED 31 MARCH 2020

	Notes	Unrestricted Funds £	Restricted Funds £	2020 Total £	<i>2019 Total £</i>
INCOME FROM					
Generated funds:					
Income from investments	2	6,198	-	6,198	17,109
Income from charitable activities:					
Using competitions to raise skill standards and promote excellence		1,130,377	8,507,703	9,638,080	9,468,560
Income in kind and donated facilities	9	-	479,140	479,140	796,940
Total income		<u>1,136,575</u>	<u>8,986,843</u>	<u>10,123,418</u>	<u>10,282,609</u>
EXPENDITURE ON					
Expenditure on Raising funds:					
Fundraising costs	4	15,775	-	15,775	8,826
Charitable activities by objective:					
Using experiential careers advice events and skills competitions to raise skill standards and promote excellence	4	1,245,181	8,825,859	10,071,040	10,686,658
Total expenditure	4	<u>1,260,956</u>	<u>8,825,859</u>	<u>10,086,815</u>	<u>10,695,484</u>
Net (expenditure)/income for the year		<u>(124,381)</u>	<u>160,984</u>	<u>36,603</u>	<u>(412,875)</u>
Fund balances brought forward		2,510,200	224,098	2,734,298	3,147,173
Fund balances carried forward	17	<u>2,385,819</u>	<u>385,082</u>	<u>2,770,901</u>	<u>2,734,298</u>

The statement of financial activities has been prepared on the basis that all operations are continuing operations


The notes on pages 18 to 27 form part of these financial statements

WORLD SKILLS UK
 Company registered number: 02535199
 Charity registered number: 1001586

BALANCE SHEET
31 MARCH 2020

	Note	2020 £	2019 £
FIXED ASSETS			
Intangible assets	10	490,048	202,500
Tangible assets	11	35,515	29,540
Investments	12	-	-
		<u>525,563</u>	<u>232,040</u>
CURRENT ASSETS			
Debtors	13	1,180,027	2,646,215
Cash at bank		<u>1,616,855</u>	<u>1,218,210</u>
		2,796,882	3,864,425
CREDITORS: amounts falling due within one year	14	<u>(551,545)</u>	<u>(1,362,167)</u>
NET CURRENT ASSETS		<u>2,245,345</u>	<u>2,502,258</u>
NET ASSETS		<u>2,770,901</u>	<u>2,734,298</u>
FUNDS			
Restricted funds	15	385,082	224,098
Unrestricted funds	15	2,385,819	2,382,200
Designated funds	15	-	128,000
TOTAL FUNDS	17	<u>2,770,901</u>	<u>2,734,298</u>

These financial statements on pages 14 to 26 were approved by the Board of Trustees on 24 March 2021.



Rooney Anand
 (Trustee and Chairman)



Neil Bentley-Gockmann OBE
 (Trustee and CEO)



Stephen Crampton-Hayward
 (Director of Finance and Corporate Services)

The notes on pages 18 to 27 form part of these financial statements

WORLDSKILLS UK
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2020

	2020 £	2019 £
Cash (used) / generated from operating activities (Note a)	716,717	(2,050,937)
Cash flows from investing activities		
Bank and other interest receipts	6,198	17,109
Purchase of tangible fixed assets	(12,025)	(44,310)
Purchase of intangible fixed assets	(312,245)	(202,500)
Net cash provided by investing activities	(318,072)	(229,701)
Net (decrease) / increase in cash and cash equivalents	398,645	(2,280,638)
Cash and cash equivalents at the beginning of the reporting period	1,218,210	3,498,848
Cash and cash equivalents at the end of the reporting period	1,616,855	1,218,210

All cash and cash equivalents at the end of the reporting period relates to cash at bank and in hand

NOTES TO THE CASH FLOW STATEMENT

a. Reconciliation of expenditure to net cash flow from operating activities

	2020 £	2019 £
Net income / (expenditure) for the year	36,603	(412,875)
Bank and other interest receipts	(6,198)	(17,109)
Depreciation of fixed assets	21,298	14,770
Amortisation of fixed assets	9,448	-
Disposal of fixed assets	-	-
(Increase) / Decrease in debtors	1,466,188	(1,831,155)
Increase / (Decrease)in creditors	(810,622)	195,432
Net cash (outflow) / inflow from operating activities	716,717	(2,050,937)

WORLDSKILLS UK
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2020

1. ACCOUNTING POLICIES

Charity information

WorldSkills UK is a private company limited by guarantee incorporated in England and Wales. The registered office is First Floor, 157-197 Buckingham Palace Road, London SW1W 9SP. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity.

Basis of accounting

These financial statements have been prepared under the historical cost convention and in accordance with 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 January 2019)", FRS 102 "The Financial Reporting standard applicable in the UK and Republic of Ireland" and the requirements of the Companies Act 2006.

The charity 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 note(s).

Basis of consolidation

The financial statements present information about the charitable company as an individual undertaking and not about its group. The charitable company has taken advantage of the exemptions provided by section 405 of the Companies Act 2006 not to prepare consolidated accounts as the subsidiary company is not material to the group.

Going concern

The Trustees have received written confirmation that the DfE expects to continue to provide grant funding for 2021-22 and therefore it is considered that the charity will have sufficient funds to continue its activities for a period of at least twelve months from the date these financial statements are approved.

In the event that a final funding agreement is not reached, the Trustees have reviewed the impact that this would have on the remaining operations of the charity, and have prepared cash flow forecasts, considering mitigating actions as required to reduce expenditure, which confirm that there is sufficient cash for the charity to cover its fixed costs for a period of at least twelve months from the date of approval of these financial statements.

Therefore, the Trustees continue to operate the going concern basis in preparing these financial statements.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the charitable company's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Income in kind for equipment and materials donated or lent to support the running of the national finals of the skills competitions is valued at current market rates for purchase, where goods given to WorldSkills UK, or hire where goods are lent. Where there is no hire market for the equipment lent, the value is estimated at 15% of the full market purchase value.

There were no other specific judgments, estimates and assumptions that were critical to the preparation of these financial statements.

WORLDSKILLS UK
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2020

1. ACCOUNTING POLICIES (CONTINUED)

a) Income

Income is included in the Statement of Financial Activities (SoFA) when the Charity is legally entitled to the income and the amount can be quantified with reasonable certainty. Income received in advance of due performance under a contract is accounted for as deferred income until earned. Grant income is included when the related conditions for legal entitlement to the grant have been met. All other income is accounted for on an accruals basis.

b) Income in Kind

Income in kind is included in the Statement of Financial Activities (SoFA) where it has been possible to attribute a value to WorldSkills UK of the donation. The value to WorldSkills UK is based on the value that WorldSkills UK would have expended had the income in kind not been received. Income in Kind loans for the period of the event are valued at the appropriate hire cost if available. Where no value can be reasonably attributed to the loan it is excluded from the Statement of Financial Activities (SoFA).

In accordance with the Charities SORP (FRS 102), the general volunteer time is not recognised as a quantified value in the accounts.

c) Government grants

Government grants are recognised in the period in which they are receivable to the extent the conditions of funding have been met. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors and deferred income. Where entitlement occurs before income is received the income is accrued.

d) Expenditure

All resources expended are accounted for on an accruals basis. Charitable activities include costs of services and support costs. Costs of generating funds include fundraising. Non-staff costs not attributable to one category of activity are allocated or apportioned pro rata to the staffing of the relevant service. Governance costs are those associated with constitutional and statutory requirements.

e) Termination benefits

WorldSkills UK offers statutory levels of redundancy payments. In addition to any statutory redundancy pay due, pay in lieu of notice and payment for holidays accrued and not taken is also paid. Redundancy pay is not subject to deductions for Tax and National Insurance.

f) Fund accounting

Unrestricted funds represent those resources which may be used towards meeting any of the charitable objects of WorldSkills UK.

Restricted General funds are resources subject to specific restrictions imposed by funders or donors.

g) Intangible fixed assets

Assets are stated at cost less accumulated amortisation. Amortisation is charged on a straight-line basis over their useful lives, being 5 years.

h) Tangible fixed assets

Assets are stated at cost or, where donated, stated at valuation based on their value over their useful life less accumulated depreciation.

i) Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all fixed assets on a straight line basis over their expected useful lives of 3 years.

WORLDSKILLS UK
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

1. ACCOUNTING POLICIES (CONTINUED)

Office equipment – 3 years straight line

j) Debtors

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

k) Cash at bank and in hand

Cash at bank and cash 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.

l) Creditors & provisions

Trade and other creditors (including accruals) payable within one year are initially measured at the transaction price and subsequently measured at amortised cost, being transaction price less any amounts settled.

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

m) Taxation

No provision is made for Corporation Tax, as the Charity is able to claim full statutory exemption subject to the proper application of all its charitable resources.

n) VAT

Income and expenditure is recorded exclusive of VAT, where appropriate.

o) Pension costs

The charity operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the charity. The annual contributions payable are charged to the Statement of Financial Activity.

p) Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

WORLD SKILLS UK
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

2. INVESTMENT AND OTHER INCOME

	2020	<i>2019</i>
	£	<i>£</i>
Interest received	6,198	17,109

3. NET INCOME/EXPENDITURE FOR THE YEAR

	2020	<i>2019</i>
	£	<i>£</i>
This is stated after charging:		
Amortisation of intangible fixed assets	9,448	-
Depreciation/Loss on Disposal of Fixed Assets	21,298	14,770
Auditor's remuneration:		
- Fees payable to the charity's auditor for the audit of the charity's annual accounts	19,600	19,110
Total office lease payments	250,463	236,895
Total other operating lease payments	4,900	7,236

4. ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff Costs £	Support Costs £	Direct Costs £	2020 Total £	<i>2019</i> <i>Total</i> <i>£</i>
Cost of generating funds:					
Fundraising costs	-	-	15,775	15,775	8,826
Charitable Expenditure:					
Costs of activities in furtherance of the charity's objectives:					
Using competitions to raise skill standards and promote excellence	2,907,698	507,213	6,629,236	10,044,147	10,650,411
Governance costs	-	26,893	-	26,893	36,247
Total resources expended	2,907,698	534,106	6,645,011	10,086,815	10,695,484

Expenditure on charitable activities was £9,946,159 (2019: £10,695,484) of which £8,685,203 (2019: £9,669,041) was restricted and £1,260,956 (2018: £1,026,443) was unrestricted.

5. SUPPORT COSTS

	General £	Office Costs £	Governance Costs £	2020 Total £	<i>2019</i> <i>Total</i> <i>£</i>
Using competitions to raise skill standards and promote excellence	77,083	430,130	26,893	534,106	730,316

WORLDSKILLS UK
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

6. EMPLOYEES

	2020	<i>2019</i>
	£	<i>£</i>
Staff costs consists of:		
Wages and salaries	2,449,570	2,002,291
Social security costs	266,218	223,876
Pension costs	119,580	112,581
External staff costs	72,330	125,948
	<u>2,907,698</u>	<u>2,464,696</u>

The average monthly number of employees on average basis during the year was made up as follows:

	2020	<i>2019</i>
	No.	<i>No.</i>
Permanent contract	42	37
Fixed-term contract	7	4
	<u>49</u>	<u>41</u>

The number of employees whose emoluments exceeded £60,000 was:

	No.	<i>No.</i>
£60,001 to £70,000	4	2
£70,001 to £80,000	1	1
£80,001 to £90,000	3	3
£90,001 to £100,000	-	1
£100,001 to £110,000	-	-
£110,001 to £120,000	-	1
£120,001 to £130,000	-	-
£130,001 to £140,000	1	-
	<u>1</u>	<u>-</u>

The number of higher paid staff in 2019 has been corrected to 8 from 14 as misstated in 2018-19 accounts. The CEO's 2019-20 salary includes a 5% performance bonus for the 2018-19 year. Excluding this 2018-19 related bonus the CEO's gross salary would fall in the £120,001 to £130,000 bracket. The CEO has agreed to forego the 2019-20 and 2020-21 bonus given the current financial climate.

The number of higher paid staff who contribute into a pension scheme is 10 (2019: 8), at a cost of £87,894 (2019: £45,217).

7. TRUSTEES' REMUNERATION AND EXPENSES AND KEY MANAGEMENT PERSONNEL

None of the members of the Board of Trustees received any remuneration during this year for their services as a trustee (2019: £Nil).

On the 3 June 2019 Neil Bentley-Gockmann joined the Board of Trustees ex-officio in his role as CEO as provided for under the charity's Articles of Association (adopted on 14 February 2019). He received remuneration of £107,100 and pension contributions of £10,710 from the date of becoming a Trustee, in his role as CEO.

During the year, 2 Trustees (2019: 4) received reimbursements of personal travel and subsistence expenditure amounting to £341 (2019: £6,473).

The total Key Management Personnel (The Board, CEO and Directors) payroll costs during this year were £658,909 (2019: £567,191)

8. REDUNDANCY AND TERMINATION BENEFITS

WorldSkills UK offers statutory levels of redundancy payments. In addition to any statutory redundancy pay due, pay in lieu of notice and payment for holidays accrued and not taken is also paid. Redundancy pay is not subject to deductions for Tax and National Insurance.

- Total amount of payments made for period: £47,616 (2019: £9,128)

WORLDSKILLS UK
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

9. INCOME IN KIND

Income in kind includes assets loaned to WorldSkills UK for two weeks for WorldSkills UK LIVE purposes. These assets were new high value specialist assets specifically required for competition purposes.

WorldSkills UK also benefits greatly from the involvement and enthusiastic support of its many volunteers, details of which are given in our annual report. In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of general volunteers is not recognised in the accounts.

10. INTANGIBLE FIXED ASSETS

	Software £	Total £
Cost		
At 1 April 2019	202,500	202,500
Additions	296,996	296,996
Disposals	-	-
	<u>499,496</u>	<u>499,496</u>
At 31 March 2020	499,496	499,496
Amortisation		
At 1 April 2019	-	-
Disposals	-	-
Charge for the year	9,448	9,448
	<u>9,448</u>	<u>9,448</u>
At 31 March 2020	9,448	9,448
Net book value		
At 31 March 2020	490,048	490,048
At 31 March 2019	202,500	202,500

No amortisation was charged for the year on £30,081 due to the development of the software completing after March 2020 or due to software still in development.

11. TANGIBLE FIXED ASSETS

	Office Equipment £	Total £
Cost		
At 1 April 2019	99,709	99,709
Additions	27,273	27,273
Disposals	52,059	52,059
	<u>74,923</u>	<u>74,923</u>
At 31 March 2020	74,923	74,923
Depreciation		
At 1 April 2019	70,169	70,169
Disposals	52,059	52,059
Charge for the year	21,298	21,298
	<u>39,408</u>	<u>39,408</u>
At 31 March 2020	39,408	39,408
Net book value		
At 31 March 2020	35,515	35,515
At 31 March 2019	29,540	29,540

WORLDSKILLS UK
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

12. INVESTMENTS

The Charity owns all of the issued ordinary share capital of its subsidiary, The Skills Show Ltd. This investment is included in the company financial statements at its historic cost of £nil (2019: £nil).

The subsidiary is a company registered in England and Wales at First Floor, 157-197 Buckingham Palace Road, London SW1W 9SP and was dormant throughout the accounting period.

The subsidiary is not material for the purpose of giving a true and fair view. The charity has therefore taken advantage of the exemption provided by section 405 of the Companies Act 2006 not to prepare group accounts.

13. DEBTORS

	2020	2019
	£	£
Trade debtors	-	131,509
Other debtors	6,872	19,115
Other taxes and social security	145,382	315,482
Prepayments and accrued income	<u>1,027,773</u>	<u>2,180,109</u>
	<u>1,180,027</u>	<u>2,646,215</u>

14. CREDITORS: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	337,665	873,000
Other taxes and social security costs	73,956	71,168
Accruals and deferred income	139,129	344,641
Other creditors	<u>795</u>	<u>73,358</u>
	<u>551,545</u>	<u>1,362,167</u>
Movements on deferred income account in year:-		
Contract receipts unearned as at 1 April	69,083	-
Amounts released in year	69,083	-
Amounts received in year	<u>21,500</u>	<u>69,083</u>
Contract receipts unearned at 31 March	<u>21,500</u>	<u>69,083</u>

15. FUNDS

	Designated funds	Restricted funds	Unrestricted funds
	£	£	£
Balance at 1 April 2019	128,000	224,098	2,382,200
Incoming resources	-	8,986,843	1,136,575
Resources expended	<u>(128,000)</u>	<u>(8,825,859)</u>	<u>(1,132,956)</u>
Balance at 31 March 2020	<u>-</u>	<u>385,082</u>	<u>2,385,819</u>

WORLDSKILLS UK
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

Designated funds of £128,000 were set aside from unrestricted reserves to develop a business case for a commercial mindset training programme. The business case developed concluded that the product would not be a suitable income generating opportunity for the charity at this time. All designated funds were utilised.

Restricted funds are funds received subject to specific conditions imposed by the donor.

	At 1 April 2019	Incoming Resources £	Resources Expended £	At 31 March 2020 £
Department for Education	224,098	8,300,000	(8,329,016)	195,082
NCFE	-	190,000	-	190,000
FETL	-	17,703	(17,703)	-
Income in Kind & Donations	-	479,140	(479,140)	-
Balance at 31 March 2020	<u>224,098</u>	<u>8,986,843</u>	<u>8,825,859</u>	<u>385,082</u>

Department for Education (DfE) is received via the Education and Skills Funding Agency (ESFA) to support the running of national and international skills competitions and careers education events, primarily WorldSkills UK LIVE.

The NCFE grant is the first tranche of a 3 year project to establish a Centre of Excellence which aims to mainstream excellence across the UK by developing a cohort of world-class educators, delivering global expertise and driving up standards, supporting the creation of a world-class education system.

The Further Education Trust for Leadership (FETL) grant was towards research on adopting global skills innovation for the UK.

Income in kind is received from various sponsors to facilitate the running of the National Finals at WorldSkills UK LIVE.

The carried forward funds have been committed to a new competition registration system and continue the development of the Centre of Excellence.

16. FINANCIAL INSTRUMENTS

The carrying amount of the charity's financial instruments at 31 March were

	2020 £	2019 £
Carrying amount of financial assets measured at amortised cost	<u>656,942</u>	<u>1,676,777</u>
Carrying amount of financial liabilities measured at amortised cost	<u>456,085</u>	<u>1,221,910</u>

WORLDSKILLS UK
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 March 2020 are represented by:

	Restricted funds £	Unrestricted funds £	Total funds £
Intangible fixed assets	195,082	294,966	490,048
Tangible fixed assets	-	35,515	35,515
Net current assets	190,000	2,055,338	2,245,338
	<u>385,082</u>	<u>2,385,819</u>	<u>2,770,901</u>

18. PENSION

The charity operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the charity.

The pension cost charge represents contributions payable by the charity to the fund and amounted to £119,580 (2019 - £112,581). There are no contributions due at the year-end (2019 - £Nil).

19. LEASE COMMITMENTS

The minimum commitments due under non-cancellable operating leases in the next year are:

	2020 £	2019 £
Land and Buildings		
On operating leases expiring		
Within one year	122,650	140,275
Within 2 to 5 years	30,663	116,896
	<u>153,313</u>	<u>257,171</u>
Other		
On operating leases expiring		
Within one year	5,000	5,000
Within 2 to 5 years	4,082	8,573
	<u>9,068</u>	<u>13,573</u>

WORLDSKILLS UK
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

20. RELATED PARTY TRANSACTIONS

Barry Liles is a trustee of the board of WorldSkills UK and Principal of Coleg Sir Gar. During the year purchases of £600 (2019: £nil). At the year end, there were no balances outstanding with Coleg Sir Gar (2019: £nil).

Paul Little is a trustee of the board of WorldSkills UK and Principal of City of Glasgow College (CGC). During the year WorldSkills UK made sales to CGC of £8,400 (2019: £8,400) and purchases of £16,176 (2019: £1,345). At the year end, there were no balances outstanding with CGC (2019: £1,084).

Mark Dawe is a trustee of the board of WorldSkills UK and Chief Executive of the Association of Employment and Learning Providers (AELP). During the year WorldSkills UK made sales to AELP of £nil (2019: £134). At the year end, there were no balances outstanding with AELP (2019: £nil).

Marion Plant is Deputy Chair of the board of WorldSkills UK and Principal and Chief Executive of North Warwickshire and South Leicestershire College (NWSLC). During the year WorldSkills UK made sales to NWSLC of £16,168 (2019: £5,040) and purchases of £18,182 (2019: £21,845). At the year end, there were no balances outstanding with NWSLC (2019: £8,000).

Brian Doran is a trustee of the board of WorldSkills UK and Chief Executive of Southern Regional College (SRC). During the year WorldSkills UK made purchases to SRC of £1,950 (2019: £4,950). At the year end, there were no balances outstanding with SRC (2019: £nil).

At the year-end nothing was owed to trustees in relation to expenses (2019: £nil).

21. EVENTS AFTER THE REPORTING PERIOD

The World Health Organisation (WHO), officially declared the Coronavirus (COVID-19) outbreak a global pandemic on 11 March 2020. The impact of COVID-19 on UK and global economies and businesses is expected to be significant. The trustees cannot predict the impact on the Charity (or its customers or suppliers), although as detailed in note 1 they are confident that the Charity will continue as a going concern. This is a non adjusting post balance sheet event and it had no impact on the carrying value of assets and liabilities at 31 March 2020.