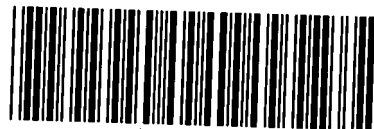


Company No: 02535199

Charity No: 1001586

**WORLDSKILLS UK
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

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WORLD SKILLS UK
YEAR ENDED 31 MARCH 2022

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WORLD SKILLS UK
ANNUAL REPORT OF THE TRUSTEES INCORPORATING THE STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2022

The Board of Trustees of WorldSkills UK ("the Charity") presents its annual report incorporating the strategic report for the year ended 31 March 2022, 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 11.

The present Trustees (who are also the Directors), and any past Trustees who served during the year, are shown on page 11, 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 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 2021/22.

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.

WORLD SKILLS UK

ANNUAL REPORT OF THE TRUSTEES INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2022

CHAIRS' COMMITTEE

The role and purpose of the Chairs' Committee is twofold: 1) to move the Board's work forward in between Board meetings, providing guidance and support to the executive, and acting on the Board's behalf whenever a matter requires urgent attention or decision; and 2) to oversee Board membership and succession planning and to review WorldSkills UK's governance structures and processes to 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 WorldSkills UK's mission and strategy. This committee's membership comprises the Chair of the Board of Trustees and the Chairs of the sub-committees.

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 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 charity 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.

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.

WORLD SKILLS UK
ANNUAL REPORT OF THE TRUSTEES INCORPORATING THE STRATEGIC REPORT
(CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

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. 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, through the grant application process (GAP) to secure two year core DfE grant funding for WorldSkills programmes from April 2023 to March 2025, 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.

Following the successful introduction of digital products and event delivery platforms developed through the pandemic, WorldSkills UK faces the risks created by the expectation that all its activities should now be delivered in hybrid ways, blending the re-introduction of physical environments with the advantages of digital products and delivery platforms. WorldSkills UK will have to ensure that quality, reach and impact of its programmes are maintained, investor expectations are managed and new opportunities are explored. 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.

WORLD SKILLS UK
ANNUAL REPORT OF THE TRUSTEES INCORPORATING THE STRATEGIC REPORT
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FOR THE YEAR ENDED 31 MARCH 2022

The current political and economic uncertainties, including those relating to the aftermath of the Covid-19 pandemic, the war in Ukraine, 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. Together, we are using international best practice to raise standards in apprenticeships and technical education so more young people and employers succeed. We're 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 we gain from training as part of this global network help us raise standards across the UK. We innovate 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. We develop educators, by sharing international best practice, to deliver high-quality training and assessment. We inspire young people, whatever their background, to choose high-quality apprenticeships and technical education as prestigious career routes.

REVIEW OF ACTIVITIES

In ongoing challenging circumstances, with economic pressures and global uncertainties, WorldSkills UK remains acutely aware of the enduring importance of ensuring young people had the right skills and positive aspirations for the future during 2021-22. The organization used the changes as an opportunity to adapt and grow, finding innovative ways to share unique global insights to help drive up standards in training to world-class levels, so more young people and employers succeed. Throughout the year, WorldSkills UK focused on delivering high quality skills for the UK economy by working with employers, educators and young people, using international best practice and benchmarking to raise standards in technical education and apprenticeships. Its ambition is to use insights and programmes to help develop a world-class skills economy right across the UK, helping businesses grow and supporting the skills development of young people from across UK communities. Across its activities, WorldSkills UK continued to prioritise action to improve equity, diversity and inclusion, increasing participation of underrepresented groups in competition-based training programmes, sharing best practice and celebrating diversity through national awards.

WORLD SKILLS UK
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WorldSkills UK harnessed insights from **international best practice** to improve standards in UK skills systems, agreeing partnerships with Chinese Taipei, Japan, France, and South Korea and establishing formal links with five other nations. It played a key role in sharing global best practice in technical education and apprenticeships and growing international skills partnership agreements with mutually beneficial activities, such as contributing to skills conferences and virtual skills training events and involving technical and vocational training practitioners from across the world in Continuing Professional Development (CPD) activities. WorldSkills UK launched an international partner institutions initiative, to develop joint research into curriculum design and exchanges of practice in key sectors such as Electrical Vehicle Maintenance, Renewable Energy and Advanced Manufacturing.

The organisation worked with employers and organisations to support the creation of a **pipeline of future workers in skills needed for the UK economic development**, including convening a high-level independent **Skills Taskforce for Global Britain** to look at how the UK could better use high-quality technical skills to attract and retain more inward investment to drive job creation and economic growth. The Taskforce was launched at the second **International Skills Summit** in May 2021 and it ran consultation events and interviews to inform the work and gather intelligence, resulting in an international benchmarking report on high-quality skills for inward investment published in February 2022. This has helped to increase the profile and understanding of using international best practice to support quality improvement across the technical education and skills sector. WorldSkills UK engaged with all 60 FE colleges that are members of **Institutes of Technology** and advanced technology partnerships to set up best practice exchanges with international skills organisations, including in Sustainable Energy, Advanced Manufacturing, and Electric Vehicle Maintenance, supporting the evolution of technical education and the development of a skilled workforce in the UK.

WorldSkills UK supported the professionalism of **educators** in the technical and vocational skills sector by mainstreaming world-class practice and supporting improvements in the quality of teaching, delivering CPD programmes to a total 4,100 educators (compared to 1,700 in 2020). Its **Centre of Excellence** programme, in partnership with NCFE, provided high quality development in teaching and assessment skills informed by international techniques, to over 770 educators in 37 colleges and training providers, reaching 16,800 young people in its second year. Over 90% of these educators reported a knowledge change from the training and an impact on their teaching practice. The Centre was recognised as 'Partnership of the Year' at the Federation of Awarding Bodies awards. The **Innovation Network** created a community of best practice programme with 165 educators from 46 colleges, providing knowledge and tools to embed skills excellence in teaching and assessment, share best practice and benchmark performance. **18 Best Practice Exchanges** were delivered that shared international learning and good practice from 40 international educators from 36 countries, enabling 200 educators to gain insights from countries as diverse as Brazil, New Zealand and Saudi Arabia. WorldSkills UK's inaugural **Live CPD event**, in partnership with the Education and Training Foundation, reached over 1,220 educators in 835 organisations, with 88% participants saying it motivated them to improve their professional practice and 83% stated it had improved their expertise and knowledge of the latest innovations in their subject area. The organisation continued to develop **technical standards** to improve teaching, training and assessment with their training network contributing to developing over 40 standards and qualifications, such as through membership of the Institute of Apprenticeships and Technical Education panels for Care Services and Digital skills.

The organisation improved the skills development of **young people** through **competition-based training nationally and internationally**; benchmarking the skills of 3,600 young people through face to face and online competition-based training programmes. 465 young people took part in live **National Finals** across 22 venues in 63 competitions with a more diverse demographic than previous years, showing rises in participants from ethnic minorities and young women. 97% of national finalists felt inspired by the programme and 97% felt that the programme had improved their technical skills. Alongside competition programmes, WorldSkills UK provided online training in technical, mindset and professional skills through its **Skills Development Hub** for 3,200 students and apprentices, helping them develop a

WORLD SKILLS UK
ANNUAL REPORT OF THE TRUSTEES INCORPORATING THE STRATEGIC REPORT
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competitive edge, with over 70% saying their technical skills had improved as a result. The International Development Programme developed the skills of 100 young people seeking to represent the UK in 39 skills in future global competition events. 54% of the group were apprentices and there was an increase in representation on the group by young women.

WorldSkills UK advocated to **young people to increase the prestige, awareness and aspirations in technical and vocational education and careers**. Its **Careers Advice Toolkit**, containing high-quality careers information, resources and activities, reached over 37,000 secondary age students with 87% believing the material helped improve their knowledge of technical and vocational training. Ten new careers advice resources were introduced including training, videos and workshops featuring young role models in technical careers, helping increase engagement with young people via online tools reaching over 30,000. Two **Spotlight events** were delivered focusing on Digital Careers and Green Skills, with inspirational speakers motivating and engaging young people to pursue technical career routes, reaching over 11,000 young people in 320 schools/colleges.

Funding diversification

WorldSkills UK focused on rebuilding an income portfolio that is increasingly diversified, with £1.3 million of non-core grant cash investment being secured in 2021-22, comparable to pre-pandemic 2019-20 levels. This was achieved through a mix of well-established and effectively maintained relationships with businesses and providers, and a growing number of recent investment partnerships based on the value and relevance in the expanded product range and the growing impact. Key partnerships were maintained and grown with the second year of a partnership with NCFE in relation to the pilot Centre of Excellence and new investment from the Education and Training Foundation. WorldSkills UK management estimate that further value in kind support for its programmes worth £5.6m is contributed by partner organisations, including grants from the governments in Northern Ireland and Wales (the latter via the Inspiring Skills Excellence project).

Strategic partnerships

In addition to new business and employer partnerships, WorldSkills UK continued to strengthen relationships with the Education and Skills Funding Agency and Department for Education. Partnerships with the Northern Ireland Government and with the Welsh Government via the Inspiring Skills in Excellence in Wales project continued and were further strengthened through grant agreements. Stakeholder links within Scotland continued to expand and deepen.

FUTURE PLANS

Over the next year, WorldSkills UK will focus on growing its network of provider partners across the UK's regions and nations and encouraging more diverse young people to take advantage of the world-class training on offer, so more employers get the high-quality skills they need. It will showcase the best of British skills on the global stage and bring valuable insights back to the UK network, supporting its partners in driving up standards in future skills to help boost productivity and meet changing economic demand.

To achieve this, it will further digitise programmes where relevant and effective, maintain a focus on embedding equity, diversity and inclusion and increase commercial sustainability. It will continue to demonstrate innovation, high quality delivery and agility, and to deliver strong value for public funds and alignment with the UK's policy developments to support a stronger technical education system and the UK's economic needs.

Headline activities for 2022-23 will include supporting the UK to develop high-quality prestigious skills systems focussed on the skills needs in key sectors of the economy, such as digital, green tech, advanced manufacturing and life sciences. WorldSkills UK will report fully on the findings of the independent business-led Skills Taskforce for Global Britain on how the UK can build to help attract foreign investment in key sectors and share international insights on developing higher level skills training through skills summits and round tables WorldSkills UK will also help

WORLD SKILLS UK
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raise awareness of the need for high quality technical skills through commissioning and disseminating diagnostic research, including drawing on international best practice.

To drive innovation and excellence in the quality and delivery of further and technical education in the UK, WorldSkills UK will implement delivery plans with nine international partners and will use international insights and standards to support the development of technical and vocational UK qualifications and curricula. WorldSkills UK will mainstream its insights into global skills systems and world-class practices to help educators improve the quality of teaching, training and assessment and deliver a world-class education in the UK.

One of the routes to do this will be through the third year of the pilot Centre of Excellence programme, in partnership with NCFE, which will recruit further colleges/training providers to the network, bringing the total to close to 50 providers. WorldSkills UK will use learnings and evaluation of the programme to develop longer term plans for workforce development programmes. Working with partners leading in improving teaching and assessment in technical education, the organisation will deliver a second major CPD event to help embed excellence in teaching and training in technical education. WorldSkills UK's will further develop its bank of online CPD resources to provide high quality, relevant and accessible training linked with technical skills curricula and standards.

2022-23 will see the development of hybrid competition based training programmes, including the return of physical finals of the national competition programme in over 60 skills, which will take place in a number of locations across the UK. Selection of the team of young people to represent the UK in global competition will lead to their participation in the 2022 WorldSkills international competition. WorldSkills UK will increasingly focus on the skills needed for economic recovery especially STEM, digital and green skills.

Young people will be supported in making critical career choices through more Spotlight events, a revamped careers education and information packs for careers leaders and teachers and new video resources focused on past participants of skills competition programmes acting as peer role models.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The Statement of Financial Activities (SoFA), set out on page 16 shows that gross income increased by 29.7% to £8.78 million (2021: decreased by 33.1% to £6.77 million) and expenditure increased by 36.4% to £8.48 million (2021: decreased by 38.4% to £6.22 million) resulting in an increase of net assets of £303k to £3.6 million (2021: increase of £556k to £3.3 million).

Financially:

- income generated through unrestricted grants and donations (including investment income) totalled £808k (2021: £616k).
- income generated through restricted grants and donations was £7,971k (2021: £6,155k).
- expenditure on careers advice events, teacher training and skills competition programmes totalled £8,439k (2021: £6,208k).

Going concern

The Trustees have received written confirmation that the DfE expects to continue to provide grant funding for 2023-24 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.

WORLD SKILLS UK
ANNUAL REPORT OF THE TRUSTEES INCORPORATING THE STRATEGIC REPORT
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FOR THE YEAR ENDED 31 MARCH 2022

FINANCIAL MANAGEMENT POLICIES

Reserves

WorldSkills UK is predominantly funded by grants from Central UK Government to use international best practice to raise standards in apprenticeships and technical education so more young people and employers succeed.

The charity is also funded by sponsorship 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 Free Reserves

The overriding principle is that WorldSkills UK should set and maintain a minimum level of unrestricted free 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 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.

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, to ensure that can be progressed with confidence despite economic and pandemic related uncertainties. In October 2021 Trustees agreed to the use of these funds over a three year period to expand the capacity of the Centre of Excellence and measure its impact.

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 Unrestricted Free Reserves

To set a value for the minimum unrestricted free reserves level, the Trustees have considered the requirement for an orderly closure of the Charity. The calculation has therefore been set as at least one quarter of the annual operating budget, excluding Centre of Excellence project spend (which is NCFE grant funded), depreciation and Value in Kind donations as they are non-cash items. The total level of minimum reserves is therefore set at £2,072k based on the draft 2022-23 budget. Free unrestricted reserves at 31 March 2022 stand at £2,444k. £350k unrestricted reserves have been designated by the trustees to underwrite expansion and evaluation of the Centre of Excellence. Undesignated, free reserves therefore amount to £2,094k which Trustees consider appropriate.

Should the level of unrestricted free 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 free reserves back to the minimum level.

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Setting the Level of Minimum Unrestricted Free Reserves

The required level of minimum unrestricted free 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. If annual expenditure plans for a future year should include a single, high value contractual commitment, this should be recognised in the annual revision of the minimum unrestricted free reserves level.

Monitoring the Level of Minimum Unrestricted Free Reserves

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

EMPLOYEES

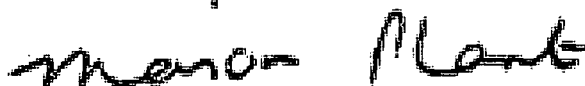
WorldSkills UK had an average of 57 employees in the year. The charity believes its employees are its greatest asset and recognises its responsibility to ensure they are afforded appropriate support throughout their employment.

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 Mazars as auditors will be put to the members.

By order of the Board of Trustees



Marion Plant OBE
Interim Chair of the Board,
signing as so authorised.

Date: 28 September 2022

WORLDSKILLS UK
ANNUAL REPORT OF THE TRUSTEES INCORPORATING THE STRATEGIC REPORT
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FOR THE YEAR ENDED 31 MARCH 2022

MEMBERS OF THE BOARD

Rooney Anand (Chair) (resigned 09/05/2022)
Neil Bentley-Gockmann OBE (Ex-officio)
Dawn Childs
Mark Dawe
Brian Doran
Sam Ingleby (resigned 20/05/2022)
Mike James
William Liles OBE
Paul Little
Marion Plant OBE (Interim Chair from 09/05/2022)
Jennifer Lynn Rudder (appointed 19/10/2021, resigned 13/06/2022)
Faried Muhammed Chopdat (appointed 19/10/2021, resigned 13/06/2022)

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) (resigned 09/05/2022)
Dawn Childs
Sam Ingleby

GOVERNANCE AND NOMINATIONS COMMITTEE

Rooney Anand (Chair) (resigned 09/05/2022)
Marion Plant OBE (Committee Chair)
Dawn Childs

CHAIRS' COMMITTEE

Rooney Anand (Chair) (resigned 09/05/2022)
Marion Plant OBE (Interim Chair from 09/05/2022)
Dawn Childs (Audit Committee Chair)
Mark Dawe (Finance & General Purposes Committee Chair)

EXECUTIVE OFFICERS

Neil Bentley-Gockmann OBE, CEO
Stephen Crampton-Hayward, Company Secretary (resigned 28/09/2022)
Benjamin Blackledge, Deputy CEO

REGISTERED OFFICE

25 Wilton Road
London
SW1V 1LW

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ANNUAL REPORT OF THE TRUSTEES INCORPORATING THE STRATEGIC REPORT
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FOR THE YEAR ENDED 31 MARCH 2022

PRINCIPAL PROFESSIONAL ADVISERS

Solicitors

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

Bankers

Royal Bank of Scotland plc (until May 2021)
62-63 Threadneedle Street
London EC2R 8LA

The Co-operative Bank Plc (from May 2021)
PO Box 250
Skelmersdale
WN8 6WT

Auditors

Mazars LLP
6 Sutton Plaza
Sutton Court Road
Sutton
Surrey SM1 4FS

WORLDSKILLS UK
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
WORLDSKILLS UK
YEAR ENDED 31 MARCH 2022

Opinion

We have audited the financial statements of WorldSkills UK (the 'charity') for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows 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 charity's affairs as at 31 March 2022 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report of the trustees, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report of the trustees. 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 annual report of the trustees which includes the strategic report and the directors' 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 strategic report and the directors' report included within the annual report of the trustees has been prepared in accordance with applicable legal requirements.

WORLD SKILLS UK
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
WORLD SKILLS UK (CONTINUED)
YEAR ENDED 31 MARCH 2022

Matters on which we are required to report by exception

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

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

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

Responsibilities of the Trustees

As explained more fully in the trustees' responsibilities statement on page 3, the trustees (who are also the directors of the charitable company for the purposes of company laws) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity 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 the financial statements.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the charity and its activities, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation, anti-money laundering regulation.

WORLDSKILLS UK
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
WORLDSKILLS UK (CONTINUED)
YEAR ENDED 31 MARCH 2022

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the charity is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, the Companies Act 2006 and the Charities Statement of Recommended Practice.

In addition, we evaluated the trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to income recognition and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

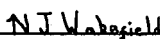
- Making enquiries of the trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

Use of the audit report

This report is made solely to the charity'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 charity'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 charity and the charity's members as a body for our audit work, for this report, or for the opinions we have formed.


Nicola Wakefield (Nov 11, 2022 16:02 GMT)

Nicola Wakefield (Senior Statutory Auditor) for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

2nd Floor, 6 Sutton Plaza, Sutton Court Road, Sutton, Surrey, SM1 4FS

Dated: 11-Nov-2022

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 2022

	Notes	Unrestricted Funds £	Restricted Funds £	2022 Total £	2021 Total £
INCOME FROM					
Generated funds:					
Income from investments	2	43	-	43	987
Income from charitable activities:					
Using competitions to raise skill standards and promote excellence		807,796	7,936,750	8,744,546	6,682,544
Income in kind and donated facilities	9	-	34,140	34,140	87,335
Total income		807,839	7,970,890	8,778,729	6,770,866
EXPENDITURE ON					
Expenditure on Raising funds:					
Fundraising costs	4	36,764	-	36,764	7,184
Charitable activities by objective:					
Using careers advice events and skills competitions to raise skill standards and promote excellence	4	679,287	7,759,225	8,438,512	6,208,119
Total expenditure	4	716,051	7,759,225	8,475,276	6,215,303
Net income for the year		91,788	211,665	303,453	555,563
Fund balances brought forward		2,570,547	755,917	3,326,464	2,770,901
Fund balances carried forward	16	2,662,335	967,582	3,629,917	3,326,464

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

The notes on pages 19 to 28 form part of these financial statements

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

BALANCE SHEET
AS AT 31 MARCH 2022

	Note	2022 £	2021 £
FIXED ASSETS			
Intangible assets	10	583,641	625,998
Tangible assets	11	89,856	164,559
Investments	12	-	-
		<u>673,497</u>	<u>790,557</u>
CURRENT ASSETS			
Debtors	13	2,274,500	2,226,020
Cash at bank		<u>1,413,544</u>	<u>1,615,298</u>
		3,688,044	3,841,318
CREDITORS: amounts falling due within one year	14	<u>(731,624)</u>	<u>(1,305,411)</u>
NET CURRENT ASSETS		<u>2,956,420</u>	<u>2,535,907</u>
NET ASSETS		<u>3,629,917</u>	<u>3,326,464</u>
FUNDS			
Restricted funds	15	967,582	755,917
Unrestricted funds	15	2,312,335	2,220,547
Designated funds	15	<u>350,000</u>	<u>350,000</u>
TOTAL FUNDS	16	<u>3,629,917</u>	<u>3,326,464</u>

These financial statements on pages 16 to 28 were approved by the Board of Trustees on 28th September 2022.



Marion Plant OBE
 (Trustee and Interim Chair of the Board)

The notes on pages 19 to 28 form part of these financial statements

WORLD SKILLS UK
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2022

	2022 £	2021 £
Cash (used) / generated from operating activities (Note a)	(74,856)	475,499
Cash flows from investing activities		
Bank and other interest receipts	43	987
Purchase of tangible fixed assets	(17,843)	(229,357)
Purchase of intangible fixed assets	(109,098)	(248,686)
Net cash used in investing activities	(126,898)	(477,056)
Net (decrease) in cash and cash equivalents	(201,754)	(1,557)
Cash and cash equivalents at the beginning of the reporting period	1,615,298	1,616,855
Cash and cash equivalents at the end of the reporting period	1,413,544	1,615,298

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

	2022 £	2021 £
Net income for the year	303,453	555,563
Bank and other interest receipts	(43)	(987)
Depreciation of fixed assets	90,831	100,313
Amortisation of fixed assets	151,455	112,737
Loss on disposal of fixed assets	1,715	-
(Increase) in debtors	(48,480)	(1,045,993)
(Decrease)/increase in creditors	(573,787)	753,866
Net cash (outflow) / inflow from operating activities	(74,856)	475,499

WORLD SKILLS UK
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2022

1. ACCOUNTING POLICIES

Charity information

WorldSkills UK is a private company limited by guarantee incorporated in England and Wales. The registered office is 25 Wilton Road, London SW1V 1LW. 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 2023-24 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 2022

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 expenditure is 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 2022

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 are 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 Activities.

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 2022

2. INVESTMENT AND OTHER INCOME

	2022 £	2021 £
Interest received	43	987

3. NET INCOME FOR THE YEAR

	2022 £	2021 £
This is stated after charging:		
Amortisation of intangible fixed assets	151,455	112,737
Depreciation	90,831	100,313
Loss on Disposal of Fixed Assets	1,715	-
Auditor's remuneration:		
- Fees payable to the charity's auditor for the audit of the charity's annual accounts	18,000	20,500
Total office lease payments	129,786	174,262
Total other operating lease payments	3,896	5,589

4. ANALYSIS OF TOTAL EXPENDITURE

	Staff Costs £	Support Costs £	Direct Costs £	2022 Total £	2021 Total £
Cost of generating funds:					
Fundraising costs	-	-	36,764	36,764	7,184
Charitable Expenditure:					
Costs of activities in furtherance of the charity's objectives:					
Using competitions to raise skill standards and promote excellence	3,329,826	558,061	4,531,625	8,419,512	6,185,869
Governance costs	-	19,000	-	19,000	22,250
Total expenditure	3,329,826	577,061	4,531,625	8,475,276	6,215,303

Expenditure on charitable activities was £8,438,512 (2021: £6,208,119) of which £7,759,225 (2021: £5,784,100) was restricted and £679,287 (2021: £424,019) was unrestricted.

5. SUPPORT COSTS

	General £	Office Costs £	Governance Costs £	2022 Total £	2021 Total £
Using competitions to raise skill standards and promote excellence	190,223	367,838	19,000	577,061	571,676

WORLDSKILLS UK
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

6. EMPLOYEES

	2022 £	2021 £
Staff costs consists of:		
Wages and salaries	2,760,466	2,541,609
Social security costs	305,767	279,538
Pension costs	150,557	133,423
External staff costs	113,036	33,863
	<u>3,329,826</u>	<u>2,988,433</u>

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

	2022 No.	2021 No.
Permanent contract	43	43
Fixed-term contract	14	10
	<u>57</u>	<u>53</u>

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

	No.	No.
£60,001 to £70,000	5	5
£70,001 to £80,000	1	1
£80,001 to £90,000	2	3
£90,001 to £100,000	1	-
£120,001 to £130,000	1	1

The number of higher paid staff who contribute into a pension scheme is 10 (2021: 9), at a cost of £47,351 (2021: £43,621).

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 (2021: £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 £129,020 (2021: £128,520) and pension contributions of £7,741 (2021: £7,711) in his role as CEO.

During the year, 2 Trustees (2021: 1) received reimbursements of personal travel and subsistence expenditure amounting to £182 (2021: £192).

The total Key Management Personnel (The Board, CEO and Directors) payroll costs during this year were £457,967 (2021: £455,234)

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: £24,766 (2021: £9,545)

WORLDSKILLS UK
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

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.

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 2021	748,182	748,182
Additions	<u>109,098</u>	<u>109,098</u>
At 31 March 2022	<u>857,280</u>	<u>857,280</u>
Amortisation		
At 1 April 2021	122,184	122,184
Charge for the year	<u>151,455</u>	<u>151,455</u>
At 31 March 2022	<u>273,639</u>	<u>273,639</u>
Net book value		
At 31 March 2022	<u>583,641</u>	<u>583,641</u>
At 31 March 2021	<u>625,998</u>	<u>625,998</u>

11. TANGIBLE FIXED ASSETS

	Equipment £	Total £
Cost		
At 1 April 2021	304,280	304,280
Additions	17,843	17,843
Disposals	<u>(3,165)</u>	<u>(3,165)</u>
At 31 March 2022	<u>318,958</u>	<u>318,958</u>
Depreciation		
At 1 April 2021	139,721	139,721
Charge for the year	90,831	90,831
Disposals	<u>(1,450)</u>	<u>(1,450)</u>
At 31 March 2022	<u>229,102</u>	<u>229,102</u>
Net book value		
At 31 March 2022	<u>89,856</u>	<u>89,856</u>
At 31 March 2021	<u>164,559</u>	<u>164,559</u>

WORLDSKILLS UK
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

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 (2021: £nil).

The subsidiary is a company registered in England and Wales at 25 Wilton Road, London SW1V 1LW 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

	2022 £	2021 £
Trade debtors	163,460	244,632
Other taxes and social security	162,301	42,041
Prepayments and accrued income	<u>1,948,739</u>	<u>1,939,347</u>
	<u>2,274,500</u>	<u>2,226,020</u>

14. CREDITORS: amounts falling due within one year

	2022 £	2021 £
Trade creditors	447,485	927,861
Other taxes and social security costs	98,043	93,665
Accruals and deferred income	184,898	283,291
Other creditors	<u>1,198</u>	<u>594</u>
	<u>731,624</u>	<u>1,305,411</u>
Movements on deferred income account in year:-		
Contract receipts unearned as at 1 April	185,024	21,500
Amounts released in year	(185,024)	(21,500)
Amounts received in year	<u>69,500</u>	<u>185,024</u>
	<u>69,500</u>	<u>185,024</u>

15. FUNDS

	Designated funds £	Restricted funds £	Unrestricted funds £
Balance at 1 April 2021	350,000	755,917	2,220,547
Income	-	7,970,890	807,839
Expenditure	<u>-</u>	<u>(7,759,225)</u>	<u>(716,051)</u>
Balance at 31 March 2022	<u>350,000</u>	<u>967,582</u>	<u>2,312,335</u>

WORLD SKILLS UK
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Designated funds of £350,000 were 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 2021	Income £	Expenditure £	At 31 March 2022 £
Department for Education	486,873	7,450,000	(7,341,455)	595,418
NCFE	269,044	486,750	(383,630)	372,164
Income in Kind & Donations	-	34,140	(34,140)	-
Balance at 31 March	<u>755,917</u>	<u>7,970,890</u>	<u>(7,759,225)</u>	<u>967,582</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.

The NCFE grant is to support a 3 year project to establish a pilot 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 online career training content.

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 2022 are represented by:

	Restricted funds £	Unrestricted funds £	Total funds £
Intangible fixed assets	365,764	217,877	583,641
Tangible fixed assets	89,856	-	89,856
Net current assets	511,962	2,444,458	2,956,420
	<u>967,582</u>	<u>2,662,335</u>	<u>3,629,917</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 £150,557 (2021 - £133,423). Contributions of £264 are due at the year-end (2021 - £Nil).

WORLD SKILLS UK
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

18. LEASE COMMITMENTS

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

	2022	2021
	£	£
Land and Buildings		
On operating leases expiring		
Within one year	43,105	129,928
Within 2 to 5 years	-	43,105
	<u>43,105</u>	<u>173,033</u>
Other		
On operating leases expiring		
Within one year	-	4,068
Within 2 to 5 years	-	-
	<u>-</u>	<u>4,068</u>

19. RELATED PARTY TRANSACTIONS

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 a purchase to CGC of £10,851 (2021: £2,000). At the year end, there was an amount owing to CGC of £2,500 (2021: £2,000).

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 £6,000 (2021: £3,600) and purchases of £23,040 (2021: £19,619). At the year end, there were no balances outstanding with NWSLC (2021: £14,625).

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 £4,050 (2021: £1,800). At the year end, there was an amount owing to SRC of £nil (2021: £600).

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 £9,720 (2021: £6,240). At the year end, there was an amount owing to WIG of £3,840 (2021: £nil).

At the year-end nothing was owed to trustees in relation to expenses (2021: £nil).

WORLD SKILLS UK
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

20. ANALYSIS OF CHANGES IN NET FUNDS

	At 1 April 2021 £	Cash flows £	At 31 March 2022 £
Cash at bank and in hand	1,615,298	(201,754)	1,413,544
	1,615,298	(201,754)	1,413,544

21. POST BALANCE SHEET EVENT

In May 2022 WorldSkills International took the difficult decision to cancel the international competition, WorldSkills Shanghai 2022, scheduled for October 2022, due to difficulties arising from Covid-19. This has been replaced by WorldSkills Competition 2022 Special Edition which will be hosted as cluster events in 15 member countries across the world. The deposit for packages for the Shanghai event paid in February 2022 were reimbursed in full by World Skills Shanghai following cancellation. Permission was granted by the DfE to redeploy the money that was reimbursed on to World Skills UK packages at the replacement Special Edition events.

22. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted Funds £	Restricted Funds £	2021 Total £
INCOME FROM				
Generated funds:				
Income from investments	2	987	-	987
Income from charitable activities:				
Using competitions to raise skill standards and promote excellence		614,944	6,067,600	6,682,544
Income in kind and donated facilities	9	-	87,335	87,335
Total income		615,931	6,154,935	6,770,866
EXPENDITURE ON				
Expenditure on Raising funds:				
Fundraising costs	4	7,184	-	7,184
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
Total expenditure	4	431,203	5,784,100	6,215,303
Net (expenditure)/income for the year		184,728	370,835	555,563
Fund balances brought forward		2,385,819	385,082	2,770,901
Fund balances carried forward	16	2,570,547	755,917	3,326,464