

WorldSkills UK

England & Wales · Charity number 1001586

Details

Other names	FIND A FUTURE, UK SKILLS
Status	Registered
Legal form	Charitable company
Company number	02535199
Registered	1991-01-18
Register	View on the Charity Commission register

Contact

Address	52-54 St John Street London EC1M 4HF
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Email	getintouch@worldskillsuk.org
Website	www.worldskillsuk.org

Activities

Objects: THE PROMOTION OF VOCATIONAL TRAINING AND EDUCATION OF ORGANISATIONS & INDIVIDUALS IN THE UNITED KINGDOM & TO RAISE THE STANDARDS OF SKILL & TECHNICAL KNOWLEDGE OF SUCH PERSONS

Activities: WorldSkills UK is a partnership between education, industry and UK governments. It is a world-class skills network, a catalyst for: raising standards through international benchmarking and professional development; championing future skills through analysis of rapidly changing economic demand; and empowering young people from all backgrounds through competitions-based training and careers advocacy

Classification

- **How:** Provides Advocacy/advice/information, Acts As An Umbrella Or Resource Body
- **What:** Education/training
- **Who:** Children/young People, The General Public/mankind

Geography

- **Area of benefit:** UNITED KINGDOM
- Northern Ireland
- Scotland
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£8,122,791	£8,373,191	£2,575,277	51
2024-03-31	£7,970,487	£8,530,598	£2,825,677	49
2023-03-31	£8,631,963	£8,876,092	£3,385,788	54
2022-03-31	£8,778,729	£8,475,276	£3,629,917	57
2021-03-31	£6,770,866	£6,215,303	£3,326,464	53

Trustees

Name	Role	Appointed
MARION GRACE PLANT OBE	Chair	2014-05-14
Audrey Nelson Downing		2023-03-13
Jatinder Sharma CBE, DL		2023-10-06
Jennifer Coupland		2023-10-06
Jonathan Peter Vincent		2023-12-14
Justin Rix		2023-03-13
Mark Jonathan Farrar		2023-03-13
Mel Higgins		2023-12-14
Michael James		2019-06-03
Nichola Hay MBE		2025-05-02
Professor Sean James Wellington		2023-03-13
Rachel Wilson		2025-03-20
Shane Mann		2025-03-20
Tanaka Chiimba		2025-03-20

Accounts

Company No: 02535199

Charity No: 1001586

**WORLDSKILLS UK
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

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The Board of Trustees of WorldSkills UK (“the Charity”) presents its annual report incorporating the strategic report for the year ended 31 March 2025 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 pages 12-13.

The present Trustees (who are also the Directors), and any past Trustees who served during the year, are shown on page 12 and 13, together with the names of the senior executive staff. The external advisers of the Charity are also set out on page 13.

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 13, or such other maximum number as the Trustees decide which is currently 14. Trustees may only remain in office for eight consecutive years (two terms of office of four 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 2023/24.

In June 2023, the Board confirmed a new sub-committee structure merging the Finance and General Purposes Committee with the Audit Committee and merging the Remuneration Committee with the Governance Committee to create the committees as set out below.

Finance, Audit and Risk Committee

The role of the Finance Audit and Risk Committee is to advise the WorldSkills UK Board on matters of financial management, accountability, corporate services, risk assessment, risk management, and internal control. The Committee comprises Trustees, independent co-opted members (not Trustees) and other advisers 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 quarterly.

People, Culture and Governance Committee

The role of the People, Culture and Governance Committee is to ensure WorldSkills UK provides an excellent and safe working environment for its employees through robust and effective people management. The Committee establishes a formal and transparent procedure for developing policy on remuneration across the staff team and specifically set the remuneration packages for members of the Senior Leadership Team (excluding the Chief Executive whose remuneration is determined by the Board) and where appropriate members of the Board. The Committee oversees Board membership and succession planning and reviews WorldSkills UK's governance structures and processes to ensure all requirements for company and charity governance are met and that the Board has the right mix of skills and experience to advance WorldSkills UK's mission and strategy.

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, a Trustee job description, information about the charity and a copy of the Articles of Association. They also have one-to-one briefings with the Chair, Deputy Chair, Chief Executive and Company Secretary where they receive information about the decision-making processes, Board structure, and receive a copy of the WorldSkills UK forward strategy. 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
- 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 and 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
- 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
- manage them efficiently, effectively and economically.

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

- review by the Finance, Audit and Risk Committee and the Board of the strategy and Annual Budget
- review by the Finance, Audit and Risk Committee and the Board of the monthly management accounts
- review of the appropriateness of processes and procedures by the Finance, Audit and Risk Committee
- review by the Finance, Audit and Risk Committee and the Board of delivery activity across operational areas
- advice on financial control by the Finance, Audit and Risk Committee
- review and action resulting from comments by the external auditors in their management letter
- 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

Since 2023, leadership on risk management issues has rested with the Board and the Finance, Audit and Risk Committee. Both are able to draw on the additional expertise of non-executive members with experience of the private and not for profit sectors. The

Finance, Audit and Risk Committee acts in an advisory and overview capacity, taking a financial and management lens. At its quarterly meetings, it reviews the risk register as a standing agenda item and reports to the Board. The People, Culture and Governance Committee advises the Board on risks and issues relating to organisational development and staffing matters in particular. 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. Each major work programme is assessed for risk at its outset and risks are then reviewed and reported monthly as part of the organisation's project management process. The Senior Leadership Team (SLT) considers an overview of these project level risks monthly and assesses this against the corporate level strategic risk register.

The charity faced a number of principal risks and uncertainties:

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 DfE. The general election in July 2024 presented a number of risks and opportunities. These related, in particular, to the importance of demonstrating WorldSkills UK's contribution to the Government's agenda, refining programmes to align well with the Government's emerging strategies, fully meeting grant requirements, and developing strong relationships with the new ministerial team and others in Government circles. It remained critical for WorldSkills UK to continue to build its relations with teams across the Department and maintain its focus on evidencing impact and value to the public purse.

Given that the grant value in 2024-25 was the same as 2023-24, this was a reduction in real terms. This steady reduction, at a time of significant pressure on public funding and ongoing inflation, called for careful management by the SLT throughout the year. There was a focus on increasing commercial income, growing delivery, including digital programmes, making efficiencies where possible and maximising achievement on KPIs.

2024-25 was the final year of WorldSkills UK's two-year grant, following an open competitive tendering process run by the DfE. There is facility in the grant to extend it by up to two years from 2025-26, though without the guarantee of the same funding rate. Late in 2024-25, the DfE notified WorldSkills UK that it would extend the grant by one year with a 15% reduction in funding and would review its procurement the WorldSkills UK programme for 2026-27 and beyond during the year. This situation presented challenges of managing the reduced budget alongside uncertainties regarding future grant and delivery arrangements. The DfE recognised that the funding situation did not reflect the success of WorldSkills UK in 2024-25 and acknowledged its strong performance.

Effectively aligning strategies and programmes with the differing policy and funding objectives of all four UK nations is a continuing challenge that WorldSkills UK seeks to manage by maintaining robust relationships with the governments, stakeholders and elected representatives in each UK nation. Activity levels in the devolved nations are, overall, high and the nations play an extremely valuable role in the performance of

WorldSkills UK, alongside each making a financial contribution to core funding of WorldSkills UK. WorldSkills UK endeavours to ensure its actions align with UK's and devolved nations' policy positions and provide a strong return on their investment.

Overall, despite funding pressures and new Government strategies, WorldSkills UK's risk position improved through much of 2024-25, supported by strong relations with governments across the UK and high performance on programme delivery. This position decreased at the end of the year in the light of the funding reduction for 2025-26, though WorldSkills UK is positively managing the changes. It has a sound programme base that performs highly and with increasing impact, good relations with funders and partners and a skilled and experienced organisation. This means WorldSkills UK remains well able to make a major contribution to raising standards in technical education and to better meeting priority skills needs across the UK, and to use its unique global platform and partnerships to leverage engagement.

Principal activities

Introduction

2024-25 has been an impressive year of achievement for WorldSkills UK, continuing to work with partners in UK governments, industry and education to embed world-class skills across the UK.

WorldSkills UK's impacts have been recognised against its three core aims:

- raising standards through international benchmarking
- championing future skills through analysis of rapidly changing economic demand
- empowering young people, from all backgrounds through competitions-based training.

Across its programmes, WorldSkills UK worked closely with partners in England, Scotland, Wales and Northern Ireland; employers and businesses; educational organisations and sector bodies, recognising that these partnerships are vital to achieving the goal of building a world-class skills system across the UK.

Achievements and outcomes

In 2024-25, WorldSkills UK delivered measurable and wide-reaching impact across its national and international programmes. Through strategic partnerships, innovative initiatives, and a commitment to excellence, WorldSkills UK has continued to raise the standard of technical education and apprenticeships across the UK. This report outlines the key achievements and outcomes that demonstrate the value of investment in WorldSkills UK's work.

WorldSkills UK's reach and impact in 2024-25 was significant, institutional engagement included 187 General Further Education colleges, 118 Independent Training Providers, and 49 Higher Education Institutions, including 27 members of Institutes of Technology. Over 8,400 educators participated across all WorldSkills UK CPD activities, with 92% reporting that training has enhanced their teaching, understanding or delivery. A further 2,561 educators accessed the WorldSkills UK Learning Laboratory, and 91% agreed that competition-based resources positively impacted the quality of their

delivery, training, and assessment. More than 165,000 learners benefitted either through CPD-informed teaching or direct WorldSkills UK activities such as benchmarking, competitions, and masterclasses. A total of 12,330 young people were benchmarked against national and international standards, including 5,242 through local endorsed competitions and 1,500 via Centre of Excellence pressure testing. Over 3,600 young people participated in the National Competition Cycle, with 89% reporting improved technical skills and 91% applying those skills in education, work, or other areas of life. Notably, participation from ethnically diverse backgrounds rose to 19%, up from 13% in 2023.

The Centre of Excellence, delivered in partnership with NCFE and with support from The Creation Education Trust, Symetri Ltd and Arkance continued to drive systemic change in technical education. In 2024-25, 5,500 educators engaged with the Centre of Excellence programme, contributing to a total reach of over 250,000 learners since its launch. The programme expanded its use of pressure testing, embedded competition-based learning into curricula, and deepened engagement through the Learning Laboratory. The Centre of Excellence is also supported by the DfE, Autodesk, and the Manufacturing Technology Centre.

Team UK achieved a top ten finish at WorldSkills Lyon 2024, competing against 69 countries. Representing the UK across 27 skills, 31 competitors secured three silver medals, one bronze, and 12 Medallions for Excellence. The UK's average score of 707.44 exceeded the international standard of excellence, and 32% of Squad UK were female, reflecting progress in gender representation. Over 50 employers and stakeholders attended the competition, including senior government officials, to observe world-class skills in action and share best practice. This performance reflects the strength of the UK's technical education system and the collaborative efforts of WorldSkills UK, employers, educators, and governments across all four nations.

The 2024 National Finals, held in Greater Manchester, brought together 402 young people from 128 organisations to compete in 46 disciplines, including foundation and demonstration competitions. The event attracted high-profile visitors including the Skills Minister, the Mayor of Greater Manchester, and international delegates. It showcased the prestige of technical skills and the role of competition-based learning in raising standards and inspiring ambition.

A major development in 2024 was the launch of the Local Skills Competition Endorsement Framework. This initiative embedded competition-based learning at a grassroots level, with 52 institutions endorsed to run 137 local competitions, benchmarking over 5,200 learners. A landmark inter-college competition in London demonstrated the framework's potential to address regional skills gaps and strengthen employer engagement.

WorldSkills UK also provided over 48,000 young people with meaningful engagements through careers information and resources promoting technical and apprenticeship pathways. Of those engaged, 83% reported improved understanding of post-secondary technical and vocational options, exceeding the target of 75%. The organisation's work was further supported by 128 Skills Champions who volunteered 607 hours, and media

coverage reached a circulation of over 642 million, including 24 pieces of national coverage.

Throughout the year, WorldSkills UK hosted and participated in a series of high-impact events. These included the International Skills Summit in May, and the publication of the Skills for Success in the Screen Industries report in June. In July, 12 innovation projects were announced under the Centre of Excellence. August and September saw final preparations and a medal-winning performance at WorldSkills Lyon. Celebrations of Team UK's achievements took place across the UK and in Parliament from October to December. In January, WorldSkills UK welcomed an international delegation from Hungary, and in February, a Local Skills Competition was hosted in Swindon. March concluded with the Equity, Diversity & Inclusion Heroes Awards and the announcement of Squad UK for WorldSkills Shanghai 2026.

These achievements demonstrate WorldSkills UK's strategic focus on embedding international best practice, supporting economic growth, and ensuring young people are equipped with the high-quality skills needed to thrive in a competitive global economy.

Funding diversification

In 2024–25, WorldSkills UK's non-core income surpassed core government funding for the third consecutive year, demonstrating effective leverage of its DfE core grant. The organisation generated £7.4m in diversified income £400k more than the previous year including £1.4m in direct commercial investment and UK devolved nations funding. Additionally, co-investment through in-kind contributions from employers, education providers, and UK governments increased by £200k to £6m, reflecting strong cross-sector support. WorldSkills UK continued to broaden and deepen its investment partnerships, prioritising active engagement across its programmes and fostering more participatory, long-term relationships with commercial partners. This strategic approach lays a solid foundation for sustainable commercial growth and resilience.

Strategic partnerships

In addition to expanding its network of new business and employer partnerships, WorldSkills UK continued to strengthen its strategic and funding relationships with the DfE. Collaborations with the Northern Ireland Government and the Welsh Government were reinforced through ongoing grant agreements, particularly via the Inspiring Skills in Excellence in Wales project. In Scotland, funding provided through the Scottish Funding Council for the 2024–25 period extended into the first quarter of 2025. WorldSkills UK also established strategic investment partnerships with various industry stakeholders, with a particular focus on securing financial support for new competitions. NCFE remained a key funder for the second phase of the Centre of Excellence Continuing Professional Development (CPD) programme, which was further supported by additional investments. WorldSkills UK's partnership with Pearson was very successful, with the awarding organisation sponsoring Team UK, co-branded initiatives, event participation, and extensive PR and social media engagement.

Future plans

Looking ahead, WorldSkills UK is focused on transforming teaching and learning by championing collaboration, innovation, and global best practices. Its goal is to help build a world-class skills economy, equipping employers with the talent they need and empowering young people to launch successful careers. The organisation values the vital contributions of its partners across UK governments, education, industry, and the wider skills sector, recognising that collective action is key to delivering a high-performing, future-ready skills system across the UK.

Financial review and results for the year

The Statement of Financial Activities (SoFA), set out on page 19 shows that gross income increased by 2% to £8.12 million (2024: decreased by 7.6% to £7.97 million) and expenditure decreased by 1.9% to £8.37 million (2024: decreased by 3.9% to £8.53 million) resulting in a decrease of net assets of £250k to £2.58 million (2024: decrease of £560k to £2.83 million).

Financially:

- income generated through unrestricted grants and donations (including investment income) totalled £1.17m (2024: £1.02m)
- income generated through restricted grants and donations was £6.95m (2024: £6.95m)
- expenditure on careers advice events, teacher training and skills competition programmes totalled £8.37m (2024: £8.50m).

Going concern

The Trustees have received written confirmation that the DfE expects to continue to provide grant funding for 2026-27 and therefore it is considered that the charity will have sufficient funds to continue its activities for a period of at least 12 months from the date these financial statements are approved.

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

Financial management policies

Reserves

WorldSkills UK is predominantly funded by grants from Central UK Government to 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, Audit and Risk 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 have the authority to allocate unrestricted reserves for specific purposes. In 2024-25, £30,000 was designated from these reserves to fund an external VAT review conducted by independent consultants. This review aimed to ensure the organisation's full compliance with HMRC VAT regulations and best practices.

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 £1.95m based on the 2024-25 budget.

Should the level of unrestricted free reserves fall below the minimum value then the Finance, Audit and Risk Committee needs to be informed and an action plan needs to be drawn up and approved by the Finance, Audit and Risk Committee to recover the unrestricted free reserves back to the minimum level.

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, Audit and Risk 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, Audit and Risk Committee to monitor the minimum level of unrestricted free reserves.

Employees

WorldSkills UK had an average of 51 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 Forvis Mazars LLP as auditors will be put to the members.

Members of the Board

Tanaka Chiimba (appointed: 20 March 2025)
Dame Dawn Childs DBE (Deputy Chair of the Board – resigned 30/06/2024)
Jennifer Coupland
Mark Dawe (Chair of the Finance, Audit and Risk Committee – resigned 31/10/2024)
Mark Farrar
Nichola Hay MBE (appointed: 2 May 2025)
Mel Higgins
Mike James
Shane Mann (appointed: 20 March 2025)
Audrey Nelson
Marion Plant OBE, FCGI (Chair of the Board)
Justin Rix (Deputy Chair of the Board Chair of the People, Culture and Governance Committee)
Jatinder Sharma CBE, DL
Jonathan Vincent
Professor Sean Wellington
Rachel Wilson (appointed: 20 March 2025)

Finance, Audit and Risk Committee

Tanaka Chiimba (appointed: 20 March 2025)
Mark Dawe (Committee Chair) – resigned 31/10/2024
Dame Dawn Childs DBE (resigned 30/06/2024)
Jennifer Coupland
Nichola Hay MBE (appointed: 2 May 2025)
Mark Farrar
Mel Higgins (Committee Chair)
Andrew Ridley (independent co-opted member)
Mike James

People, Culture and Governance Committee

Shane Mann (appointed: 20 March 2025)
Audrey Nelson
Justin Rix (Committee Chair)
Jatinder Sharma CBE, DL
Jonathan Vincent
Professor Sean Wellington
Rachel Wilson (appointed: 20 March 2025)

Executive Officers

Benjamin Blackledge, CEO
Nils Kendall, Company Secretary

Registered office

52-54 St. John Street
London EC1M 4HF

Principal professional advisers

Solicitors

Bates Wells
10 Queen Street Place
London EC4R 1BE

Bankers

The Co-operative Bank Plc
PO Box 250
Skelmersdale WN8 6WT

Auditors

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

By order of the Board of Trustees

A handwritten signature in black ink, appearing to read "Marion Plant". The script is cursive and somewhat stylized.

Marion Plant OBE, FCGI

Chair of the Board of Trustees, WorldSkills UK
signing as so authorised.

Date: 19 December 2025

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WORLDSKILLS UK

Opinion

We have audited the financial statements of WorldSkills UK (the 'charity') for the year ended 31 March 2025 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 2025 and of its income and expenditure for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- 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.

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 pages 4 and 5, 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 and anti-money laundering regulation.

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
- 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
- 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 (Dec 22, 2025 19:55:20 GMT)

Nicola Wakefield (Senior Statutory Auditor) for and on behalf of Forvis Mazars LLP
Chartered Accountants and Statutory Auditor:
2nd Floor, 6 Sutton Plaza, Sutton Court Road, Sutton, Surrey, SM1 4FS

22/12/2025
Dated:

WORLD SKILLS UK

STATEMENT OF FINANCIAL ACTIVITIES

(Incorporating the Income and Expenditure Account

and Statement of Total Recognised Gains and Losses)

FOR THE YEAR ENDED 31 MARCH 2025

	Notes	Unrestricted Funds	Restricted Funds	2025 Total	2024 Total
		£	£	£	£
INCOME FROM					
Generated funds:					
Income from investments	2	25,459	-	25,459	30,681
Income from charitable activities:					
Using competitions to raise skill standards and promote excellence		1,147,332	6,950,000	8,097,332	7,939,806
Income in kind and donated facilities	9	-	-	-	-
Total income		1,172,791	6,950,000	8,122,791	7,970,487
EXPENDITURE ON					
Expenditure on Raising funds:					
Fundraising costs	4	65,746	-	65,746	28,411
Charitable activities by objective:					
Using careers advice events and skills competitions to raise skill standards and promote excellence	4	1,343,769	6,963,676	8,307,445	8,502,187
Total expenditure	4	1,409,515	6,963,676	8,373,191	8,530,598
Net expenditure for the year		(236,724)	(13,676)	(250,400)	(560,111)
Fund balances brought forward		2,202,833	622,844	2,825,677	3,385,788
Fund balances carried forward	16	1,966,109	609,168	2,575,277	2,825,677

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

The notes on pages 22 to 33 form part of these financial statements

**WORLD SKILLS UK
BALANCE SHEET
AS AT 31 MARCH 2025**

	Note	2025 £	2024 £
FIXED ASSETS			
Intangible assets	10	267,380	461,690
Tangible assets	11	65,755	89,044
Investments	12	-	-
		333,135	550,734
CURRENT ASSETS			
Debtors	13	1,263,887	1,746,852
Cash at bank		1,989,159	1,604,897
		3,253,046	3,351,749
CREDITORS: amounts falling due within one year	14	(1,010,904)	(1,076,806)
NET CURRENT ASSETS		2,242,142	2,274,943
NET ASSETS		2,575,277	2,825,677
FUNDS			
Restricted funds	15	609,168	622,844
Unrestricted funds	15	1,716,237	1,734,004
Designated funds	15	249,872	468,829
TOTAL FUNDS	16	2,575,277	2,825,677

Approved by the Board of Trustees and signed on their behalf by: -



Marion Plant OBE, FCGI

Chair of the Board of Trustees, WorldSkills UK

Dated: 19 December 2025

The notes on pages 22 to 33 form part of these financial statements

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2025

	2025 £	2024 £
Net cash inflow/(outflow) from operating activities (Note a)	399,483	(591,644)
Cash flows from investing activities		
Bank and other interest receipts	25,459	30,681
Purchase of tangible fixed assets	(23,320)	(91,809)
Purchase of intangible fixed assets	(17,360)	(185,448)
Net cash used in investing activities	(15,221)	(246,576)
Net increase/(decrease) in cash and cash equivalents	384,262	(838,220)
Cash and cash equivalents at the beginning of the reporting period	1,604,897	2,443,117
Cash and cash equivalents at the end of the reporting period	1,989,159	1,604,897

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

Note a: Reconciliation of expenditure to net cash flow from operating activities

	2025 £	2024 £
Net expenditure for the year	(250,400)	(560,112)
Bank and other interest receipts	(25,459)	(30,681)
Depreciation of fixed assets	46,609	27,683
Amortisation of fixed assets	211,670	194,092
Decrease in debtors	482,965	575,312
(Decrease)/increase in creditors	(65,902)	352,685
Net cash inflow/(outflow) from operating activities	399,483	(591,644)

WORLD SKILLS UK
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2025

1. ACCOUNTING POLICIES

Charity information

WorldSkills UK is a private company limited by guarantee incorporated in England and Wales. The registered office is 52-54 St. John Street, London, England, EC1M 4HF25. 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 2026-27 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.

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.

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 and 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.

2. INVESTMENT AND OTHER INCOME

	2025	2024
	£	£
Interest received	25,459	30,681

3. NET (EXPENDITURE) FOR THE YEAR

	2025	2024
	£	£
This is stated after charging:		
Amortisation of intangible fixed assets	211,670	194,092
Depreciation	46,609	27,683
Auditor's remuneration:		
Fees payable to the charity's auditor for the audit of the charity's annual accounts	23,015	21,925
Total office lease payments	168,494	155,703
Total other operating lease payments	5,000	5,000

4. ANALYSIS OF TOTAL EXPENDITURE

	Staff Costs £	Support Costs £	Direct Costs £	2025 Total £	2024 Total £
Cost of generating funds:					
Fundraising costs	-	-	65,746	65,746	28,411
Charitable Expenditure:					
Costs of activities in furtherance of the charity's objectives:					
Using competitions to raise skill standards and promote excellence	3,174,436	807,010	4,280,984	8,262,430	8,463,332
Governance costs	-	45,015	-	45,015	38,855
Total expenditure	3,174,436	852,025	4,346,730	8,373,191	8,530,598

Expenditure on charitable activities was £8,373,191 (2024: £8,530,598) of which £6,963,676 (2024: £7,045,424) was restricted and £1,409,515 (2024: £1,485,174) was unrestricted.

5. SUPPORT COSTS

	General £	Office Costs £	Governance Costs £	2025 Total £	2024 Total £
Using competitions to raise skill standards and promote excellence	222,444	584,566	45,015	852,025	833,396

6. EMPLOYEES

	2025	2024
	£	£
Staff costs consist of:		
Wages and salaries	2,635,507	2,522,316
Social security costs	290,867	279,549
Pension costs	144,354	133,079
External staff costs	103,708	53,847
	3,174,436	2,988,791

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

	2025	2024
	No.	No.
Permanent contract	43	37
Fixed-term contract	8	12
	51	49

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

	2025	2024
	No.	No.
£60,001 to £70,000	3	3
£70,001 to £80,000	2	3
£80,001 to £90,000	2	2
£120,001 to £130,000	1	1

The number of higher paid staff who contribute into a pension scheme is 8 (2024: 9), at a cost of £44,018 (2024: £41,270).

7. TRUSTEES' REMUNERATION, 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 (2024: £Nil).

During the year, 5 Trustees (2024: 5) received reimbursements of personal travel and subsistence expenditure amounting to £2,576 (2024: £1,842).

The total Key Management Personnel (The Board, CEO and Directors) payroll costs during this year were £640,694 (2024: £635,746).

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: £17,265 (2024: £Nil).

9. INCOME IN KIND

WorldSkills UK 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), income in kind and the economic contribution of general volunteers is not recognised in the accounts.

10. INTANGIBLE FIXED ASSETS

	Software £	Total £
Cost		
At 1 April 2024	1,104,923	1,104,923
Additions	17,360	17,360
At 31 March 2025	1,122,283	1,122,283
Amortisation		
At 1 April 2024	643,233	643,233
Charge for the year	211,670	211,670
At 31 March 2025	854,903	854,903
Net book value		
At 31 March 2025	267,380	267,380
At 31 March 2024	461,690	461,690

11. TANGIBLE FIXED ASSETS

	Equipment £	Total £
Cost		
At 1 April 2024	435,461	435,461
Additions	23,320	23,320
At 31 March 2025	458,781	458,781
Depreciation		
At 1 April 2024	346,417	346,417
Charge for the year	46,609	46,609
At 31 March 2025	393,026	393,026
Net book value		
At 31 March 2025	65,755	65,755
At 31 March 2024	89,044	89,044

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 (2024: £nil).

The subsidiary is a company registered in England and Wales at 52-54 St. John Street, London, England, EC1M 4HF 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 exemption provided by section 405 the Companies Act 2006 not to prepare group accounts.

13. DEBTORS

	2025 £	2024 £
Trade debtors	164,429	136,002
Rent deposit	30,158	23,708
Prepayments and accrued income	1,069,300	1,587,142
	1,263,887	1,746,852

14. CREDITORS: amounts falling due within one year

	2025 £	2024 £
Trade creditors	296,453	426,316
Other taxes and social security costs	462,936	492,480
Accruals and deferred income	250,574	156,809
Other creditors	941	1,201
	1,010,904	1,076,806
Movements on deferred income account in year: -		
Contract receipts unearned as at 1 April	104,149	65,066
Amounts released in year	(103,749)	(64,666)
Amounts received in year	118,166	103,749
Contract receipts unearned at 31 March	118,566	104,149

15. FUNDS

	Designated funds £	Restricted funds £	Unrestricted funds £	Total Funds £
Balance at 1 April 2024	468,829	622,844	1,734,004	2,825,677
Income		6,950,000	1,172,791	8,122,791
Expenditure	(218,957)	(6,963,676)	(1,190,558)	(8,373,191)
Balance at 31 March 2025	249,872	609,168	1,716,237	2,575,277

Designated funds of £350,000 were set aside from unrestricted reserves in October 2021 to underwrite innovative activities essential to the future sustainability of WorldSkills UK, which include supporting the Centre of Excellence, investment in key technology to deliver against the strategy with reduced staffing levels and maintain a contingency to mitigate future organisational changes. The designated funds were spent over a period of three years from October 2021. In 2023-24, £203,000 was set aside to provide additional support to Centre of Excellence and acquire a new Customer Relations Management system, part of which was spent in 2024-25. During 2024-25, £30,000 was designated from unrestricted reserves to fund an external VAT review conducted by independent consultants.

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

	At 1 April 2024	Income £	Expenditure £	At 31 March 2025 £
Department for Education	422,069	6,700,000	(6,714,621)	407,448
NCFE	200,775	250,000	(249,055)	201,720
Balance at 31 March 2024	622,844	6,950,000	(6,963,676)	609,168

The Department for Education (DfE) grant supports WorldSkills UK to raise standards in technical education and skills training (TVET), working towards world class levels, through national and international competition-based training, workforce development in FE sector and careers activities that increase the prestige of TVET.

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

The 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 2025 are represented by:

	Restricted funds £	Unrestricted funds £	Total funds £
Intangible fixed assets	208,125	59,255	267,380
Tangible fixed assets	33,755	32,000	65,755
Net current assets	367,288	1,874,854	2,242,142
	609,168	1,966,109	2,575,277

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 £144,354 (2024: £133,079).

18. LEASE COMMITMENTS

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

	2025 £	2024 £
Land and Buildings		
On operating leases expiring		
Within one year	151,323	39,894
Within 2 to 5 years	116,037	-
	267,360	39,894

19. RELATED PARTY TRANSACTIONS

Marion Plant OBE, FCGI is 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 £nil (2024: £nil) and purchases of £27,630 (2024: £24,365). At the year end, there were no balances outstanding with NWSLC (2024: £nil).

Jonathan Peter Vincent is a trustee of the board of WorldSkills UK and Principal and Chief Executive of Glasgow Clyde College. During the year WorldSkills UK made purchases from Glasow Clyde College of £21,740 (2024: £15,840)

Mel Higgins is a trustee of the board of WorldSkills UK and Principal and Chief Executive and operating Officer of Northern College. During the year WorldSkills UK made purchases from Northen College of £19,275 (2024: £70).

Professor Sean Wellington is a Trustee of the Board of WorldSkills UK and former Provost - Deputy Vice- Chancellor of Middlesex University (resigned in 2024) During the year WorldSkills UK made purchases from Middlesex University of £31,830 (2024: £28,139).

Shane Rober Mann is a CEO and Founder of Education Scape Ltd. During the year WorldSkills UK made purchases from Education Scape Ltd of £22,145.

Rachel Wilson is a Trustee at Enginuity and EAL. During the year WorldSkills made sales to Enginuity for £17,000 and EAL for £10,000.

At the year-end nothing was owed to trustees in relation to expenses (2024: £nil).

20. ANALYSIS OF CHANGES IN NET FUNDS

	At 1 April 2024 £	Cash flows £	At 31 March 2025 £
Cash at bank and in hand	1,604,897	384,262	1,989,159
	1,604,897	384,262	1,989,159

21. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2024

	Notes	Unrestricted Funds £	Restricted Funds £	2024 Total £
INCOME FROM				
Generated funds:				
Income from investments	2	30,681	-	30,681
Income from charitable activities:				
Using competitions to raise skill standards and promote excellence		989,806	6,950,000	7,939,806
Total income		1,020,487	6,950,000	7,970,487
EXPENDITURE ON				
Expenditure on Raising funds:				
Fundraising costs	4	28,411	-	28,411
Charitable activities by objective:				
Using careers advice events and skills competitions to raise skill standards and promote excellence	4	1,456,763	7,045,424	8,502,187
Total expenditure	4	1,485,174	7,045,424	8,530,598
Net income/(expenditure) for the year		(464,687)	(95,424)	(560,111)
Fund balances brought forward		2,667,520	718,268	3,385,788
Fund balances carried forward	16	2,202,833	622,844	2,825,677

Company No: 02535199

Charity No: 1001586

**WORLDSKILLS UK
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

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The Board of Trustees of WorldSkills UK (“the Charity”) presents its annual report incorporating the strategic report for the year ended 31 March 2025 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 pages 12-13.

The present Trustees (who are also the Directors), and any past Trustees who served during the year, are shown on page 12 and 13, together with the names of the senior executive staff. The external advisers of the Charity are also set out on page 13.

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 13, or such other maximum number as the Trustees decide which is currently 14. Trustees may only remain in office for eight consecutive years (two terms of office of four 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 2023/24.

In June 2023, the Board confirmed a new sub-committee structure merging the Finance and General Purposes Committee with the Audit Committee and merging the Remuneration Committee with the Governance Committee to create the committees as set out below.

Finance, Audit and Risk Committee

The role of the Finance Audit and Risk Committee is to advise the WorldSkills UK Board on matters of financial management, accountability, corporate services, risk assessment, risk management, and internal control. The Committee comprises Trustees, independent co-opted members (not Trustees) and other advisers 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 quarterly.

People, Culture and Governance Committee

The role of the People, Culture and Governance Committee is to ensure WorldSkills UK provides an excellent and safe working environment for its employees through robust and effective people management. The Committee establishes a formal and transparent procedure for developing policy on remuneration across the staff team and specifically set the remuneration packages for members of the Senior Leadership Team (excluding the Chief Executive whose remuneration is determined by the Board) and where appropriate members of the Board. The Committee oversees Board membership and succession planning and reviews WorldSkills UK's governance structures and processes to ensure all requirements for company and charity governance are met and that the Board has the right mix of skills and experience to advance WorldSkills UK's mission and strategy.

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, a Trustee job description, information about the charity and a copy of the Articles of Association. They also have one-to-one briefings with the Chair, Deputy Chair, Chief Executive and Company Secretary where they receive information about the decision-making processes, Board structure, and receive a copy of the WorldSkills UK forward strategy. 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
- 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 and 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
- 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
- manage them efficiently, effectively and economically.

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

- review by the Finance, Audit and Risk Committee and the Board of the strategy and Annual Budget
- review by the Finance, Audit and Risk Committee and the Board of the monthly management accounts
- review of the appropriateness of processes and procedures by the Finance, Audit and Risk Committee
- review by the Finance, Audit and Risk Committee and the Board of delivery activity across operational areas
- advice on financial control by the Finance, Audit and Risk Committee
- review and action resulting from comments by the external auditors in their management letter
- 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

Since 2023, leadership on risk management issues has rested with the Board and the Finance, Audit and Risk Committee. Both are able to draw on the additional expertise of non-executive members with experience of the private and not for profit sectors. The

Finance, Audit and Risk Committee acts in an advisory and overview capacity, taking a financial and management lens. At its quarterly meetings, it reviews the risk register as a standing agenda item and reports to the Board. The People, Culture and Governance Committee advises the Board on risks and issues relating to organisational development and staffing matters in particular. 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. Each major work programme is assessed for risk at its outset and risks are then reviewed and reported monthly as part of the organisation's project management process. The Senior Leadership Team (SLT) considers an overview of these project level risks monthly and assesses this against the corporate level strategic risk register.

The charity faced a number of principal risks and uncertainties:

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 DfE. The general election in July 2024 presented a number of risks and opportunities. These related, in particular, to the importance of demonstrating WorldSkills UK's contribution to the Government's agenda, refining programmes to align well with the Government's emerging strategies, fully meeting grant requirements, and developing strong relationships with the new ministerial team and others in Government circles. It remained critical for WorldSkills UK to continue to build its relations with teams across the Department and maintain its focus on evidencing impact and value to the public purse.

Given that the grant value in 2024-25 was the same as 2023-24, this was a reduction in real terms. This steady reduction, at a time of significant pressure on public funding and ongoing inflation, called for careful management by the SLT throughout the year. There was a focus on increasing commercial income, growing delivery, including digital programmes, making efficiencies where possible and maximising achievement on KPIs.

2024-25 was the final year of WorldSkills UK's two-year grant, following an open competitive tendering process run by the DfE. There is facility in the grant to extend it by up to two years from 2025-26, though without the guarantee of the same funding rate. Late in 2024-25, the DfE notified WorldSkills UK that it would extend the grant by one year with a 15% reduction in funding and would review its procurement the WorldSkills UK programme for 2026-27 and beyond during the year. This situation presented challenges of managing the reduced budget alongside uncertainties regarding future grant and delivery arrangements. The DfE recognised that the funding situation did not reflect the success of WorldSkills UK in 2024-25 and acknowledged its strong performance.

Effectively aligning strategies and programmes with the differing policy and funding objectives of all four UK nations is a continuing challenge that WorldSkills UK seeks to manage by maintaining robust relationships with the governments, stakeholders and elected representatives in each UK nation. Activity levels in the devolved nations are, overall, high and the nations play an extremely valuable role in the performance of

WorldSkills UK, alongside each making a financial contribution to core funding of WorldSkills UK. WorldSkills UK endeavours to ensure its actions align with UK's and devolved nations' policy positions and provide a strong return on their investment.

Overall, despite funding pressures and new Government strategies, WorldSkills UK's risk position improved through much of 2024-25, supported by strong relations with governments across the UK and high performance on programme delivery. This position decreased at the end of the year in the light of the funding reduction for 2025-26, though WorldSkills UK is positively managing the changes. It has a sound programme base that performs highly and with increasing impact, good relations with funders and partners and a skilled and experienced organisation. This means WorldSkills UK remains well able to make a major contribution to raising standards in technical education and to better meeting priority skills needs across the UK, and to use its unique global platform and partnerships to leverage engagement.

Principal activities

Introduction

2024-25 has been an impressive year of achievement for WorldSkills UK, continuing to work with partners in UK governments, industry and education to embed world-class skills across the UK.

WorldSkills UK's impacts have been recognised against its three core aims:

- raising standards through international benchmarking
- championing future skills through analysis of rapidly changing economic demand
- empowering young people, from all backgrounds through competitions-based training.

Across its programmes, WorldSkills UK worked closely with partners in England, Scotland, Wales and Northern Ireland; employers and businesses; educational organisations and sector bodies, recognising that these partnerships are vital to achieving the goal of building a world-class skills system across the UK.

Achievements and outcomes

In 2024-25, WorldSkills UK delivered measurable and wide-reaching impact across its national and international programmes. Through strategic partnerships, innovative initiatives, and a commitment to excellence, WorldSkills UK has continued to raise the standard of technical education and apprenticeships across the UK. This report outlines the key achievements and outcomes that demonstrate the value of investment in WorldSkills UK's work.

WorldSkills UK's reach and impact in 2024-25 was significant, institutional engagement included 187 General Further Education colleges, 118 Independent Training Providers, and 49 Higher Education Institutions, including 27 members of Institutes of Technology. Over 8,400 educators participated across all WorldSkills UK CPD activities, with 92% reporting that training has enhanced their teaching, understanding or delivery. A further 2,561 educators accessed the WorldSkills UK Learning Laboratory, and 91% agreed that competition-based resources positively impacted the quality of their

delivery, training, and assessment. More than 165,000 learners benefitted either through CPD-informed teaching or direct WorldSkills UK activities such as benchmarking, competitions, and masterclasses. A total of 12,330 young people were benchmarked against national and international standards, including 5,242 through local endorsed competitions and 1,500 via Centre of Excellence pressure testing. Over 3,600 young people participated in the National Competition Cycle, with 89% reporting improved technical skills and 91% applying those skills in education, work, or other areas of life. Notably, participation from ethnically diverse backgrounds rose to 19%, up from 13% in 2023.

The Centre of Excellence, delivered in partnership with NCFE and with support from The Creation Education Trust, Symetri Ltd and Arkance continued to drive systemic change in technical education. In 2024-25, 5,500 educators engaged with the Centre of Excellence programme, contributing to a total reach of over 250,000 learners since its launch. The programme expanded its use of pressure testing, embedded competition-based learning into curricula, and deepened engagement through the Learning Laboratory. The Centre of Excellence is also supported by the DfE, Autodesk, and the Manufacturing Technology Centre.

Team UK achieved a top ten finish at WorldSkills Lyon 2024, competing against 69 countries. Representing the UK across 27 skills, 31 competitors secured three silver medals, one bronze, and 12 Medallions for Excellence. The UK's average score of 707.44 exceeded the international standard of excellence, and 32% of Squad UK were female, reflecting progress in gender representation. Over 50 employers and stakeholders attended the competition, including senior government officials, to observe world-class skills in action and share best practice. This performance reflects the strength of the UK's technical education system and the collaborative efforts of WorldSkills UK, employers, educators, and governments across all four nations.

The 2024 National Finals, held in Greater Manchester, brought together 402 young people from 128 organisations to compete in 46 disciplines, including foundation and demonstration competitions. The event attracted high-profile visitors including the Skills Minister, the Mayor of Greater Manchester, and international delegates. It showcased the prestige of technical skills and the role of competition-based learning in raising standards and inspiring ambition.

A major development in 2024 was the launch of the Local Skills Competition Endorsement Framework. This initiative embedded competition-based learning at a grassroots level, with 52 institutions endorsed to run 137 local competitions, benchmarking over 5,200 learners. A landmark inter-college competition in London demonstrated the framework's potential to address regional skills gaps and strengthen employer engagement.

WorldSkills UK also provided over 48,000 young people with meaningful engagements through careers information and resources promoting technical and apprenticeship pathways. Of those engaged, 83% reported improved understanding of post-secondary technical and vocational options, exceeding the target of 75%. The organisation's work was further supported by 128 Skills Champions who volunteered 607 hours, and media

coverage reached a circulation of over 642 million, including 24 pieces of national coverage.

Throughout the year, WorldSkills UK hosted and participated in a series of high-impact events. These included the International Skills Summit in May, and the publication of the Skills for Success in the Screen Industries report in June. In July, 12 innovation projects were announced under the Centre of Excellence. August and September saw final preparations and a medal-winning performance at WorldSkills Lyon. Celebrations of Team UK's achievements took place across the UK and in Parliament from October to December. In January, WorldSkills UK welcomed an international delegation from Hungary, and in February, a Local Skills Competition was hosted in Swindon. March concluded with the Equity, Diversity & Inclusion Heroes Awards and the announcement of Squad UK for WorldSkills Shanghai 2026.

These achievements demonstrate WorldSkills UK's strategic focus on embedding international best practice, supporting economic growth, and ensuring young people are equipped with the high-quality skills needed to thrive in a competitive global economy.

Funding diversification

In 2024–25, WorldSkills UK's non-core income surpassed core government funding for the third consecutive year, demonstrating effective leverage of its DfE core grant. The organisation generated £7.4m in diversified income £400k more than the previous year including £1.4m in direct commercial investment and UK devolved nations funding. Additionally, co-investment through in-kind contributions from employers, education providers, and UK governments increased by £200k to £6m, reflecting strong cross-sector support. WorldSkills UK continued to broaden and deepen its investment partnerships, prioritising active engagement across its programmes and fostering more participatory, long-term relationships with commercial partners. This strategic approach lays a solid foundation for sustainable commercial growth and resilience.

Strategic partnerships

In addition to expanding its network of new business and employer partnerships, WorldSkills UK continued to strengthen its strategic and funding relationships with the DfE. Collaborations with the Northern Ireland Government and the Welsh Government were reinforced through ongoing grant agreements, particularly via the Inspiring Skills in Excellence in Wales project. In Scotland, funding provided through the Scottish Funding Council for the 2024–25 period extended into the first quarter of 2025. WorldSkills UK also established strategic investment partnerships with various industry stakeholders, with a particular focus on securing financial support for new competitions. NCFE remained a key funder for the second phase of the Centre of Excellence Continuing Professional Development (CPD) programme, which was further supported by additional investments. WorldSkills UK's partnership with Pearson was very successful, with the awarding organisation sponsoring Team UK, co-branded initiatives, event participation, and extensive PR and social media engagement.

Future plans

Looking ahead, WorldSkills UK is focused on transforming teaching and learning by championing collaboration, innovation, and global best practices. Its goal is to help build a world-class skills economy, equipping employers with the talent they need and empowering young people to launch successful careers. The organisation values the vital contributions of its partners across UK governments, education, industry, and the wider skills sector, recognising that collective action is key to delivering a high-performing, future-ready skills system across the UK.

Financial review and results for the year

The Statement of Financial Activities (SoFA), set out on page 19 shows that gross income increased by 2% to £8.12 million (2024: decreased by 7.6% to £7.97 million) and expenditure decreased by 1.9% to £8.37 million (2024: decreased by 3.9% to £8.53 million) resulting in a decrease of net assets of £250k to £2.58 million (2024: decrease of £560k to £2.83 million).

Financially:

- income generated through unrestricted grants and donations (including investment income) totalled £1.17m (2024: £1.02m)
- income generated through restricted grants and donations was £6.95m (2024: £6.95m)
- expenditure on careers advice events, teacher training and skills competition programmes totalled £8.37m (2024: £8.50m).

Going concern

The Trustees have received written confirmation that the DfE expects to continue to provide grant funding for 2026-27 and therefore it is considered that the charity will have sufficient funds to continue its activities for a period of at least 12 months from the date these financial statements are approved.

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

Financial management policies

Reserves

WorldSkills UK is predominantly funded by grants from Central UK Government to 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, Audit and Risk 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 have the authority to allocate unrestricted reserves for specific purposes. In 2024-25, £30,000 was designated from these reserves to fund an external VAT review conducted by independent consultants. This review aimed to ensure the organisation's full compliance with HMRC VAT regulations and best practices.

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 £1.95m based on the 2024-25 budget.

Should the level of unrestricted free reserves fall below the minimum value then the Finance, Audit and Risk Committee needs to be informed and an action plan needs to be drawn up and approved by the Finance, Audit and Risk Committee to recover the unrestricted free reserves back to the minimum level.

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, Audit and Risk 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, Audit and Risk Committee to monitor the minimum level of unrestricted free reserves.

Employees

WorldSkills UK had an average of 51 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 Forvis Mazars LLP as auditors will be put to the members.

Members of the Board

Tanaka Chiimba (appointed: 20 March 2025)
Dame Dawn Childs DBE (Deputy Chair of the Board – resigned 30/06/2024)
Jennifer Coupland
Mark Dawe (Chair of the Finance, Audit and Risk Committee – resigned 31/10/2024)
Mark Farrar
Nichola Hay MBE (appointed: 2 May 2025)
Mel Higgins
Mike James
Shane Mann (appointed: 20 March 2025)
Audrey Nelson
Marion Plant OBE, FCGI (Chair of the Board)
Justin Rix (Deputy Chair of the Board Chair of the People, Culture and Governance Committee)
Jatinder Sharma CBE, DL
Jonathan Vincent
Professor Sean Wellington
Rachel Wilson (appointed: 20 March 2025)

Finance, Audit and Risk Committee

Tanaka Chiimba (appointed: 20 March 2025)
Mark Dawe (Committee Chair) – resigned 31/10/2024
Dame Dawn Childs DBE (resigned 30/06/2024)
Jennifer Coupland
Nichola Hay MBE (appointed: 2 May 2025)
Mark Farrar
Mel Higgins (Committee Chair)
Andrew Ridley (independent co-opted member)
Mike James

People, Culture and Governance Committee

Shane Mann (appointed: 20 March 2025)
Audrey Nelson
Justin Rix (Committee Chair)
Jatinder Sharma CBE, DL
Jonathan Vincent
Professor Sean Wellington
Rachel Wilson (appointed: 20 March 2025)

Executive Officers

Benjamin Blackledge, CEO
Nils Kendall, Company Secretary

Registered office

52-54 St. John Street
London EC1M 4HF

Principal professional advisers

Solicitors

Bates Wells
10 Queen Street Place
London EC4R 1BE

Bankers

The Co-operative Bank Plc
PO Box 250
Skelmersdale WN8 6WT

Auditors

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

By order of the Board of Trustees

A handwritten signature in black ink, appearing to read "marion plant". The signature is written in a cursive, lowercase style.

Marion Plant OBE, FCGI

Chair of the Board of Trustees, WorldSkills UK
signing as so authorised.

Date: 19 December 2025

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WORLDSKILLS UK

Opinion

We have audited the financial statements of WorldSkills UK (the 'charity') for the year ended 31 March 2025 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 2025 and of its income and expenditure for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- 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.

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 pages 4 and 5, 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 and anti-money laundering regulation.

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
- 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
- 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 (Dec 22, 2025 19:55:20 GMT)

Nicola Wakefield (Senior Statutory Auditor) for and on behalf of Forvis Mazars LLP
Chartered Accountants and Statutory Auditor:
2nd Floor, 6 Sutton Plaza, Sutton Court Road, Sutton, Surrey, SM1 4FS

22/12/2025
Dated:

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 2025

	Notes	Unrestricted Funds	Restricted Funds	2025 Total	2024 Total
		£	£	£	£
INCOME FROM					
Generated funds:					
Income from investments	2	25,459	-	25,459	30,681
Income from charitable activities:					
Using competitions to raise skill standards and promote excellence		1,147,332	6,950,000	8,097,332	7,939,806
Income in kind and donated facilities	9	-	-	-	-
Total income		1,172,791	6,950,000	8,122,791	7,970,487
EXPENDITURE ON					
Expenditure on Raising funds:					
Fundraising costs	4	65,746	-	65,746	28,411
Charitable activities by objective:					
Using careers advice events and skills competitions to raise skill standards and promote excellence	4	1,343,769	6,963,676	8,307,445	8,502,187
Total expenditure	4	1,409,515	6,963,676	8,373,191	8,530,598
Net expenditure for the year		(236,724)	(13,676)	(250,400)	(560,111)
Fund balances brought forward		2,202,833	622,844	2,825,677	3,385,788
Fund balances carried forward	16	1,966,109	609,168	2,575,277	2,825,677

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

The notes on pages 22 to 33 form part of these financial statements

**WORLD SKILLS UK
BALANCE SHEET
AS AT 31 MARCH 2025**

	Note	2025 £	2024 £
FIXED ASSETS			
Intangible assets	10	267,380	461,690
Tangible assets	11	65,755	89,044
Investments	12	-	-
		333,135	550,734
CURRENT ASSETS			
Debtors	13	1,263,887	1,746,852
Cash at bank		1,989,159	1,604,897
		3,253,046	3,351,749
CREDITORS: amounts falling due within one year	14	(1,010,904)	(1,076,806)
NET CURRENT ASSETS		2,242,142	2,274,943
NET ASSETS		2,575,277	2,825,677
FUNDS			
Restricted funds	15	609,168	622,844
Unrestricted funds	15	1,716,237	1,734,004
Designated funds	15	249,872	468,829
TOTAL FUNDS	16	2,575,277	2,825,677

Approved by the Board of Trustees and signed on their behalf by: -



Marion Plant OBE, FCGI

Chair of the Board of Trustees, WorldSkills UK

Dated: 19 December 2025

The notes on pages 22 to 33 form part of these financial statements

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2025

	2025 £	2024 £
Net cash inflow/(outflow) from operating activities (Note a)	399,483	(591,644)
Cash flows from investing activities		
Bank and other interest receipts	25,459	30,681
Purchase of tangible fixed assets	(23,320)	(91,809)
Purchase of intangible fixed assets	(17,360)	(185,448)
Net cash used in investing activities	(15,221)	(246,576)
Net increase/(decrease) in cash and cash equivalents	384,262	(838,220)
Cash and cash equivalents at the beginning of the reporting period	1,604,897	2,443,117
Cash and cash equivalents at the end of the reporting period	1,989,159	1,604,897

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

Note a: Reconciliation of expenditure to net cash flow from operating activities

	2025 £	2024 £
Net expenditure for the year	(250,400)	(560,112)
Bank and other interest receipts	(25,459)	(30,681)
Depreciation of fixed assets	46,609	27,683
Amortisation of fixed assets	211,670	194,092
Decrease in debtors	482,965	575,312
(Decrease)/increase in creditors	(65,902)	352,685
Net cash inflow/(outflow) from operating activities	399,483	(591,644)

WORLD SKILLS UK
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2025

1. ACCOUNTING POLICIES

Charity information

WorldSkills UK is a private company limited by guarantee incorporated in England and Wales. The registered office is 52-54 St. John Street, London, England, EC1M 4HF25. 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 2026-27 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.

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.

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 and 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.

2. INVESTMENT AND OTHER INCOME

	2025	2024
	£	£
Interest received	25,459	30,681

3. NET (EXPENDITURE) FOR THE YEAR

	2025	2024
	£	£
This is stated after charging:		
Amortisation of intangible fixed assets	211,670	194,092
Depreciation	46,609	27,683
Auditor's remuneration:		
Fees payable to the charity's auditor for the audit of the charity's annual accounts	23,015	21,925
Total office lease payments	168,494	155,703
Total other operating lease payments	5,000	5,000

4. ANALYSIS OF TOTAL EXPENDITURE

	Staff Costs £	Support Costs £	Direct Costs £	2025 Total £	2024 Total £
Cost of generating funds:					
Fundraising costs	-	-	65,746	65,746	28,411
Charitable Expenditure:					
Costs of activities in furtherance of the charity's objectives:					
Using competitions to raise skill standards and promote excellence	3,174,436	807,010	4,280,984	8,262,430	8,463,332
Governance costs	-	45,015	-	45,015	38,855
Total expenditure	3,174,436	852,025	4,346,730	8,373,191	8,530,598

Expenditure on charitable activities was £8,373,191 (2024: £8,530,598) of which £6,963,676 (2024: £7,045,424) was restricted and £1,409,515 (2024: £1,485,174) was unrestricted.

5. SUPPORT COSTS

	General £	Office Costs £	Governance Costs £	2025 Total £	2024 Total £
Using competitions to raise skill standards and promote excellence	222,444	584,566	45,015	852,025	833,396

6. EMPLOYEES

	2025	2024
	£	£
Staff costs consist of:		
Wages and salaries	2,635,507	2,522,316
Social security costs	290,867	279,549
Pension costs	144,354	133,079
External staff costs	103,708	53,847
	3,174,436	2,988,791

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

	2025	2024
	No.	No.
Permanent contract	43	37
Fixed-term contract	8	12
	51	49

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

	2025	2024
	No.	No.
£60,001 to £70,000	3	3
£70,001 to £80,000	2	3
£80,001 to £90,000	2	2
£120,001 to £130,000	1	1

The number of higher paid staff who contribute into a pension scheme is 8 (2024: 9), at a cost of £44,018 (2024: £41,270).

7. TRUSTEES' REMUNERATION, 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 (2024: £Nil).

During the year, 5 Trustees (2024: 5) received reimbursements of personal travel and subsistence expenditure amounting to £2,576 (2024: £1,842).

The total Key Management Personnel (The Board, CEO and Directors) payroll costs during this year were £640,694 (2024: £635,746).

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: £17,265 (2024: £Nil).

9. INCOME IN KIND

WorldSkills UK 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), income in kind and the economic contribution of general volunteers is not recognised in the accounts.

10. INTANGIBLE FIXED ASSETS

	Software £	Total £
Cost		
At 1 April 2024	1,104,923	1,104,923
Additions	17,360	17,360
At 31 March 2025	1,122,283	1,122,283
Amortisation		
At 1 April 2024	643,233	643,233
Charge for the year	211,670	211,670
At 31 March 2025	854,903	854,903
Net book value		
At 31 March 2025	267,380	267,380
At 31 March 2024	461,690	461,690

11. TANGIBLE FIXED ASSETS

	Equipment £	Total £
Cost		
At 1 April 2024	435,461	435,461
Additions	23,320	23,320
At 31 March 2025	458,781	458,781
Depreciation		
At 1 April 2024	346,417	346,417
Charge for the year	46,609	46,609
At 31 March 2025	393,026	393,026
Net book value		
At 31 March 2025	65,755	65,755
At 31 March 2024	89,044	89,044

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 (2024: £nil).

The subsidiary is a company registered in England and Wales at 52-54 St. John Street, London, England, EC1M 4HF 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 exemption provided by section 405 the Companies Act 2006 not to prepare group accounts.

13. DEBTORS

	2025 £	2024 £
Trade debtors	164,429	136,002
Rent deposit	30,158	23,708
Prepayments and accrued income	1,069,300	1,587,142
	1,263,887	1,746,852

14. CREDITORS: amounts falling due within one year

	2025 £	2024 £
Trade creditors	296,453	426,316
Other taxes and social security costs	462,936	492,480
Accruals and deferred income	250,574	156,809
Other creditors	941	1,201
	1,010,904	1,076,806
Movements on deferred income account in year: -		
Contract receipts unearned as at 1 April	104,149	65,066
Amounts released in year	(103,749)	(64,666)
Amounts received in year	118,166	103,749
Contract receipts unearned at 31 March	118,566	104,149

15. FUNDS

	Designated funds £	Restricted funds £	Unrestricted funds £	Total Funds £
Balance at 1 April 2024	468,829	622,844	1,734,004	2,825,677
Income		6,950,000	1,172,791	8,122,791
Expenditure	(218,957)	(6,963,676)	(1,190,558)	(8,373,191)
Balance at 31 March 2025	249,872	609,168	1,716,237	2,575,277

Designated funds of £350,000 were set aside from unrestricted reserves in October 2021 to underwrite innovative activities essential to the future sustainability of WorldSkills UK, which include supporting the Centre of Excellence, investment in key technology to deliver against the strategy with reduced staffing levels and maintain a contingency to mitigate future organisational changes. The designated funds were spent over a period of three years from October 2021. In 2023-24, £203,000 was set aside to provide additional support to Centre of Excellence and acquire a new Customer Relations Management system, part of which was spent in 2024-25. During 2024-25, £30,000 was designated from unrestricted reserves to fund an external VAT review conducted by independent consultants.

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

	At 1 April 2024	Income £	Expenditure £	At 31 March 2025 £
Department for Education	422,069	6,700,000	(6,714,621)	407,448
NCFE	200,775	250,000	(249,055)	201,720
Balance at 31 March 2024	622,844	6,950,000	(6,963,676)	609,168

The Department for Education (DfE) grant supports WorldSkills UK to raise standards in technical education and skills training (TVET), working towards world class levels, through national and international competition-based training, workforce development in FE sector and careers activities that increase the prestige of TVET.

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

The 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 2025 are represented by:

	Restricted funds £	Unrestricted funds £	Total funds £
Intangible fixed assets	208,125	59,255	267,380
Tangible fixed assets	33,755	32,000	65,755
Net current assets	367,288	1,874,854	2,242,142
	609,168	1,966,109	2,575,277

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 £144,354 (2024: £133,079).

18. LEASE COMMITMENTS

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

	2025 £	2024 £
Land and Buildings		
On operating leases expiring		
Within one year	151,323	39,894
Within 2 to 5 years	116,037	-
	267,360	39,894

19. RELATED PARTY TRANSACTIONS

Marion Plant OBE, FCGI is 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 £nil (2024: £nil) and purchases of £27,630 (2024: £24,365). At the year end, there were no balances outstanding with NWSLC (2024: £nil).

Jonathan Peter Vincent is a trustee of the board of WorldSkills UK and Principal and Chief Executive of Glasgow Clyde College. During the year WorldSkills UK made purchases from Glasow Clyde College of £21,740 (2024: £15,840)

Mel Higgins is a trustee of the board of WorldSkills UK and Principal and Chief Executive and operating Officer of Northern College. During the year WorldSkills UK made purchases from Northen College of £19,275 (2024: £70).

Professor Sean Wellington is a Trustee of the Board of WorldSkills UK and former Provost - Deputy Vice- Chancellor of Middlesex University (resigned in 2024) During the year WorldSkills UK made purchases from Middlesex University of £31,830 (2024: £28,139).

Shane Rober Mann is a CEO and Founder of Education Scape Ltd. During the year WorldSkills UK made purchases from Education Scape Ltd of £22,145.

Rachel Wilson is a Trustee at Enginuity and EAL. During the year WorldSkills made sales to Enginuity for £17,000 and EAL for £10,000.

At the year-end nothing was owed to trustees in relation to expenses (2024: £nil).

20. ANALYSIS OF CHANGES IN NET FUNDS

	At 1 April 2024 £	Cash flows £	At 31 March 2025 £
Cash at bank and in hand	1,604,897	384,262	1,989,159
	1,604,897	384,262	1,989,159

21. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2024

	Notes	Unrestricted Funds £	Restricted Funds £	2024 Total £
INCOME FROM				
Generated funds:				
Income from investments	2	30,681	-	30,681
Income from charitable activities:				
Using competitions to raise skill standards and promote excellence		989,806	6,950,000	7,939,806
Total income		1,020,487	6,950,000	7,970,487
EXPENDITURE ON				
Expenditure on Raising funds:				
Fundraising costs	4	28,411	-	28,411
Charitable activities by objective:				
Using careers advice events and skills competitions to raise skill standards and promote excellence	4	1,456,763	7,045,424	8,502,187
Total expenditure	4	1,485,174	7,045,424	8,530,598
Net income/(expenditure) for the year		(464,687)	(95,424)	(560,111)
Fund balances brought forward		2,667,520	718,268	3,385,788
Fund balances carried forward	16	2,202,833	622,844	2,825,677

Audit completion report

WorldSkills UK– year ended 31 March 2025

November 2025

Contents

04	Executive summary
05	Significant findings
13	Internal control recommendations
15	Summary of misstatements
16	Appendix A – Independence

This document is to be regarded as confidential to WorldSkills UK. It has been prepared for the sole use of the Board of Trustees. No responsibility is accepted to any other person in respect of the whole or part of its contents. Our written consent must first be obtained before this document, or any part of it, is disclosed to a third party.

The Trustees,
WorldSkills UK,
332, Third Floor,
25 Wilton Road,
London, SW1V 1LW

November 2025

Ladies and Gentlemen,

Audit Completion Report – Year ended 31 March 2025

We are pleased to present our Audit Completion Report for the year ended 31 March 2025 for WorldSkills UK. The purpose of this document is to summarise our audit conclusions.

The scope of our work, including identified significant audit risks and other areas of management judgement, was outlined in our audit planning processes. We have reviewed our audit strategy and concluded that the original significant audit risks and other areas of management judgement remain appropriate.

We would like to express our thanks for the assistance of your team during our audit, especially Francis Chiwariro and Rozila Bansal. If you would like to discuss any matters in more detail, then please do not hesitate to contact me on +44 (0)7973 510149.

Yours faithfully

Nicola Wakefield
Partner
Forvis Mazars LLP

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1. Executive summary

Principal conclusions and significant findings

Our audit has been conducted in accordance with International Standards of Auditing (UK) and means we focus on audit risks that we have assessed as resulting in a higher risk of material misstatement.

In section 2 of this report we have set out our conclusions and significant findings from our audit. This section includes our conclusions on the audit risks and areas of management judgement of which the principal ones were:

Significant risks:

- Management override of controls;
- Income recognition; and
- Fund accounting.

Key management judgements:

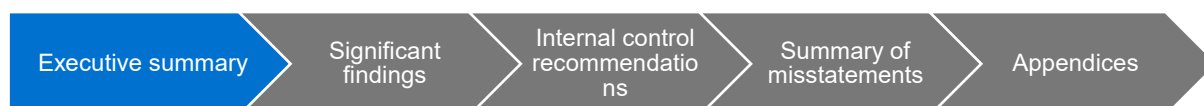
- Depreciation and amortisation; and
- Accrued expenditure.

Misstatement and internal control recommendations

Section 3 sets out internal control recommendations and section 4 sets out audit misstatements.

We have substantially completed our audit in respect of the financial statements for the year ended 31 March 2025 and expect to issue a clean and unmodified audit opinion subject to the following points:

- Final post balance sheet events review to the date of signing
- Letter of confirmation from DfE, to confirm funding to WorldSkills UK beyond 31 May 2026
- Signed Representation letter



2. Significant findings

Set out below are the significant findings from our audit. These findings include:

- our audit conclusions regarding significant risks and key areas of management judgement outlined in the Audit Strategy Memorandum;
- our comments in respect of the accounting policies and disclosures that you have adopted in the financial statements. On page 9 we have concluded whether the financial statements have been prepared in accordance with the financial reporting framework and commented on any significant accounting policy changes that have been made during the year; and
- any significant difficulties we experienced during the audit.

Significant risks

1. Management override of controls

Description of the risk

In all entities, management at various levels within an organisation are in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Due to the unpredictable way in which such override could occur, we consider there to be a risk of material misstatement due to fraud and thus a significant risk on all audits.

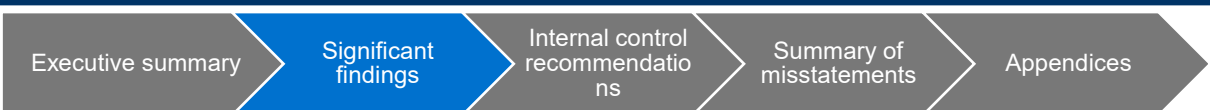
How we addressed this risk

We addressed this risk through performing audit work over:

- Accounting estimates impacting amounts included in the financial statements;
- Consideration of identified significant transactions outside the normal course of business; and
- Journals recorded in the general ledger and other adjustments made in preparation of the financial statements.

Audit conclusion

We did not identify any evidence of management override of controls.



2. Significant findings (continued)

2. Income recognition

Description of the risk

There is a risk of fraud in the financial reporting relating to income recognition due to the potential to inappropriately record income in the wrong period. Due to there being a risk of fraud in income recognition we consider it to be a significant risk on all audits.

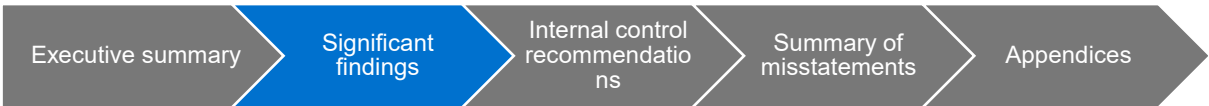
How we addressed this risk

We addressed this risk through performing audit work over:

- Recognition of income in the correct accounting period;
- Recognition of income in accordance with the charity’s accounting policies.

Audit conclusion

We did not identify any evidence of incorrect income recognition.



2. Significant findings (continued)

3. Fund accounting

Description of the risk

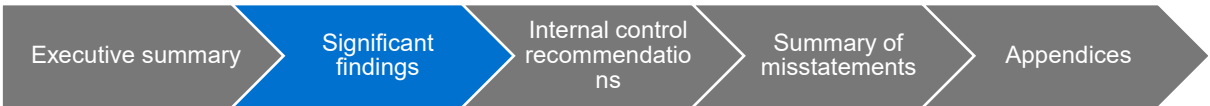
There is a risk that income received has restrictions imposed by a third party and therefore should be recorded as restricted income in the SOFA. The related expenditure must be allocated against these restricted funds and any remaining funds at the period end must be carried forward within restricted funds.

How we addressed this risk

We reviewed a sample of income items to ensure that any restrictions had been identified and adhered to, and that the income had been appropriately classified. We reviewed the allocation of expenditure between funds to ensure that only qualifying expenditure was charged against restricted funds.

Audit conclusion

Based on the testing performed, we did not identify any inappropriate classification of income or expenditure and no issues were identified in respect of restricted and unrestricted funds.



2. Significant findings (continued)

Key areas of management judgement

1. Depreciation and amortisation

Description of the management judgement

Depreciation and amortisation is charged to write off the cost of the tangible and intangible fixed assets over their useful lives.

How our audit addressed this area of management judgement

We reviewed depreciation and amortisation charges to ensure they were reasonable and agree with the charity's policy. We carried out proof in total testing in order to ensure that these charges were calculated correctly.

Audit conclusion

A review of the depreciation and amortisation policies and proof in total tests were carried out. Depreciation and amortisation rates are considered to be appropriate, in line with rates used in the sector and have been correctly applied in the financial statements. Management also confirmed that all intangible fixed assets are still operating as intended.

Description of the management judgement

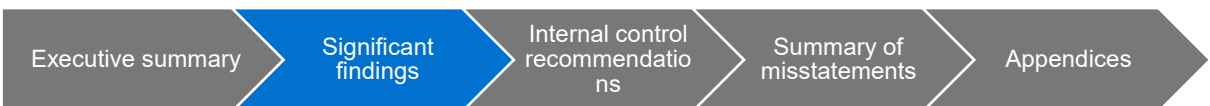
Accrued expenditure ensures that expenditure is allocated to the correct accounting period.

How our audit addressed this area of management judgement

We tested the calculations of material accruals to ensure that costs are allocated to the correct accounting period. We reviewed post year end payments and invoices to ensure that accruals were not understated.

Audit conclusion

Our testing did not identify any issues in relation to accruals.



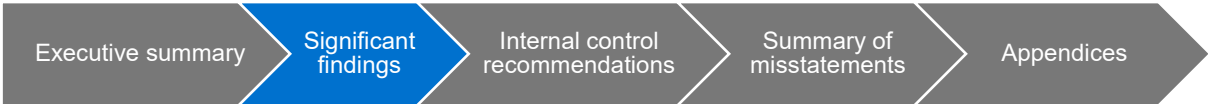
2. Significant findings (continued)

Qualitative aspects of the entity’s accounting practices

We have reviewed the charity’s accounting policies and disclosures and concluded that they comply with UK GAAP, the Charities SORP (FRS 102), the Charities Act 2011, and other relevant legislation.

Significant difficulties during the audit

During the course of the audit we did not encounter any significant difficulties and we have had the full co-operation of management. We would like to pass on our thanks to Francis Chiwariro and Rozila Bansal for their co-operation and assistance with the audit process.



Significant matters discussed with management

Going Concern

We note that the current funding from DfE runs to 31 March 2026, and that no further funding has been guaranteed beyond that date. We have been advised that the Trustees should receive a letter of comfort from DfE in due course, to confirm funding for the year to 31 March 2027. Once this has been received, this would provide the trustees with the comfort needed so the accounts can be prepared and signed on a going concern basis and for us to then sign our audit report confirming this. We look forward to seeing the letter of comfort in due course.

VAT

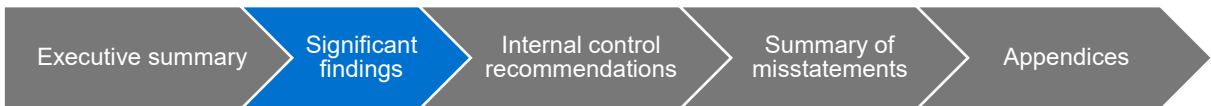
During the previous year, WorldSkills had a VAT review. The total estimated liability in the accounts for the year ended 31 March 2024 was £385k including interest. We note that WorldSkills sought professional advice this year.

Your external advisers RSM, advised that in addition to the fact that HMRC can only assess VAT going back a maximum of four years the later of the two also applies:

1. Two years after the end of the accounting period, or
2. One year after all relevant facts are made available to HMRC.

This places WorldSkills in the following position:

- One of the four years covered by the ECN is now out of time due to the four-year statutory limit.
- Two additional years are also out of time, as more than one year has passed since the ECN was submitted.
- This leaves a likely liability for one year (2023-24) (under point 1), estimated at £140k.



Significant matters discussed with management

VAT (continued)

We responded to note your assumption that HMRC will not be raising the assessment in respect of earlier years based on the one year time limit, however as RSM mentioned in their email correspondence (our VAT specialist also raised the same point), this is not guaranteed, and not without risk, especially as HMRC requested clarification/information earlier this year.

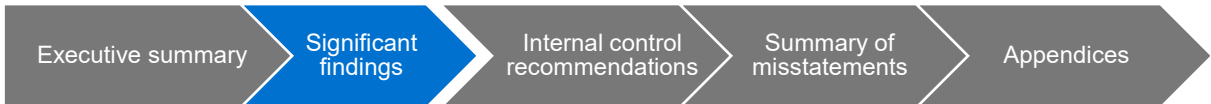
We noted your proposal to reduce the provision to only reflect one year’s liability, however there is still the potential risk of HMRC challenging this position, which may then result in amounts being payable for earlier years.

From the correspondence with RSM, they did not appear to have provided any advice on the amount they would recommend including in the accounts as a provision. Given the significance of the provision, we recommended that you go back to RSM and seek their advice as to what they felt was the likelihood of HMRC going back on each of the years and therefore what they would recommend is included as a provision in respect of these years.

You had assumed a provision just in respect of the year to 31 March 2024, and writing back the provision related to all earlier periods, so we recommended that you sought RSM’s advice on whether this approach was reasonable or whether they would suggest some level of provision remained in the accounts in respect of the earlier years.

We note RSM’s advice as follows:

- In regards to penalties, any penalty levied would not increase over time, so would remain unchanged from 31 March 2024 to 31 March 2025. We should say that as an un-prompted disclosure, and given the circumstances (Covid etc), we would hope that penalties would be mitigated down to zero.
- Interest works a little differently as this is charged on the outstanding VAT balance. The interest accrued would continue to accumulate so it would have increased accordingly for the 12 months to 31 March 2025. It is difficult to calculate the exact amount of interest due, but from 6 April 2025 the interest rate jumped from Bank of England Base Rate +2.5% to Base Rate + 4%.



Significant matters discussed with management

VAT (continued)

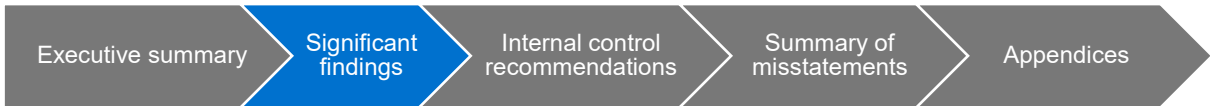
Following advice from RSM, we note that you have increased the provision to the full amount given the potential for HMRC to come back in respect of the earlier years. This has been reduced by an amount of £26k in respect of VAT related to the period up to 30 September 2021.

We reviewed these workings, and discussed them with our VAT consultant, and our comments were as follows:

- We would expect to see an additional interest calculation for the most recent year (ultimately interest will be charged up to the point where the payment is made). Rates are currently linked to the Bank of England base rate plus 4% and so as of August 27 the HMRC late payment interest rate is 8%. The rate used in your calculations of 4% does not appear to be correct.
- The position regarding penalties will not be certain until the matter is concluded and whilst you are hopeful that this may be mitigated to zero this cannot be relied upon.

We consider the difference in the interest rate to be immaterial (the difference of £7k is noted as an unadjusted misstatement) and therefore we are content that the VAT liability as at 31 March 2025, is not materially misstated. We also note that you have not accrued for any potential penalties, which are most likely to be immaterial.

We would recommend that if a response is received from HMRC prior to signing, that the liability in the accounts should be revisited to ensure that the liability at the Balance Sheet date is still considered to be reasonable.



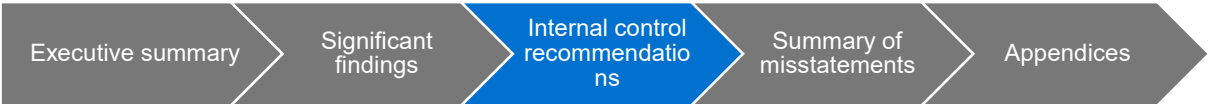
3. Internal control recommendations

The purpose of our audit was to express an opinion on the financial statements. As part of our audit we have considered the internal controls in place relevant to the preparation of the financial statements in order to design audit procedures to allow us to express an opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of internal control or to identify any significant deficiencies in their design or operation.

The matters reported are limited to those deficiencies and other control recommendations that we have identified during our normal audit procedures and that we consider to be of sufficient importance to merit being reported. If we had performed more extensive procedures on internal control we might have identified more deficiencies to be reported or concluded that some of the reported deficiencies need not in fact have been reported. Our comments should not be regarded as a comprehensive record of all deficiencies that may exist or improvements that could be made.

Our findings and recommendations are set out below. We have assigned priority rankings to reflect the importance that we consider each poses to your organisation and, hence, our recommendation in terms of the urgency of required action. The matters arising fall into the following categories:

Priority	Description	Number
1 (high)	In our view, there is potential for financial loss, damage to reputation or loss of information. This may have implications for the achievement of strategic objectives. The recommendation should be taken into consideration by management immediately.	-
2 (med)	In our view, there is a need to strengthen internal control or enhance efficiency. The recommendations should be actioned in the near future.	-
3 (low)	In our view, internal control should be strengthened in these additional areas when practicable.	-



4. Summary of misstatements

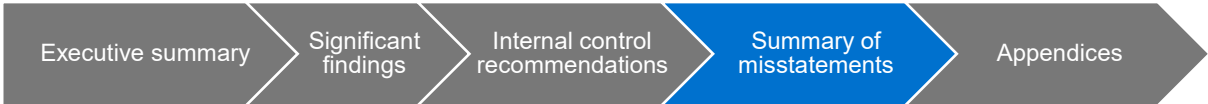
We confirm that there were misstatements identified during the course of the audit, above the level of trivial, either which have been adjusted or which remain unadjusted.

Summary of adjusted misstatements

	SOFA		Balance Sheet	
	Dr	Cr	Dr	Cr
	£	£	£	£
Prepayments			119,529	
Expenses		119,529		
Being recognition of prepayments for WorldSkills competition made in 24/25 for activities in 25/26.				

Summary of unadjusted misstatements

	SOFA		Balance Sheet	
	Dr	Cr	Dr	Cr
	£	£	£	£
Prepayments			8,144	
Expenses		8,144		
Being prepaid invoices before the Balance Sheet date, related to 2025/26 expenses.				
Dr Debtors			7,432	
Cr Creditors				7,432
Being debit balances included within creditors.				
Expenses	7,051			
VAT liability				7,051
Being accrued interest in the year to 31 March 2025.				



Appendix A

Independence

As part of our ongoing risk assessment, we monitor our relationships with you to identify any new actual or perceived threats to our independence within the regulatory or professional requirements governing us as your auditors.

We can confirm that no new threats to independence have been identified since the planning stage of the audit and therefore we remain independent.



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*where permitted under applicable country laws

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Accounts

Company No: 02535199

Charity No: 1001586

WORLDSKILLS UK
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

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The Board of Trustees of WorldSkills UK ("the Charity") presents its annual report incorporating the strategic report for the year ended 31 March 2024, 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 13.

The present Trustees (who are also the Directors), and any past Trustees who served during the year, are shown on page 12 and 13, together with the names of the senior executive staff. The external advisers of the Charity are also set out on page 13.

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 13. Trustees may only remain in office for eight consecutive years (two terms of office of four 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 2023/24.

In June 2023, the Board confirmed a new sub-committee structure merging the Finance and General Purposes Committee with the Audit Committee and merging the Remuneration Committee with the Governance Committee to create the committees as set out below.

Finance, Audit and Risk Committee

The role of the Finance Audit and Risk Committee is to advise the WorldSkills UK Board on matters of financial management, accountability, corporate services, risk assessment, risk management, and internal control. The Committee comprises Trustees, independent co-opted members (not Trustees) and other advisers 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 quarterly.

People, Culture and Governance Committee

The role of the People, Culture and Governance Committee is to ensure WorldSkills UK provides an excellent and safe working environment for its employees through robust and effective people management. The Committee establishes a formal and transparent procedure for developing policy on remuneration across the staff team and specifically set the remuneration packages for members of the Senior Leadership Team (excluding the Chief Executive whose remuneration is determined by the Board) and where appropriate members of the Board. The Committee oversees Board membership and succession planning and reviews WorldSkills UK's governance structures and processes to ensure all requirements for company and charity governance are met and that the Board has the right mix of skills and experience to advance WorldSkills UK's mission and strategy.

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, a Trustee job description, information about the charity and a copy of the Articles of Association. They also have one-to-one briefings with the Chair, Deputy Chair, Chief Executive and Company Secretary where they receive information about the decision-making processes, Board structure, and receive a copy of the WorldSkills UK forward strategy. 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 and 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.

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

- review by the Finance, Audit and Risk Committee and the Board of the strategy and Annual Budget;
- review by the Finance, Audit and Risk Committee and the Board of the monthly management accounts;
- review of the appropriateness of processes and procedures by the Finance, Audit and Risk Committee;
- review by the Finance, Audit and Risk Committee and the Board of delivery activity across operational areas;
- advice on financial control by the Finance, Audit and Risk 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

Since 2023, leadership on risk management issues has rested with the Board and the Finance, Audit and Risk Committee. Both able to draw on the expertise of non-executive members with experience of the private and public sectors. The Finance, Audit and Risk Committee acts in an advisory and overview capacity. At its quarterly meetings across the year, it reviews the risk register as a standing agenda item and reports to the Board. The Finance, Audit and Risk Committee supports the Board 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 and project managers then review and report on risks and risk ratings

monthly. The Senior Leadership Team considers an overview of these project level risks each month and assess this against the corporate level strategic risk register.

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

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 DfE. WorldSkills UK is continuing to strengthen relations with teams across 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. The 2023-24 year was the first year of WorldSkills UK's two-year grant, following an open competitive tendering process (Grant Application Process) run by the DfE. The annual grant value for each of 2023-24 and 2024-25 is a reduction from 2022-23. This has come at a time of prolonged high inflation and significant pressure on all costs, and this results in a need for robust consideration of future government funding.

This financial position presented the Senior Leadership Team with challenges requiring them to assess the cost base and potential savings of each programme and identify opportunities to secure more investment income. This was especially testing given the continued growth in the depth, breadth and innovations across programmes. Further focus on hybrid delivery of programmes proved cost effective and a number of developments, such as linked to workforce development and equity, diversity and inclusion, proved of financial interest to stakeholders.

The core grant funding agreement also restricts spending in particular areas, including staff resourcing and, as a result, the organisation undertook a reorganisation and realignment process to ensure staff resources align with operational and strategic priorities and remain within budget allocations. The reorganisation took several months to implement which meant there were capacity and capability gaps for some periods in the year. The organisation was close to full staffing by the financial year end.

Effectively aligning strategies and programmes with the differing policy and funding objectives of all four UK nations is a continuing challenge that WorldSkills UK seeks to manage by maintaining robust relationships with the governments, stakeholders and elected representatives in each UK nation. Activity levels in the devolved nations are high and they play an extremely valuable role in the performance of WorldSkills UK, alongside each making a financial contribution. WorldSkills UK endeavours to ensure its actions align with UK's and devolved nation policy positions and provide a strong return on their investment.

Political and economic uncertainties, including those relating to change of government in the UK and continuing unrest in parts of the Middle East and Europe, continued to present challenges to WorldSkills UK, such as pressures to deliver high-quality programmes with greater reach than in previous years and further evidence value and return on investments.

These, mean that there is a challenging context to the work of WorldSkills UK. There are, however, opportunities for WorldSkills UK to make a major contribution to raising standards in technical education and to better meeting future skills across the UK, and to use its unique global platform and partnerships to leverage involvement and further progress towards strategic goals.

Principal activities

Introduction

2023-24 was a year of strong achievement for WorldSkills UK as it continued to work to embed world-class skills across the UK.

Its impacts were recognised against its three core aims:

- raising standards through international benchmarking;
- championing future skills through analysis of rapidly changing economic demand; and
- empowering young people, from all backgrounds, through competitions-based training.

Across its programmes, WorldSkills UK worked closely with partners in England, Scotland, Wales and Northern Ireland; employers and businesses; educational organisations and sector bodies, recognising that these partnerships are vital to achieving a world-class skills system across the UK.

Achievements and outcomes

WorldSkills UK's programmes provide both a kitemark for excellence and act as a catalyst for world-class technical teaching. During 2023-24, its programmes benefitted almost 138,000 young people and strengthened engagement with the FE sector in the UK – bringing the total of FE colleges it engages with close to 90%.

As a long-standing member of WorldSkills, the global body for skills development, its international collaborations have been instrumental in allowing it to share the latest training techniques and methodologies with further education (FE), higher education and employers across the UK to drive change. These international partners include WorldSkills organisations ranging from France to Australia and South Korea to Japan and India.

WorldSkills UK made strides in embedding world-class teaching and learning through the Centre of Excellence workforce development programme. A total of 5,800 educators participated in CPD in 2023-24, positively impacting the learning experiences of 85,000 young people. The programme engaged with 114 organisations across the four nations in 2023-24, including 88 GFE colleges. Educators participated in CPD programmes that provided them with world class training and training techniques, innovations in learning and international exchanges. 93% of participants reported high levels of satisfaction with the training and 91% believed the training enhanced their teaching, understanding or delivery. programme has continued to be supported by NCFE, UK governments and leading education and industry partners.

WorldSkills UK also continued to grow its CPD offer through the Learning Lab, a resource bank for teaching and training materials based on global best practice and techniques, which was used by more than 1,400 educators.

Drawing on international partnerships also enabled WorldSkills UK to host its fourth International Skills Summit bringing together stakeholders in the skills system to look at learnings that can help inform the development of future skills at national and city-region levels. This event provided a platform to launch the Manufacturing Excellence report, in partnership with BAE Systems that highlighting the need to change the narrative about careers in manufacturing. WorldSkills UK is now working with organisations in education and industry to help address the shortfall in vital manufacturing skills.

2023 was cause for celebration as EuroSkills, Europe's largest skills competition, returned following disruption due to the pandemic. Team UK gave a medal-winning performance which saw success in competitions including Digital Construction, Mechatronics and Robot Systems Integration. The UK was placed 13th in the medal table among 32 nations competing in 42 different skills disciplines. This was an important milestone for the squad of young people who were in the early stages of their training and development journey in preparation for the WorldSkills international competition which takes place in France in 2024. A strategic partnership with Pearson, to support Team UK as they progress to WorldSkills Lyon, was agreed. In November 2023, gold medal winners attended a reception at the House of Commons with the then Minister of State for Skills, providing a unique opportunity for the Minister to engage with gold medallists, discussing their aspirations and remarkable achievements.

2023-24 saw an increased involvement in WorldSkills UK's National Competitions with over 6,000 registrations from 340 organisation across the UK. These competition-based training programmes, the finals of which took place in Greater Manchester, are designed by industry experts and help young people grow personally and professionally by developing their technical and employability skills. Encouragingly, ethnic minority registrants represented 14% of the total, the highest since 2018. STEM and digital skills registrations increased by 40%, with growth in digital/IT, automotive technology and electrical installation.

The National Competitions finals took place across further and higher education locations in Greater Manchester, providing a regional focus to the finals for the first time. 94% of competitors agreed that participating improved their technical skills and 88% acknowledged growing their personal and employability skills though competing. The finals also provided an engaging and inspiring experience for visitors including a business event featuring the importance of collaboration in delivering world class skills for thriving regional and national economies across the UK.

Through 2023-24, WorldSkills UK enhanced its career advocacy through partnerships with a range of organisations specialising in supporting young people make career decisions such as The Careers & Enterprise Company and Education and Employers. These collaborations provided in-person and virtual career encounters across the UK, which gave WorldSkills UK a platform to promote technical education and skills and facilitate 47,000 career encounters that gave young people insights and inspiration into technical pathways. Skills Champions (alumni from WorldSkills UK's previous competitions) volunteered for almost 900 hours at these events, encouraging and informing young people towards technical education and apprenticeships. Notably, 34% of speakers at the events were from ethnic minority backgrounds, and 50% were female. As a result, 76% reported improved knowledge of technical training, with 53% considering apprenticeships or technical careers. Educators also saw benefits, with 79% reporting increased understanding of technical education and apprenticeship options by young people and 69% observing more interest in green and sustainability careers.

Funding diversification

For a second year, non-core income exceeded core government income with significant leverage of funding against the second year of WorldSkills UK's core grant from the DfE. Over £7m of diversified income was achieved in 2023-24, slightly below 2022-23, including over £520k of direct cash income from commercial investors. Co-investment from continuing

and new partnerships with employers, education providers and other UK governments through resources, materials and equipment (Value in Kind) totalled £5.8m. During the year, WorldSkills UK diversified its investment partnerships, focussed on engagement across a range of WorldSkills UK programmes and more participatory relationships with investors. This provides a good base for sustainable commercial relationships.

Strategic partnerships

In addition to new business and employer partnerships, WorldSkills UK continued to strengthen strategic and funding relationships with the DfE. Partnerships with the Northern Ireland Government and with the Welsh Government via the Inspiring Skills in Excellence in Wales project continued and were strengthened through grant agreements. Significantly in 2023-24, following work to deepen relationships with government, FE and stakeholders, core funding for the first time was provided by the Scottish Funding Council. Strategic investment partnerships were established with various industry players, particularly focusing on financial support for new competitions. NCFE remains a key funder for the Centre of Excellence CPD programme, complemented by additional investments from the Skills and Education Group and Autodesk.

Future plans

Looking to the year ahead, WorldSkills UK is committed to transforming teaching practices and learner outcomes through collaboration, innovation, and world-class methodologies. It aims to help build a world-class skills economy, giving employers the pipeline of talent they need to grow and giving young people the best start to their careers. It appreciates the contributions of partners across UK governments, educational organisations, employers and other sector players, recognising the huge value of working together to achieve a world-class skills system across the UK.

Financial review and results for the year

The Statement of Financial Activities (SoFA), set out on page 19 shows that gross income decreased by 7.6% to £7.97 million (2023: decreased by 1.7% to £8.63 million) and expenditure decreased by 3.9% to £8.53 million (2023: increased by 4.7% to £8.88 million) resulting in a decrease of net assets of £560k to £2.83 million (2023: decrease of £244k to £3.40 million).

Financially:

- income generated through unrestricted grants and donations (including investment income) totalled £1.02m (2023: £0.93m);
- income generated through restricted grants and donations was £6.95m (2023: £7.70m); and
- expenditure on careers advice events, teacher training and skills competition programmes totalled £8.50m (2023: £8.84m).

Going concern

The Trustees have received written confirmation that the DfE expects to continue to provide grant funding for 2025-26 and therefore it is considered that the charity will have sufficient funds to continue its activities for a period of at least 12 months from the date these financial statements are approved.

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

Financial management policies

Reserves

WorldSkills UK is predominantly funded by grants from Central UK Government to 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, Audit and Risk 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. In October 2021 £350,000 was set aside as designated funds from unrestricted reserves to underwrite innovative activities essential to the future sustainability of WorldSkills UK, which include supporting the Centre of Excellence, investment in key technology to deliver against the strategy with reduced staffing levels and maintain a contingency to mitigate future organisational changes. Trustees agreed to use these funds over a three-year period until 2024-25. During 2023-24 a further £203k was set aside to support the Centre of Excellence and acquire a new Customer Relations Management system.

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 £1.95m based on the 2023-24 budget.

Should the level of unrestricted free reserves fall below the minimum value then the Finance, Audit and Risk Committee needs to be informed and an action plan needs to be drawn up and approved by the Finance, Audit and Risk Committee to recover the unrestricted free reserves back to the minimum level.

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, Audit and Risk 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, Audit and Risk Committee to monitor the minimum level of unrestricted free reserves.

Employees

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

WorldSkills UK aims to support employees in their role so that they feel confident to undertake the responsibilities placed upon them and ultimately are able to contribute to the success of the organisation. It is committed to providing equal opportunities in employment and to avoiding unlawful discrimination in the work environment. WorldSkills UK is fully aware of its responsibilities as an employer and acts in accordance with legislation.

Auditor

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

Member of the Board

Dr Neil Bentley-Gockmann OBE (resigned 15/12/2023)
Dame Dawn Childs DBE (Deputy Chair of the Board – resigned 30/06/2024)
Jennifer Coupland (appointed 06/10/2023)
Mark Dawe (Chair of the Finance, Audit and Risk Committee)
Brian Doran (resigned 14/12/2023)
Mark Farrar
Mel Higgins (appointed 14/12/2023)
Mike James
Audrey Nelson
Marion Plant OBE, FCGI (Chair of the Board)
Justin Rix (Chair of the People, Culture and Governance Committee)
Jatinder Sharma CBE, DL (appointed 06/10/2023)
Jonathan Vincent (appointed 14/12/2023)
Professor Sean Wellington

Audit Committee (disbanded in June 2023)

Dame Dawn Childs DBE (Committee Chair)
Mike James
Justin Rix (Co-opted Audit Committee Member, appointed Trustee 13/03/2023)
Mark Farrar (Co-opted Audit Committee Member, appointed Trustee 13/03/2023)

Finance, Audit and Risk Committee

Tanaka Chiimba (independent co-opted member, appointed 06/03/2024)
Mark Dawe (Committee Chair)
Dame Dawn Childs DBE (resigned 30/06/2024)
Jennifer Coupland (appointed 06/10/2023)
Brian Doran (resigned 14/12/2023)
Mark Farrar
Mel Higgins (appointed 14/12/2023)
Andrew Ridley (independent co-opted member, appointed 06/03/2024)
Mike James

People, Culture and Governance Committee

Dr Neil Bentley-Gockmann OBE (resigned 15/12/2023)

Brian Doran (resigned 14/12/2023)

Audrey Nelson

Marion Plant OBE, FCGI (Interim Committee Chair until 28/11/2023)

Justin Rix (Committee Chair from 28/11/2023)

Jatinder Sharma CBE, DL (appointed 06/10/2023)

Jonathan Vincent (appointed 14/12/2023)

Professor Sean Wellington

Executive Officers

Dr Neil Bentley-Gockmann OBE, CEO (left the organisation: 12/05/2023)

Benjamin Blackledge, CEO (appointed interim CEO 13/05/2023 and permanent CEO 10/07/2023)

Nils Kendall, Company Secretary

Registered office

25 Wilton Road

London SW1V 1LW

Principal professional advisers**Solicitors**

Bates Wells

10 Queen Street Place

London EC4R 1BE

Bankers

The Co-operative Bank Plc

PO Box 250

Skelmersdale WN8 6WT

Auditors

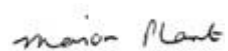
Forvis Mazars LLP

6 Sutton Plaza

Sutton Court Road

Sutton SM1 4FS

By order of the Board of Trustees:

A handwritten signature in dark ink that reads "marion plant". The signature is written in a cursive, lowercase style.

Marion Plant OBE, FCGI

Chair of the Board of Trustees, WorldSkills UK
signing as so authorised.

Date: 13 December 2024

Opinion

We have audited the financial statements of WorldSkills UK (the 'charity') for the year ended 31 March 2024 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 2024 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.

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 pages 4 and 5, 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.

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 (Dec 19, 2024 15:46 GMT)

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

Chartered Accountants and Statutory Auditor:

2nd Floor, 6 Sutton Plaza

Sutton Court Road, Sutton SM1 4FS

Dated: 19-Dec-2024

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 2024

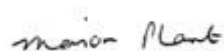
	Notes	Unrestricted Funds £	Restricted Funds £	2024 Total £	2023 Total £
INCOME FROM					
Generated funds:					
Income from investments	2	30,681	-	30,681	3,497
Income from charitable activities:					
Using competitions to raise skill standards and promote excellence		989,806	6,950,000	7,939,806	8,628,466
Income in kind and donated facilities	9	-	-	-	-
Total income		1,020,487	6,950,000	7,970,487	8,631,963
EXPENDITURE ON					
Expenditure on Raising funds:					
Fundraising costs	4	28,411	-	28,411	34,138
Charitable activities by objective:					
Using careers advice events and skills competitions to raise skill standards and promote excellence	4	1,456,763	7,045,424	8,502,187	8,841,954
Total expenditure	4	1,485,174	7,045,424	8,530,598	8,876,092
Net expenditure for the year		(464,687)	(95,424)	(560,112)	(244,129)
Fund balances brought forward		2,667,520	718,268	3,385,788	3,629,917
Fund balances carried forward	16	2,202,833	622,844	2,825,677	3,385,788

The statement of financial activities has been prepared on the basis that all operations are continuing operations.
The notes on pages 22 to 34 form part of these financial statements

WORLDSKILLS UK
BALANCE SHEET
AS AT 31 MARCH 2024

	Note	2024 £	2023 £
FIXED ASSETS			
Intangible assets	10	461,690	470,335
Tangible assets	11	89,043	24,917
Investments	12	-	-
		550,734	495,252
CURRENT ASSETS			
Debtors	13	1,746,852	1,171,540
Cash at bank		1,604,897	2,443,117
		3,351,749	3,614,657
CREDITORS: amounts falling due within one year	14	(1,076,806)	(724,121)
NET CURRENT ASSETS		2,274,943	2,890,536
NET ASSETS		2,825,677	3,385,788
FUNDS			
Restricted funds	15	622,844	718,268
Unrestricted funds	15	1,734,004	2,317,520
Designated funds	15	468,829	350,000
TOTAL FUNDS	16	2,825,677	3,385,788

Approved by the Board of Trustees on 13 December 2024 and signed on their behalf by:



Marion Plant OBE, FCGI

Chair of the Board of Trustees, WorldSkills UK

The notes on pages 22 to 34 form part of these financial statements

WORLDSKILLS UK
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2024

	2024 £	<i>2023</i> <i>£</i>
Net cash (outflow)/inflow from operating activities (Note a)	(591,644)	1,112,965
Cash flows from investing activities		
Bank and other interest receipts	30,681	3,497
Purchase of tangible fixed assets	(91,809)	(24,694)
Purchase of intangible fixed assets	(185,448)	(62,195)
Net cash used in investing activities	(246,576)	(83,392)
Net (decrease)/increase in cash and cash equivalents	(838,220)	1,029,573
Cash and cash equivalents at the beginning of the reporting period	2,443,117	1,413,544
Cash and cash equivalents at the end of the reporting period	1,604,897	2,443,117

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

Note a: Reconciliation of expenditure to net cash flow from operating activities

	2024 £	<i>2023</i> <i>£</i>
Net expenditure for the year	(560,112)	(244,129)
Bank and other interest receipts	(30,681)	(3,497)
Depreciation of fixed assets	27,683	89,633
Amortisation of fixed assets	194,092	175,501
(Increase)/decrease in debtors	(575,312)	1,102,960
Increase/(decrease) in creditors	352,685	(7,503)
Net cash (outflow)/inflow from operating activities	(591,644)	1,112,965

WORLD SKILLS UK
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2024

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 2024-25 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.

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.

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 and 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.

2. INVESTMENT AND OTHER INCOME

	2024	2023
	£	£
Interest received	30,681	3,497

3. NET (EXPENDITURE) FOR THE YEAR

	2024	2023
	£	£
This is stated after charging:		
Amortisation of intangible fixed assets	194,092	175,501
Depreciation	27,683	89,63
Auditor's remuneration:		
Fees payable to the charity's auditor for the audit of the charity's annual accounts	21,925	20,500
Total office lease payments	155,703	140,441
Total other operating lease payments	5,000	5,000

4. ANALYSIS OF TOTAL EXPENDITURE

	Staff Costs £	Support Costs £	Direct Costs £	2024 Total £	2023 Total £
Cost of generating funds:					
Fundraising costs	-	-	28,411	28,411	34,138
Charitable Expenditure:					
Costs of activities in furtherance of the charity's objectives:					
Using competitions to raise skill standards and promote excellence	2,988,791	794,541	4,680,000	8,463,332	8,820,809
Governance costs	-	38,855	-	38,855	21,145
Total expenditure	2,988,791	833,396	4,708,411	8,530,598	8,876,092

Expenditure on charitable activities was £8,502,187 (2023: £8,841,954) of which £7,045,424 (2023: £7,948,808) was restricted and £1,456,763 (2023: £893,146) was unrestricted.

5. SUPPORT COSTS

	General £	Office Costs £	Governance Costs £	2024 Total £	2023 Total £
Using competitions to raise skill standards and promote excellence	291,808	502,733	38,855	833,396	684,080

6. EMPLOYEES

	2024	2023
	£	£
Staff costs consists of:		
Wages and salaries	2,522,316	2,946,866
Social security costs	279,549	338,240
Pension costs	133,079	153,985
External staff costs	53,847	101,899
	2,988,791	3,540,990

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

	2024	2023
	No.	No.
Permanent contract	37	45
Fixed-term contract	12	9
	49	54

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

	2024	2023
	No.	No.
£60,001 to £70,000	3	4
£70,001 to £80,000	3	3
£80,001 to £90,000	2	2
£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 9 (2023: 10), at a cost of £41,270 (2023: £56,208).

7. TRUSTEES' REMUNERATION, 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 (2023: £Nil).

Dr Neil Bentley-Gockmann was 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 £18,619 (2023: £129,270) and pension contributions of £1,676 (2023: £11,634) in his role as CEO.

During the year, 5 Trustees (2023: 2) received reimbursements of personal travel and subsistence expenditure amounting to £1,842 (2023: £226).

The total Key Management Personnel (The Board, CEO and Directors) payroll costs during this year were £635,743 (2023: £470,613).

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: £Nil (2023: £159,270).

9. INCOME IN KIND

WorldSkills UK 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), income in kind and the economic contribution of general volunteers is not recognised in the accounts.

10. INTANGIBLE FIXED ASSETS

	Software £	Total £
Cost		
At 1 April 2023	919,475	919,475
Additions	<u>185,448</u>	<u>185,448</u>
At 31 March 2024	1,104,923	1,104,923
Amortisation		
At 1 April 2023	449,140	449,140
Charge for the year	194,092	194,092
At 31 March 2024	643,233	643,233
Net book value		
At 31 March 2024	461,690	461,690
At 31 March 2023	470,335	470,335

11. TANGIBLE FIXED ASSETS

	Equipment £	Total £
Cost		
At 1 April 2023	343,652	343,652
Additions	91,809	91,809
At 31 March 2024	435,461	435,461
Depreciation		
At 1 April 2023	318,735	318,735
Charge for the year	27,683	27,683
At 31 March 2024	346,418	346,418
Net book value		
At 31 March 2024	89,043	89,043
At 31 March 2023	24,917	24,917

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 (2023: £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 exemption provided by section 405 the Companies Act 2006 not to prepare group accounts.

13. DEBTORS

	2024 £	2023 £
Trade debtors	136,002	158,862
Other taxes and social security	23,708	127,838
Prepayments and accrued income	1,587,142	884,840
	1,746,852	1,171,540

14. CREDITORS: amounts falling due within one year

	2024 £	2023 £
Trade creditors	426,316	312,341
Other taxes and social security costs	492,480	81,845
Accruals and deferred income	156,809	329,217
Other creditors	1,201	718
	1,076,806	724,121
Movements on deferred income account in year: -		
Contract receipts unearned as at 1 April	65,066	69,500
Amounts released in year	(64,666)	(69,100)
Amounts received in year	103,749	64,666
Contract receipts unearned at 31 March	104,149	65,066

15. FUNDS

	Designated funds £	Restricted funds £	Unrestricted funds £
Balance at 1 April 2023	350,000	718,268	2,317,520
Income	202,656	6,950,000	1,020,487
Expenditure	(83,827)	(7,045,424)	(1,604,003)
Balance at 31 March 2024	468,829	622,844	1,734,004

Designated funds of £350,000 were set aside from unrestricted reserves to underwrite innovative activities essential to the future sustainability of WorldSkills UK, which include supporting the Centre of Excellence, investment in key technology to deliver against the strategy with reduced staffing levels and maintain a contingency to mitigate future organisational changes. A further £203k was set aside in 2023-24 to provide additional support to Centre of Excellence and acquire a new Customer Relations Management system.

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

	At 1 April 2023	Income £	Expenditure £	At 31 March 2024 £
Department for Education	348,413	6,700,000	(6,626,345)	422,068
NCFE	369,855	250,000	419,080	200,775
Balance at 31 March 2024	718,268	6,950,000	(7,045,424)	622,844

The Department for Education (DfE) grant supports WorldSkills UK to raise standards in technical education and skills training (TVET), working towards world class levels, through national and international competition-based training, workforce development in FE sector and careers activities that increase the prestige of TVET.

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

The 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 2024 are represented by:

	Restricted funds £	Unrestricted funds £	Total funds £
Intangible fixed assets	319,204	142,487	461,690
Tangible fixed assets	42,223	46,820	89,044
Net current assets	261,417	2,013,526	2,274,943
	622,844	2,202,833	2,825,677

17. PENSION

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

The pension cost charge represents contributions payable by the charity to the fund and amounted to £133,079 (2023: £153,985).

18. LEASE COMMITMENTS

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

	2024 £	2023 £
Land and Buildings		
On operating leases expiring		
Within one year	39,894	35,562
Within 2 to 5 years	-	-
	39,894	35,562

19. RELATED PARTY TRANSACTIONS

Marion Plant OBE, FCGI is 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 £nil (2023: £nil) and purchases of £24,365 (2023: £28,668). At the year end, there were no balances outstanding with NWSLC (2023: £nil).

Brian Doran is a trustee of the board of WorldSkills UK and Chief Executive of Southern Regional College (SRC). During the year WorldSkills UK made purchases from SRC of £nil (2023: £2,000). At the year end, there was an amount owing to SRC of £nil (2023: nil).

Dr Neil Bentley-Gockmann OBE was 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 from WIG of £21,676 (2023: £6,240). At the year end, the amount owing to WIG of £nil (2023: £3,840).

Jatinder Sharma is a trustee of the board of WorldSkills UK and Principal and Chief Executive of Walsall College. During the year WorldSkills UK made purchases from Walsall College of £nil (2023: £nil).

Jonathan Peter Vincent is a trustee of the board of WorldSkills UK and Principal and Chief Executive of Glasgow Clyde College. During the year WorldSkills UK made purchases from Glasgow Clyde College of £15,840 (2023: £nil).

Mel Higgins is a trustee of the board of WorldSkills UK and Principal and Chief Executive and operating Officer of Northern College. During the year WorldSkills UK made purchases from Northern College of £70 (2023: £nil).

Professor Sean Wellington is a Trustee of the Board of WorldSkills UK and former Provost - Deputy Vice- Chancellor of Middlesex University. During the year WorldSkills UK made purchases from Middlesex University of £28,139 (2023: £24,706).

At the year-end nothing was owed to trustees in relation to expenses (2023: £nil).

20. ANALYSIS OF CHANGES IN NET FUNDS

	At 1 April 2023	Cash flows	At 31 March 2024
	£	£	£
Cash at bank and in hand	2,443,117	(838,220)	1,604,897
	2,443,117	(838,220)	1,604,897

21. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2023

Notes Unrestricted Restricted **2023**

		Funds £	Funds £	Total £
INCOME FROM				
Generated funds:				
Income from investments	2	3,497	-	3,497
Income from charitable activities:				
Using competitions to raise skill standards and promote excellence		928,972	7,699,994	8,628,466
Total income		932,469	7,699,494	8,631,963
EXPENDITURE ON				
Expenditure on Raising funds:				
Fundraising costs	4	34,138	-	34,138
Charitable activities by objective:				
Using careers advice events and skills competitions to raise skill standards and promote excellence	4	893,146	7,948,808	8,841,954
Total expenditure	4	927,284	7,948,808	8,876,092
Net income/(expenditure) for the year		5,185	(249,314)	(244,129)
Fund balances brought forward		2,662,335	967,582	3,629,917
Fund balances carried forward	16	2,667,520	718,268	3,385,788

Accounts

Company No: 02535199

Charity No: 1001586

**WORLDSKILLS UK
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

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WORLDSKILLS UK
ANNUAL REPORT OF THE TRUSTEES INCORPORATING THE STRATEGIC
REPORT
FOR THE YEAR ENDED 31 MARCH 2023

The Board of Trustees of WorldSkills UK (“the Charity”) presents its annual report incorporating the strategic report for the year ended 31 March 2023, 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 18.

The present Trustees (who are also the Directors), and any past Trustees who served during the year, are shown on page 17, together with the names of the senior executive staff. The external advisers of the Charity are also set out on page 18.

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 2022/23.

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.

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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.

CHAIRS' COMMITTEE (disbanded 6 July 2022)

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;

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ANNUAL REPORT OF THE TRUSTEES INCORPORATING THE STRATEGIC
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FOR THE YEAR ENDED 31 MARCH 2023

- 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 and 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.

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

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

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

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ANNUAL REPORT OF THE TRUSTEES INCORPORATING THE STRATEGIC
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RISK MANAGEMENT

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

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

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 continuing to strengthen relations with teams across 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. Success in the 2022 grant application process (GAP) secured two years of core DfE grant funding for WorldSkills UK programmes from April 2023 to March 2025. This recognised the competence and credibility of WorldSkills UK and provided some financial stability, though the annual grant value is a reduction from 2022-23. Consideration is required to funding arrangements from 2025 to support financial and strategic sustainability.

A reduction in grant value, at a time of high inflation and economic uncertainties, has meant that the management has had to make some hard budget decisions and to assess fully the value of each programme and activity, alongside identifying programmes and initiatives where there is capacity to grow including strategic investment partnerships. The core grant funding agreement also restricts spending in particular areas. This includes staff resourcing and, as a result, the organisation has undertaken a reorganisation and realignment process to ensure staff resources align with operational and strategic priorities and meet budget allocations. This involves recruitment to a number of new roles, which is challenging at a period of high competition for staff and significant wage pressure.

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Alongside the reduction in budget are expectations of growth in reach and impact. To deliver to higher volumes, following the successful introduction of digital products and platforms developed during the Covid pandemic, WorldSkills UK is now responding to the expectation of hybrid forms of delivery blending physical face to face delivery with the advantages and accessibility of digital products and delivery. A successful mix of delivery modes is key to achieving the growth targets, including new forms of delivery, such as through working with partners with established delivery networks.

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 maintaining robust relationships with the governments, stakeholders and elected representatives in each UK nation. It is working to identify and deliver priority actions in line with both WorldSkills UK's and devolved nation strategies and to retain strong policy positions, to secure future funding contributions to WorldSkills UK's core activities.

Political and economic uncertainties, including those relating to the rising costs of living, the war in Ukraine and an impending general election present WorldSkills UK with a number of challenges, such as pressures to further evidence value and return on investments. These, mean that there is a challenging context to the work of WorldSkills UK. There are, however, opportunities for WorldSkills UK to make a major contribution to raising standards in technical education and to better meeting future skills across the UK, and to use its unique global platform and partnerships to leverage involvement and further progress towards strategic goals.

PRINCIPAL ACTIVITIES

WorldSkills UK is an independent charity and a four nations 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.

WorldSkills UK is a world-class skills network acting as a catalyst for:

- Raising standards: through international benchmarking and professional development.
- Championing future skills: through analysis of rapidly changing economic demand.
- Empowering young people, from all backgrounds: through competitions-based training and careers advocacy.

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The organisation is working to help the UK become a “skills economy”: boosting the prestige of technical and professional education by embedding world-class training standards across the UK to help drive investment, job creation and economic growth

It is a member of WorldSkills, a global movement of over 80 countries which enables young people via competition-based training, assessment and benchmarking to work towards world-class standards. Members’ national teams ultimately test their ability to achieve these in biennial ‘skills olympics’.

REVIEW OF ACTIVITIES

Introduction

WorldSkills UK focused strongly in 2022-23 on delivering its three goals:

1. Raising standards - through international benchmarking:

Through the Centre of Excellence, developed in partnership with NCFE, WorldSkills UK mainstreamed international best practice to raise standards in teaching, learning and assessment. As the core of a suite of Continuous Professional Development (CPD) initiatives, this impacted over 25% of FE colleges in the UK and laid the foundations for a future, expanded programme.

2. Championing future skills - through analysis of rapidly changing economic demand:

Diagnostic research and international insights informed changes to WorldSkills UK’s CPD and competition based-training programmes, so they contributed further to boosting the supply and quality of skills, and provided business and educational organisations with new actionable findings in skill needs for economic growth.

3. Empowering young people, from all backgrounds - through competitions-based training and careers advocacy:

WorldSkills UK reached a milestone of engaging one million young people since 2017 during 2022-23. It increased participation in national skills competition programmes, raising levels of technical and employability skills and took part in the international finals of skills competitions, where Team UK finished in the top 10 globally. It provided inspiring interactions for young people of all backgrounds, showcasing opportunities and benefits of high quality technical and vocational pathways.

Across its programmes, WorldSkills UK worked closely with partners in England, Scotland, Wales and Northern Ireland; employers and businesses; educational organisations and

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sector bodies, recognising that these partnerships are vital to achieving the goal of building a world-class skills system across the UK.

Achievements and outcomes

WorldSkills UK harnessed and applied insights from **international best practice** to improve standards in the UK skills system, forming three new partnerships, with Kenya, the Netherlands and Finland, bringing the total to seven. These new links focused on driving innovation and excellence in the quality and delivery of technical education in the UK in future skills, including Digital, Green and STEM and pedagogical developments linking education and industry. It deepened existing **international partnerships**, building knowledge of their competition programmes in priority skill sectors and using these to develop UK competition practice. Participation in knowledge exchange visits, included a study tour to the Netherlands that enabled UK educators to observe national competition finals and share ideas with five other nations, developing **national and international communities of best practice**.

WorldSkills UK's '**International benchmarking and insights: bringing world-class skills to the UK**' report contained cutting-edge insights on world-leading skills development techniques and demonstrated how these are improving standards in high priority areas in the UK (including in Digital Construction, Robot Systems, Electronics, Cyber Security and Computer Aided Design). The third **International Skills Summit** promoted WorldSkills UK's work on producing insights on the need for a world-class skills economy and how to develop one.

Working with **employers and organisations to support the creation of a pipeline of future workers** in skills sectors most beneficial for the UK's economic development and to meet the needs of employers is a key goal for WorldSkills UK. Its **Independent Skills Taskforce report** progressed this goal by examining how high-quality prestige skills systems in the UK can be developed to help attract foreign investment in key sectors by 2030.

Another activity supporting this goal was the partnership with the **High Value Manufacturing Catapult**. For example, this enabled the assessment of the suitability of skills competition programmes for young people to gain skills related to electrification. The publication of a WorldSkills UK prospectus '**Levelling up through skilling up: How developing world-class skills can spread opportunity and boost productivity**' demonstrated how its programmes help spread opportunity in all parts of the UK and improve productivity.

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WorldSkills UK works to improve the **professionalism of educators in the technical and vocational skills sector** by mainstreaming world-class practice and supporting improvements in the quality of teaching focused on (CPD) programmes that reached 4,470 educators. These supported educators in inspiring learners to work towards excellence in technical and vocational skills. The second year of the **Centre of Excellence** programme, in partnership with NCFE, was core to this work. It delivered high quality CPD to 4,080 educators from 48 colleges and training providers and reached 92,000 young people. 74% of participants said that the programme had a substantial or major positive impact on the quality of their teaching, learning and assessments and over half of participants in the first year of the programme reported a major or substantial change to learners' understanding of what is required in the workplace, on their confidence, engagement in lessons and on their motivation to improve their work. 31 organisations in the network were in Levelling Up priority areas and activities focused on supporting learners to develop knowledge skills and behaviours to become work ready. The programme featured positively in two college Ofsted reports recognising the methodology as reflecting the needs of industry and having an engaging and positive effect on learners. The second WorldSkills UK **CPD Live event 'Developing excellence in teaching and training'** in partnership with the Education and Training Foundation, reached 600 educators, helping them embed world-class practice; learn more about the latest advances in learning technologies; and gain new techniques in supporting learners from underrepresented groups.

WorldSkills UK improved the skills development of young people through competition-based training nationally and internationally. Through the delivery of **national skills development programme**, the skills of almost 5,000 young people were benchmarked against national and international standards, through face to face and online competition-based training programmes. 5,290 young people registered for **national skills competitions**, an increase of 75% on 2022, from 370 organisations, including 78% of all FE colleges. 480 young people progressed through the competition journey and took part in **live in person National Finals competitions** at one of seven venues, spread across the UK. 86% of finalists thought their technical skills and employability skills had improved as a result of the competition. To increase the reach of competition-based training, WorldSkills UK produced a set of pilot **competition-based training** resources which enabled 410 young people to benchmark their skills. The **Inclusivity in Excellence** project gave 550 young people in 11 colleges in disadvantaged areas in the UK experience of competition-based training to encourage more participation and achievement in apprenticeships and technical education.

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The first **WorldSkills international skills competition** since the Covid pandemic took place in 26 cities in 15 countries across the globe, including Cardiff and Wrexham in Wales.

WorldSkills UK's Team UK consisted of 35 competitors who participated in 29 skills and achieved two gold medals, three bronze medals and 12 Medallions of Excellence. This strong performance resulted in the UK finishing in 10th place in the world across all competitions (out of 58 countries) and fourth place in Digital Skills competitions. The start of the next **international competition cycle** started in January 2023 with the announcement of Squad UK for the WorldSkills competition finals in Lyon in 2024. The Squad consists of 71 young people, representing 26 skills, including new skills in renewable energy and additive manufacturing. 37% are apprentices, 6% are ethnic minorities and 32% are female.

WorldSkills UK **advocated to young people to increase the prestige, awareness and aspirations in technical and vocational education and careers**. Over 43,000 young people were provided with high quality encounters to support their decisions about skills, training and careers, with a focus on technical education and skills. 71% of young people believed their encounters improved their knowledge of technical and vocational training. A new format of **Spotlight on Careers talks** was produced, covering the priority skills sectors of Engineering and Manufacturing, Digital, Construction and Creative and the pathways to careers in each. Over 7,000 young people engaged with these. A further 29,000 young people benefitted from engaging with WorldSkills UK's **careers education and advice resources** through sessions run by careers leaders and advisers using role model videos, lesson plans/materials and workshops focused on technical education and skills. A revised **Skills Champions programme** was launched to develop competition alumni, so they are able to deliver engaging careers activities. These reached over 1,700 young people, through talks, hands on sessions and careers inspiration events across the UK.

Funding diversification

WorldSkills UK focused on developing a more sustainable income portfolio that is increasingly diversified, with £1.2m million of non-core grant cash investment being secured in 2022-23 which matched with the 2021-22 level. This was achieved through a mix of well-established and effectively maintained relationships with businesses and providers, and a number of strategic investment partnerships based on the value and relevance in the expanded product range and the growing impact. These included extending the key partnerships with NCFE, in particular in relation to the second phase of Centre of Excellence from 2023-24, and further investment from businesses including BAE Systems and the Education and Training Foundation. Grants from governments of Northern Ireland and Wales (via the Inspiring Skills Excellence in Wales project) and growing support from public funding agencies in Scotland were critical to retaining the UK wide coverage of WorldSkills UK. WorldSkills UK management estimate that further value in kind support for its programmes worth £6.2m is contributed by partner organisations, including the governments in Northern

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Ireland and Wales (the latter via the Inspiring Skills Excellence in Wales project) and sector stakeholders in Scotland. This compared with £5.8m in 2021-22. This means that for the first time, non-core DfE grant income to WorldSkills UK formed a majority of total income in 2022-23: 51% against 49% from core DfE income.

Strategic partnerships

In addition to new business and employer partnerships, WorldSkills UK continued to strengthen strategic and funding relationships with the 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 strengthened through grant agreements. Significant progress was made in further expanding and deepening government, further education and stakeholder links within Scotland. Strategic investment partnerships were developed with a number of sector players, a number in relation to financial support for new competitions and, in particular, the second phase of the Centre of Excellence CPD programme where NCFE continues to be a major funder, with additional investment from the Skills and Education Group and Autodesk.

FUTURE PLANS

During 2022-23, WorldSkills UK competed successfully through an open and competitive tender process (the grant application process) for Department for Education (DfE) funding for the 2023- 25 period. Despite annual grant funding from DfE being reduced for this period, the two-year grant provides some stability and allows a degree of medium-term planning.

As a result, WorldSkills UK has set out its strategic direction for the period. This is based on three key goals within an overall purpose of helping the UK become a “skills economy”: boosting the prestige of technical and professional education by embedding world-class training standards across the UK to help drive investment, job creation and economic growth.

- **Raising standards: through international benchmarking and professional development**

WorldSkills UK will grow the UK network of institutions leveraging expertise from international partners, embedding global best practice, insights and techniques that improve the quality of teaching and assessment. During 2023-4, WorldSkills UK will play a key role in driving innovation and excellence in the quality and delivery of further and technical education in the UK. To do this, it will further develop its partnerships with international counterparts and mainstream this learning to help educators improve the quality of teaching, training and assessment and deliver a world-class education in the UK. Building on the success of its Centre of Excellence programme, WorldSkills UK will continue its partnership with NCFE and will launch a second phase of the programme, enabling more

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organisations and educators to raise their skill levels through embedding global insights, techniques and best practice. Thousands of learners will benefit from this. Supporting this programme, online resources will be consolidated onto the Learning Lab, providing easy access, free lesson and teaching materials to support the professional development of educators, careers leaders and young people. These resources will include a range of benchmarking resources enabling young people to test their skills against standardized levels based on national and international standards.

- **Championing future skills: through analysis of rapidly changing economic demand**

WorldSkills UK will champion the demand and supply of world-class skills for sectors that are priorities for economic growth through diagnostic research and international benchmarking, helping attract investment to create jobs and drive growth.

In the coming year, WorldSkills UK will review the portfolio of its skills competitions to ensure they are fit for the future, align better with UK economic priorities and provide strong value for money. This will see a shift to more competitions in skills linked with the STEM, digital and net zero sectors. Insights work will focus on gaining expertise and knowledge from international partners to inform the development of world class skills programmes and systems across the UK. This will be achieved through research, thought leadership activities and establishing communities of best practice. Transferring international best practice into the UK network will support partners to drive up standards in future skills to help boost productivity and meet changing economic demand. During the year WorldSkills UK will explore how it can best add value at regional level, so that programmes can be tailored to meet the challenges and skills priorities of nations and regions.

- **Empowering young people, from all backgrounds: through competitions-based training and careers advocacy**

WorldSkills UK will enable and support young people from all backgrounds to reach their potential through developing the skillset and mindset to succeed.

2023-24 will see the return to live European skills competitions, with a team of young people representing the UK in Gdansk in September. This event is part of the preparation for WorldSkills international competition in 2024, and a Squad of 70 young people will work towards selection for the Team in spring 2024 which will represent the UK at WorldSkills international competition in Lyon in August 2024.

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A cycle of 54 national competitions, including those aimed at learners at entry or level 1, will culminate in a national finals event in Greater Manchester in November 2023. The live finals also provide an opportunity to deliver a number of skills inspiration activities aimed at supporting students to make career decisions and improve participation in technical education and skills, including apprenticeships. Alongside competitions, greater reach and impact on young people will be achieved in the year through providing online competition-based training programmes that test their skills against national and international standards. The network of past competitors will be expanded so that alumni can receive professional development enabling them to deliver high quality engagements that inspire learners to consider education and skills paths into technical skills, especially those that are key for economic growth. There will be a focus on supporting those facing disadvantages or challenges in their skills journeys.

Across its work, WorldSkills UK will continue to focus on growing its network of provider partners across the UK's regions and nations; encouraging more diverse young people to take advantage of the world-class training on offer; and building commercial investments partnerships that support employers to get the high-quality skills they need. 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.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The Statement of Financial Activities (SoFA), set out on page 24 shows that gross income decreased by 1.7% to £8.63 million (2022: increased by 29.7% to £8.78 million) and expenditure increased by 4.7% to £8.88 million (2022: increased by 36.4% to £8.48 million) resulting in a decrease of net assets of £244k to £3.4 million (2022: increase of £303k to £3.6 million).

Financially:

- income generated through unrestricted grants and donations (including investment income) totalled £1,431k (2022: £808k).
- income generated through restricted grants and donations was £7,200k (2022: £7,971k).
- expenditure on careers advice events, teacher training and skills competition programmes totalled £8,841k (2022: £8,439k).

Going concern

The Trustees have received written confirmation that the DfE expects to continue to provide grant funding for 2024-25 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.

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

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

FINANCIAL MANAGEMENT POLICIES

Reserves

WorldSkills UK is predominantly funded by grants from Central UK Government to 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

WORLD SKILLS UK
ANNUAL REPORT OF THE TRUSTEES INCORPORATING THE STRATEGIC
REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

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 2022-23 budget.

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.

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 54 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.

WORLD SKILLS UK
ANNUAL REPORT OF THE TRUSTEES INCORPORATING THE STRATEGIC
REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

AUDITOR

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

MEMBERS OF THE BOARD

Rooney Anand (Chair of the Board) (resigned 09/05/2022)
Dr Neil Bentley-Gockmann OBE (ex-officio)
Dame Dawn Childs DBE (Interim Deputy Chair of the Board from 19/05/2022, permanent Deputy Chair of the Board from 07/12/2022)
Faried Chopdat (appointed 19/10/2021, resigned 13/06/2022)
Mark Dawe
Brian Doran
Mark Farrar (appointed 13/03/2023)
Sam Ingleby (resigned 20/05/2022)
Mike James
William Liles OBE (resigned 09/05/2022)
Dr Paul Little (resigned 04/11/2022)
Audrey Nelson (appointed 13/03/2023)
Marion Plant OBE, FCGI (Deputy Chair of the Board, Interim Chair of the Board from 19/05/2022, permanent Chair of the Board from 07/12/2022)
Jennifer Rudder (appointed 19/10/2021, resigned 13/06/2022)
Justin Rix (appointed 13 March 2023)
Professor Sean Wellington (appointed 13/03/2023)

AUDIT COMMITTEE

Dame Dawn Childs DBE (Committee Chair)
Mike James
Justin Rix (Co-opted Audit Committee Member, appointed Trustee 13/03/2023)
Mark Farrar (Co-opted Audit Committee Member, appointed Trustee 13/03/2023)

FINANCE & GENERAL PURPOSES COMMITTEE

Mark Dawe (Committee Chair)
William Liles OBE (resigned 09/05/2022)
Dr Paul Little (resigned 04/11/22)
Brian Doran

REMUNERATION COMMITTEE

Marion Plant OBE, FCGI (Committee Chair until 09/05/2022)
Rooney Anand (Chair of the Board) (resigned 09/05/2022)
Dame Dawn Childs DBE
Sam Ingleby (resigned 20/05/2022)
Brian Doran (Committee Chair from 22/01/2023)

WORLD SKILLS UK
ANNUAL REPORT OF THE TRUSTEES INCORPORATING THE STRATEGIC
REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

CHAIRS' COMMITTEE (disbanded 6 July 2022)

Rooney Anand (Chair of the Board) (resigned 09/05/2022)
Marion Plant OBE, FCGI (Deputy Chair of the Board)
Dame Dawn Childs DBE (Audit Committee Chair)
Mark Dawe (Finance & General Purposes Committee Chair)

EXECUTIVE OFFICERS

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

REGISTERED OFFICE

25 Wilton Road
London
SW1V 1LW

PRINCIPAL PROFESSIONAL ADVISERS

Solicitors

Bates Wells & Braithwaite
10 Queen Street Place
London EC4R 1BE

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

By order of the Board of Trustees

Marion Plant

Marion Plant OBE, FCGI

Chair of the Board of Trustees, WorldSkills UK
signing as so authorised.

Date: 17-Nov-2023

WORLDSKILLS UK
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
WORLDSKILLS UK
YEAR ENDED 31 MARCH 2023

Opinion

We have audited the financial statements of WorldSkills UK (the 'charity') for the year ended 31 March 2023 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 2023 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.

WORLDSKILLS UK
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
WORLDSKILLS UK (CONTINUED)
YEAR ENDED 31 MARCH 2023

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.

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.

WORLDSKILLS UK
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
WORLDSKILLS UK (CONTINUED)
YEAR ENDED 31 MARCH 2023

Responsibilities of the Trustees

As explained more fully in the trustees' responsibilities statement on pages 4 and 5, 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.

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;

WORLDSKILLS UK
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
WORLDSKILLS UK (CONTINUED)
YEAR ENDED 31 MARCH 2023

- 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

WORLDSKILLS UK
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
WORLDSKILLS UK (CONTINUED)
YEAR ENDED 31 MARCH 2023

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 20, 2023 10:17 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: 20-Nov-2023

WORLD SKILLS UK
STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating the Income and Expenditure Account
and Statement of Total Recognised Gains and Losses)
FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Unrestricted	Restricted	2023	<i>2022</i>
		Funds	Funds	Total	<i>Total</i>
		£	£	£	£
INCOME FROM					
Generated funds:					
Income from investments	2	3,497	-	3,497	43
Income from charitable activities:					
Using competitions to raise skill standards and promote excellence		928,972	7,699,494	8,628,466	8,744,546
Income in kind and donated facilities	9	-	-	-	34,140
Total income		932,469	7,699,494	8,631,963	8,778,729
EXPENDITURE ON					
Expenditure on Raising funds:					
Fundraising costs	4	34,138	-	34,138	36,764
Charitable activities by objective:					
Using careers advice events and skills competitions to raise skill standards and promote excellence	4	893,146	7,948,808	8,841,954	8,438,512
Total expenditure	4	927,284	7,948,808	8,876,092	8,475,276
Net expenditure/income for the year		5,185	(249,314)	(244,129)	303,453
Fund balances brought forward		2,662,335	967,582	3,629,917	3,326,464
Fund balances carried forward	16	2,667,520	718,268	3,385,788	3,629,917

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

The notes on pages 27 to 39 form part of these financial statements.

WORLD SKILLS UK
 Company registered number: 02535199
 Charity registered number: 1001586
BALANCE SHEET
AS AT 31 MARCH 2023

	Note	2023	2022
		£	£
FIXED ASSETS			
Intangible assets	10	470,335	583,641
Tangible assets	11	24,917	89,856
Investments	12	-	-
		495,252	673,497
CURRENT ASSETS			
Debtors	13	1,171,540	2,274,500
Cash at bank		2,443,117	1,413,544
		3,614,657	3,688,044
CREDITORS: amounts			
falling due within one year	14	(724,121)	(731,624)
NET CURRENT ASSETS		2,890,536	2,956,420
NET ASSETS		3,385,788	3,629,917
FUNDS			
Restricted funds	15	718,268	967,582
Unrestricted funds	15	2,317,520	2,312,335
Designated funds	15	350,000	350,000
TOTAL FUNDS	16	3,385,788	3,629,917

Approved by the Board of Trustees on 17-Nov-2023 and signed on their behalf by: -

Marion Plant

Marion Plant OBE, FCGI
 Chair of the Board of Trustees, WorldSkills UK

The notes on pages 27 to 39 form part of these financial statements

WORLDSKILLS UK
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

		2023	2022
		£	£
Net Cash inflow /outflow from operating activities (Note a)		1,112,965	(74,856)
Cash flows from investing activities			
Bank and other interest receipts		3,497	43
Purchase of tangible fixed assets		(24,694)	(17,843)
Purchase of intangible fixed assets		(62,195)	(109,098)
Net cash used in investing activities		(83,392)	(126,898)
Net (decrease) in cash and cash equivalents		1,029,573	(201,754)
Cash and cash equivalents at the beginning of the reporting period		1,413,544	1,615,298
Cash and cash equivalents at the end of the reporting period		2,443,117	1,413,544
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

- Reconciliation of expenditure to net cash flow from operating activities**

	2023	2022
	£	£
Net expenditure/ income for the year	(244,129)	303,453
Bank and other interest receipts	(3,497)	(43)
Depreciation of fixed assets	89,633	90,831
Amortisation of fixed assets	175,501	151,455
Loss on disposal of fixed assets	-	1,715
Decrease/(Increase) in debtors	1,102,960	(48,480)
(Decrease) in creditors	(7,503)	(573,787)
Net cash inflow/(outflow) from operating activities	1,112,965	(74,856)

WORLD SKILLS UK
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2023

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.

WORLD SKILLS UK
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

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.

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.

WORLD SKILLS UK
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

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.

WORLD SKILLS UK
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

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.

WORLDSKILLS UK
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

2. INVESTMENT AND OTHER INCOME		
	2023	<i>2022</i>
	£	<i>£</i>
Interest received	3,497	43

3. NET (EXPENDITURE)/INCOME FOR THE YEAR		
	2023	<i>2022</i>
	£	<i>£</i>
This is stated after charging:		
Amortisation of intangible fixed assets	175,501	151,455
Depreciation	89,633	90,831
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	20,500	18,000
Total office lease payments	140,441	129,786
Total other operating lease payments	5,000	3,896

4. ANALYSIS OF TOTAL EXPENDITURE

	Staff	Support	Direct	2023	<i>2022</i>
	Costs	Costs	Costs	Total	<i>Total</i>
	£	£	£	£	<i>£</i>
Cost of generating funds:					
Fundraising costs	-	-	34,138	34,138	36,764
Charitable Expenditure:					
Costs of activities in furtherance of the charity's objectives:					
Using competitions to raise skill standards and promote excellence	3,540,991	662,935	4,616,883	8,820,809	8,419,512
Governance costs	-	21,145	-	21,145	19,000
Total expenditure	3,540,991	684,080	4,651,021	8,876,092	8,475,276

Expenditure on charitable activities was £8,841,954 (2022: £8,438,512) of which £7,948,807 (2022: £7,759,225) was restricted and £893,147 (2022: £679,287) was unrestricted.

WORLDSKILLS UK
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

5. SUPPORT COSTS

		Office	Governance	2023	2022
	General	Costs	Costs	Total	Total
	£	£	£	£	£
Using competitions to raise skill standards and promote excellence	286,275	376,660	21,145	684,080	577,061

6. EMPLOYEES		
	2023	2022
	£	£
Staff costs consists of:		
Wages and salaries	2,946,867	2,760,466
Social security costs	338,240	305,767
Pension costs	153,985	150,557
External staff costs	101,899	113,036
	3,540,991	3,329,826

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

	2023	2022
	No.	No.
Permanent contract	45	43
Fixed-term contract	9	10
	54	53
The number of employees whose emoluments exceeded £60,000 was:	No.	No.
£60,001 to £70,000	4	5
£70,001 to £80,000	3	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 (2022: 10), at a cost of £56,208 (2022: £47,351).

WORLD SKILLS UK
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

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 (2022: £Nil).

Dr Neil Bentley-Gockmann OBE 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 £129,270 (2022: £129,020) and pension contributions of £11,634 (2022: £7,741) in his role as CEO.

During the year, 2 Trustees (2022: 1) received reimbursements of personal travel and subsistence expenditure amounting to £226 (2022: £182).

The total Key Management Personnel (The Board, CEO and Directors) payroll costs during this year were £470,613 (2022: £457,967).

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: £159,270 (2022: £24,766)

9. INCOME IN KIND

WorldSkills UK 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), income in kind and the economic contribution of general volunteers is not recognised in the accounts.

WORLD SKILLS UK
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

10. INTANGIBLE FIXED ASSETS

	Software £	Total £
Cost		
At 1 April 2022	857,280	857,280
Additions	<u>62,195</u>	<u>62,195</u>
At 31 March 2023	919,475	919,475
Amortisation		
At 1 April 2022	273,639	273,639
Charge for the year	175,501	175,501
At 31 March 2023	449,140	449,140
Net book value		
At 31 March 2023	470,335	470,335
At 31 March 2022	583,641	583,641

11. TANGIBLE FIXED ASSETS

	Equipment £	Total £
Cost		
At 1 April 2022	318,958	318,958
Additions	24,694	24,694
Disposals	-	-
At 31 March 2023	343,652	343,652
Depreciation		
At 1 April 2022	229,102	229,102
Charge for the year	89,633	89,633
Disposals	-	-
At 31 March 2023	318,735	318,735
Net book value		
At 31 March 2023	24,917	24,917
At 31 March 2022	89,856	89,856

WORLDSKILLS UK
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

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 (2022: £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 exemption provided by section 405 of the Companies Act 2006 not to prepare group accounts.

13. DEBTORS		
	2023	2022
	£	£
Trade debtors	158,862	163,460
Other taxes and social security	127,838	162,301
Prepayments and accrued income	884,840	1,948,739
	1,171,540	2,274,500

14. CREDITORS: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	312,341	447,485
Other taxes and social security costs	81,845	98,043
Accruals and deferred income	329,217	184,898
Other creditors	718	1,198
	724,121	731,624
Movements on deferred income account in year: -		
Contract receipts unearned as at 1 April	69,500	185,024
Amounts released in year	(69,100)	(185,024)
Amounts received in year	64,666	69,500
Contract receipts unearned at 31 March	65,066	69,500

WORLD SKILLS UK
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

15. FUNDS

	Designated funds	Restricted funds	Unrestricted funds
	£	£	£
Balance at 1 April 2022	350,000	967,582	2,312,335
Income	-	7,699,494	932,469
Expenditure	-	(7,948,808)	(927,284)
Balance at 31 March 2023	350,000	718,268	2,317,520

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 2022	Income	Expenditure	At 31 March 2023
		£	£	£
Department for Education	595,418	7,200,001	(7,447,006)	348,413
NCFE	372,164	496,993	(499,302)	369,855
Income in Kind & Donations	-	2,500	(2,500)	-
Balance at 31 March	967,582	7,699,494	(7,948,808)	718,268

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 setup of online career training content.

WORLD SKILLS UK
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

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 2023 are represented by:

		Restricted funds	Unrestricted funds	Total funds
		£	£	£
Intangible fixed assets		323,497	146,838	470,335
Tangible fixed assets		24,917	-	24,917
Net current assets		369,854	2,520,682	2,890,536
		718,268	2,667,520	3,385,788

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 £153,985 (2022 - £150,557). Contributions of £Nil are due at the year-end (2022 - £264).

18. LEASE COMMITMENTS

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

			2023	<i>2022</i>
			£	<i>£</i>
Land and Buildings				
On operating leases expiring				
Within one year			35,562	43,105
Within 2 to 5 years			-	43,105
			35,562	43,105
Other				
On operating leases expiring				
Within one year			-	-
Within 2 to 5 years			-	-

WORLD SKILLS UK
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

19. RELATED PARTY TRANSACTIONS

Dr 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 from CGC of £10,605 (2022: £10,851). At the year end, there was no amount owing to CGC (2022: £2,500).

Marion Plant OBE, FCGI is 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 £nil (2022: £6,000) and purchases of £28,668 (2022: £23,040). At the year end, there were no balances outstanding with NWSLC (2022: £nil).

Brian Doran is a trustee of the board of WorldSkills UK and Principal and Chief Executive of Southern Regional College (SRC). During the year WorldSkills UK made purchases from SRC of £2,000 (2022: £4,050). At the year end, there was an amount owing to SRC of £nil (2022: nil).

Dr Neil Bentley-Gockmann OBE 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 from WIG of £6,240 (2022: £9,720). At the year end, the amount owing to WIG of £nil (2022: £3,840).

Professor Sean Wellington is a trustee of the Board of WorldSkills UK and Provost - Deputy Vice- Chancellor of Middlesex University. During the year WorldSkills UK made purchases from Middlesex University of £24,706.

At the year-end nothing was owed to trustees in relation to expenses (2022: £nil).

20. ANALYSIS OF CHANGES IN NET FUNDS

	At 1 April 2022 £	Cash flows £	At 31 March 2023 £
Cash at bank and in hand	1,413,544	1,029,573	2,443,117
	1,413,544	1,029,573	2,443,117

WORLDSKILLS UK
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

21. POST BALANCE SHEET EVENT

Governance arrangements that will continue in 2023-24 are under review.

22. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Unrestricted	Restricted	2022
		Funds	Funds	Total
		£	£	£
INCOME FROM				
Generated funds:				
Income from investments	2	43	-	43
Income from charitable activities:				
Using competitions to raise skill standards and promote excellence		807,796	7,936,750	8,744,546
Income in kind and donated facilities	9	-	34,140	34,140
Total income		807,839	7,970,890	8,778,729
EXPENDITURE ON				
Expenditure on Raising funds:				
Fundraising costs	4	36,764	-	36,764
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
Total expenditure	4	716,051	7,759,225	8,475,276
Net income for the year		91,788	211,665	303,453
Fund balances brought forward		2,570,547	755,917	3,326,464
Fund balances carried forward	16	2,662,335	967,582	3,629,917

Company No: 02535199

Charity No: 1001586

**WORLDSKILLS UK
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

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WORLDSKILLS UK
ANNUAL REPORT OF THE TRUSTEES INCORPORATING THE STRATEGIC
REPORT
FOR THE YEAR ENDED 31 MARCH 2023

The Board of Trustees of WorldSkills UK (“the Charity”) presents its annual report incorporating the strategic report for the year ended 31 March 2023, 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 18.

The present Trustees (who are also the Directors), and any past Trustees who served during the year, are shown on page 17, together with the names of the senior executive staff. The external advisers of the Charity are also set out on page 18.

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 2022/23.

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.

WORLD SKILLS UK
ANNUAL REPORT OF THE TRUSTEES INCORPORATING THE STRATEGIC
REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

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.

CHAIRS' COMMITTEE (disbanded 6 July 2022)

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;

WORLD SKILLS UK
ANNUAL REPORT OF THE TRUSTEES INCORPORATING THE STRATEGIC
REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

- 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 and 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.

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.

WORLD SKILLS UK
ANNUAL REPORT OF THE TRUSTEES INCORPORATING THE STRATEGIC
REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

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:

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 continuing to strengthen relations with teams across 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. Success in the 2022 grant application process (GAP) secured two years of core DfE grant funding for WorldSkills UK programmes from April 2023 to March 2025. This recognised the competence and credibility of WorldSkills UK and provided some financial stability, though the annual grant value is a reduction from 2022-23. Consideration is required to funding arrangements from 2025 to support financial and strategic sustainability.

A reduction in grant value, at a time of high inflation and economic uncertainties, has meant that the management has had to make some hard budget decisions and to assess fully the value of each programme and activity, alongside identifying programmes and initiatives where there is capacity to grow including strategic investment partnerships. The core grant funding agreement also restricts spending in particular areas. This includes staff resourcing and, as a result, the organisation has undertaken a reorganisation and realignment process to ensure staff resources align with operational and strategic priorities and meet budget allocations. This involves recruitment to a number of new roles, which is challenging at a period of high competition for staff and significant wage pressure.

WORLDSKILLS UK
ANNUAL REPORT OF THE TRUSTEES INCORPORATING THE STRATEGIC
REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Alongside the reduction in budget are expectations of growth in reach and impact. To deliver to higher volumes, following the successful introduction of digital products and platforms developed during the Covid pandemic, WorldSkills UK is now responding to the expectation of hybrid forms of delivery blending physical face to face delivery with the advantages and accessibility of digital products and delivery. A successful mix of delivery modes is key to achieving the growth targets, including new forms of delivery, such as through working with partners with established delivery networks.

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 maintaining robust relationships with the governments, stakeholders and elected representatives in each UK nation. It is working to identify and deliver priority actions in line with both WorldSkills UK's and devolved nation strategies and to retain strong policy positions, to secure future funding contributions to WorldSkills UK's core activities.

Political and economic uncertainties, including those relating to the rising costs of living, the war in Ukraine and an impending general election present WorldSkills UK with a number of challenges, such as pressures to further evidence value and return on investments. These, mean that there is a challenging context to the work of WorldSkills UK. There are, however, opportunities for WorldSkills UK to make a major contribution to raising standards in technical education and to better meeting future skills across the UK, and to use its unique global platform and partnerships to leverage involvement and further progress towards strategic goals.

PRINCIPAL ACTIVITIES

WorldSkills UK is an independent charity and a four nations 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.

WorldSkills UK is a world-class skills network acting as a catalyst for:

- Raising standards: through international benchmarking and professional development.
- Championing future skills: through analysis of rapidly changing economic demand.
- Empowering young people, from all backgrounds: through competitions-based training and careers advocacy.

WORLDSKILLS UK
ANNUAL REPORT OF THE TRUSTEES INCORPORATING THE STRATEGIC
REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

The organisation is working to help the UK become a “skills economy”: boosting the prestige of technical and professional education by embedding world-class training standards across the UK to help drive investment, job creation and economic growth

It is a member of WorldSkills, a global movement of over 80 countries which enables young people via competition-based training, assessment and benchmarking to work towards world-class standards. Members’ national teams ultimately test their ability to achieve these in biennial ‘skills olympics’.

REVIEW OF ACTIVITIES

Introduction

WorldSkills UK focused strongly in 2022-23 on delivering its three goals:

1. Raising standards - through international benchmarking:

Through the Centre of Excellence, developed in partnership with NCFE, WorldSkills UK mainstreamed international best practice to raise standards in teaching, learning and assessment. As the core of a suite of Continuous Professional Development (CPD) initiatives, this impacted over 25% of FE colleges in the UK and laid the foundations for a future, expanded programme.

2. Championing future skills - through analysis of rapidly changing economic demand:

Diagnostic research and international insights informed changes to WorldSkills UK’s CPD and competition based-training programmes, so they contributed further to boosting the supply and quality of skills, and provided business and educational organisations with new actionable findings in skill needs for economic growth.

3. Empowering young people, from all backgrounds - through competitions-based training and careers advocacy:

WorldSkills UK reached a milestone of engaging one million young people since 2017 during 2022-23. It increased participation in national skills competition programmes, raising levels of technical and employability skills and took part in the international finals of skills competitions, where Team UK finished in the top 10 globally. It provided inspiring interactions for young people of all backgrounds, showcasing opportunities and benefits of high quality technical and vocational pathways.

Across its programmes, WorldSkills UK worked closely with partners in England, Scotland, Wales and Northern Ireland; employers and businesses; educational organisations and

WORLD SKILLS UK
ANNUAL REPORT OF THE TRUSTEES INCORPORATING THE STRATEGIC
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sector bodies, recognising that these partnerships are vital to achieving the goal of building a world-class skills system across the UK.

Achievements and outcomes

WorldSkills UK harnessed and applied insights from **international best practice** to improve standards in the UK skills system, forming three new partnerships, with Kenya, the Netherlands and Finland, bringing the total to seven. These new links focused on driving innovation and excellence in the quality and delivery of technical education in the UK in future skills, including Digital, Green and STEM and pedagogical developments linking education and industry. It deepened existing **international partnerships**, building knowledge of their competition programmes in priority skill sectors and using these to develop UK competition practice. Participation in knowledge exchange visits, included a study tour to the Netherlands that enabled UK educators to observe national competition finals and share ideas with five other nations, developing **national and international communities of best practice**.

WorldSkills UK's '**International benchmarking and insights: bringing world-class skills to the UK**' report contained cutting-edge insights on world-leading skills development techniques and demonstrated how these are improving standards in high priority areas in the UK (including in Digital Construction, Robot Systems, Electronics, Cyber Security and Computer Aided Design). The third **International Skills Summit** promoted WorldSkills UK's work on producing insights on the need for a world-class skills economy and how to develop one.

Working with **employers and organisations to support the creation of a pipeline of future workers** in skills sectors most beneficial for the UK's economic development and to meet the needs of employers is a key goal for WorldSkills UK. Its **Independent Skills Taskforce report** progressed this goal by examining how high-quality prestige skills systems in the UK can be developed to help attract foreign investment in key sectors by 2030.

Another activity supporting this goal was the partnership with the **High Value Manufacturing Catapult**. For example, this enabled the assessment of the suitability of skills competition programmes for young people to gain skills related to electrification. The publication of a WorldSkills UK prospectus '**Levelling up through skilling up: How developing world-class skills can spread opportunity and boost productivity**' demonstrated how its programmes help spread opportunity in all parts of the UK and improve productivity.

WORLDSKILLS UK
ANNUAL REPORT OF THE TRUSTEES INCORPORATING THE STRATEGIC
REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

WorldSkills UK works to improve the **professionalism of educators in the technical and vocational skills sector** by mainstreaming world-class practice and supporting improvements in the quality of teaching focused on (CPD) programmes that reached 4,470 educators. These supported educators in inspiring learners to work towards excellence in technical and vocational skills. The second year of the **Centre of Excellence** programme, in partnership with NCFE, was core to this work. It delivered high quality CPD to 4,080 educators from 48 colleges and training providers and reached 92,000 young people. 74% of participants said that the programme had a substantial or major positive impact on the quality of their teaching, learning and assessments and over half of participants in the first year of the programme reported a major or substantial change to learners' understanding of what is required in the workplace, on their confidence, engagement in lessons and on their motivation to improve their work. 31 organisations in the network were in Levelling Up priority areas and activities focused on supporting learners to develop knowledge skills and behaviours to become work ready. The programme featured positively in two college Ofsted reports recognising the methodology as reflecting the needs of industry and having an engaging and positive effect on learners. The second WorldSkills UK **CPD Live event 'Developing excellence in teaching and training'** in partnership with the Education and Training Foundation, reached 600 educators, helping them embed world-class practice; learn more about the latest advances in learning technologies; and gain new techniques in supporting learners from underrepresented groups.

WorldSkills UK improved the skills development of young people through competition-based training nationally and internationally. Through the delivery of **national skills development programme**, the skills of almost 5,000 young people were benchmarked against national and international standards, through face to face and online competition-based training programmes. 5,290 young people registered for **national skills competitions**, an increase of 75% on 2022, from 370 organisations, including 78% of all FE colleges. 480 young people progressed through the competition journey and took part in **live in person National Finals competitions** at one of seven venues, spread across the UK. 86% of finalists thought their technical skills and employability skills had improved as a result of the competition. To increase the reach of competition-based training, WorldSkills UK produced a set of pilot **competition-based training** resources which enabled 410 young people to benchmark their skills. The **Inclusivity in Excellence** project gave 550 young people in 11 colleges in disadvantaged areas in the UK experience of competition-based training to encourage more participation and achievement in apprenticeships and technical education.

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ANNUAL REPORT OF THE TRUSTEES INCORPORATING THE STRATEGIC
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The first **WorldSkills international skills competition** since the Covid pandemic took place in 26 cities in 15 countries across the globe, including Cardiff and Wrexham in Wales.

WorldSkills UK's Team UK consisted of 35 competitors who participated in 29 skills and achieved two gold medals, three bronze medals and 12 Medallions of Excellence. This strong performance resulted in the UK finishing in 10th place in the world across all competitions (out of 58 countries) and fourth place in Digital Skills competitions. The start of the next **international competition cycle** started in January 2023 with the announcement of Squad UK for the WorldSkills competition finals in Lyon in 2024. The Squad consists of 71 young people, representing 26 skills, including new skills in renewable energy and additive manufacturing. 37% are apprentices, 6% are ethnic minorities and 32% are female.

WorldSkills UK **advocated to young people to increase the prestige, awareness and aspirations in technical and vocational education and careers**. Over 43,000 young people were provided with high quality encounters to support their decisions about skills, training and careers, with a focus on technical education and skills. 71% of young people believed their encounters improved their knowledge of technical and vocational training. A new format of **Spotlight on Careers talks** was produced, covering the priority skills sectors of Engineering and Manufacturing, Digital, Construction and Creative and the pathways to careers in each. Over 7,000 young people engaged with these. A further 29,000 young people benefitted from engaging with WorldSkills UK's **careers education and advice resources** through sessions run by careers leaders and advisers using role model videos, lesson plans/materials and workshops focused on technical education and skills. A revised **Skills Champions programme** was launched to develop competition alumni, so they are able to deliver engaging careers activities. These reached over 1,700 young people, through talks, hands on sessions and careers inspiration events across the UK.

Funding diversification

WorldSkills UK focused on developing a more sustainable income portfolio that is increasingly diversified, with £1.2m million of non-core grant cash investment being secured in 2022-23 which matched with the 2021-22 level. This was achieved through a mix of well-established and effectively maintained relationships with businesses and providers, and a number of strategic investment partnerships based on the value and relevance in the expanded product range and the growing impact. These included extending the key partnerships with NCFE, in particular in relation to the second phase of Centre of Excellence from 2023-24, and further investment from businesses including BAE Systems and the Education and Training Foundation. Grants from governments of Northern Ireland and Wales (via the Inspiring Skills Excellence in Wales project) and growing support from public funding agencies in Scotland were critical to retaining the UK wide coverage of WorldSkills UK. WorldSkills UK management estimate that further value in kind support for its programmes worth £6.2m is contributed by partner organisations, including the governments in Northern

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Ireland and Wales (the latter via the Inspiring Skills Excellence in Wales project) and sector stakeholders in Scotland. This compared with £5.8m in 2021-22. This means that for the first time, non-core DfE grant income to WorldSkills UK formed a majority of total income in 2022-23: 51% against 49% from core DfE income.

Strategic partnerships

In addition to new business and employer partnerships, WorldSkills UK continued to strengthen strategic and funding relationships with the 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 strengthened through grant agreements. Significant progress was made in further expanding and deepening government, further education and stakeholder links within Scotland. Strategic investment partnerships were developed with a number of sector players, a number in relation to financial support for new competitions and, in particular, the second phase of the Centre of Excellence CPD programme where NCFE continues to be a major funder, with additional investment from the Skills and Education Group and Autodesk.

FUTURE PLANS

During 2022-23, WorldSkills UK competed successfully through an open and competitive tender process (the grant application process) for Department for Education (DfE) funding for the 2023- 25 period. Despite annual grant funding from DfE being reduced for this period, the two-year grant provides some stability and allows a degree of medium-term planning.

As a result, WorldSkills UK has set out its strategic direction for the period. This is based on three key goals within an overall purpose of helping the UK become a “skills economy”: boosting the prestige of technical and professional education by embedding world-class training standards across the UK to help drive investment, job creation and economic growth.

- **Raising standards: through international benchmarking and professional development**

WorldSkills UK will grow the UK network of institutions leveraging expertise from international partners, embedding global best practice, insights and techniques that improve the quality of teaching and assessment. During 2023-4, WorldSkills UK will play a key role in driving innovation and excellence in the quality and delivery of further and technical education in the UK. To do this, it will further develop its partnerships with international counterparts and mainstream this learning to help educators improve the quality of teaching, training and assessment and deliver a world-class education in the UK. Building on the success of its Centre of Excellence programme, WorldSkills UK will continue its partnership with NCFE and will launch a second phase of the programme, enabling more

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ANNUAL REPORT OF THE TRUSTEES INCORPORATING THE STRATEGIC
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organisations and educators to raise their skill levels through embedding global insights, techniques and best practice. Thousands of learners will benefit from this. Supporting this programme, online resources will be consolidated onto the Learning Lab, providing easy access, free lesson and teaching materials to support the professional development of educators, careers leaders and young people. These resources will include a range of benchmarking resources enabling young people to test their skills against standardized levels based on national and international standards.

- **Championing future skills: through analysis of rapidly changing economic demand**

WorldSkills UK will champion the demand and supply of world-class skills for sectors that are priorities for economic growth through diagnostic research and international benchmarking, helping attract investment to create jobs and drive growth.

In the coming year, WorldSkills UK will review the portfolio of its skills competitions to ensure they are fit for the future, align better with UK economic priorities and provide strong value for money. This will see a shift to more competitions in skills linked with the STEM, digital and net zero sectors. Insights work will focus on gaining expertise and knowledge from international partners to inform the development of world class skills programmes and systems across the UK. This will be achieved through research, thought leadership activities and establishing communities of best practice. Transferring international best practice into the UK network will support partners to drive up standards in future skills to help boost productivity and meet changing economic demand. During the year WorldSkills UK will explore how it can best add value at regional level, so that programmes can be tailored to meet the challenges and skills priorities of nations and regions.

- **Empowering young people, from all backgrounds: through competitions-based training and careers advocacy**

WorldSkills UK will enable and support young people from all backgrounds to reach their potential through developing the skillset and mindset to succeed.

2023-24 will see the return to live European skills competitions, with a team of young people representing the UK in Gdansk in September. This event is part of the preparation for WorldSkills international competition in 2024, and a Squad of 70 young people will work towards selection for the Team in spring 2024 which will represent the UK at WorldSkills international competition in Lyon in August 2024.

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A cycle of 54 national competitions, including those aimed at learners at entry or level 1, will culminate in a national finals event in Greater Manchester in November 2023. The live finals also provide an opportunity to deliver a number of skills inspiration activities aimed at supporting students to make career decisions and improve participation in technical education and skills, including apprenticeships. Alongside competitions, greater reach and impact on young people will be achieved in the year through providing online competition-based training programmes that test their skills against national and international standards. The network of past competitors will be expanded so that alumni can receive professional development enabling them to deliver high quality engagements that inspire learners to consider education and skills paths into technical skills, especially those that are key for economic growth. There will be a focus on supporting those facing disadvantages or challenges in their skills journeys.

Across its work, WorldSkills UK will continue to focus on growing its network of provider partners across the UK's regions and nations; encouraging more diverse young people to take advantage of the world-class training on offer; and building commercial investments partnerships that support employers to get the high-quality skills they need. 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.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The Statement of Financial Activities (SoFA), set out on page 24 shows that gross income decreased by 1.7% to £8.63 million (2022: increased by 29.7% to £8.78 million) and expenditure increased by 4.7% to £8.88 million (2022: increased by 36.4% to £8.48 million) resulting in a decrease of net assets of £244k to £3.4 million (2022: increase of £303k to £3.6 million).

Financially:

- income generated through unrestricted grants and donations (including investment income) totalled £1,431k (2022: £808k).
- income generated through restricted grants and donations was £7,200k (2022: £7,971k).
- expenditure on careers advice events, teacher training and skills competition programmes totalled £8,841k (2022: £8,439k).

Going concern

The Trustees have received written confirmation that the DfE expects to continue to provide grant funding for 2024-25 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.

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

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

FINANCIAL MANAGEMENT POLICIES

Reserves

WorldSkills UK is predominantly funded by grants from Central UK Government to 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

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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 2022-23 budget.

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.

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 54 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.

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ANNUAL REPORT OF THE TRUSTEES INCORPORATING THE STRATEGIC
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AUDITOR

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

MEMBERS OF THE BOARD

Rooney Anand (Chair of the Board) (resigned 09/05/2022)
Dr Neil Bentley-Gockmann OBE (ex-officio)
Dame Dawn Childs DBE (Interim Deputy Chair of the Board from 19/05/2022, permanent Deputy Chair of the Board from 07/12/2022)
Faried Chopdat (appointed 19/10/2021, resigned 13/06/2022)
Mark Dawe
Brian Doran
Mark Farrar (appointed 13/03/2023)
Sam Ingleby (resigned 20/05/2022)
Mike James
William Liles OBE (resigned 09/05/2022)
Dr Paul Little (resigned 04/11/2022)
Audrey Nelson (appointed 13/03/2023)
Marion Plant OBE, FCGI (Deputy Chair of the Board, Interim Chair of the Board from 19/05/2022, permanent Chair of the Board from 07/12/2022)
Jennifer Rudder (appointed 19/10/2021, resigned 13/06/2022)
Justin Rix (appointed 13 March 2023)
Professor Sean Wellington (appointed 13/03/2023)

AUDIT COMMITTEE

Dame Dawn Childs DBE (Committee Chair)
Mike James
Justin Rix (Co-opted Audit Committee Member, appointed Trustee 13/03/2023)
Mark Farrar (Co-opted Audit Committee Member, appointed Trustee 13/03/2023)

FINANCE & GENERAL PURPOSES COMMITTEE

Mark Dawe (Committee Chair)
William Liles OBE (resigned 09/05/2022)
Dr Paul Little (resigned 04/11/22)
Brian Doran

REMUNERATION COMMITTEE

Marion Plant OBE, FCGI (Committee Chair until 09/05/2022)
Rooney Anand (Chair of the Board) (resigned 09/05/2022)
Dame Dawn Childs DBE
Sam Ingleby (resigned 20/05/2022)
Brian Doran (Committee Chair from 22/01/2023)

**WORLDSKILLS UK
ANNUAL REPORT OF THE TRUSTEES INCORPORATING THE STRATEGIC
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CHAIRS' COMMITTEE (disbanded 6 July 2022)

Rooney Anand (Chair of the Board) (resigned 09/05/2022)
Marion Plant OBE, FCGI (Deputy Chair of the Board)
Dame Dawn Childs DBE (Audit Committee Chair)
Mark Dawe (Finance & General Purposes Committee Chair)

EXECUTIVE OFFICERS

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

REGISTERED OFFICE

25 Wilton Road
London
SW1V 1LW

PRINCIPAL PROFESSIONAL ADVISERS

Solicitors

Bates Wells & Braithwaite
10 Queen Street Place
London EC4R 1BE

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

By order of the Board of Trustees

Marion Plant

Marion Plant OBE, FCGI

Chair of the Board of Trustees, WorldSkills UK
signing as so authorised.

Date: 17-Nov-2023

WORLDSKILLS UK
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
WORLDSKILLS UK
YEAR ENDED 31 MARCH 2023

Opinion

We have audited the financial statements of WorldSkills UK (the 'charity') for the year ended 31 March 2023 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 2023 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.

WORLDSKILLS UK
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
WORLDSKILLS UK (CONTINUED)
YEAR ENDED 31 MARCH 2023

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.

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.

WORLDSKILLS UK
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
WORLDSKILLS UK (CONTINUED)
YEAR ENDED 31 MARCH 2023

Responsibilities of the Trustees

As explained more fully in the trustees' responsibilities statement on pages 4 and 5, 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.

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;

WORLDSKILLS UK
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
WORLDSKILLS UK (CONTINUED)
YEAR ENDED 31 MARCH 2023

- 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

WORLDSKILLS UK
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
WORLDSKILLS UK (CONTINUED)
YEAR ENDED 31 MARCH 2023

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 20, 2023 10:17 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: 20-Nov-2023

WORLD SKILLS UK
STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating the Income and Expenditure Account
and Statement of Total Recognised Gains and Losses)
FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Unrestricted	Restricted	2023	<i>2022</i>
		Funds	Funds	Total	<i>Total</i>
		£	£	£	£
INCOME FROM					
Generated funds:					
Income from investments	2	3,497	-	3,497	43
Income from charitable activities:					
Using competitions to raise skill standards and promote excellence		928,972	7,699,494	8,628,466	8,744,546
Income in kind and donated facilities	9	-	-	-	34,140
Total income		932,469	7,699,494	8,631,963	8,778,729
EXPENDITURE ON					
Expenditure on Raising funds:					
Fundraising costs	4	34,138	-	34,138	36,764
Charitable activities by objective:					
Using careers advice events and skills competitions to raise skill standards and promote excellence	4	893,146	7,948,808	8,841,954	8,438,512
Total expenditure	4	927,284	7,948,808	8,876,092	8,475,276
Net expenditure/income for the year		5,185	(249,314)	(244,129)	303,453
Fund balances brought forward		2,662,335	967,582	3,629,917	3,326,464
Fund balances carried forward	16	2,667,520	718,268	3,385,788	3,629,917

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

The notes on pages 27 to 39 form part of these financial statements.

WORLD SKILLS UK
 Company registered number: 02535199
 Charity registered number: 1001586
BALANCE SHEET
AS AT 31 MARCH 2023

	Note	2023	2022
		£	£
FIXED ASSETS			
Intangible assets	10	470,335	583,641
Tangible assets	11	24,917	89,856
Investments	12	-	-
		495,252	673,497
CURRENT ASSETS			
Debtors	13	1,171,540	2,274,500
Cash at bank		2,443,117	1,413,544
		3,614,657	3,688,044
CREDITORS: amounts			
falling due within one year	14	(724,121)	(731,624)
NET CURRENT ASSETS		2,890,536	2,956,420
NET ASSETS		3,385,788	3,629,917
FUNDS			
Restricted funds	15	718,268	967,582
Unrestricted funds	15	2,317,520	2,312,335
Designated funds	15	350,000	350,000
TOTAL FUNDS	16	3,385,788	3,629,917

Approved by the Board of Trustees on 17-Nov-2023 and signed on their behalf by: -

Marion Plant

Marion Plant OBE, FCGI
 Chair of the Board of Trustees, WorldSkills UK

The notes on pages 27 to 39 form part of these financial statements

WORLDSKILLS UK
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

		2023	2022
		£	£
Net Cash inflow /outflow from operating activities (Note a)		1,112,965	(74,856)
Cash flows from investing activities			
Bank and other interest receipts		3,497	43
Purchase of tangible fixed assets		(24,694)	(17,843)
Purchase of intangible fixed assets		(62,195)	(109,098)
Net cash used in investing activities		(83,392)	(126,898)
Net (decrease) in cash and cash equivalents		1,029,573	(201,754)
Cash and cash equivalents at the beginning of the reporting period		1,413,544	1,615,298
Cash and cash equivalents at the end of the reporting period		2,443,117	1,413,544
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

- Reconciliation of expenditure to net cash flow from operating activities**

	2023	2022
	£	£
Net expenditure/ income for the year	(244,129)	303,453
Bank and other interest receipts	(3,497)	(43)
Depreciation of fixed assets	89,633	90,831
Amortisation of fixed assets	175,501	151,455
Loss on disposal of fixed assets	-	1,715
Decrease/(Increase) in debtors	1,102,960	(48,480)
(Decrease) in creditors	(7,503)	(573,787)
Net cash inflow/(outflow) from operating activities	1,112,965	(74,856)

WORLD SKILLS UK
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2023

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.

WORLD SKILLS UK
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

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.

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.

WORLD SKILLS UK
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

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.

WORLD SKILLS UK
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

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 2023

2. INVESTMENT AND OTHER INCOME		
	2023	<i>2022</i>
	£	<i>£</i>
Interest received	3,497	43

3. NET (EXPENDITURE)/INCOME FOR THE YEAR		
	2023	<i>2022</i>
This is stated after charging:	£	<i>£</i>
Amortisation of intangible fixed assets	175,501	151,455
Depreciation	89,633	90,831
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	20,500	18,000
Total office lease payments	140,441	129,786
Total other operating lease payments	5,000	3,896

4. ANALYSIS OF TOTAL EXPENDITURE

	Staff	Support	Direct	2023	<i>2022</i>
	Costs	Costs	Costs	Total	<i>Total</i>
	£	£	£	£	<i>£</i>
Cost of generating funds:					
Fundraising costs	-	-	34,138	34,138	36,764
Charitable Expenditure:					
Costs of activities in furtherance of the charity's objectives:					
Using competitions to raise skill standards and promote excellence	3,540,991	662,935	4,616,883	8,820,809	8,419,512
Governance costs	-	21,145	-	21,145	19,000
Total expenditure	3,540,991	684,080	4,651,021	8,876,092	8,475,276

Expenditure on charitable activities was £8,841,954 (2022: £8,438,512) of which £7,948,807 (2022: £7,759,225) was restricted and £893,147 (2022: £679,287) was unrestricted.

WORLD SKILLS UK
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

5. SUPPORT COSTS

		Office	Governance	2023	2022
	General	Costs	Costs	Total	Total
	£	£	£	£	£
Using competitions to raise skill standards and promote excellence	286,275	376,660	21,145	684,080	577,061

6. EMPLOYEES		
	2023	2022
	£	£
Staff costs consists of:		
Wages and salaries	2,946,867	2,760,466
Social security costs	338,240	305,767
Pension costs	153,985	150,557
External staff costs	101,899	113,036
	3,540,991	3,329,826

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

	2023	2022
	No.	No.
Permanent contract	45	43
Fixed-term contract	9	10
	54	53
The number of employees whose emoluments exceeded £60,000 was:	No.	No.
£60,001 to £70,000	4	5
£70,001 to £80,000	3	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 (2022: 10), at a cost of £56,208 (2022: £47,351).

WORLD SKILLS UK
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

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 (2022: £Nil).

Dr Neil Bentley-Gockmann OBE 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 £129,270 (2022: £129,020) and pension contributions of £11,634 (2022: £7,741) in his role as CEO.

During the year, 2 Trustees (2022: 1) received reimbursements of personal travel and subsistence expenditure amounting to £226 (2022: £182).

The total Key Management Personnel (The Board, CEO and Directors) payroll costs during this year were £470,613 (2022: £457,967).

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: £159,270 (2022: £24,766)

9. INCOME IN KIND

WorldSkills UK 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), income in kind and the economic contribution of general volunteers is not recognised in the accounts.

WORLD SKILLS UK
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

10. INTANGIBLE FIXED ASSETS

	Software £	Total £
Cost		
At 1 April 2022	857,280	857,280
Additions	<u>62,195</u>	<u>62,195</u>
At 31 March 2023	919,475	919,475
Amortisation		
At 1 April 2022	273,639	273,639
Charge for the year	175,501	175,501
At 31 March 2023	449,140	449,140
Net book value		
At 31 March 2023	470,335	470,335
At 31 March 2022	583,641	583,641

11. TANGIBLE FIXED ASSETS

	Equipment £	Total £
Cost		
At 1 April 2022	318,958	318,958
Additions	24,694	24,694
Disposals	-	-
At 31 March 2023	343,652	343,652
Depreciation		
At 1 April 2022	229,102	229,102
Charge for the year	89,633	89,633
Disposals	-	-
At 31 March 2023	318,735	318,735
Net book value		
At 31 March 2023	24,917	24,917
At 31 March 2022	89,856	89,856

WORLD SKILLS UK
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

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 (2022: £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 exemption provided by section 405 of the Companies Act 2006 not to prepare group accounts.

13. DEBTORS		
	2023	2022
	£	£
Trade debtors	158,862	163,460
Other taxes and social security	127,838	162,301
Prepayments and accrued income	884,840	1,948,739
	1,171,540	2,274,500

14. CREDITORS: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	312,341	447,485
Other taxes and social security costs	81,845	98,043
Accruals and deferred income	329,217	184,898
Other creditors	718	1,198
	724,121	731,624
Movements on deferred income account in year: -		
Contract receipts unearned as at 1 April	69,500	185,024
Amounts released in year	(69,100)	(185,024)
Amounts received in year	64,666	69,500
Contract receipts unearned at 31 March	65,066	69,500

WORLD SKILLS UK
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

15. FUNDS

	Designated funds	Restricted funds	Unrestricted funds
	£	£	£
Balance at 1 April 2022	350,000	967,582	2,312,335
Income	-	7,699,494	932,469
Expenditure	-	(7,948,808)	(927,284)
Balance at 31 March 2023	350,000	718,268	2,317,520

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 2022	Income	Expenditure	At 31 March 2023
		£	£	£
Department for Education	595,418	7,200,001	(7,447,006)	348,413
NCFE	372,164	496,993	(499,302)	369,855
Income in Kind & Donations	-	2,500	(2,500)	-
Balance at 31 March	967,582	7,699,494	(7,948,808)	718,268

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 setup of online career training content.

WORLD SKILLS UK
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

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 2023 are represented by:

		Restricted funds	Unrestricted funds	Total funds
		£	£	£
Intangible fixed assets		323,497	146,838	470,335
Tangible fixed assets		24,917	-	24,917
Net current assets		369,854	2,520,682	2,890,536
		718,268	2,667,520	3,385,788

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 £153,985 (2022 - £150,557). Contributions of £Nil are due at the year-end (2022 - £264).

18. LEASE COMMITMENTS

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

			2023	<i>2022</i>
			£	<i>£</i>
Land and Buildings				
On operating leases expiring				
Within one year			35,562	43,105
Within 2 to 5 years			-	43,105
			35,562	43,105
Other				
On operating leases expiring				
Within one year			-	-
Within 2 to 5 years			-	-

WORLD SKILLS UK
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

19. RELATED PARTY TRANSACTIONS

Dr 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 from CGC of £10,605 (2022: £10,851). At the year end, there was no amount owing to CGC (2022: £2,500).

Marion Plant OBE, FCGI is 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 £nil (2022: £6,000) and purchases of £28,668 (2022: £23,040). At the year end, there were no balances outstanding with NWSLC (2022: £nil).

Brian Doran is a trustee of the board of WorldSkills UK and Principal and Chief Executive of Southern Regional College (SRC). During the year WorldSkills UK made purchases from SRC of £2,000 (2022: £4,050). At the year end, there was an amount owing to SRC of £nil (2022: nil).

Dr Neil Bentley-Gockmann OBE 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 from WIG of £6,240 (2022: £9,720). At the year end, the amount owing to WIG of £nil (2022: £3,840).

Professor Sean Wellington is a trustee of the Board of WorldSkills UK and Provost - Deputy Vice- Chancellor of Middlesex University. During the year WorldSkills UK made purchases from Middlesex University of £24,706.

At the year-end nothing was owed to trustees in relation to expenses (2022: £nil).

20. ANALYSIS OF CHANGES IN NET FUNDS

	At 1 April 2022 £	Cash flows £	At 31 March 2023 £
Cash at bank and in hand	1,413,544	1,029,573	2,443,117
	1,413,544	1,029,573	2,443,117

WORLD SKILLS UK
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

21. POST BALANCE SHEET EVENT

Governance arrangements that will continue in 2023-24 are under review.

22. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Unrestricted	Restricted	2022
		Funds	Funds	Total
		£	£	£
INCOME FROM				
Generated funds:				
Income from investments	2	43	-	43
Income from charitable activities:				
Using competitions to raise skill standards and promote excellence		807,796	7,936,750	8,744,546
Income in kind and donated facilities	9	-	34,140	34,140
Total income		807,839	7,970,890	8,778,729
EXPENDITURE ON				
Expenditure on Raising funds:				
Fundraising costs	4	36,764	-	36,764
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
Total expenditure	4	716,051	7,759,225	8,475,276
Net income for the year		91,788	211,665	303,453
Fund balances brought forward		2,570,547	755,917	3,326,464
Fund balances carried forward	16	2,662,335	967,582	3,629,917

Audit completion report

WorldSkills UK

**Year ended 31 March
2023**

September 2023

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Contents

04	Executive summary
05	Significant findings
13	Internal control recommendations
15	Summary of misstatements
16	Appendix A – Independence

This document is to be regarded as confidential to WorldSkills UK. It has been prepared for the sole use of the Board of Trustees. No responsibility is accepted to any other person in respect of the whole or part of its contents. Our written consent must first be obtained before this document, or any part of it, is disclosed to a third party.

The Trustees,
WorldSkills UK,
Third Floor,
25 Wilton Road,
London, SW1V 1LW

September 2023

Ladies and Gentlemen,

Audit Completion Report – Year ended 31 March 2023

We are pleased to present our Audit Completion Report for the year ended 31 March 2023 for WorldSkills UK. The purpose of this document is to summarise our audit conclusions.

The scope of our work, including identified significant audit risks and other areas of management judgement, was outlined in our audit planning processes. We have reviewed our audit strategy and concluded that the original significant audit risks and other areas of management judgement remain appropriate.

We would like to express our thanks for the assistance of your team during our audit, especially Martin Waller, Francis Chiwariro, Rozila Bansal and Debbie Flynn. If you would like to discuss any matters in more detail, then please do not hesitate to contact me on +44 (0)7973 510149.

Yours faithfully

Nicola Wakefield
Partner
Mazars LLP

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We are registered to carry on audit work in the UK and Ireland by the Institute of Chartered Accountants in England and Wales. Details about our audit registration can be viewed at www.auditregister.org.uk under reference number C001139861.

Strictly private and confidential

VAT number: 839 8356 73

1. Executive summary

Principal conclusions and significant findings

Our audit has been conducted in accordance with International Standards of Auditing (UK) and means we focus on audit risks that we have assessed as resulting in a higher risk of material misstatement.

In section 2 of this report we have set out our conclusions and significant findings from our audit. This section includes our conclusions on the audit risks and areas of management judgement of which the principal ones were:

Significant risks

- Management override of controls;
- Income recognition; and
- Fund accounting.

Key management judgements:

- Depreciation and amortisation; and
- Accrued expenditure.

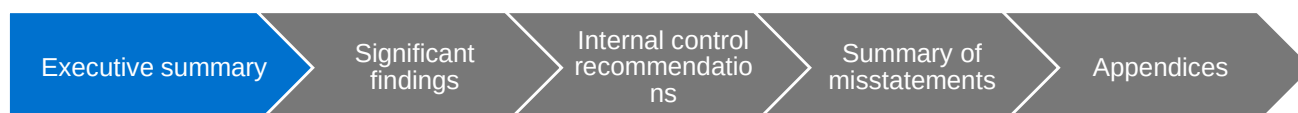
Misstatement and internal control recommendations

Section 3 sets out internal control recommendations and section 4 sets out audit misstatements.

Status and audit opinion

We have substantially completed our audit in respect of the financial statements for the year ended 31 March 2023 and expect to issue a clean and unmodified audit opinion subject to the following points:

- Signed representation letter



2. Significant findings

Set out below are the significant findings from our audit. These findings include:

- our audit conclusions regarding significant risks and key areas of management judgement outlined in the Audit Strategy Memorandum;
- our comments in respect of the accounting policies and disclosures that you have adopted in the financial statements. On page 9 we have concluded whether the financial statements have been prepared in accordance with the financial reporting framework and commented on any significant accounting policy changes that have been made during the year; and
- any significant difficulties we experienced during the audit.

Significant risks

1. Management override of controls

Description of the risk

In all entities, management at various levels within an organisation are in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Due to the unpredictable way in which such override could occur, we consider there to be a risk of material misstatement due to fraud and thus a significant risk on all audits.

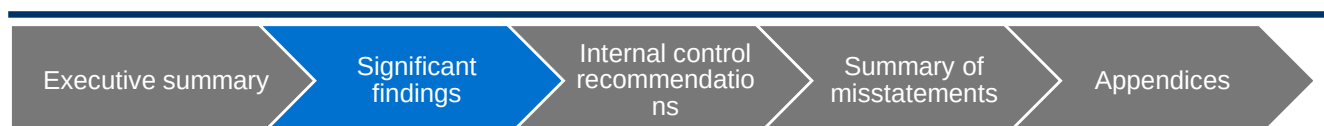
How we addressed this risk

We addressed this risk through performing audit work over:

- Accounting estimates impacting amounts included in the financial statements;
- Consideration of identified significant transactions outside the normal course of business; and
- Journals recorded in the general ledger and other adjustments made in preparation of the financial statements.

Audit conclusion

We did not identify any evidence of management override of controls.



2. Significant findings (continued)

2. Income recognition

Description of the risk

There is a risk of fraud in the financial reporting relating to income recognition due to the potential to inappropriately record income in the wrong period. Due to there being a risk of fraud in income recognition we consider it to be a significant risk on all audits.

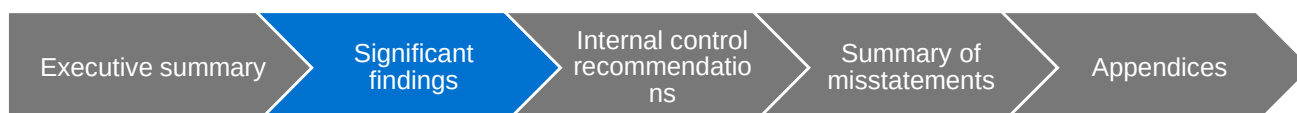
How we addressed this risk

We addressed this risk through performing audit work over:

- Recognition of income in the correct accounting period;
 - Recognition of income in accordance with the charity's accounting policies.
-

Audit conclusion

We did not identify any evidence of incorrect income recognition.



2. Significant findings (continued)

3. Fund accounting

Description of the risk

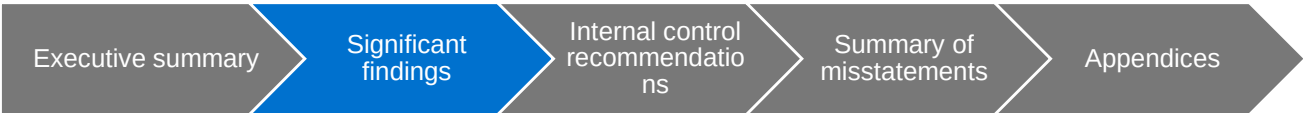
There is a risk that income received has restrictions imposed by a third party and therefore should be recorded as restricted income in the SOFA. The related expenditure must be allocated against these restricted funds and any remaining funds at the period end must be carried forward within restricted funds.

How we addressed this risk

We reviewed a sample of income items to ensure that any restrictions had been identified and adhered to, and that the income had been appropriately classified. We reviewed the allocation of expenditure between funds to ensure that only qualifying expenditure was charged against restricted funds.

Audit conclusion

Based on the testing performed, we did not identify any inappropriate classification of income or expenditure and no issues were identified in respect of the fund accounting.



2. Significant findings (continued)

Key areas of management judgement

1. Depreciation

Description of the management judgement

Depreciation and amortisation is charged to write off the cost of the tangible and intangible fixed assets over their useful lives.

How our audit addressed this area of management judgement

We reviewed depreciation charges to ensure they were reasonable and agree with the charity's policy. We carried out proof in total testing in order to ensure that these were calculated correctly.

Audit conclusion

A review of the depreciation policies and proof in total tests were carried out. Depreciation and amortisation rates are considered to be appropriate, in line with rates used in the sector and have been correctly applied in the financial statements.

2. Accrued expenditure

Description of the management judgement

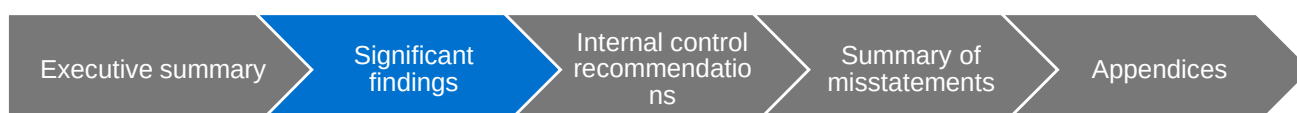
Accrued expenditure ensures that expenditure is allocated to the correct accounting period.

How our audit addressed this area of management judgement

We tested the calculations of material accruals to ensure that costs are allocated to the correct accounting period. We reviewed post year end payments and invoices to ensure that accruals were not understated.

Audit conclusion

Our testing did not identify any issues in relation to accruals.



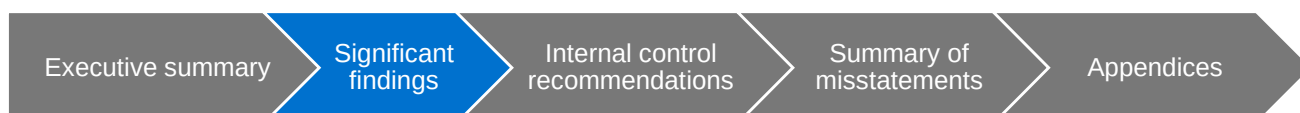
2. Significant findings (continued)

Qualitative aspects of the entity's accounting practices

We have reviewed the charity's accounting policies and disclosures and concluded that they comply with UK GAAP, the Charities SORP (FRS 102), the Charities Act 2011, and other relevant legislation.

Significant difficulties during the audit

During the course of the audit we did not encounter any significant difficulties and we have had the full co-operation of management. We would like to pass on our thanks to Francis Chiwariro, Rozila Bansal and Debbie Flynn for their co-operation and assistance with the audit process.



3. Internal control recommendations

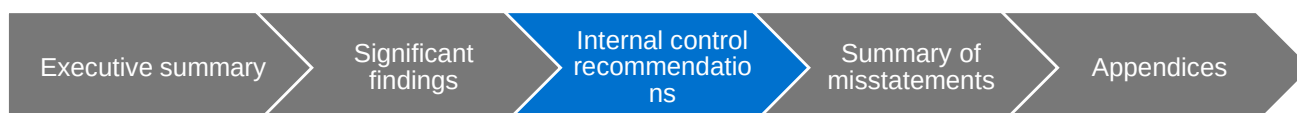
The purpose of our audit was to express an opinion on the financial statements. As part of our audit we have considered the internal controls in place relevant to the preparation of the financial statements in order to design audit procedures to allow us to express an opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of internal control or to identify any significant deficiencies in their design or operation.

The matters reported are limited to those deficiencies and other control recommendations that we have identified during our normal audit procedures and that we consider to be of sufficient importance to merit being reported. If we had performed more extensive procedures on internal control we might have identified more deficiencies to be reported or concluded that some of the reported deficiencies need not in fact have been reported. Our comments should not be regarded as a comprehensive record of all deficiencies that may exist or improvements that could be made.

Our findings and recommendations are set out below. We have assigned priority rankings to reflect the importance that we consider each poses to your organisation and, hence, our recommendation in terms of the urgency of required action. The matters arising fall into the following categories:

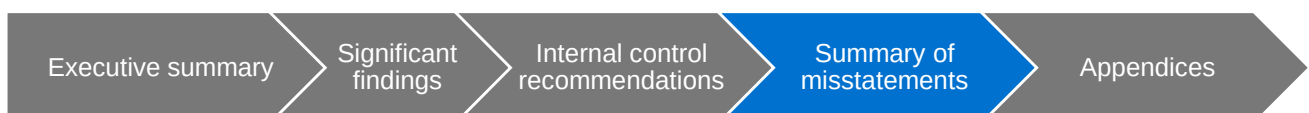
Priority	Description	Number
1 (high)	In our view, there is potential for financial loss, damage to reputation or loss of information. This may have implications for the achievement of strategic objectives. The recommendation should be taken into consideration by management immediately.	-
2 (med)	In our view, there is a need to strengthen internal control or enhance efficiency. The recommendations should be actioned in the near future.	-
3 (low)	In our view, internal control should be strengthened in these additional areas when practicable.	-

We confirm that we did not identify any internal control deficiencies during the audit.



4. Summary of misstatements

We confirm that we did not identify any misstatements during the course of the audit, above the level of trivial, for adjustment.



Appendix A

Independence

As part of our ongoing risk assessment, we monitor our relationships with you to identify any new actual or perceived threats to our independence within the regulatory or professional requirements governing us as your auditors.

We can confirm that no new threats to independence have been identified since the planning stage of the audit and therefore we remain independent.



Mazars is an internationally integrated partnership, specialising in audit, accountancy, advisory, tax and legal services*. Operating in over 90 countries and territories around the world, we draw on the expertise of 40,400 professionals – 24,400 in Mazars' integrated partnership and 16,000 via the Mazars North America Alliance – to assist clients of all sizes at every stage in their development.

*where permitted under applicable country laws

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Accounts

Company No: 02535199

Charity No: 1001586

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

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.

WORLDSKILLS 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.

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

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.

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ANNUAL REPORT OF THE TRUSTEES INCORPORATING THE STRATEGIC REPORT
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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.

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

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

WORLD SKILLS UK
ANNUAL REPORT OF THE TRUSTEES INCORPORATING THE STRATEGIC REPORT
(CONTINUED)
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

WORLDSKILLS UK
ANNUAL REPORT OF THE TRUSTEES INCORPORATING THE STRATEGIC REPORT
(CONTINUED)
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.

WORLDSKILLS UK
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
WORLDSKILLS 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.

WORLD SKILLS UK
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
WORLD SKILLS 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:

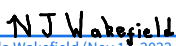
- Making enquiries of the trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing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

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

WORLDSKILLS 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.

WORLDSKILLS 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 £	<i>2021</i> £
Interest received	<u>43</u>	<u>987</u>

3. NET INCOME FOR THE YEAR

	2022 £	<i>2021</i> £
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 £	<i>2021</i> <i>Total</i> £
Cost of generating funds:					
Fundraising costs	<u>-</u>	<u>-</u>	<u>36,764</u>	<u>36,764</u>	<u>7,184</u>
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	<u>-</u>	<u>19,000</u>	<u>-</u>	<u>19,000</u>	<u>22,250</u>
Total expenditure	<u>3,329,826</u>	<u>577,061</u>	<u>4,531,625</u>	<u>8,475,276</u>	<u>6,215,303</u>

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 £	<i>2021</i> <i>Total</i> £
Using competitions to raise skill standards and promote excellence	<u>190,223</u>	<u>367,838</u>	<u>19,000</u>	<u>577,061</u>	<u>571,676</u>

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

6. EMPLOYEES

	2022	<i>2021</i>
	£	<i>£</i>
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	<i>2021</i>
	No.	<i>No.</i>
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.	<i>No.</i>
£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	<u>1</u>	<u>1</u>

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)

WORLD SKILLS 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>

WORLD SKILLS 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	1,948,739	1,939,347
	<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	1,198	594
	<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	69,500	185,024
	<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	-	(7,759,225)	(716,051)
	<u>350,000</u>	<u>967,582</u>	<u>2,312,335</u>
Balance at 31 March 2022	<u>350,000</u>	<u>967,582</u>	<u>2,312,335</u>

WORLDSKILLS 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)	-
	<u>755,917</u>	<u>7,970,890</u>	<u>(7,759,225)</u>	<u>967,582</u>
Balance at 31 March				

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

The NCFE grant is to support a 3 year project to establish a 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

Accounts

Company No: 02535199

Charity No: 1001586

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

WORLD SKILLS UK
YEAR ENDED 31 MARCH 2021

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WORLDSKILLS UK

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

The Board of Trustees of WorldSkills UK ("the Charity") presents its annual report incorporating the strategic report for the year ended 31 March 2021, together with the audited financial statements for that year, under the Companies Act 2006, the Charities Act 2011, FRS 102 (effective 1 January 2019) and applicable accounting standards.

REFERENCE AND ADMINISTRATIVE DETAILS

WorldSkills UK is a registered charity (No. 1001586) and a company (No. 02535199) limited by membership guarantees. Its registered office is as shown on page 10.

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

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

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

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

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

The Skills Show Ltd which is a fully owned subsidiary of WorldSkills UK has remained dormant throughout the year and has not traded in 2020/21.

AUDIT COMMITTEE

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

FINANCE AND GENERAL PURPOSES COMMITTEE

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

REMUNERATION COMMITTEE

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

GOVERNANCE AND NOMINATIONS COMMITTEE

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

WORLD SKILLS UK
ANNUAL REPORT OF THE TRUSTEES INCORPORATING THE STRATEGIC REPORT
(CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

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

COVID-19 RESPONSE COMMITTEE

In April 2020 the Board agreed to set up a sub committee comprised of the Chair of the Board and the Chairs of the existing sub-committees. This Covid-19 Response Committee is a temporary sub-committee of the Board formed to support WorldSkills UK's (WSUK) Senior Leadership Team/Executive during the 2020 Covid-19 crisis as it develops and escalates ensuring the organisation can react swiftly to events as they unfold whilst maintaining an appropriate level of governance. From April 2021 this committee was merged with the Nominations Committee to form a Chairs' Committee.

TRUSTEES' INDUCTION AND TRAINING

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

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as the Trustees are aware:

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

WORLD SKILLS UK
ANNUAL REPORT OF THE TRUSTEES INCORPORATING THE STRATEGIC REPORT
(CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

CORPORATE GOVERNANCE

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

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

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

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

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

RISK MANAGEMENT

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

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

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

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

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

WORLD SKILLS UK
ANNUAL REPORT OF THE TRUSTEES INCORPORATING THE STRATEGIC REPORT
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Effectively aligning with the differing policy and funding objectives of all four UK nations is a continuing challenge that WorldSkills UK is seeking to manage by establishing and maintaining robust relationships with the governments and elected representatives in each UK nation working to identify priority actions in line with WorldSkills UK's strategy and supporting DfE in their aim of securing strong policy positions and funding contributions to WorldSkills UK's core activities.

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

OBJECTS, AIMS AND PRINCIPAL ACTIVITIES OF THE CHARITY

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

How activities deliver public benefit

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

PRINCIPAL ACTIVITIES

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

REVIEW OF ACTIVITIES

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

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

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

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

Funding diversification

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

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

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

Return on public investment

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

Strategic partnerships

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

FUTURE PLANS

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

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

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

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

WORLD SKILLS UK
ANNUAL REPORT OF THE TRUSTEES INCORPORATING THE STRATEGIC REPORT
(CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The Statement of Financial Activities (SoFA), set out on page 15 shows that gross income decreased by 33.1% to £6.77 million (2020: decreased by 1.5% to £10.1 million) and expenditure on charitable activities decreased by 38.4% to £6.22 million (2020: decreased by 5.7% to £10.1 million) resulting in an increase of net assets of £556k to £3.3 million (2020: increase of £37k to £2.8 million).

Financially:

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

Going concern

The Trustees have received written confirmation that the DfE expects to continue to provide grant funding for 2022-23 and therefore it is considered that the charity will have sufficient funds to continue its activities for a period of at least twelve months from the date these financial statements are approved.

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

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

FINANCIAL MANAGEMENT POLICIES

Reserves

WorldSkills UK is predominantly funded by grants from Central UK Government to deliver a national programme of skills competitions, undertake the training of a UK Team to compete in the international WorldSkills competitions; develop careers and skills resources and events and engage employers.

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

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

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

Reserves Policy

Minimum Unrestricted Reserves

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

Other Reserves

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

WORLD SKILLS UK
ANNUAL REPORT OF THE TRUSTEES INCORPORATING THE STRATEGIC REPORT
(CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Designated Reserves

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

Investment policy

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

Required Level of Minimum Reserves

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

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

Setting the Level of Minimum Reserves

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

Monitoring the Level of Minimum Reserves

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

EMPLOYEES

WorldSkills UK had an average of 53 employees in the year. The charity believes its employees are its greatest asset and recognises its responsibility to ensure they are afforded appropriate support throughout their employment.

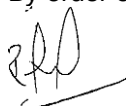
WorldSkills UK aims to support employees in their role so that they feel confident to undertake the responsibilities placed upon them and ultimately are able to contribute to the success of the organisation.

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

AUDITOR

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

By order of the Board of Trustees



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



Neil Bentley-Gockmann OBE
Trustee and CEO



Stephen Crampton-Hayward
Company Secretary

Date: 9 December 2021

WORLDSKILLS UK
ANNUAL REPORT OF THE TRUSTEES INCORPORATING THE STRATEGIC REPORT
(CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

MEMBERS OF THE BOARD

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

AUDIT COMMITTEE

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

FINANCE & GENERAL PURPOSES COMMITTEE

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

REMUNERATION COMMITTEE

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

GOVERNANCE AND NOMINATIONS COMMITTEE

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

COVID 19 RESPONSE COMMITTEE

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

EXECUTIVE OFFICERS

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

REGISTERED OFFICE

25 Wilton Road
London
SW1V 1LW

WORLD SKILLS UK
ANNUAL REPORT OF THE TRUSTEES INCORPORATING THE STRATEGIC REPORT
(CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

PRINCIPAL PROFESSIONAL ADVISERS

Solicitors

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

Bankers

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

Auditors

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

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

Opinion

We have audited the financial statements of WorldSkills UK (the 'charitable company') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report, or the Strategic Report included within the Trustees' Report.

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

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

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

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

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

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

Use of our report

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

RSM UK Audit LLP

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

Date: *21 December 2021*

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 2021

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

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

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

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

BALANCE SHEET
31 MARCH 2021

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

These financial statements on pages 15 to 27 were approved by the Board of Trustees on 9 December 2021.



Rooney Anand
(Trustee and Chairman)



Neil Bentley-Gockmann OBE
(Trustee and CEO)



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

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

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

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

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

NOTES TO THE CASH FLOW STATEMENT

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

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

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

1. ACCOUNTING POLICIES

Charity information

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

Basis of accounting

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

The charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Basis of consolidation

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

Going concern

The Trustees have received written confirmation that the DfE expects to continue to provide grant funding for 2022-23 and therefore it is considered that the charity will have sufficient funds to continue its activities for a period of at least twelve months from the date these financial statements are approved.

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

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

Critical accounting judgements and key sources of estimation uncertainty

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

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

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

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

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

1. ACCOUNTING POLICIES (CONTINUED)

a) Income

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

b) Income in Kind

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

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

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

c) Government grants

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

d) Expenditure

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

e) Termination benefits

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

f) Fund accounting

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

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

g) Intangible fixed assets

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

h) Tangible fixed assets

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

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

1. ACCOUNTING POLICIES (CONTINUED)

i) Depreciation

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

Office equipment – 3 years straight line

j) Debtors

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

k) Cash at bank and in hand

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

l) Creditors & provisions

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

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

m) Taxation

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

n) VAT

Income and expenditure is recorded exclusive of VAT, where appropriate, except where it is not permissible to reclaim input VAT or where partial exemption rules apply.

o) Pension costs

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

p) Operating leases

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

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

2. INVESTMENT AND OTHER INCOME

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

3. NET INCOME/EXPENDITURE FOR THE YEAR

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

4. ANALYSIS OF TOTAL RESOURCES EXPENDED

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

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

5. SUPPORT COSTS

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

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

6. EMPLOYEES

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

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

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

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

The CEO's 2019-20 salary includes a 5% performance bonus for the 2018-19 year. Excluding this 2018-19 related bonus the CEO's gross salary would fall in the £120,001 to £130,000 bracket. The CEO has agreed to forego the 2019-20 and 2020-21 bonus given the current financial climate. The number of higher paid staff who contribute into a pension scheme is 9 (2020: 9), at a cost of £43,621 (2020: £87,894).

7. TRUSTEES' REMUNERATION AND EXPENSES AND KEY MANAGEMENT PERSONNEL

None of the members of the Board of Trustees received any remuneration during this year for their services as a trustee (2020: £Nil).

Neil Bentley-Gockmann is a member of the Board of Trustees ex-officio in his role as CEO as provided for under the charity's Articles of Association (adopted on 14 February 2019) since 3 June 2019 and received remuneration of £128,520 (2020: £111,384 for 10 months) and pension contributions of £7,711 (2020: £6,428 for 10 months) in his role as CEO.

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

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

8. REDUNDANCY AND TERMINATION BENEFITS

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

- Total amount of payments made for period: £9,545 (2020: £47,616)

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

9. INCOME IN KIND

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

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

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

10. INTANGIBLE FIXED ASSETS

	Software £	Total £
Cost		
At 1 April 2020	499,496	499,496
Additions	248,686	248,686
Disposals	-	-
At 31 March 2021	748,182	748,182
Amortisation		
At 1 April 2020	9,448	9,448
Disposals	-	-
Charge for the year	112,737	112,737
At 31 March 2021	122,185	122,185
Net book value		
At 31 March 2021	625,997	625,997
At 31 March 2020	490,048	490,048

11. TANGIBLE FIXED ASSETS

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

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

12. INVESTMENTS

The Charity owns all of the issued ordinary share capital of its subsidiary, The Skills Show Ltd. This investment is included in the company financial statements at its historic cost of £nil (2020: £nil).

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

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

13. DEBTORS

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

14. CREDITORS: amounts falling due within one year

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

15. FUNDS

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

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

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

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

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

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

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

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

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

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 March 2021 are represented by:

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

17. PENSION

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

The pension cost charge represents contributions payable by the charity to the fund and amounted to £133,423 (2020 - £119,580). There are no contributions due at the year-end (2020 - £Nil).

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

18. LEASE COMMITMENTS

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

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

19. RELATED PARTY TRANSACTIONS

Barry Liles is a trustee of the board of WorldSkills UK and Principal of Coleg Sir Gar. During the year WorldSkills UK made sales to Coleg Sir Gar of £250,000 (2020: £nil). During the year purchases of £nil (2020: £600). At the year end, there were no balances outstanding with Coleg Sir Gar (2020: £nil).

Paul Little is a trustee of the board of WorldSkills UK and Principal of City of Glasgow College (CGC). During the year WorldSkills UK made sales to CGC of £nil (2020: £8,400) and purchases of £2,000 (2019: £16,176). At the year end, there was an amount owing to CGC of £2,000 (2020: £nil).

Mark Dawe is a trustee of the board of WorldSkills UK and Chief Executive of the Association of Employment and Learning Providers (AELP). During the year WorldSkills UK made purchases of £11,880 to AELP (2020: £nil). At the year end, there was an amount owing to AELP of £11,880 (2020: £nil).

Marion Plant is Deputy Chair of the board of WorldSkills UK and Principal and Chief Executive of North Warwickshire and South Leicestershire College (NWSLC). During the year WorldSkills UK made sales to NWSLC of £3,600 (2020: £16,168) and purchases of £nil (2020: £18,182). At the year end, there were no balances outstanding with NWSLC (2020: £nil).

Brian Doran is a trustee of the board of WorldSkills UK and Chief Executive of Southern Regional College (SRC). During the year WorldSkills UK made purchases to SRC of £1,800 (2020: £1,950). At the year end, there was an amount owing to SRC of £600 (2020: £nil).

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

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

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

20. ANALYSIS OF CHANGES IN NET FUNDS

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