

Registered number: 03076190

UNITED KINGDOM ACCREDITATION SERVICE
(A company limited by guarantee)

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



UNITED KINGDOM ACCREDITATION SERVICE
(A company limited by guarantee)

COMPANY INFORMATION

Directors	Lord Jamie Lindsay Matthew Gantley Professor Michael Mainelli Georgia Alsop Jeffrey Ruddle Lorraine Turner Sarah Veale Jeffrey Llewellyn Professor Adrian Charles Newland Philip Rycroft
Registered number	03076190
Registered office	2 Pine Trees Chertsey Lane Staines Upon Thames Middlesex TW18 3HR
Independent auditors	Feltons 1 The Green Richmond Surrey TW9 1PL

UNITED KINGDOM ACCREDITATION SERVICE
(A company limited by guarantee)

CONTENTS

	Page
Group strategic report	3 - 4
Directors' report	5 - 10
Independent auditors' report	11 - 14
Consolidated statement of comprehensive income	15
Consolidated balance sheet	16
Company balance sheet	17
Consolidated statement of changes in equity	18
Company statement of changes in equity	19
Consolidated Statement of cash flows	20
Analysis of net debt	21
Notes to the financial statements	22 - 42

UNITED KINGDOM ACCREDITATION SERVICE
(A company limited by guarantee)

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2021

Introduction

The principal activity of the Group in the year under review was that of being the sole national accreditation body recognised by government to assess, against internationally agreed standards, organisations that provide certification, testing, inspection and calibration services.

The Group is a non-profit-distributing private company, limited by guarantee. The Group is independent of Government but is appointed as a national accreditation body by Accreditation Regulations 2009 (SI No 3155/2009). UKAS is licensed by BEIS to use and confer the national accreditation symbols (formerly national accreditation marks) which symbolise Government recognition of the accreditation process.

Business review

The results for the group are set out on page 15. These financial statements reflect the trading activities and results of both United Kingdom Accreditation Service (UKAS) and Clinical Pathology Accreditation (UK) Limited (CPA).

The Group expects to continue to grow in most areas of the business, with work in the healthcare, forensics science, construction, environment, food/agriculture and information and cyber security spearheading this growth. Our focus remains on ensuring that we continue to create the capability to respond to the ever increasing demand for accreditation schemes by a wide range of sectors and to that end, we plan to continue to invest in the development of our infrastructure and people.

Principal risks and uncertainties

The Directors have applied judgements, based on expert advice, in relation to assessing the position of the Defined Benefit Pension Scheme. There are no other matters concerning financial risk which are material for the assessment of the assets, liabilities, financial position and profit or loss of the company.

Financial key performance indicators

The integrated group has achieved an operating profit of £2,983,925 (2020: £2,344,569) and a group gross margin of 46.3% (2020: 39.8%).

The financial performance this year was positive and the group continues to be profitable. The group's balance sheet continues to show a healthy current ratio of current assets to short term creditors of 3.3 times (2020: 3.2 times).

UNITED KINGDOM ACCREDITATION SERVICE
(A company limited by guarantee)

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Other key performance indicators

The group continues to report internally on a series of Key Performance Indicators such as the number of days of assessment delivered, the number of customers visited and the efficiency and effectiveness of the service. In addition to this, the company constantly surveys its customer base to ensure that the quality of service is maintained at the highest levels. The year to March 2021, the company delivered 27,448 (2020: 30,128) days of accreditation.

Covid response

The group delivered fewer days compared to the previous year due to the impact of the pandemic. When the magnitude of the crisis started to emerge, the Directors took decisive action to cease overseas travel and on-site assessments. We swiftly adapted our delivery model and, within days of "lockdown", switched to assessing remotely with all staff working from home. Similarly, the training portfolio was quickly transferred to online delivery. Inevitably, there was an adverse impact on the days delivered year on year as a result of having to replan many assessments around challenges faced by our customers as some customers had to furlough staff whilst others, such as medical and forensic laboratories, had to redirect resources to the Covid response. Despite the challenges, the group achieved an increase in profitability without resorting to the Government's 'furlough' arrangements.

Directors' statement of compliance with duty to promote the success of the Group

In the decisions taken during the year ended 31 March 2021, the Directors have acted in the way they consider to be in good faith, most likely to promote the success of the Company and its continuing reputation for high standards of business conduct, and for the benefit of its members as a whole, having regard to the stakeholders and matters set out in Section 172 of the UK Companies Act 2006.

This report was approved by the board on 10 August 2021 and signed on its behalf.



Matthew Gantley
Director

UNITED KINGDOM ACCREDITATION SERVICE
(A company limited by guarantee)

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2021

The Directors present their report and the financial statements for the year ended 31 March 2021.

Directors' responsibilities statement

The Directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The profit for the year, after taxation, amounted to £2,407,915 (2020 - £2,114,564).

As the company is non-profit distributing, the Directors do not propose a dividend (2020 - £Nil).

The Directors who served during the year were:

Lord Jamie Lindsay
Matthew Gantley
Professor Michael Mainelli
Georgia Alsop
Jeffrey Ruddle
Lorraine Turner
Sarah Veale
Jeffrey Llewellyn
Professor Adrian Charles Newland
Philip Rycroft

UNITED KINGDOM ACCREDITATION SERVICE
(A company limited by guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Future developments

In February 2021 the Board approved the UKAS Strategic Review and updated Purpose, Vision, Mission as well as bringing up to date the Strategic Priorities which identify, at a high level the key areas of focus for the business. These Strategic Priorities are:

- To excel in areas of technical expertise and service;
- To be agile, enabling the organisation to adapt and innovate;
- To be perceptive in developing talent and building knowledge;
- To deliver financial stability and productivity;
- To be respected and recognised as the world's foremost accreditation body.

More specifically, UKAS intends to deliver these priorities through the following objectives:

Key strategic objectives related to our priority to excel in areas of technical expertise and service, are:	<ul style="list-style-type: none">• Deliver 'World Class' customer service• Ensure ongoing MLA/MRA signatory status, through effective peer evaluation;• Engage with and respond to outcomes of the Grenfell Inquiry to ensure that accreditation is part of the range of solutions;• Conduct research to understand the impact of remote assessment on the integrity of accreditation;• Develop and enhance operations and sales resources, introducing sector specialists to support strong technical management and key sector growth.
Key strategic objectives related to our priority to be agile, enabling the organisation to adapt and innovate, are:	<ul style="list-style-type: none">• Develop and deliver a customer and assessor portal to support self-service and improved customer interactions;• Modernise our assessment offering through development of our risk based approach to assessment and adoption of web/app based reporting;• Develop online tools to support verification of UKAS accredited activities, supporting stakeholders in specifying accreditation or accredited certification;• Develop our contacts and resources in areas of disruptive technology (IR4.0) to better understand and prepare for the impact on UKAS and the TIC sector;• Develop tools to assist new applicants, removing perceived and real barriers to applying for accreditation;• Improve internal collaboration and communication, through an updated intranet and expanded use of MS Teams and SharePoint.
Key strategic objectives related to our priority to be perceptive in developing talent and building knowledge, are:	<ul style="list-style-type: none">• Drive improvement in staff engagement• Leverage our learning management system to improve the tools and processes for induction, training and development;• Launch talent and leadership development programme;• Review office working patterns to respond to societal changes;• Develop our policies and processes to improve our diversity, inclusion, and mobility.
Key strategic objectives related to our priority to deliver financial stability and productivity, are:	<ul style="list-style-type: none">• Deliver to balanced score card and budgetary targets;• Enhance customer management and sales policies and processes, to ensure we provide services that meet customer expectations.

UNITED KINGDOM ACCREDITATION SERVICE
(A company limited by guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Key strategic objectives related to our priority to be respected and recognised as the world's foremost accreditation body, are:	<ul style="list-style-type: none">• Enhance UKAS's relationship within UK Government, building a reputation as an agile organisation that provides solutions to government's challenges;• Develop and enhance collateral on the value of accreditation, to communicate to customers, stakeholders and regulators the benefits of being accredited and using accredited services;• Increase UKAS's commitment to ILAC/IAF and EA, taking on leadership roles in key committees;• Further enhance UKAS's reputation within the healthcare sector, building upon existing services to expand our offering within the healthcare sector;• Diversify and improve our stakeholder engagement, bringing in new members to key committees such as 'UKAS Members', PAC/PAF and TACs.
--	---

Stakeholder engagement

In order for the Company to meet its responsibilities to stakeholders, the Board has to ensure effective engagement with them. As part of its annual strategic review process, the Board considers the identification and prioritization of stakeholders and whether its relationships with key stakeholders are being managed appropriately. As set out below, stakeholder engagement is achieved in several ways and in particular through a broad annual Policy Advisory Forum and delegated the Policy Advisory Council which advises the Directors on the views of stakeholders. The Board ensures that it has effective engagement mechanisms in place to gain a clear understanding of the views of key stakeholders so that their interests and the matters set out in Section 172 of the Companies Act 2006 can be considered in Board discussions and decision making. Taking account of the interests of our stakeholders is at the centre of our 2019–2022 strategic plan and our purpose to promote trust in the products and services we all use, creating a world of confidence. As such, examples of UKAS' engagement with its key stakeholders including members, employees, contractors, pensioners, consumers, suppliers, standards development organisations, other accreditation bodies and regulators, governments around the world, professional bodies and academia, labour and environmental organizations and local communities can be found throughout this Annual Report. Examples of our key engagement activities in 2021 include:

Key stakeholder or stakeholder concern	Key engagements	Further information
Workforce	UKAS values employee engagement and regularly shares information with its employees and their representatives on all matters of concern to them, including highlighting financial and economic factors affecting the Company's performance and encourages employee involvement in the Company's overall performance. The Group communicates and engages with its workforce, including contractor assessors, using a variety of channels blending in-person, virtual and electronic communication. Underpinning this are our values which promote acting with integrity and respect for one another. In 2021 the executive and non-executive Directors were able to communicate regularly with the whole of the UKAS workforce, through the use of technology, providing important updates on policies and initiatives, sharing insights and best practice, and inviting feedback and questions. The effectiveness of these strategies is tracked through our employee engagement survey. Throughout 2021, employee moral remained high, with 82% of employees who responded to our survey giving positive responses to questions around morale.	

UNITED KINGDOM ACCREDITATION SERVICE
(A company limited by guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Employee wellbeing during Covid-19	UKAS supported employee wellbeing by ensuring that staff had the relevant tools and information on policy decisions around safety. Managers were provided with training and advice on how to lead remote teams effectively, and on how to identify signs of stress and support their teams. Our Events Committee spearheaded a number of social events which helped keep the whole of UKAS connected.	
Members of the company's Defined Pension Scheme	The Board regularly engages with members of UKAS' Defined Benefit Pension Scheme (the 'Scheme') through various direct and indirect channels, including regular communication with trustees and attendance by Directors at Trustee meetings. The Scheme is well funded and remains open to new employees.	Further information can be found on pages 39, 40 and 41.
Equality, diversity and inclusion	The Group believes that equality, diversity and inclusion enable delivery of our purpose. To benefit from a diverse workforce, we apply role-related and objective criteria to select and develop talent and we focus on building an inclusive environment where everyone feels able to participate and achieve their potential, irrespective of gender, sexual orientation, ethnicity or disability. The Group is committed to providing a work environment free from harassment and discrimination. We endeavour to treat each individual fairly in relation to job applications, training, promotion and career development. The Board receives an overview of diversity and inclusion at UKAS and in 2021 it shared its Equality and Diversity Action Plan with the UKAS workforce.	Further information on the gender gap report can be found on the UKAS website.
The UK Government	UKAS worked closely with BEIS and the Cabinet Office to support the UK's response to the coronavirus pandemic by providing advice on the requirements for PPE and ventilators for medical use. UKAS also played a leading role in the UK Government's rapid development of accreditation of Covid sampling and testing. In parallel, UKAS worked closely with Government on plans for the end of the EU transition period and with DIT on the role of accreditation in international trade agreements.	
UKAS Members and other Trade Associations	UKAS maintains an External Affairs programme for ongoing engagement activities with a broad range of stakeholders including UKAS members and Trade Associations. The Company's Articles of Association also require the Directors to establish a Policy Advisory Forum (PAF): "the purpose of which will be to ensure that the Directors are aware of the views of interested parties on policy issues affecting the Company's activities, including the development, interpretation and application of national, European and International Standards, guidelines, procedures, regulations, practices and agreements applicable to accreditation bodies and conformity assessment bodies." The PAF represents over 60 stakeholders and is represented by a smaller Policy Advisory Council (PAC). The PAC advises the UKAS Board on the more detailed aspects of stakeholder feedback on UKAS policy, particularly on questions relating to the safeguarding of impartiality.	Further information in the Policy Advisory Forum and Policy Advisory Council

UNITED KINGDOM ACCREDITATION SERVICE
(A company limited by guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Sustainability	Enabling businesses to achieve best practice in sustainability is the focus of many of the areas that UKAS accredits which include the accreditation of organisations that certify Environmental Management Systems, the Green House Gas Emissions Trading Scheme and the Energy Company Obligation Scheme. UKAS continues to invest in the development of new areas of accreditation that support sustainability through direct engagement with a range of key stakeholders, including the Department of Transport and the Institute of Environmental Management and Assessment.	Further information in the Chair and the Chief Executive reports.
----------------	---	---

Greenhouse gas emissions, energy consumption and energy efficiency action

During the year, as a result of the pandemic, the group adopted remote assessing and all staff worked mostly from home. Consequently, there was minimal overseas travel and little travel in the UK. Going forward, UKAS will be retaining a blended approach to assessing, continuing to assess remotely where this is optimal and does not compromise the technical rigour of an assessment. Moreover, many internal meetings will continue to be conducted virtually, keeping CO² emissions low.

	2021
UK energy use KWh	124,369
Greenhouse gas emissions relating to business travel Tonnes CO ²	33.305
Intensity ratio Emissions per assessment days delivered	0.00121

UK energy use relates to the Staines Office only.

Greenhouse gas emissions include overseas activities and have been calculated using The International Panel on Climate Change Guidelines 2016 (Tier 3 methodology).

	Included	Not included
Fuel in fleet cars	<input checked="" type="checkbox"/>	
Fuel reimbursed to employees for own cars	<input checked="" type="checkbox"/>	
Fuel in hire cars and in taxis		<input checked="" type="checkbox"/>
Fuel in planes and in trains	<input checked="" type="checkbox"/>	
Fuel in vehicles operated by contractors		<input checked="" type="checkbox"/>
Hotels	<input checked="" type="checkbox"/>	

UNITED KINGDOM ACCREDITATION SERVICE
(A company limited by guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Disclosure of information to auditors

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

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

Post balance sheet events

There have been no significant events affecting the Group since the year end.

Auditors

The auditors, Feltons, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



Matthew Gantley
Director

Date: 10th August 2021

UNITED KINGDOM ACCREDITATION SERVICE
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF UNITED KINGDOM ACCREDITATION SERVICE

Opinion

We have audited the financial statements of United Kingdom Accreditation Service (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2021, which comprise the Group Statement of comprehensive income, the Group and Company Balance sheets, the Group Statement of cash flows, the Group and Company Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 March 2021 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' 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 Group's or the parent 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 directors with respect to going concern are described in the relevant sections of this report.

UNITED KINGDOM ACCREDITATION SERVICE
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF UNITED KINGDOM ACCREDITATION SERVICE (CONTINUED)

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Group strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group strategic report or the Directors' report.

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

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

UNITED KINGDOM ACCREDITATION SERVICE
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF UNITED KINGDOM ACCREDITATION SERVICE (CONTINUED)

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 5, the directors 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 directors 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 directors are responsible for assessing the Group's and the parent 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 directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We obtained an understanding of laws and regulations that could reasonably be expected to have a material effect on the financial statements through discussion with management and those charged with governance, including financial reporting and taxation legislation. We considered that extent of compliance with those laws and regulations as part of our procedures on the related financial statement items.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations. We remained alert to any indications of non-compliance throughout the audit.
- We addressed the risk of fraud through management override by reviewing the appropriateness of a sample of journal entries and other adjustments; assessing whether the judgements made in making key accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business that we come across throughout the audit.

However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the company. Our examination should not be relied upon to disclose all such material misstatements or frauds, errors or instances of non-compliance as may exist.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions

UNITED KINGDOM ACCREDITATION SERVICE
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF UNITED KINGDOM ACCREDITATION SERVICE (CONTINUED)

reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the 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 Company's Members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's Members as a body, for our audit work, for this report, or for the opinions we have formed.



Robert Carter (Senior statutory auditor)

for and on behalf of
Feltons

1 The Green
Richmond
Surrey
TW9 1PL

Date: 10 August 2021

UNITED KINGDOM ACCREDITATION SERVICE
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 £	2020 £
Turnover	4	29,803,389	33,910,492
Cost of sales		<u>(16,011,091)</u>	<u>(20,417,754)</u>
Gross profit		13,792,298	13,492,738
Administrative expenses		<u>(10,808,373)</u>	<u>(11,148,169)</u>
Operating profit	5	2,983,925	2,344,569
Interest receivable and similar income	9	66,129	65,803
Interest payable and similar expenses	10	(107)	-
Other finance income		<u>(10,000)</u>	<u>65,000</u>
Profit before taxation		3,039,947	2,475,372
Tax on profit	12	<u>(632,032)</u>	<u>(360,808)</u>
Profit for the financial year		<u>2,407,915</u>	<u>2,114,564</u>
Actuarial gains/(losses) on defined benefit pension scheme		3,387,000	(3,186,000)
Movement of deferred tax relating to pension surplus		<u>(643,530)</u>	<u>605,340</u>
Other comprehensive income for the year		<u>2,743,470</u>	<u>(2,580,660)</u>
Total comprehensive income for the year		<u>5,151,385</u>	<u>(466,096)</u>

The notes on pages 22 to 42 form part of these financial statements.

UNITED KINGDOM ACCREDITATION SERVICE
(A company limited by guarantee)
REGISTERED NUMBER: 03076190

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	13	1,141,753	1,410,941
		<u>1,141,753</u>	<u>1,410,941</u>
Current assets			
Debtors: amounts falling due within one year	15	8,793,885	11,624,022
Cash at bank and in hand	16	13,016,962	7,955,958
		<u>21,810,847</u>	<u>19,579,980</u>
Creditors: amounts falling due within one year	17	(6,537,723)	(6,108,089)
Net current assets		<u>15,273,124</u>	<u>13,471,891</u>
Total assets less current liabilities		<u>16,414,877</u>	<u>14,882,832</u>
Provisions for liabilities			
Deferred taxation	19	(390,660)	-
Other provisions	20	(150,000)	(150,000)
		<u>(540,660)</u>	<u>(150,000)</u>
Net assets excluding pension liability/asset		<u>15,874,217</u>	<u>14,732,832</u>
Pension asset/liability		2,058,000	(1,952,000)
Net assets		<u><u>17,932,217</u></u>	<u><u>12,780,832</u></u>
Reserves			
Profit and loss account	21	17,932,217	12,780,832
		<u><u>17,932,217</u></u>	<u><u>12,780,832</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 10th August 2021.



Georgia Alsop
Director



Matthew Gantley
Director


The notes on pages 22 to 42 form part of these financial statements.

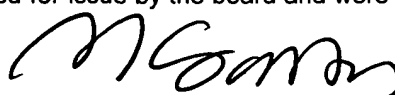
UNITED KINGDOM ACCREDITATION SERVICE
(A company limited by guarantee)
REGISTERED NUMBER: 03076190

COMPANY BALANCE SHEET
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	13	1,141,753	1,410,941
Investments	14	715,098	715,098
		<u>1,856,851</u>	<u>2,126,039</u>
Current assets			
Debtors: amounts falling due within one year	15	8,795,063	11,638,622
Cash at bank and in hand	16	12,869,977	7,790,720
		<u>21,665,040</u>	<u>19,429,342</u>
Creditors: amounts falling due within one year	17	(11,754,097)	(11,198,171)
Net current assets		<u>9,910,943</u>	<u>8,231,171</u>
Total assets less current liabilities		<u>11,767,794</u>	<u>10,357,210</u>
Provisions for liabilities			
Deferred taxation	19	(390,660)	-
Other provisions	20	(150,000)	(150,000)
		<u>(540,660)</u>	<u>(150,000)</u>
Net assets excluding pension liability/asset		<u>11,227,134</u>	<u>10,207,210</u>
Pension asset/liability		<u>2,058,000</u>	<u>(1,952,000)</u>
Net assets		<u><u>13,285,134</u></u>	<u><u>8,255,210</u></u>
Reserves			
Profit and loss account brought forward		8,255,210	8,757,134
Profit for the year		2,286,454	2,078,736
Other changes in the profit and loss account		<u>2,743,470</u>	<u>(2,580,660)</u>
Profit and loss account carried forward		<u>13,285,134</u>	<u>8,255,210</u>
		<u><u>13,285,134</u></u>	<u><u>8,255,210</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on


Georgia Alsop
Director


Matthew Gantley
Director

10th August 2021

UNITED KINGDOM ACCREDITATION SERVICE
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021

	Profit and loss account £	Total equity £
At 1 April 2019	13,246,928	13,246,928
Comprehensive income for the year		
Profit for the year	2,114,564	2,114,564
Actuarial losses on pension scheme	(2,580,660)	(2,580,660)
Other comprehensive income for the year	(2,580,660)	(2,580,660)
Total comprehensive income for the year	(466,096)	(466,096)
At 1 April 2020	12,780,832	12,780,832
Comprehensive income for the year		
Profit for the year	2,407,915	2,407,915
Actuarial gains on pension scheme	2,743,470	2,743,470
Other comprehensive income for the year	2,743,470	2,743,470
Total comprehensive income for the year	5,151,385	5,151,385
At 31 March 2021	17,932,217	17,932,217

The notes on pages 22 to 42 form part of these financial statements.

UNITED KINGDOM ACCREDITATION SERVICE
(A company limited by guarantee)

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021**

	Profit and loss account £	Total equity £
At 1 April 2019	8,757,134	8,757,134
Comprehensive income for the year		
Profit for the year	<u>2,078,736</u>	<u>2,078,736</u>
Actuarial losses on pension scheme	<u>(2,580,660)</u>	<u>(2,580,660)</u>
Other comprehensive income for the year	<u>(2,580,660)</u>	<u>(2,580,660)</u>
Total comprehensive income for the year	<u>(501,924)</u>	<u>(501,924)</u>
At 1 April 2020	8,255,210	8,255,210
Comprehensive income for the year		
Profit for the year	<u>2,286,454</u>	<u>2,286,454</u>
Actuarial gains on pension scheme	<u>2,743,470</u>	<u>2,743,470</u>
Other comprehensive income for the year	<u>2,743,470</u>	<u>2,743,470</u>
Total comprehensive income for the year	<u>5,029,924</u>	<u>5,029,924</u>
At 31 March 2021	<u>13,285,134</u>	<u>13,285,134</u>

The notes on pages 22 to 42 form part of these financial statements.

UNITED KINGDOM ACCREDITATION SERVICE
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

	2021 £	2020 £
Cash flows from operating activities		
Profit for the financial year	2,407,915	2,114,564
Adjustments for:		
Depreciation of tangible assets	528,080	503,698
Interest paid	107	-
Interest received	(66,129)	(65,803)
Taxation charge	632,032	360,808
Decrease/(increase) in debtors	2,458,897	(3,553,937)
Increase in creditors	312,051	40,495
(Decrease)/increase in net pension assets/liabs	(633,000)	314,000
Corporation tax (paid)	(396,079)	(633,468)
Other finance income	10,000	(65,000)
Net cash generated from operating activities	5,253,874	(984,643)
Cash flows from investing activities		
Purchase of intangible fixed assets	-	(166,449)
Purchase of tangible fixed assets	(258,892)	-
Interest received	66,129	65,803
Net cash from investing activities	(192,763)	(100,646)
Cash flows from financing activities		
Interest paid	(107)	-
Net cash used in financing activities	(107)	-
Net increase/(decrease) in cash and cash equivalents	5,061,004	(1,085,289)
Cash and cash equivalents at beginning of year	7,955,958	9,041,247
Cash and cash equivalents at the end of year	13,016,962	7,955,958
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	13,016,962	7,955,958

The notes on pages 22 to 42 form part of these financial statements.

UNITED KINGDOM ACCREDITATION SERVICE
(A company limited by guarantee)

CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 MARCH 2021

	At 1 April 2020 £	Cash flows £	At 31 March 2021 £
Cash at bank and in hand	7,955,958	5,061,004	13,016,962
	<u>7,955,958</u>	<u>5,061,004</u>	<u>13,016,962</u>

The notes on pages 22 to 42 form part of these financial statements.

UNITED KINGDOM ACCREDITATION SERVICE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

1. General information

United Kingdom Accreditation Service is a company incorporated in the United Kingdom under the Companies Act. The company is a private company limited by guarantee and is registered in England and Wales. The address of the registered office is shown on the company information page.

The principal activity of the company and group is set out in the Strategic Report on pages 3 to 4.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

For the year ended 31 March 2021, the company's subsidiary Clinical Pathology Accreditation (UK) Limited is exempt from the requirements of the Companies Act 2006 relating to the audit of individual accounts by virtue of s479A of the Act.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements.

Parent company disclosure exemptions

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No Statement of cash flows has been presented for the parent company;
- Disclosures in respect of the parent company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the group as a whole; and
- No disclosures have been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the group as a whole.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

UNITED KINGDOM ACCREDITATION SERVICE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.3 Going concern

The financial statements are prepared on a going concern basis.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. As a result, they continue to adopt the going concern basis of accounting in preparing the financial statements.

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

UNITED KINGDOM ACCREDITATION SERVICE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.6 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.7 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.8 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

UNITED KINGDOM ACCREDITATION SERVICE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.9 Pensions

Defined contribution pension scheme

The Company operates a Defined contribution plan for external assessors who are paid through the payroll.

Defined benefit pension plan

The Group operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including but not limited to age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The liability recognised in the Balance sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the balance sheet date less the fair value of plan assets at the balance sheet date (if any) out of which the obligations are to be settled.

The defined benefit obligation is calculated using the projected unit credit method. Annually the company engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating to the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the Group's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Remeasurement of net defined benefit liability'.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

- a) the increase in net pension benefit liability arising from employee service during the period; and
- b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss as a 'finance expense'.

UNITED KINGDOM ACCREDITATION SERVICE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.10 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.11 Amount recoverable under contracts

Amounts recoverable under contracts relates to contracted services performed but not invoiced at the balance sheet date. As the services are complete at the balance sheet date amounts recoverable under contracts is stated at the recoverable amount invoiced post year end.

2.12 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

UNITED KINGDOM ACCREDITATION SERVICE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.12 Tangible fixed assets (continued)

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

Depreciation is provided on the following basis:

Leasehold property	- over 15 years
Computer equipment and licensing	- 25% straight line
Fixtures and fittings	- between 10% and 20% straight line
Assets under construction	- not depreciated

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.13 Impairment of fixed assets

Assets that are subject to depreciation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.14 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Group shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Consolidated statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

2.15 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

UNITED KINGDOM ACCREDITATION SERVICE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.16 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.17 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.18 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Balance sheet date.

2.19 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

2.20 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

UNITED KINGDOM ACCREDITATION SERVICE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.20 Financial instruments (continued)

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The directors have applied judgements in assessing the recoverability of trade debtors and the Defined Benefit Pension Scheme obligations and to the best of their knowledge and belief, the accounts reflect a true and fair picture of the amounts of debtors that are recoverable and the Defined Benefit Scheme obligations.

In applying the Group's accounting policies, the directors are required to make judgments, estimates and assumptions in determining the carrying amounts of assets and liabilities. The directors' judgments, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgments, estimates and assumptions, the actual results and outcomes may differ.

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.

Critical judgments in applying the Group's accounting policies

The critical judgments that the directors have made in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the statutory financial statements are discussed below:

(i) Assessing indicators of impairment

In assessing whether there have been any indicators of impairment of assets, the directors have considered both external and internal sources of information such as market conditions and experience of recoverability. There have been no indicators of impairment identified during the current financial year.

UNITED KINGDOM ACCREDITATION SERVICE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

3. Judgments in applying accounting policies (continued)

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(ii) Recoverability of receivables

If necessary, the group establishes a provision for receivables that are estimated not to be recoverable. When assessing the recoverability the directors consider factors such as aging of receivables, past experience of recoverability, and the credit profile of an individual or groups of customers.

(iii) Determining residual value and useful economic lives of property, plant and equipment

The group depreciate tangible assets over their estimated useful lives. The estimation of the useful lives of assets is based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied by management. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance programmes.

(iv) Pension and other post employment benefits

The cost of defined benefit pension plans and other post-employment medical benefits are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty. In determining the appropriate discount rate, management considers the interest rates of corporate bonds in the respective currency with at least A A rating, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The underlying bonds are further reviewed for quality, and those having excessive credit spreads are removed from the population bonds on which the discount rate is based, on the basis that they do not represent high quality bonds. The mortality rate is based on publicly available mortality tables for the specific country. Future salary increases and pension increases are based on expected future inflation rates for the respective country.

4. Turnover

Analysis of turnover by country of destination:

	2021 £	2020 £
United Kingdom	28,164,193	30,911,280
Rest of Europe	169,729	204,702
Rest of the world	1,469,467	2,794,510
	<u>29,803,389</u>	<u>33,910,492</u>

UNITED KINGDOM ACCREDITATION SERVICE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

5. Operating profit

The operating profit is stated after charging:

	2021 £	2020 £
Depreciation of tangible fixed assets	<u>528,080</u>	<u>503,698</u>

6. Auditors' remuneration

The auditing of accounts of associates of the company pursuant to legislation

Other services relating to taxation

All other services

15,050	14,495
1,550	1,550
5,150	5,150
<u>21,750</u>	<u>21,195</u>

7. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Wages and salaries	12,772,005	12,119,216	12,772,005	12,119,216
Social security costs	1,472,355	1,432,685	1,472,355	1,432,685
Cost of defined benefit scheme	2,563,149	2,512,125	2,563,149	2,512,125
	<u>16,807,509</u>	<u>16,064,026</u>	<u>16,807,509</u>	<u>16,064,026</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2021 No.	2020 No.
Office management staff	90	87
Technical staff	164	172
	<u>254</u>	<u>259</u>

UNITED KINGDOM ACCREDITATION SERVICE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

8. Directors' remuneration

	2021 £	2020 £
Directors' emoluments	<u>604,280</u>	<u>551,461</u>

During the year retirement benefits were accruing to 4 directors (2020 - 4) in respect of defined benefit pension schemes.

The highest paid director received remuneration of £184,960 (2020 - £172,600).

The value of the company's contributions paid to a defined benefit pension scheme in respect of the highest paid director amounted to £24,802 (2020 - £23,072).

The total accrued pension provision of the highest paid director at 31 March 2021 amounted to £5,441 (2020 - £3,227).

The amount of the accrued lump sum in respect of the highest paid director at 31 March 2021 amounted to £NIL (2020 - £NIL).

9. Interest receivable

	2021 £	2020 £
Other interest receivable	<u>66,129</u>	<u>65,803</u>

10. Interest payable and similar expenses

	2021 £	2020 £
Bank interest payable	<u>107</u>	<u>-</u>

11. Other finance income/(cost)

	2021 £	2020 £
Net interest on net defined benefit liability	<u>(10,000)</u>	<u>65,000</u>

UNITED KINGDOM ACCREDITATION SERVICE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

12. Taxation

	2021 £	2020 £
Corporation tax		
Current tax on profits for the year	520,188	408,118
Adjustments in respect of previous periods	(6,526)	-
	<u>513,662</u>	<u>408,118</u>
Total current tax	<u>513,662</u>	<u>408,118</u>
Deferred tax		
Origination and reversal of timing differences	118,370	(47,310)
	<u>118,370</u>	<u>(47,310)</u>
Taxation on profit on ordinary activities	<u>632,032</u>	<u>360,808</u>

Factors affecting tax charge for the year

The tax assessed for both years is lower than (2020 - *lower than*) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
Profit on ordinary activities before tax	<u>3,039,947</u>	<u>2,475,372</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	577,590	470,321
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	-	1,766
Capital allowances for year in excess of depreciation	61,866	(110,472)
Adjustments to tax charge in respect of prior periods	(6,526)	-
Other items	(898)	(807)
Total tax charge for the year	<u>632,032</u>	<u>360,808</u>

UNITED KINGDOM ACCREDITATION SERVICE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

13. Tangible fixed assets

Group and Company

	Long-term leasehold property £	Fixtures and fittings £	Computer equipment £	Other fixed assets £	Total £
Cost or valuation					
At 1 April 2020	732,528	156,538	1,868,754	-	2,757,820
Additions	-	-	132,615	126,277	258,892
At 31 March 2021	<u>732,528</u>	<u>156,538</u>	<u>2,001,369</u>	<u>126,277</u>	<u>3,016,712</u>
Depreciation					
At 1 April 2020	308,053	74,745	964,081	-	1,346,879
Charge for the year on owned assets	73,253	14,434	440,393	-	528,080
At 31 March 2021	<u>381,306</u>	<u>89,179</u>	<u>1,404,474</u>	<u>-</u>	<u>1,874,959</u>
Net book value					
At 31 March 2021	<u>351,222</u>	<u>67,359</u>	<u>596,895</u>	<u>126,277</u>	<u>1,141,753</u>
At 31 March 2020	<u>424,475</u>	<u>81,793</u>	<u>904,673</u>	<u>-</u>	<u>1,410,941</u>

UNITED KINGDOM ACCREDITATION SERVICE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

14. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2020	715,098
At 31 March 2021	<u>715,098</u>

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Registered office	Class of shares	Holding
Clinical Pathology Accreditation (UK) Limited	2 Pine Trees, Chertsey Lane, Staines-upon-Thames, Middlesex, TW18 3HR	Ordinary	100%

15. Debtors

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade debtors	6,918,133	8,717,822	6,919,311	8,732,422
Other debtors	166,436	427,019	166,436	427,019
Prepayments and accrued income	411,673	371,235	411,673	371,235
Amounts recoverable on long term contracts	1,297,643	1,736,706	1,297,643	1,736,706
Deferred taxation	-	371,240	-	371,240
	<u>8,793,885</u>	<u>11,624,022</u>	<u>8,795,063</u>	<u>11,638,622</u>

UNITED KINGDOM ACCREDITATION SERVICE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

16. Cash and cash equivalents

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Cash at bank and in hand	13,016,962	7,955,958	12,869,977	7,790,720

17. Creditors: Amounts falling due within one year

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade creditors	914,572	985,585	914,542	985,585
Amounts owed to group undertakings	-	-	5,249,661	5,203,182
Corporation tax	520,188	402,605	491,932	394,487
Other taxation and social security	1,770,677	2,029,518	1,770,677	2,029,518
Other creditors	48,500	48,500	48,500	48,500
Accruals and deferred income	3,283,786	2,641,881	3,278,785	2,536,899
	6,537,723	6,108,089	11,754,097	11,198,171

18. Financial instruments

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Financial assets				
Financial assets that are debt instruments measured at amortised cost	20,101,531	17,115,799	19,955,724	16,950,161
Financial liabilities				
Financial liabilities measured at amortised cost	3,997,696	3,502,232	9,242,357	8,600,432

Financial assets measured at amortised cost comprise bank balances, group balances, trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, accruals and group balances.

UNITED KINGDOM ACCREDITATION SERVICE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

19. Deferred taxation

Group

	2021 £	2020 £
At beginning of year	371,240	(281,410)
Charged to profit or loss	(761,900)	652,650
At end of year	(390,660)	371,240

Company

	2021 £	2020 £
At beginning of year	371,240	(281,410)
Charged to profit or loss	(761,900)	652,650
At end of year	(390,660)	371,240

	Group 2021 £	<i>Group 2020 £</i>	Company 2021 £	<i>Company 2020 £</i>
Pension surplus	(390,660)	371,240	(390,660)	371,240
	(390,660)	371,240	(390,660)	371,240

20. Provisions

Group

	Dilapidation provision £	Total £
At 1 April 2020	150,000	150,000
At 31 March 2021	150,000	150,000

UNITED KINGDOM ACCREDITATION SERVICE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

20. Provisions (continued)

Company

	Dilapidation provision £	Total £
At 1 April 2020	150,000	150,000
At 31 March 2021	<u>150,000</u>	<u>150,000</u>

21. Reserves

Profit and loss account

Retained earnings represents accumulated comprehensive income for the year and prior periods plus any share based payments, adjustments and related tax credits and transfers from other reserves.

22. Company status

The company is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation.

23. Parent Company Profit for the year

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements. The profit after tax of the parent Company for the year was £2,286,454 (2020 - £2,078,736).

24. Capital commitments

At 31 March 2021 the Group and Company had capital commitments as follows:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Contracted for but not provided in these financial statements	<u>299,000</u>	<u>-</u>	<u>299,000</u>	<u>-</u>

UNITED KINGDOM ACCREDITATION SERVICE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

25. Pension commitments

The United Kingdom Accreditation Service (the Company) operates a Defined benefit pension scheme called the United Kingdom Accreditation Service Pension Scheme (the Scheme). The Scheme provides benefits based on salary and length of service on retirement, leaving service or death. The Scheme is subject to the Statutory Funding Objective under the Pensions Act 2004. A valuation of the Scheme is carried out at least once every three years to determine whether the Statutory Funding Objective is met. As part of the process the Company must agree with the Trustee of the Scheme the contributions to be paid to meet the Statutory Funding Objective. The most recent comprehensive actuarial valuation of the Scheme was carried out as at 31 March 2018 and the next valuation of the Scheme is due as at 31 March 2021. In the event that the valuation reveals a larger deficit than expected the Company may be required to increase contributions above those set out in the existing Schedule of Contributions. Conversely, if the position is better than expected, it is possible that contributions may be reduced.

Reconciliation of present value of plan liabilities:

	2021 £	2020 £
Reconciliation of present value of plan liabilities		
At the beginning of the year	47,643,000	46,306,000
Current service cost	1,909,000	2,028,000
Interest income	1,134,000	1,145,000
Experience (gains)/losses	-	(39,000)
Contributions	595,000	591,000
Benefits paid	(1,411,000)	(1,031,000)
Past service cost	540,000	457,000
Changes to assumptions	8,420,000	(1,814,000)
At the end of the year	58,830,000	47,643,000

Reconciliation of present value of plan assets:

	2021 £	2020 £
At the beginning of the year	45,691,000	47,789,000
Current service cost	3,177,000	2,171,000
Interest income	1,124,000	1,210,000
Actuarial gains/(losses)	11,807,000	(5,039,000)
Contributions	595,000	591,000
Benefits paid	(1,411,000)	(1,031,000)
Administration costs	(95,000)	-
At the end of the year	60,888,000	45,691,000

UNITED KINGDOM ACCREDITATION SERVICE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

25. Pension commitments (continued)

Composition of plan assets:

	2021 £	2020 £
UK Equities	10,021,000	6,714,000
Overseas Equities	31,112,000	23,274,000
Fixed bonds	9,488,000	6,012,000
Index-Linked Gilts	6,782,000	6,504,000
Property	3,176,000	2,333,000
Cash	309,000	854,000
Total plan assets	60,888,000	45,691,000
	2021 £	2020 £
Fair value of plan assets	60,888,000	45,691,000
Present value of plan liabilities	(58,830,000)	(47,643,000)
Net pension scheme liability	2,058,000	(1,952,000)

The amounts recognised in profit or loss are as follows:

	2021 £	2020 £
Current service costs	1,909,000	2,028,000
Interest on pension scheme liabilities	10,000	(65,000)
Past service cost	540,000	457,000
Administration costs	95,000	-
Total	2,554,000	2,420,000

The cumulative amount of actuarial gains and losses recognised in the Consolidated statement of comprehensive income was £3,387,000 gains (2020 - £3,186,000 losses).

The group expects to contribute £1,770,000 to its Defined benefit pension scheme in 2022.

UNITED KINGDOM ACCREDITATION SERVICE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

25. Pension commitments (continued)

	2021 £	2020 £
Analysis of actuarial loss recognised in Other Comprehensive Income		
Actual return less interest income included in net interest income	(11,807,000)	5,039,000
Experience gains and losses arising on the scheme liabilities	-	(39,000)
Changes in assumptions underlying the present value of the scheme liabilities	8,420,000	(1,814,000)
	<u>(3,387,000)</u>	<u>3,186,000</u>

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

	2021 %	2020 %
Discount rate	2	2.4
Future salary increases - CPI	2.2	1.75
Future pension increases -RPI	3.35	2.9
Proportion of employees opting for early retirement	3.1	2.2
Inflation assumption - RPI	3.5	3.0
Mortality rates:		

Post-retirement mortality is based on 100% S2PA, CMI 2017 projections with a long-term improvement rate of 1.5% p.a

UNITED KINGDOM ACCREDITATION SERVICE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

26. Commitments under operating leases

At 31 March 2021 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Not later than 1 year	344,170	363,526	344,170	363,526
Later than 1 year and not later than 5 years	1,307,303	1,290,324	1,307,303	1,290,324
Later than 5 years	1,433,165	1,751,646	1,433,165	1,751,646
	<u>3,084,638</u>	<u>3,405,496</u>	<u>3,084,638</u>	<u>3,405,496</u>

27. Related party transactions

The group is exempt under Financial Reporting Standard 102 from disclosing related party transactions with the company's subsidiary as it is wholly owned within the group.

28. Controlling party

Ultimate control is vested in the individual members and directors as, being a company limited by guarantee, there are no shareholders.