



Annual Report

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

Company No: 02535199 Charity No: 1001586



**Funded by
UK Government**

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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 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 19.

The present Trustees (who are also the Directors), and any past Trustees who served during the year, are shown on page 18, together with the names of the senior executive staff. The external advisers of the Charity are also set out on page 19.

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.

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

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 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.

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.

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.

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 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's work 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.

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

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 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.

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 25 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.

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 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.

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)

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 OBE, FCGI

Chair of the Board of Trustees, WorldSkills UK

signing as so authorised.

Dated: 17-Nov-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.

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 page 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.

N J Wakefield

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 FOR THE YEAR ENDED 31 MARCH 2023

Company registered number: 02535199 Charity registered number: 1001586

(Incorporating the Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Notes	Unrestricted Funds £	Restricted Funds £	2023 Total £	2022 Total £
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 28 to 39 form part of these financial statements.

WORLDSKILLS UK BALANCE SHEET AS AT 31 MARCH 2023

Company registered number: 02535199 Charity registered number: 1001586

	Notes	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)
		2,890,536	2,956,420
Net current assets			
		3,385,788	3,629,917
Net assets			
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

The notes on pages 28 to 39 form part of these financial statements.

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

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

Company registered number: 02535199 Charity registered number: 1001586

	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 CASH FLOW STATEMENTS FOR THE YEAR ENDING 31 MARCH 2023

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)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDING 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.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDING 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.

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.

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.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDING 31 MARCH 2023

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.

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.

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.

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.

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.

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.

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.

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.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDING 31 MARCH 2023

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.

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.

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.

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.

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.

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.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDING 31 MARCH 2023

2. Investment and other income

	2023	2022
	£	£
Interest received	3,497	43

3. Net (expenditure)/income for the year

	2023	2022
	£	£
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 costs	Support costs	Direct costs	2023 Total	2022 Total
	£	£	£	£	£
Cost of generating funds:					
Fundraising costs	-	-	34,138	34,138	36,764
Charitable expenditure:					
Costs of activities in furtherance of the charities 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.

5. Support costs

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

NOTES TO THE ACCOUNTS FOR THE YEAR ENDING 31 MARCH 2023

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:

£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	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).

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 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).

NOTES TO THE ACCOUNTS FOR THE YEAR ENDING 31 MARCH 2023

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.

10. Intangible fixed assets

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

NOTES TO THE ACCOUNTS FOR THE YEAR ENDING 31 MARCH 2023

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	<u>343,652</u>	<u>343,652</u>
Depreciation		
At 1 April 2022	229,102	229,102
Charge for the year	89,633	89,633
Disposals	-	-
At 31 March 2023	<u>318,735</u>	<u>318,735</u>
Net book value		
At 31 March 2023	<u>24,917</u>	<u>24,917</u>
At 31 March 2022	89,856	89,856

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.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDING 31 MARCH 2023

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
	65,066	69,500

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.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDING 31 MARCH 2023

15. Funds (continued)

	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.

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).

NOTES TO THE ACCOUNTS FOR THE YEAR ENDING 31 MARCH 2023

18. Lease commitments

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

	2023	2022
	£	£
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	-	-

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 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 £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 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).

NOTES TO THE ACCOUNTS FOR THE YEAR ENDING 31 MARCH 2023

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

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 Funds £	Restricted Funds £	2022 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



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