
UNITED KINGDOM ACCREDITATION SERVICE
(A company limited by guarantee)

COMPANY INFORMATION

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

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

2. Accounting policies (continued)

2.20 Financial instruments (continued)

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

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

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

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

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision effects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

Critical judgments in applying the Group's accounting policies

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

(i) Assessing indicators of impairment

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

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5. Operating profit

The operating profit is stated after charging:

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

6. Auditors' remuneration

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

Other services relating to taxation

All other services

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

7. Employees

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

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

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

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

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8. Directors' remuneration

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

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

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

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

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

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

9. Interest receivable

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

10. Interest payable and similar expenses

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

11. Other finance income/(cost)

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

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25. Pension commitments

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

Reconciliation of present value of plan liabilities:

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

Reconciliation of present value of plan assets:

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

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25. Pension commitments (continued)

Composition of plan assets:

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

The amounts recognised in profit or loss are as follows:

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

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

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

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25. Pension commitments (continued)

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

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

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

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