

Company No: 02535199

Charity No: 1001586

**WORLDSKILLS UK
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

WORLD SKILLS UK
YEAR ENDED 31 MARCH 2021

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WORLD SKILLS UK

ANNUAL REPORT OF THE TRUSTEES INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2021

The Board of Trustees of WorldSkills UK ("the Charity") presents its annual report incorporating the strategic report for the year ended 31 March 2021, 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 10.

The present Trustees (who are also the Directors), and any past Trustees who served during the year, are shown on page 10, together with the names of the senior executive staff. The external advisers of the Charity are also set out on page 11.

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 thirteen. 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 2020/21.

AUDIT COMMITTEE

The Audit Committee's responsibilities include Risk Assessment, Risk Management and Internal Control, advising the Board of Trustees accordingly. The 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. The Committee meets at least three times a year.

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

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experience to support the mission and strategy of WSUK. From April 2021 this committee was merged with the Covid-19 Response Committee to form a Chairs' Committee.

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. From April 2021 this committee was merged with the Nominations Committee to form a Chairs' Committee.

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.

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.

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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.

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.

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. Working with partners, it uses international best practice to raise standards in apprenticeships and technical education so more young people and employers succeed. WorldSkills UK is a proud member of WorldSkills, a global movement of over 80 countries. WorldSkills supports young people across the world via competitions-based training, assessment and benchmarking, with members' national teams ultimately testing their ability to achieve world-class standards in the biennial 'skills olympics'. The insights gained from training as part of this global network help WorldSkills UK to raise standards across the UK. The organisation innovates to help employers by benchmarking with skills systems from across the world to inform policy and practice, ensuring high-quality skills and boosting the UK economy. It develops educators, by sharing international best practice, to deliver high-quality training and assessment, and inspires young people, whatever their background, to choose high-quality apprenticeships and technical education as prestigious career routes.

REVIEW OF ACTIVITIES

During 2020-21 WorldSkills UK took decisive and timely steps to respond to the challenges of the Covid-19 crisis. Despite the impacts of the pandemic forcing the rescheduling and curtailing many of the established activities, it took the opportunity to pivot its focus towards using international best practice to raise standards in apprenticeships and technical education so that more young people and employers succeed. Through the year, the organisation worked with agility and creativity to transition to become a quality improvement partner for the further education and skills sector, helping to mainstream global best practice to boost standards in teaching and training. This new approach to work, centered around three themes: Innovate, Develop and Inspire, each focused on growing excellence in technical education and apprenticeships and enabling young people to choose and progress in skilled careers to meet employer and economic needs. Across its work, WorldSkills UK will continue to embed its work to improve equity, diversity and inclusion, improving support and opportunity for young people from all backgrounds.

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WorldSkills UK operated three main workstreams. The organisation **innovated** by raising skills standards to better meet economic and employer demand, through international benchmarking and insights to support inward investment and help meet future skills needs and increase productivity and growth. This was achieved through growing international partnerships to create sustainable platforms to access global best practice and to explore development, research and higher performance. In collaboration with employers and expert sector organisations, it completed research and analysis of global skills issues including digital skills and the future of the labour market in the UK. This enabled a better understanding of the demand for high quality skills and improved tailoring of programmes to help build a pipeline of world-class skills to support the Government's plans for the UK's economic recovery. WorldSkills UK also launched a programme of International Skills Summits to inform and promote embedding skills excellence as a route to help the UK's economic recovery. The first event was attended by 200 organisations and individuals, 92% of whom rated it as excellent and good. The organisation's profile continued at strength, with 260,000 social media engagements, 480,000 video views and a social media following which grew by 5,700 (16%) last year.

Under its **develop** workstream, the quality of teaching, training and assessment in FE and technical education was improved through professional development networks and resources. This included the launch of a new Centre of Excellence, in partnership with NCFE, which engaged 20 institutions and 100 teaching staff, who benefitting from a total of 1,800 hours of CPD between January and March 2021. The Centre was cited in the Skills for Jobs White Paper, issued by the Government in January 2021. WorldSkills UK also established an Innovation Network to create a community of best practice across 35 colleges covering all regions of England and devolved nations. The Skills Development Hub provided educators with a comprehensive set of online resources to use with learners and apprentices to grow the technical and employability skills of young people. 1,500 educators and 1,100 young people registered for the Hub in its first four months. Six Best Practice Virtual Exchanges transferred global best practice to learning organisations in the UK to share high quality training techniques to help raise standards. In total, WorldSkills UK worked with 4,500 educators through the year.

Under the **inspiration** stream young people of all backgrounds were supported to choose and succeed on technical and employability pathways by growing their skills and increasing the prestige of technical education through competitions-based training and careers advice advocacy. The national competition operating model, with its network of Competition Organising Partners, was reviewed to ensure the skills selection and standards in 2021 match the UK's economic priorities and employer demands for high quality skills. The training and development programme for WorldSkills UK's squad of 108 young people was continued, in preparation for the resumption of international competition and WorldSkills Shanghai in 2022. Six Virtual International Pressure tests were conducted to support young people and experts preparing for international competitions to collaboratively train and compete against other nations, in total 50 young people received opportunities to test their skills against peers in 11 countries. The pilot Inclusivity in Excellence programme was launched, using competition-based practice to improve accessibility and opportunity for success in FE for young people of all backgrounds. Two Spotlight Talks events brought together the UK's leading employers and apprentices to inspire young people, of all backgrounds, to take up technical career routes and apprenticeships, which together engaged 41,000 young people and 875 educators. The organisation's digital Careers Advice Toolkit was further developed as a resource for teachers and advisers to use remotely or in the classroom to provide young people with engaging and relevant employability skills and careers information. Over the year 1,600 educators and 33,600 young people engaged with the toolkit. Across all the resources and activities WorldSkills UK engaged with over 150,000 young people. 82% of young people were inspired through those engagements.

Funding diversification

WorldSkills UK's income was impacted significantly by Covid-19. Its total income was £6.7m, (compared with £10.1m in 2019-20). Progress was made, however, in a number of important developments in diversifying the funding position, including a three-year relationship with NCFE in relation to the Centre of Excellence. Emerging Innovate work also attracted considerable support from a number of new partners and existing partnership arrangements progressed with

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employers including BAE Systems and Toyota. As a result, over £1m of diversified income was raised during the year to supplement our core DfE grant, including direct cash sponsorship income.

Return on public investment

During the year, an independent cost benefit analysis on the return on investment to the public purse from WorldSkills UK activities was commissioned from Frontier Economics. The return against DfE spending was calculated by assessing the value of increased tax returns to public funds from each pound of DfE funding over the 2018-20 period. Frontier Economics conservatively calculated a return on investment for the taxpayer (from established activities) of at least £2.40 and as much as £4.50 for every pound invested, suggesting high value for money. They calculated that an even higher return is likely to be achieved by the investment in the Centre of Excellence. In modelling the return on investment, the value was recognised of activities across the Innovate, Develop and Inspire strands, reinforcing each other to support skills development among young people in the UK.

Strategic partnerships

In addition to new business and employer partnerships WorldSkills UK continued to strengthen relationships with the DfE and for the first year, the Northern Ireland Government provided support through a grant agreement, and funding arrangements with Welsh Government via the Inspiring Skills in Excellence in Wales project were further strengthened.

FUTURE PLANS

WorldSkills UK will build on the successes, learnings and new developments in 2021-22 to strengthen its position as a quality improvement partner for the FE and skills sector leveraging international best practice to focus on delivering excellence across technical education and skills. To achieve this, it will deepen engagement with employers and educators, while maintaining its core goal of enabling more young people to succeed in technical careers, meeting the evolving skills needs of the post Covid-19 economy. This will include further digitisation of programmes where relevant and effective, maintaining a focus on embedding equity, diversity and inclusion and increasing commercial sustainability. It will continue to demonstrate agility, flexibility and creativity in the face of the continuing pandemic, efficiency in expenditure of public funds and alignment with the UK's policy developments that will support a stronger technical education system and greater support for the UK's economic recovery.

Headline activities for 2021-22 will include, under the Innovate workstream, forming an independent high-profile business Skills Taskforce for Global Britain to set out a roadmap for how to build a world-class skills economy by 2030 to help attract foreign investment and implementing 11 partnerships with international counterparts to increase the impact of WorldSkills UK as quality improvement partner.

Under the Develop workstream, building on the success of the first year of the Centre of Excellence, WorldSkills UK will recruit a further 12 colleges/training providers to the network, delivering to 450 educators and 5,000 learners. The Innovation Network community of best practice will also grow. Working with partners leading in improving teaching and assessment skills in technical education, the organisation will deliver a major CPD event to help embed excellence in teaching and training in technical education.

Inspiration programmes will include the resumption of national competition based training in over 50 skills focusing on skills needed for economic recovery and the training the squad of young people to represent the UK on the global stage at WorldSkills Shanghai 2022 will progress. Young people will be supported in making critical career choices through two further Spotlight Talks events, with a focus on opportunities in digital and sustainability careers.

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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 33.1% to £6.77 million (2020: decreased by 1.5% to £10.1 million) and expenditure on charitable activities decreased by 38.4% to £6.22 million (2020: decreased by 5.7% to £10.1 million) resulting in an increase of net assets of £556k to £3.3 million (2020: increase of £37k to £2.8 million).

Financially:

- income generated through unrestricted grants and donations (including investment income) totalled £616k (2020: £1,137k).
- income generated through restricted grants and donations was £6,155k (2020: £8,987k).
- expenditure on careers advice events, teacher training and skills competition programmes totalled £6,208k (2020: £10,071k).

Going concern

The Trustees have received written confirmation that the DfE expects to continue to provide grant funding for 2022-23 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 is predominantly funded by grants from Central UK Government to deliver a national programme of skills competitions, undertake the training of a UK Team to compete in the international WorldSkills competitions; develop careers and skills resources and events and engage employers.

The charity is also funded by sponsorship, exhibition sales and other grants including NCFE.

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

Unrestricted reserves represent funds that are freely available to spend on any of the charity's purposes and have been built up over a number of years from unrestricted non-core grant income.

Reserves Policy

Minimum Unrestricted Reserves

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

Other Reserves

Any unrestricted reserves generated over and above this minimum reserve level may be used to mitigate against Covid related uncertainties that might either cause unforeseen delivery costs or impact our income generating potential and to fund future growth. These unrestricted reserves should not be used to cover day-to-day running costs. In order to use these unrestricted reserves, the Chief Executive must seek approval from the Board of Trustees by presenting a strong business case with a compelling return on investment (ROI), first for review by the Finance and General Purposes Committee and then subject to majority approval by the Board. Plans for use of these unrestricted reserves are presented to the board annually as part of their review of the reserves policy.

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Designated Reserves

Trustees can designate a portion of the unrestricted reserves for specified purposes. Designated funds of £350,000 have been set aside from unrestricted reserves to underwrite innovative activities essential to the future sustainability of WorldSkills UK, such as ensuring the Insights programme, the Innovation Network of Colleges and the Skills Development Hub can be progressed with confidence despite economic and pandemic related uncertainties.

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

To set a value for the minimum unrestricted reserves level, the Trustees have considered the requirement for an orderly closure of the Charity. The calculation has therefore been set as four months staffing costs, plus one year's office expenditure, plus the contracted minimum commitment for the hosting of LIVE at the Birmingham NEC. Annual forecast expenditure for these for 2021-22 are as follows: Staffing £2,983k; Office Expenditure £304k and NEC minimum contract £738k. The total level of minimum reserves is therefore set at £2,036k. Free unrestricted reserves at 31 March 2021 stand at £2,270k. Surplus unrestricted reserves have been designated by the trustees to underwrite innovative activities essential to the future sustainability of WorldSkills UK.

Should the level of unrestricted reserves fall below the minimum value 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 unrestricted reserves back to the minimum level.

Setting the Level of Minimum Reserves

The required level of minimum unrestricted 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 unrestricted reserves.

EMPLOYEES

WorldSkills UK had an average of 53 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.

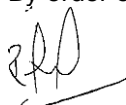
WorldSkills UK aims to support employees in their role so that they feel confident to undertake the responsibilities placed upon them and ultimately are able to contribute to the success of the organisation.

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: 9 December 2021

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MEMBERS OF THE BOARD

Rooney Anand (Chair)
Neil Bentley-Gockmann OBE (Ex-officio)
Dawn Childs
Mark Dawe
Brian Doran
Sam Ingleby
Mike James
William Liles OBE
Paul Little
Marion Plant OBE (Deputy Chair)

AUDIT COMMITTEE

Dawn Childs (Committee Chair)
Mike James
Justin Rix (Co-opted Audit Committee Member)
Mark Farrar (Co-opted Audit Committee Member)

FINANCE & GENERAL PURPOSES COMMITTEE

Mark Dawe (Committee Chair)
William Liles OBE
Paul Little
Brian Doran

REMUNERATION COMMITTEE

Marion Plant OBE (Committee Chair)
Rooney Anand (Chair)
Dawn Childs
Sam Ingleby

GOVERNANCE AND NOMINATIONS COMMITTEE

Rooney Anand (Chair)
Marion Plant OBE (Committee Chair)
Dawn Childs

COVID 19 RESPONSE COMMITTEE

Rooney Anand (Chair)
Marion Plant OBE (Deputy Chair)
Dawn Childs (Audit Committee Chair)
Mark Dawe (Finance & General Purposes Committee Chair)

EXECUTIVE OFFICERS

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

REGISTERED OFFICE

25 Wilton Road
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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 2021

Opinion

We have audited the financial statements of WorldSkills UK (the 'charitable company') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 2021 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

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.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report included within the Trustees' Report has 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 2021

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 Directors' Report, or the Strategic Report included within the Trustees' 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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the charitable company operates in and how the charitable company is complying with the legal and regulatory framework;

WORLDSKILLS UK
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
WORLDSKILLS UK (CONTINUED)
YEAR ENDED 31 MARCH 2021

- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011 and the charitable company's governing document. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report and remaining alert to new or unusual transactions which may not be in accordance with the governing documents.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to the UK General Data Protection Regulation (UK GDPR). We performed audit procedures to inquire of management and those charged with governance whether the charitable company is in compliance with these law and regulations and inspected correspondence with regulatory authorities.

The audit engagement team identified the risk of management override of controls and as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates.

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: *21 December 2021*

WORLD SKILLS 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 2021

	Notes	Unrestricted Funds £	Restricted Funds £	2021 Total £	<i>2020 Total £</i>
INCOME FROM					
Generated funds:					
Income from investments	2	987	-	987	6,198
Income from charitable activities:					
Using competitions to raise skill standards and promote excellence		614,944	6,067,600	6,682,544	9,638,080
Income in kind and donated facilities	9	-	87,335	87,335	479,140
Total income		<u>615,931</u>	<u>6,154,935</u>	<u>6,770,866</u>	<u>10,123,418</u>
EXPENDITURE ON					
Expenditure on Raising funds:					
Fundraising costs	4	7,184	-	7,184	15,775
Charitable activities by objective:					
Using careers advice events and skills competitions to raise skill standards and promote excellence	4	424,019	5,784,100	6,208,119	10,071,040
Total expenditure	4	<u>431,203</u>	<u>5,784,100</u>	<u>6,215,303</u>	<u>10,086,815</u>
Net (expenditure)/income for the year		<u>184,728</u>	<u>370,835</u>	<u>555,563</u>	<u>36,603</u>
Fund balances brought forward		<u>2,385,819</u>	<u>385,082</u>	<u>2,770,901</u>	<u>2,734,298</u>
Fund balances carried forward	16	<u>2,570,547</u>	<u>755,917</u>	<u>3,326,464</u>	<u>2,770,901</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 2021

	Note	2021 £	2020 £
FIXED ASSETS			
Intangible assets	10	625,998	490,048
Tangible assets	11	164,559	35,515
Investments	12	-	-
		<u>790,557</u>	<u>525,563</u>
CURRENT ASSETS			
Debtors	13	2,226,020	1,180,027
Cash at bank		<u>1,615,298</u>	<u>1,616,855</u>
		3,841,318	2,796,882
CREDITORS: amounts falling due within one year	14	<u>(1,305,411)</u>	<u>(551,545)</u>
NET CURRENT ASSETS		<u>2,535,907</u>	<u>2,245,337</u>
NET ASSETS		<u>3,326,464</u>	<u>2,770,901</u>
FUNDS			
Restricted funds	15	755,917	385,082
Unrestricted funds	15	2,220,547	2,385,819
Designated funds	15	<u>350,000</u>	<u>-</u>
TOTAL FUNDS	16	<u>3,326,464</u>	<u>2,770,901</u>

These financial statements on pages 15 to 27 were approved by the Board of Trustees on 9 December 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

WORLD SKILLS UK
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2021

	2021 £	2020 £
Cash (used) / generated from operating activities (Note a)	475,499	716,717
Cash flows from investing activities		
Bank and other interest receipts	987	6,198
Purchase of tangible fixed assets	(229,357)	(12,025)
Purchase of intangible fixed assets	(248,686)	(312,245)
Net cash provided by investing activities	(477,056)	(318,072)
Net (decrease) / increase in cash and cash equivalents	(1,557)	398,645
Cash and cash equivalents at the beginning of the reporting period	1,616,855	1,218,210
Cash and cash equivalents at the end of the reporting period	1,615,298	1,616,855

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

	2021 £	2020 £
Net income / (expenditure) for the year	555,562	36,603
Bank and other interest receipts	(987)	(6,198)
Depreciation of fixed assets	100,314	21,298
Amortisation of fixed assets	112,737	9,448
Disposal of fixed assets	-	-
(Increase) in debtors	(1,045,993)	1,466,188
Increase in creditors	753,866	(810,622)
Net cash (outflow) / inflow from operating activities	475,499	716,717

WORLD SKILLS UK
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2021

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 2022-23 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. Income in kind for the development of digital careers training content is valued at the market cost of the development of comparable material.

The useful economic life of intangible assets is estimated to be 5 years.

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

WORLD SKILLS UK
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2021

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.

Income in kind for the development of digital careers training content is valued at the market cost of the development of comparable material.

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.

WORLDSKILLS UK
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES (CONTINUED)

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.

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, except where it is not permissible to reclaim input VAT or where partial exemption rules apply.

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 2021

2. INVESTMENT AND OTHER INCOME

	2021 £	2020 £
Interest received	<u>987</u>	<u>6,198</u>

3. NET INCOME/EXPENDITURE FOR THE YEAR

	2021 £	2020 £
This is stated after charging:		
Amortisation of intangible fixed assets	112,737	9,448
Depreciation/Loss on Disposal of Fixed Assets	100,314	21,298
Auditor's remuneration:		
- Fees payable to the charity's auditor for the audit of the charity's annual accounts	20,500	19,600
Total office lease payments	174,262	250,463
Total other operating lease payments	5,589	4,900

4. ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff Costs £	Support Costs £	Direct Costs £	2021 Total £	2020 Total £
Cost of generating funds:					
Fundraising costs	<u>-</u>	<u>-</u>	<u>7,184</u>	<u>7,184</u>	<u>15,775</u>
Charitable Expenditure:					
Costs of activities in furtherance of the charity's objectives:					
Using competitions to raise skill standards and promote excellence	2,988,433	549,426	2,648,010	6,185,869	10,044,147
Governance costs	<u>-</u>	<u>22,250</u>	<u>-</u>	<u>22,250</u>	<u>26,893</u>
Total resources expended	<u>2,988,433</u>	<u>571,676</u>	<u>2,655,194</u>	<u>6,215,303</u>	<u>10,086,815</u>

Expenditure on charitable activities was £6,215,303 (2020: £9,946,159) of which £5,784,100 (2020: £8,685,203) was restricted and £431,203 (2020: £1,260,956) was unrestricted.

5. SUPPORT COSTS

	General £	Office Costs £	Governance Costs £	2021 Total £	2020 Total £
Using competitions to raise skill standards and promote excellence	<u>183,087</u>	<u>366,339</u>	<u>22,250</u>	<u>571,676</u>	<u>534,106</u>

WORLD SKILLS UK
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

6. EMPLOYEES

	2021	<i>2020</i>
	£	£
Staff costs consists of:		
Wages and salaries	2,541,609	2,449,570
Social security costs	279,538	266,218
Pension costs	133,423	119,580
External staff costs	33,863	72,330
	<u>2,988,433</u>	<u>2,907,698</u>

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

	2021	<i>2020</i>
	No.	No.
Permanent contract	43	42
Fixed-term contract	10	7
	<u>53</u>	<u>49</u>

The number of employees whose emoluments exceeded £60,000 was:	No.	No.
£60,001 to £70,000	5	4
£70,001 to £80,000	1	1
£80,001 to £90,000	3	3
£90,001 to £100,000	-	-
£100,001 to £110,000	-	-
£110,001 to £120,000	-	-
£120,001 to £130,000	1	-
£130,001 to £140,000	-	1
	<u>-</u>	<u>1</u>

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 9 (2020: 9), at a cost of £43,621 (2020: £87,894).

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 (2020: £Nil).

Neil Bentley-Gockmann is a member of 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) since 3 June 2019 and received remuneration of £128,520 (2020: £111,384 for 10 months) and pension contributions of £7,711 (2020: £6,428 for 10 months) in his role as CEO.

During the year, 1 Trustee (2020: 2) received reimbursements of personal travel and subsistence expenditure amounting to £192 (2020: £341).

The total Key Management Personnel (The Board, CEO and Directors) payroll costs during this year were £455,234 (2020: £658,909)

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: £9,545 (2020: £47,616)

WORLD SKILLS UK
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

9. INCOME IN KIND

Income in kind for the development of digital careers training content is valued at the market cost of the development of comparable material.

Income in kind for last year 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 2020	499,496	499,496
Additions	248,686	248,686
Disposals	-	-
	<hr/>	<hr/>
At 31 March 2021	748,182	748,182
Amortisation		
At 1 April 2020	9,448	9,448
Disposals	-	-
Charge for the year	112,737	112,737
	<hr/>	<hr/>
At 31 March 2021	122,185	122,185
Net book value		
At 31 March 2021	625,997	625,997
	<hr/>	<hr/>
At 31 March 2020	490,048	490,048
	<hr/>	<hr/>

11. TANGIBLE FIXED ASSETS

	Equipment £	Total £
Cost		
At 1 April 2020	74,923	74,923
Additions	229,357	229,357
Disposals	-	-
	<hr/>	<hr/>
At 31 March 2021	304,280	304,280
Depreciation		
At 1 April 2020	39,408	39,408
Disposals	-	-
Charge for the year	100,314	100,314
	<hr/>	<hr/>
At 31 March 2021	139,722	139,722
Net book value		
At 31 March 2021	164,558	164,558
	<hr/>	<hr/>
At 31 March 2020	35,515	35,515
	<hr/>	<hr/>

WORLD SKILLS UK
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

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 (2020: £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

	2021	2020
	£	£
Trade debtors	244,632	-
Other debtors	-	6,872
Other taxes and social security	42,041	145,382
Prepayments and accrued income	<u>1,939,347</u>	<u>1,027,773</u>
	<u>2,226,020</u>	<u>1,180,027</u>

14. CREDITORS: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	927,861	337,665
Other taxes and social security costs	93,665	73,956
Accruals and deferred income	283,291	139,129
Other creditors	<u>594</u>	<u>795</u>
	<u>1,305,411</u>	<u>551,545</u>
Movements on deferred income account in year:-		
Contract receipts unearned as at 1 April	21,500	69,083
Amounts released in year	21,500	69,083
Amounts received in year	<u>185,024</u>	<u>21,500</u>
Contract receipts unearned at 31 March	<u>185,024</u>	<u>21,500</u>

15. FUNDS

	Designated funds	Restricted funds	Unrestricted funds
	£	£	£
Balance at 1 April 2020	-	385,082	2,385,819
Incoming resources	350,000	6,154,935	265,931
Resources expended	<u>-</u>	<u>(5,784,100)</u>	<u>(431,203)</u>
Balance at 31 March 2021	<u>350,000</u>	<u>755,917</u>	<u>2,220,547</u>

WORLD SKILLS UK
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Designated funds of £350,000 are set aside from unrestricted reserves to underwrite innovative activities essential to the future sustainability of WorldSkills UK, such as ensuring the Insights programme, the Innovation Network of Colleges and the Skills Development Hub can be progressed with confidence despite economic and pandemic related uncertainties.

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

	At 1 April 2020	Incoming Resources £	Resources Expended £	At 31 March 2021 £
Department for Education	195,082	5,741,343	(5,449,552)	486,873
NCFE	190,000	326,257	(247,213)	269,044
Income in Kind & Donations	-	87,335	(87,335)	-
	<u>385,082</u>	<u>6,154,935</u>	<u>(5,784,100)</u>	<u>755,917</u>
Balance at 31 March				

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.

The NCFE grant is to support 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.

Income in kind is received from various sponsors to facilitate the set up of the Skills Development Hub.

The carried forward funds have been committed to the competition registration system, the event management system, the skills hub and to continue the development of the Centre of Excellence.

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 March 2021 are represented by:

	Restricted funds £	Unrestricted funds £	Total funds £
Intangible fixed assets	337,081	288,917	625,998
Tangible fixed assets	152,905	11,654	164,559
Net current assets	265,931	2,269,976	2,535,907
	<u>755,917</u>	<u>2,570,547</u>	<u>3,326,464</u>

17. 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 £133,423 (2020 - £119,580). There are no contributions due at the year-end (2020 - £Nil).

WORLD SKILLS UK
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FOR THE YEAR ENDED 31 MARCH 2021

18. LEASE COMMITMENTS

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

	2021	2020
	£	£
Land and Buildings		
On operating leases expiring		
Within one year	129,928	122,650
Within 2 to 5 years	43,105	30,663
	<u>173,033</u>	<u>153,313</u>
Other		
On operating leases expiring		
Within one year	4,068	5,000
Within 2 to 5 years	-	4,068
	<u>4,068</u>	<u>9,068</u>

19. RELATED PARTY TRANSACTIONS

Barry Liles is a trustee of the board of WorldSkills UK and Principal of Coleg Sir Gar. During the year WorldSkills UK made sales to Coleg Sir Gar of £250,000 (2020: £nil). During the year purchases of £nil (2020: £600). At the year end, there were no balances outstanding with Coleg Sir Gar (2020: £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 £nil (2020: £8,400) and purchases of £2,000 (2019: £16,176). At the year end, there was an amount owing to CGC of £2,000 (2020: £nil).

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 purchases of £11,880 to AELP (2020: £nil). At the year end, there was an amount owing to AELP of £11,880 (2020: £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 £3,600 (2020: £16,168) and purchases of £nil (2020: £18,182). At the year end, there were no balances outstanding with NWSLC (2020: £nil).

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 £1,800 (2020: £1,950). At the year end, there was an amount owing to SRC of £600 (2020: £nil).

Neil Bentley-Gockmann is the CEO and a trustee of the board of WorldSkills UK and trustee of the Whitehall & Industry Group (WIG). During the year WorldSkills UK made purchases to WIG of £6,240 (2020: £5,820).

At the year-end nothing was owed to trustees in relation to expenses (2020: £nil).

WORLD SKILLS UK
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

20. ANALYSIS OF CHANGES IN NET FUNDS

	At 1 April 2020	Cash flows	At 31 March 2021
	£	£	£
Cash at bank and in hand	1,616,855	(1,557)	1,615,298
	1,616,855	(1,557)	1,615,298