

SKILLS ACTIVE UK.

(A Company Limited by Guarantee)

(Company Number 04661021)

(Charity Number 1098336)

**ANNUAL REPORT AND CONSOLIDATED FINANCIAL
STATEMENTS**

YEAR ENDED 29 MARCH 2019

SKILLS ACTIVE UK.
(A Company Limited by Guarantee)

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**TRUSTEES' REPORT
FOR THE YEAR ENDED 29 MARCH 2019**

The Council of Management, who are also the Directors of the Company for the purposes of the Companies Act, present their Annual Report and the Audited Financial Statements of the Charity for the year ended 29 March 2019 which are also prepared to meet the requirements for a Directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association and Accounting and Reporting by Charities: Statement of Recommended practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the UK and Republic of Ireland (FRS 102) published on 16 July 2014 (as amended by Update Bulletin 1 published on 2 February 2016.)

Reference and Administrative Detail

Charity name:	Skills Active UK
Charity registration number:	1098336
Company registration number:	04661021
Registered office and principal office:	Styrrup Golf and Country Club Main Street Styrrup Doncaster DN11 8NB
Chair:	Joan Scott
Directors/Trustees:	Susan Alridge (appointed 16 August 2019) Julie Amies (resigned 4 October 2018) Alex De Carvalho (resigned 4 October 2018) Beverley Higham (appointed 16 August 2019) Colette Kelly (appointed 16 August 2019) Donna Nicholson (appointed 16 August 2019) William Shaw (resigned 30 September 2019)

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Chief executive	Joan Scott
Auditor:	Hawsons Chartered Accountants 5 Sidings Court, White Rose Way Doncaster DN4 5NU
Bankers:	Barclays Bank plc Leicester LE87 2BB

Objectives and Activities

Background and Origins

SkillsActive is officially recognised as the Sector Skills Council (SSC) for Active Leisure, Learning and Well-being. Active Leisure, Learning and Well-being is made up of seven sectors: sport, fitness, outdoors, playwork, caravans, hair and beauty. As an SSC, SkillsActive provides employers, training providers, individuals, policy makers and key organisations with consultancy, information and advice on skills development and training.

Activities

SkillsActive's primary aim is to increase the demand, quality and availability of skills provision throughout these sectors across the United Kingdom.

SkillsActive regulates and verifies training across the industry through an endorsement process, ensuring that training throughout the sectors are of the highest quality and meet the needs of employers.

With a focus on professional development, SkillsActive aims to support individuals looking to begin a career through Apprenticeships and endorsed training, as well as those who have already made an initial breakthrough and are looking to take the next steps up the career ladder by joining a SkillsActive Register.

With over 4 million people working across the SkillsActive sectors, it is imperative that SkillsActive not only brings the best young talent to work in our sector, but to ensure that there are development opportunities in place to retain this talent

Habia

Habia, the Hair and Beauty Industry Authority are part of the SkillsActive Group.

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SkillsActive is licensed by the UK Government as the Sector Skills Council for the hair and beauty industry. The hair & beauty industry is a vibrant, dynamic and fast paced offering fantastic employment and training opportunities. The sector boasts a workforce of over 245,000 people working across 55,000 businesses comprising of hair, beauty and nail salons, barbers, and spas.

Habia are responsible for setting the standards that form the basis of all qualifications in hair and beauty including NVQs, SVQs, Apprenticeships and Foundation degrees as well as industry codes of practice.

We work closely with qualification awarding bodies, expert groups, educators and industry stakeholders to ensure we are collectively meeting the needs of the industry. We also help people access training, find jobs and run businesses by providing information and support on careers, business development, legislation, salon safety and equal opportunities.

The Habia Skills Academy delivers specialist training for educators to further develop industry skills and knowledge and also fill identified skills gaps. We endorse training delivered by providers across the industry to set criteria levels through our CPD Approved Centre, Centre of Expertise and Member Schools schemes.

Habia in partnership with SkillsActive owns and operates three professional registers for the beauty, nail and spa industry. They are the first voluntary and independent registers for the industry supported from the Government via UK Commission for Employment and Skills (UKCES). The aim is to ensure individuals working within the industry meet National Occupational Standards and are fully competent to conduct treatments and service to consumers.

Habia are a not for profit organisation and work continuously to raise the profile of the hair and beauty industry, through positive press and media relationships. We act as a port of call for news organisations and broadcasters for industry related news items, contributions and features.

The main focus of Skills active include the following:

National Occupational Standards (NOS)

Assessment strategies

Apprenticeships

Consultations

Advanced Apprenticeship in Sporting Excellence (AASE)

Active ambition

Training needs analysis

Endorsement

Sport

Fitness

Outdoors

Playwork

Caravans

Hair & Beauty

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Strategic Objectives

We are currently undergoing a review to ascertain our strategic objectives considering the recent restructuring changes and in light of the availability of projects funded by the government, including employer consultation, National Occupational Standards (NOS) and the issuing of Apprenticeship Framework certificates

Structure, Governance and Management

Structure

There is a Board of trustees that meets at least four times each year. The board is made up of individuals with key roles in the specialist sectors represented by Skills Active. There is a Habia Advisory board that meets four times each year, the board is made up of representative from across the different aspects of the hair and beauty sector.

The Standards and Qualifications Team is led by a Manager, with a full-time post focussed on sport. The team focus on projects funded by the government, including employer consultation, National Occupational Standards (NOS) and the issuing of Apprenticeship Framework certificates. A new post to strengthen the team has recently been approved, this role will support the successful delivery of a range of projects.

The Business Development Team is led by a Manager, she is supported by two roles that focus on a range of business development activities. Activity includes the development, promotion and sale of a range of products including training CPD courses, endorsements, kits, ambassador network. A Finance Manager leads on all financial aspects, supported by an independent Treasurer.

Currently a Trustee performs a part-time interim General Manager role. This provide a cost effective and efficient solution to ensure the smooth running of the organisation whilst recognising that a full-time role is not affordable or required with the level of business activity.

Governing Document

Skills Active UK. ('Skills Active', 'the charity') is a company limited by guarantee governed by its Articles of Association as adopted by Special resolution, dated 1 February 2013. It is registered as a charity with the Charity Commission and is the Government Licenced Sector Skills Council for the Active Leisure, Learning and Well-being industry sectors. Skills Active was founded by employers, trade associations and professional bodies across the industry footprint.

Appointment of Trustees

Trustees, who also act as directors of the company apply and are openly recruited on a skills basis by the Board as and when casual vacancies arise.

Members of the Board apply by an open recruitment process based on their skills, experience and knowledge. Upon appointment a Board member will be required to sign a Code of Conduct Declaration. There are a maximum of 12 Trustees.

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Trustee Induction and Training

New trustees are introduced to the work of the Skills Active through an induction meeting with the Chair and relevant personnel both inside and outside the organisation to fit the needs for that Trustees envisaged role. Trustees are given an induction detailing the constitution, aims and work of the charity and terms of reference for the board. Ongoing training and support will be provided as required during Trustees' terms of office.

Organisation

The Board meets on at least four occasions during the period. A number of governance functions related to Audit, Governance and Risk Committee are included as agenda items at board meetings so they can be fully considered, and action taken where appropriate. Recommendations are ratified by Board members.

Employers in relevant sub-sectors and in England, Scotland, Wales and Northern Ireland advise SkillsActive on skills priorities and these are combined in a commercially viable strategy which drives the strategic direction of the work of the organisation.

Due to a restructure and review of the organisation, a strategic session was held and a business plan produced. An initial 6-month action plan has been closely monitored followed by the development of a further 6-month plan. This business plan was developed by the interim general manager and they agreed strategic priorities with the Board. The delivery of the business is the responsibility of the interim Operational Director, who reports on progress against key objectives at each board meeting. Responsibilities for delivering individual areas of the business plan are delegated to the relevant Manager.

Related Parties (comprising the Skills Active Group)

Operationally, SkillsActive Services Limited ('SAS') and Habia, as the trading subsidiaries of the charity have become the delivery mechanism for the SkillsActive business plan. All members of staff apart from the CEO department support are employed by subsidiary companies. This change has been implemented to allow the organisation to expend its range of activities and increase its level of commercial work. All surpluses at the period-end are gift aided to the charity. All activity will therefore continue to be aligned with the charitable objects of SkillsActive. The National Skills Academy for Sport and Active Leisure remains a subsidiary of SkillsActive UK, and part of the National Skills Academy movement. The financial statements for the group include Habia, NSA, and SAS activities throughout the period and the assets and liabilities at the end of the period.

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Risk Management

The trustees have examined the major strategic, business and operational risks to which the organisation is exposed and confirm that the systems have been established to enable regular reports to be produced so that necessary steps can be taken to lessen these risks. Internal risks are minimised through the use of established procedures to authorise all transactions and projects to ensure consistent quality of delivery of all operational aspects of the charity. Through standard agenda items including Audit, Governance and Risk, these procedures are regularly reviewed to ensure that they continue to meet the needs of the charity, and the Boards/Trustees comments, together with the Register of Interests, are discussed at each board meeting.

Public Benefit

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities.

STRATEGIC REPORT

Achievements and Performance

We have continued to operate under challenging conditions, achieving significant financial savings and re-establishing our financial stability in light of both restructuring and funding changes. In addition, significant challenges have been encountered in the transition from a service provider, this resulted in legal action being taken because of the detrimental impact on the business. Despite multiple challenges, the board have been very tenacious, making difficult decisions to ensure the sustainability of the organisation so it is able to continue to support the sectors it serves.

The board have taken many positive steps to ensure the increased efficiency and effectiveness of the group, these steps include-

1. Appointment of a new Board, 5 new Directors are now in place.
2. A new Finance Manager has been appointed, with a full review of financial systems and processes underway.
3. A new Board Director is in place as the interim Operations Director, line managing staff directly
4. Reduction of four full-time roles.
5. The decision has been taken to leave the current premises to seek more cost-effective office facilities.
6. A more cost efficient and effective IT service is now in place.
7. Increased number of corporate partnerships

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8. Further development of the Education and Training portfolio
9. Substantial reduction in running costs

The COVID-19 Pandemic has brought unprecedented challenges for businesses across the UK and globally. It is still unclear what the full impact will be on our organisation, as the lockdown is still underway and businesses within our sector footprint have not been given a confirmed date by the government, for when they can reopen. We have taken timely action such as reduction in working hours and putting a number of staff on furlough. The board have been very proactive in helping to answer enquiries and respond to requests for support and information. During this time there has been a review of products and services to ensure they are responsive to COVID constraints and are appropriate in a post-COVID environment. This has included the development of a remote delivery model for the teaching course, introduction of e-learning and e-resources for salons and colleges, plus the enhancement of the website to offer much more information on COVID related support and resources. The pandemic has enhanced partnership working, many organisations have approached us to provide a united, multi-agency approach to the provision of information, advice, guidance and support for employers, providers, employees and clients. Habia has been asked to feed into the government guidance for the reopening of the hair and beauty sectors. In addition, we have given a qualification steer for the regulators in each of the four nations for the educational provision in the sector. As the Sector Skills Council we have worked with FISSS and reported to government ministers on the impact of COVID-19 and skills shortages.

Financial Review

SkillsActive has reduced back to its core activities in certification of approved Frameworks in its core sectors across all the Home Nations and a number of educational products and services that meet certain sector needs such as specialist books and kits. Individual contract funding from various funding departments or NGB's such as creating National Occupational Standards or supporting the creation of Trailblazer Standards are collaboratively worked on by our personnel.

After due consideration of all relevant factors, including recent temporary restrictions imposed as a result of the COVID19 pandemic, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Following the restructuring the group's results for the year are as follows:

The Group incurred a deficit of £132,480 for the year. SkillsActive UK incurred a deficit of £Nil, NSA a deficit of £74,370, Habia a deficit of £1,410 and SkillsActive Services Limited a deficit of £63,101.

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Investment Policy

Under the Articles of Association, the board has the power to invest in such assets as sees fit. The Board has considered Skills Active's income requirements, current reserve levels and risk profile and chosen when pertinent to keep funds in low-risk, short-term cash deposits which can be accessed readily.

Going Concern

The financial statements have been prepared on a going concern basis. The financial performance of the group has been detailed above.

The trustees consider that the going concern basis is appropriate because the company has sufficient forecast future cash flows to support this assumption. The directors have taken appropriate actions to enable the company to return to profit in the future.

However, the trustees are aware of certain material uncertainties which may cause doubt on the company's ability to continue as a going concern. Due to the ongoing worldwide COVID-19 pandemic, severe restrictions have been placed on all businesses within the UK. Those measures have the potential to have a significant impact on the results of the company. At the time of approval of the financial statements, it is not possible to estimate the full economic impact of the pandemic on individual businesses and the economy. The trustees are aware that the company is affected by the current events but for the reasons outlined above have a reasonable expectation that the company will continue in operational existence for the foreseeable future.

Reserves Policy

The group needs free (unrestricted) reserves for three reasons to:

1. Protect its services and activities from adverse changes in conditions
2. Manage short-term financial losses
3. Plan and adapt to the changed circumstances

Given these factors, the trustees have an ambition to hold a level of reserves in order to maintain the trading needs of the organisation.

In approving the Trustees' Annual Report, we also approve the Strategic Report included therein, in our capacity as company directors.

On behalf of the board:



Joan Scott
Trustee

Dated: 15/7 2020

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**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 29 MARCH 2019**

The Trustees are responsible for preparing the Trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Charity law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources, including its income and expenditure, of the Charity for the year. In preparing those 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 2019 (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements and other information included in annual reports may differ from legislation in other jurisdictions.

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**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 29 MARCH 2019**

Statement as to disclosure to our auditors

In so far as the Trustees are aware at the time of approving our Trustees' annual report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the auditor is unaware, and
- the Trustees, having made enquiries of fellow directors and the auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

By order of the Board of Trustees



Joan Scott

Trustee

Dated:15/7.....2020

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF
SKILLS ACTIVE UK.**

Opinion

We have audited the financial statements of Skills Active UK (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 29 March 2019 which comprise the consolidated statement of financial activities, consolidated balance sheet, balance sheet, consolidated 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 Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 29 March 2019, and of the group's 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 and the Charities Act 2011.

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 group and parent 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.

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF
SKILLS ACTIVE UK. (Continued)**

Conclusions relating to going concern

We draw attention to the 'Going concern' section of note 1 in the financial statements, which indicates that a material uncertainty exists that may cast significant doubt on the ability of Skills Active UK. to continue as a going concern due to the ongoing COVID-19 pandemic. Further information on this matter is disclosed in the 'Going concern' section of note 1 to these financial statements. Our opinion is not modified in respect of this matter.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF
SKILLS ACTIVE UK. (Continued)**

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on pages 9-10, 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.

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF
SKILLS ACTIVE UK. (Continued)**

In preparing the financial statements, the trustees are responsible for assessing the group's and parent 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 group or the parent 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF
SKILLS ACTIVE UK. (Continued)**

- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF
SKILLS ACTIVE UK. (Continued)**

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 and to the charitable company's trustees, as a body, in accordance with regulations made under section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company's members and its trustees 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 and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Paul Wormald (Senior Statutory Auditor)

For and on behalf of Hawsons Chartered Accountants, Statutory Auditor

Hawsons Chartered Accountants is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

5 Sidings Court
White Rose Way
Doncaster
DN4 5NU

Date: 15 July 2020

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CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(including Income & Expenditure Account)
FOR THE YEAR ENDED 29 MARCH 2019

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds £	2018 £
Incoming resources					
Incoming resources from generated funds:					
Activities for generating funds					
Commercial trading operations	3	498,596	-	498,596	496,894
Investment income	4	39	-	39	1,240
		498,635	-	498,635	498,134
Incoming resources from charitable activities	5	-	-	-	58,200
Total incoming resources		498,635	-	498,635	556,334

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CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (Continued)
(including Income & Expenditure Account)
FOR THE YEAR ENDED 29 MARCH 2019

	Notes	Unrestricted Funds	Restricted Funds	Total Funds	2018
Resources expended					
Costs of generating funds					
Commercial trading operations		556,745	-	556,745	674,992
Charitable activities	6	-	74,370	74,370	51,683
Governance costs	8	-	-	-	9,450
Total resources expended		556,745	74,370	631,115	736,125
Net movement in funds for the year		(58,110)	(74,370)	(132,480)	(179,791)
Reconciliation of funds:					
Total funds brought forward		(47,216)	175,668	128,452	308,243
Total (deficit) / funds carried forward		(105,326)	101,298	(4,028)	128,452

SKILLS ACTIVE UK.
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REGISTERED NUMBER: 04661021

CONSOLIDATED BALANCE SHEET
AS AT 29 MARCH 2019

		Group		Charity	
		2019	2018	2019	2018
	Notes	£	£	£	£
Fixed Assets					
Tangible fixed assets	12	6,003	82,923	-	-
Investment in subsidiaries	13	-	-	100	100
		6,003	82,923	100	100
Current Assets					
Debtors	14	43,322	62,854	5,655	785,649
Cash at Bank and in hand		9,483	49,317	-	9,673
		52,805	112,171	5,655	795,322
Creditors: amounts falling due within one year	15	(62,836)	(66,642)	(20,192)	(809,859)
Net Current Assets / (Liabilities)		(10,031)	45,529	(14,537)	(14,537)
Net Assets / (Liabilities)		(4,028)	128,452	(14,537)	(14,537)
Funds					
Unrestricted Funds	16	(105,326)	(47,216)	(14,537)	(14,537)
Restricted Funds	16	101,298	175,668	-	-
		(4,028)	128,452	(14,537)	(14,537)

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on 5/7 2020



Joan Scott
Trustee

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**CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 29 MARCH 2019**

		2019 £	2018 £
Cash generated / (used in) Operating Activities	Note A	(39,834)	(120,139)
Cash flows from Investing Activities			
Interest received		39	1,240
Acquisition of tangible fixed assets		-	-
Cash provided by (used in) Investing Activities		39	1,240
Cash flows from Financing Activities			
Interest paid		-	-
Cash used in Financing Activities		-	-
Cash and cash equivalents at the beginning of the year		49,317	168,216
Increase (decrease) in cash and cash equivalents in the year		(39,834)	(118,899)
Total cash and cash equivalents at the end of the year	Note B	9,483	49,317

Note A

Reconciliation of net movement in funds to net cash flow from operating activities

Net movement in funds	(132,480)	(179,791)
Adjustments for:		
Finance income	(39)	(1,240)
Finance costs	-	-
Depreciation & impairment charge	74,370	46,471
Decrease in debtors	19,532	81,734
(Decrease) in creditors	(1,217)	(67,313)
Cash provided by (used in) operating activities	(39,834)	(120,139)

Note B

Analysis of cash and cash equivalents

Cash in hand and at bank	9,483	49,317
Total cash and cash equivalents	9,483	49,317

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 MARCH 2019**

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year.

a) General information and basis of preparation

Skills Active is a company limited by guarantee registered in England. 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. The company has 5 (2018: 5) members. The address of the registered office is given in the charity information on page 1 of these financial statements.

The consolidated financial statements have been prepared in accordance with 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 (FRS102) issued on 16 July 2014 (as updated through Update Bulletin 1 published on 2 February 2016), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2015.

Skills Active meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historic cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £1.

Going concern

The financial statements have been prepared on a going concern basis.

The trustees consider that the going concern basis is appropriate because the company has sufficient forecast future cash flows to support this assumption. The directors have taken appropriate actions to enable the company to return to profit in the future.

However, the trustees are aware of certain material uncertainties which may cause doubt on the company's ability to continue as a going concern. Due to the ongoing worldwide COVID-19 pandemic, severe restrictions have been placed on all businesses within the UK. Those measures have the potential to have a significant impact on the results of the company. At the time of approval of the financial statements, it is not possible to estimate the

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 MARCH 2019**

Going Concern (Continued)

full economic impact of the pandemic on individual businesses and the economy. The trustees are aware that the company is affected by the current events but for the reasons outlined above have a reasonable expectation that the company will continue in operational existence for the foreseeable future.

b) Group consolidated financial statements

These consolidated financial statements consolidate the results of the charitable company and its wholly owned subsidiaries SkillsActive Services Limited, Habia and National Skills Academy for Sports and Active Leisure. A separate statement of financial activities and income and expenditure account are not presented for the charity itself following the exemptions afforded by section 408 of the Companies Act 2006. The charity result for the period was a deficit of £nil.

c) Fund accounting

Unrestricted general funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds are those funds which have been designated by the trustees for use on specific projects within the objectives of the charity.

Restricted funds are to be used for specific purposes as laid down by the donors as to how they may be used.

d) Incoming resources

Voluntary income including donations and grants that provide core funding or are a general nature are recognised where there is an entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Such income can only be deferred when the donor specifies that the grant or donation must only be used in future accounting periods, or the donor has imposed conditions which must be met before the charity has unconditional entitlement.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 MARCH 2019

e) Volunteers and donated services and facilities

The value of services provided by volunteers is not incorporated into these consolidated financial statements. Board members, sector council members and others serving on various committees and advisory groups are all volunteers.

Where services are provided to the group as a donation that would normally be purchased from our suppliers, this contribution is included in the consolidated financial statements as an estimate on the value of the contribution to the charity.

f) Irrecoverable VAT

Revenue and costs are stated excluding VAT. Recoverable and irrecoverable VAT are calculated, and irrecoverable VAT is written off as a central cost and not allocated back to the original costs which gave rise to the VAT.

g) Resource expended

Expenditure is recognised when a liability is incurred. Contractual arrangements and performance related grants are recognised as goods or services are supplied. Other grant payments are recognised when a constructive obligation arises that results in the payment being unavoidable.

- Costs of generating funds are those costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.
- Charitable activities include expenditure associated with writing standards for use in the sport and active leisure industry and work to encourage an increase in the qualifications obtained by people working in the sector and include both the direct costs and support relating to these activities.
- Governance costs include those incurred in the governance of the charity and its assets are primarily associated with constitutional and statutory requirements.
- Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, eg. Allocating property costs by floor areas or capita, staff costs by the time spent and other costs by their usage.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 MARCH 2019**

h) Tangible fixed assets

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold improvements	Over the period of the lease on a straight line basis
Fixtures and fittings	Over five years on a straight line basis
Computer equipment and software	Over three years on a straight line basis

i) Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

j) Pension contributions

The charitable company contributes to a stakeholder pension scheme. Contributions are charged to the statement of financial activities as and when they fall due.

k) Financial instruments

Financial assets such as cash and debtors are measured at the present value of the amounts receivable, less an allowance for the expected level of doubtful receivables. Financial liabilities such as trade creditors and finance leases are measured at the present value of the obligation.

l) Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the net outgoing resources.

m) Redundancies

Redundancy costs are recognised upon payment to the relevant staff.

n) 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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 MARCH 2019**

2. IN KIND GOODS AND SERVICES

There are no services provided to the group as a donation that would normally be purchased from suppliers. We work with a wide range of volunteers who kindly contribute their specialist knowledge and experience in many areas.

3. ACTIVITIES FOR GENERATING FUNDS

This represents the income from the charity's subsidiary undertakings, Skills Active Services Ltd and Habia, companies incorporated and registered in England. The principal activity of SkillsActive Services Limited is the raising of funds for SkillsActive UK through the provision of services and tools to employers and trainers in the sector. The principal activity of Habia is that of development, maintenance and promotion, for the benefit of the public, of high standards of education, training and professional conduct amongst persons engaged in hairdressing, beauty therapy and other similar services.

4. INVESTMENT INCOME

The group's investment income arises from interest bearing deposit accounts with the group's bankers.

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted Funds 2019	Restricted Funds 2019	Total Funds 2019	Total Funds 2018
	£	£	£	£
Funded programs	-	-	-	58,200
Other income	-	-	-	-
TOTAL	-	-	-	58,200

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 MARCH 2019**

6. COSTS OF CHARITABLE ACTIVITIES

	Unrestricted Funds 2019	Restricted Funds 2019	Total Funds 2019	Total Funds 2018
	£	£	£	£
Depreciation & impairment	-	74,370	74,370	46,471
Premises costs	-	-	-	-
Support costs (see note 7)	-	-	-	5,212
TOTAL	-	74,370	74,370	51,683

7. ALLOCATION OF SUPPORT COSTS

Support costs, which principally consist of staff and administration costs, are allocated on a basis consistent with the use of resources.

8. GOVERNANCE

	2019 £	2018 £
Support costs (see note 7)	-	579
External audit	-	2,765
Accountancy services	-	1,095
Legal and other professional fees	-	1,000
Board costs	-	4,011
TOTAL	-	9,450

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 MARCH 2019**

9. STAFF COSTS

	2019	2018
	£	£
Wages, salaries and social security	245,572	290,752
Pension costs	3,534	5,155
Redundancy costs	-	36,784
TOTAL	249,106	332,691

One trustee received remuneration during the period of £nil (2018: £24,000).
The above was in respect of W Shaw in relation to consultancy services provided, subject to board approval.

Total expenses of £nil (2018: £4,142) were reimbursed to nil (2018: 3)

Trustees. Expenses were made to cover travel and subsistence costs incurred by the board members

The average number of persons employed by the group during the year was 8 (2018: 10)

10. PENSION SCHEME

The charitable group contributes to a stakeholder pension scheme. The charitable group makes a contribution equal to 5% of salary to employees who elect to join the scheme. Employees can then choose to make their own personal contributions. The charitable group contribution is 5% regardless of whether the employee makes any contributions of their own, or the size of the contribution made by the employee if they make their own contribution. During the period pension contributions of £3,534 (2018: £5,155) were charged to the income and expenditure accounts. As the balance sheet date, unpaid pension contributions totalling £546 (2018: £441) were included in creditors.

11. AUDITORS' REMUNERATION

Audit of the group financial statements £9,000 (2018 - £8,750)

Other services £3,581 (2018 - £1,095)

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 MARCH 2019**

12.TANGIBLE FIXED ASSETS

	Leasehold improvements	Fixtures and fittings	Computer equipment	Total
GROUP	£	£	£	£
Cost				
At 1 April 2018	346,364	341,623	132,519	820,506
Additions	-	-	-	-
At 29 March 2019	346,364	341,623	132,519	820,506
Depreciation				
At 1 April 2018	271,994	337,161	128,428	737,583
Charge for the year	34,637	2,002	548	46,471
Impairment	39,733	-	-	39,733
At 29 March 2019	346,364	339,163	128,976	737,583
Net Book Value				
At 29 March 2019	-	2,460	3,543	6,003
At 1 April 2018	74,370	4,462	4,091	82,923

The individual company / charity holds no tangible fixed assets.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 MARCH 2019**

13. INVESTMENT IN SUBSIDIARIES

	Charity's shares in subsidiaries £
Cost	
At the beginning and end of period	100
	<hr/>

Name of subsidiary	Country of Registration and number	
SkillsActive Services Limited (SAS)	England 05074594	(100% owned by SkillsActive UK.)
National Skills Academy for Sport and Active Leisure (NSA) (Limited by guarantee) Registered charity 1127431	England 06591156	(100% owned by SkillsActive UK.)
Habia (Limited by guarantee)	England 03579512	(100% owned by SkillsActive UK.)

The profit and loss accounts / statement of financial activities (SOFA) and balance sheets of the subsidiaries for the year ended 29 March 2019 are summarised below:

	SAS £	Habia £	NSA £
Income	197,074	301,561	-
Expenditure	(260,175)	(302,971)	(74,370)
Retained surplus / (deficit)	<u>(63,101)</u>	<u>(1,410)</u>	<u>(74,370)</u>
 Aggregate share capital and reserves / (deficit)	 <u>(511,325)</u>	 <u>128,435</u>	 <u>393,398</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 MARCH 2019**

14. DEBTORS

	Group		Charity	
	2019	2018	2019	2018
			£	£
Trade debtors	27,710	46,861	-	-
Accrued income	-	-	-	-
Amounts due from group undertakings	-	-	-	779,994
Prepayments	1,230	5,478	-	-
Other debtors	14,382	10,515	5,655	5,655
TOTAL	43,322	62,854	5,655	785,649

15. CREDITORS: Amounts falling due within one year

	Group		Charity	
	2019	2018	2019	2018
			£	£
Trade creditors	30,221	29,082	-	8,202
Amounts due to group undertakings	-	-	16,891	796,938
Social Security and other taxes	10,937	10,199	-	1,089
Accruals	3,300	3,300	3,300	3,300
Other creditors	18,378	24,061	-	330
TOTAL	62,836	66,642	20,191	809,859

16. ANALYSIS BETWEEN FUNDS

Details of principal restricted funds:

Programmes to assist training through bursary – These funds are for the provision of bursaries for the training of coaches for various sports in England.

Subsidised training and support – These funds are intended to encourage workers in the sports sector to develop their training by subsidising a significant portion of the cost of training.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 MARCH 2019**

Grants for capital and development work – This is funding to enable the establishment of training centres of excellence and development of the National Skills Academy.

	Funds b/f 01/04/18 £	Total Income £	Total Expenditure £	Transfers £	Funds c/f 29/03/19 £
a) Restricted Funds					
NSA Restricted funds	175,668	-	(74,370)	-	101,298
Restricted Funds - group	175,668	-	(74,370)	-	101,298
b) Unrestricted Funds					
Unrestricted Funds – charity	(14,437)	-	-	-	(14,437)
Unrestricted Funds – group	(47,216)	498,635	(556,745)	-	(105,326)

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	TOTAL £
Tangible fixed assets	6,003	-	6,003
Net current (liabilities) / assets	(111,329)	101,298	(10,031)
	(105,326)	101,298	4,028

18. FINANCIAL COMMITMENTS, GUARANTEES AND CONTIGENCIES

The total amount of financial commitments not included in the balance sheet is £28,800 (2018 - £45,700).

19. RELATED PARTY TRANSACTIONS

Other than the expenses paid to trustees' as disclosed in note 9 to the financial statements there were no further transactions to report.