

# Annual Report 2021





# Company Information

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## Directors

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

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## Registered number

03076190

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## Registered office

2 Pine Trees  
Chertsey Lane  
Staines Upon Thames  
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TW18 3HR

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## Independent auditors

Feltons  
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TW9 1PL

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**PROFESSIONALISM**

We recognise and promote the competency and expertise that enables us to support each other and provide an outstanding service to our colleagues, stakeholders and customers.

**RESPECT**

We value diversity and aim to be inclusive in our actions, creating an environment where everyone feels safe, secure and valued.

**INTEGRITY**

We work with honesty and impartiality and are consistent in the approach we take across all our activities, encouraging each other to be the best we can be.

**DEDICATION**

We are dependable and determined to ensure accreditation is used to underpin the quality and safety of products and services that we all rely upon.

**EXCELLENCE**

We operate with distinction and agility, focusing on continual improvement and innovation, driven by a desire to exceed expectations.



by  
**Lord Lindsay**  
UKAS Chairman

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# Chairman's Statement

It is no exaggeration to say that this has been a year like no other. Little did I imagine when I was writing my report 12 months ago that the country, indeed the world, would still be under severe restrictions due to the pandemic a year later.





So my first task is to pay tribute to the magnificent effort made by everyone in UKAS to adapt and respond to the very difficult circumstances. Not only has it been possible to maintain the accreditation of 2,598 organisations, particularly by pioneering remote assessment techniques, but UKAS has done so whilst avoiding redundancies or placing staff on furlough. This has been a tremendous achievement by all concerned.

The pandemic has also placed a very different burden on UKAS. From being an little-known activity that few people thought about, sampling and testing has suddenly become a topic of mainstream conversation. Once again, UKAS has risen to the challenge by providing government and our healthcare authorities with solutions that have enabled a massive ramping-up of COVID-19 testing. It is a perfect example of the valuable work UKAS does on behalf of the nation, so often unseen but in this instance very much in the public spotlight.

UKAS has also had to respond to the changes brought about by Brexit, not least by the transition from CE Marking to the new UKCA mark and the complications for conformity assessment caused by the Northern Ireland Protocol. Throughout this period, UKAS has worked assiduously with government, trade bodies and its customers to provide as much information and guidance as possible to assist during this changeover. As further trade deals are negotiated, UKAS continues to work closely with government and provide advice on the important role that accreditation plays in international trade.

The remit of UKAS is extremely broad, encompassing all sectors of the economy and working with virtually all government departments, including the devolved governments. In the last year we have continued to support the work of MHCLG (Ministry of Housing, Communities and Local Government) and HSE (Health and Safety Executive) to raise competence in the construction sector in the wake of the Grenfell

Tower tragedy, as well as the development and deployment of accreditation relating to carbon emissions and other environmental areas, particularly relevant with the UK hosting COP26 in Glasgow. We are also working with various parts of government, including BEIS and DCMS, to develop solutions to address the opportunities and challenges brought about by the rapid advent of the Fourth Industrial Revolution. This work includes cyber security, blockchain, artificial intelligence and the Internet of Things. Simultaneously, UKAS has been making use of blockchain to develop a highly secure register of accredited organisations.

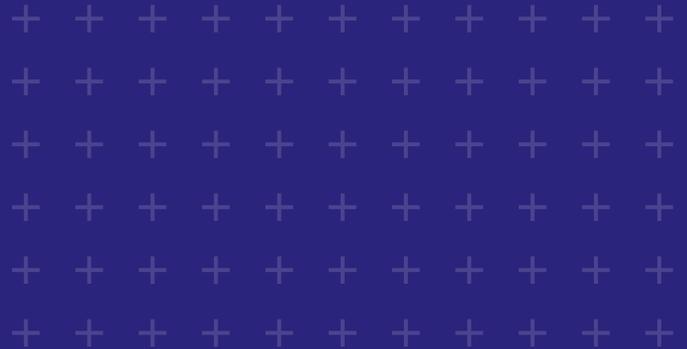
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UKAS continues to work closely with government and provide advice on the important role that accreditation plays in international trade.  
”

Another major internal project has been the rollout of the new UKAS branding, the first change since UKAS was founded 25 years ago, together with a new website. Due to the pandemic, we have been unable to hold face-to-face events. However, we were delighted that Dame Judith Hackitt was able to deliver the UKAS 25th Anniversary Lecture, sharing her experience and learnings from her review into the Grenfell fire.

In conclusion, it has been a tumultuous year but UKAS has clearly demonstrated both its resilience and relevance in the face of unprecedented challenges.



by  
**Matt Gantley**  
UKAS Chief Executive



# Chief Executive's Report

Without doubt, the last 12 months have been the most turbulent period for UKAS since it was founded in 1995 and we spent our 25th anniversary year dealing with a succession of unprecedented challenges.

We are now finally starting to emerge from the pandemic, and I can now look back over those months with an immense sense of pride in the way that UKAS has risen to meet and overcome those challenges.

I must pay tribute to the magnificent way our employees and contractors have adapted to the circumstances, for instance remote assessments and working from home, whilst coping with the numerous other issues that they and their families have had to deal with. I should also mention the excellent collaboration with our customers and stakeholders, who have worked with us to overcome the obstacles that have arisen. On behalf of the UKAS Board, I would like to thank you all for the way we have pulled together to get through this difficult time.

As if the pandemic was not enough, we have also had the transition caused by Brexit. This has thrown up a new set of challenges to address, such as the changes to UK regulations, the introduction of the UKCA mark and the renegotiation of UKAS' role in EA (European co-operation for Accreditation), the European regional

forum for accreditation bodies. I am pleased to report that throughout these changes, UK government has reiterated its commitment to preserving UKAS as the sole National Accreditation Body.

It is somewhat ironic that the COVID-19 pandemic has reinforced the importance of accreditation. Later in this report, Dame Sue Hill will talk about the vital role that UKAS has played in the country's response to the crisis, and it has brought us closer to government than perhaps at any time in our 25-year history.

It is a similar story with EU Exit, which has undoubtedly strengthened the understanding of the important role played by accreditation in international trade. We were not able to celebrate our 25th anniversary in the way we had anticipated but due to the events of the past year we were able to celebrate it in a way that is more relevant and meaningful – namely, working in close collaboration with government and our wider stakeholders to deploy accreditation to support the needs and objectives of our country.

### Financial performance

Our underlying financial performance remained strong, as we successfully navigated through the pandemic, by quickly adapting our services, including commercial training, to an online delivery model. We managed to achieve a 27.3% increase in operating profit of £2,983,925 and an improvement in gross profit margin, which at 46.3% was 6.5% higher compared to last year.

Despite our quick response, we were impacted by the pandemic and delivered 27,448 accreditation days, 2,680 fewer days than the previous year. This was a result of having to replan assessments to accommodate the needs of our customers who had to furlough staff or, in the case of medical and forensic laboratories, had to redirect resources to the COVID-19 response.

Overall, administrative expenses of £10,808,373 were £339,796 lower compared to last year, largely due to bad debts remaining low. There were significant savings in overhead travel costs, with all meetings – including team meetings of our remote workforce and induction and training of new staff – conducted online.

Costs this year included a 'thank you' bonus of £175k and £0.5m discretionary pension contribution, which was awarded to our staff in recognition of their remarkable efforts and resilience throughout a very challenging year.

### Strategic investment

In line with our Strategic Development Plan, we have continued to invest to keep UKAS ahead of the evolving world we operate in. A new database of accredited certification will be launched shortly, to ensure the validity of certificates. Additionally, a pilot scheme for risk-based assessment is underway in the asbestos sector. The UKAS brand has been updated and a new website has been launched. Alongside these developments, UKAS has reconfirmed its Purpose, Vision, Mission and Values and these are set out later in this report, as are the five strategic priorities from the refreshed Strategic Plan.



+ **£29.8m**

ANNUAL REVENUE

+ **46.3%**

GROSS PROFIT MARGIN

+ **1,465**

LABORATORIES TRANSITIONED TO ISO/IEC 17025:2017

+ **27,448**

ACCREDITATION DAYS DELIVERED

## Customers and stakeholders

This has been a difficult year for our customers and stakeholders. Like UKAS, they have had to adapt, in particular to the greater use of remote assessments and video calls. We look forward to returning to in-person assessments in the coming months, but the greater use of Zoom and MS Teams has enabled us to communicate more readily with our customers, stakeholders and peers, both in the UK and abroad. UKAS has embraced this opportunity by hosting a number of webinars on a range of topics, from cannabinoids and the UKCA mark to the Internet of Things and lessons from the Grenfell Tower fire. Video technology has also been widely adopted to allow us to deliver our training programme remotely, enabling us to reach a wider audience and to maintain our training offering during lockdown.

Customer satisfaction ratings have reached new heights for both our training and operational services, with an 'Excellent' Net Promoter Score (NPS) being regularly achieved. We have continued to work closely with our international peers, which has included our position within EA, IAF (International Accreditation Forum) and ILAC (International Laboratory Accreditation Cooperation). You will also find an article in this report by Ety Feller, Chair of ILAC, about the importance of international accreditation networks.

## People

Our people have been at the heart of UKAS' resilience to the pandemic and through their efforts we have been able to maintain our accreditation and training services at a high level despite the obvious difficulties.

Throughout the pandemic, UKAS moved swiftly to adopt a 'safety first' approach to ensure that our people and our customers people were protected from exposure to COVID-19 and we believe this has prevented anyone contracting the illness through their work. We continue to adapt our approach in light of the changing guidelines and have communicated and consulted regularly about any impending changes, such as hybrid working patterns. We have also avoided the need for any redundancies or furlough and although recruitment (which moved to online methodologies) dipped during 2020, this has now ramped up significantly.

It has been pleasing to note a marked improvement in our staff engagement survey, which I believe reflects the way UKAS has supported its people – and they have supported UKAS – during the last year.

## Risk management and business resilience

Our Risk Register has remained essentially similar to last year, bearing in mind that a major global event such as a pandemic already featured on the register.

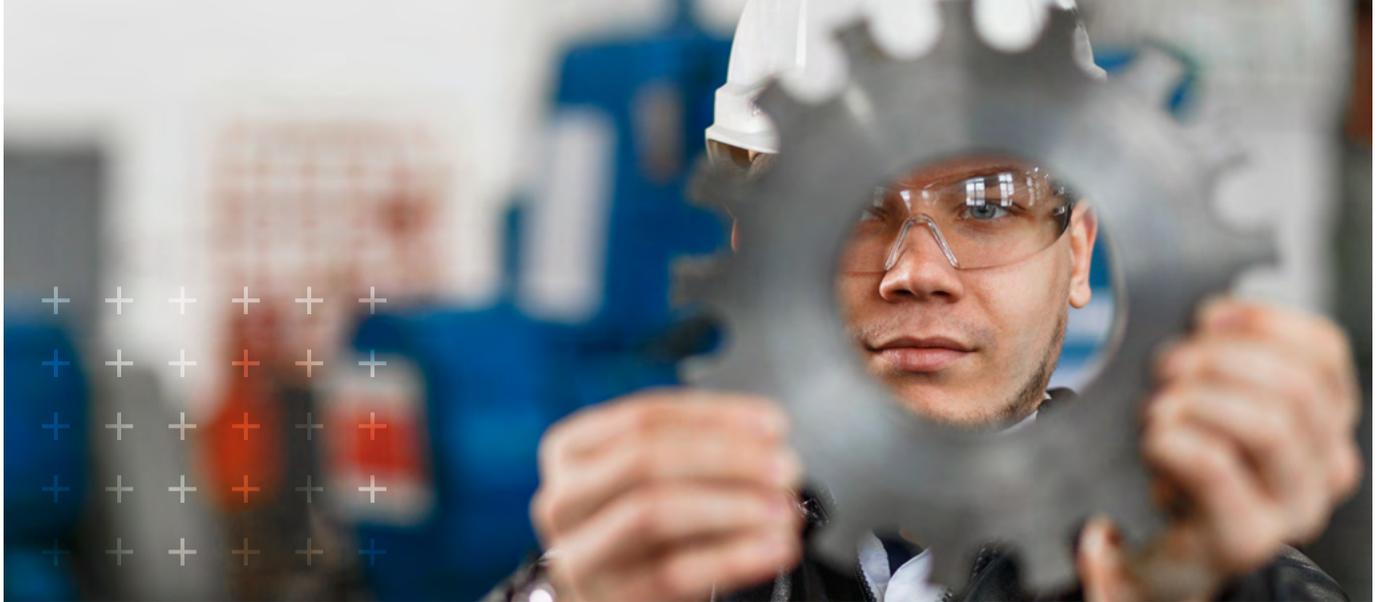
Now that Brexit has completed there are many operational and technical issues to work through and we worked in close collaboration with BEIS (Department for Business, Energy and Industrial Strategy), MHCLG (Ministry of Housing, Communities and Local Government) and other competent authorities to deliver these changes. Most notable being the change from the CE Mark to the UKCA Mark and the lobbying activities undertaken to enable amendment of the EA membership criteria, with the objective of allowing UKAS to remain members.

Overall, UKAS has demonstrated remarkable resilience to both the pandemic and Brexit as shown by the Financial Performance mentioned above.

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## Technical excellence

UKAS has always been at the forefront of accreditation. When the pandemic struck, we already had systems and hardware in place that allowed all our staff to work from home and were already using platforms such as MS Teams. Most notably, building on previous pilots, we were able to rapidly switch to remote assessments, enabling the currency of our accredited certificates to be maintained.

We were able to provide leadership not only to our customers but also to our international peers, who looked to UKAS for advice and guidance. Another pioneering area is risk-based assessment, where a full-scale pilot is underway. We successfully underwent our peer review, delayed from 2020 to 2021, confirming our compliance with ISO/IEC 17011. Despite the challenges of recent months, UKAS has continued to maintain the highest standards. An article by Lorraine Turner, UKAS Accreditation Director, on upholding the integrity of accreditation appears later in this report.

## Operational performance

Despite the impact of the pandemic, we completed our largest ever transition of 1,465 laboratories to the latest version of ISO/IEC 17025. We also finalised some internal restructuring, particularly bringing the Healthcare activities together into a single team, whilst simultaneously responding to the demand for COVID-19 sampling and testing. Another very busy area has been Forensics, with new services such as crime scenes, sexual assault referral centres and collision and fire investigation growing significantly. Throughout all of this, our assessors and administration teams have adapted to remote assessments and home working, and I thank them for their magnificent efforts. An article by Paul

Greenwood, UKAS Operations Director, can be found later in this report on the purpose of accreditation.

## New service development

Our Development Team receives on average 20 enquiries per month, some of which progress quickly and some more slowly, and at any one time over 100 development projects or enquiries are in the pipeline. The level of interest has remained steady despite the pandemic. Inevitably COVID-19 has been a major area of growth as UKAS has provided agile support to government for COVID-19 sampling and testing, with over 500 applications being received.

Other topical areas include the use of cannabidiols in food (working with FSA (Food Standards Agency)), GDPR certification (in association with ICO (Information Commissioner's Office) and a variety of Fourth Industrial Revolution technologies, where UKAS has initiated a programme to address 4IR. The response to the Grenfell Tower fire continues to be a focus and we are working closely with MHCLG and HSE (Health and Safety Executive) to support the Building Safety Bill. More statistics on Service Development appear later in this report.

## Outlook

Much has changed in the last year. Twelve months ago, I would have looked to the future with uncertainty and some trepidation. However, those concerns have proved to be unfounded. UKAS has been put to the test in the last year and although there is still much to do, we have come through with flying colours. Not only have we weathered the pandemic in good order but we have also demonstrated why UKAS exists and why it is important. As the world gets back on its feet, I have every confidence that UKAS will continue to play a pivotal role in providing trust and assurance in the years ahead.



by  
**Mark Bohun**  
UKAS Commercial  
Director



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## Introduction

Welcome to the UKAS Annual Report for 2021. To complement the new UKAS logo, accreditation symbols and website unveiled at the start of the year, the look and format of this year's Annual Report has also been updated.

The content has been expanded with a series of articles on a diverse range of subjects, all underlining the importance of accreditation in delivering a world of confidence in the products and services we all use every day.

In addition to reports on UKAS activity and achievements from the Chair, CEO, Financial Director and Policy Advisory Council, this year's Annual Report features insight into the world of accreditation from the UKAS Executive. This includes discussions on the purpose of accreditation, the importance of upholding its integrity and the unique challenges and opportunities presented by the Fourth Industrial Revolution (4IR).

UKAS greatly values the input and support of all its many key stakeholders throughout the year and would like to extend special thanks to those who have kindly contributed to this year's report. COVID-19 has impacted all aspects of everyday life and here the NHS summarises the important part accreditation has had in helping it respond to the pandemic. Similarly, the Office for Product Safety and Standards (Part of Department for Business, Energy & Industrial Strategy) explains how accreditation helps deliver product safety whilst supporting UK enterprise, innovation and Net Zero targets. There is also an overview of the challenges and opportunities for accredited

conformity assessment provided by the TIC sector, whilst ILAC shares its perspective on the future for mutual recognition and international cooperation in an ever changing socio-political and economic landscape.

Despite the restrictions imposed by the pandemic, UKAS has continued to exceed expectations throughout the year. This is illustrated through eye-catching infographics, outlining UKAS' performance in a number of key areas, including customer service, stakeholder engagement and scheme development.

I hope you will find this year's annual report an interesting and informative read.

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# + Performance at a glance

Financial summary	2021 £m	2020 £m
Revenue	29.8	33.9
Cost of sales	(16.0)	(20.4)
Gross profit	13.8	13.5
Administrative expenses	(10.8)	(11.2)
Operating profit	3.0	2.3
Profit after taxation	2.4	2.1

## Year highlights

+  
**27,448**

ASSESSMENT  
DAYS DELIVERED

+  
**2,926**

NUMBER OF  
ACCREDITATIONS  
HELD

+  
**2,598**

NUMBER OF  
ACCREDITED  
CUSTOMERS

+  
**1,505**

NUMBER OF  
EXTENSIONS  
TO SCOPE

+  
**628**

APPLICATIONS FOR  
ACCREDITATION  
(INCLUDING COVID-19)

+  
**865**

DELEGATES  
TRAINED

+  
**24,490**

FOLLOWERS  
ACROSS LINKEDIN  
AND TWITTER

+  
**58**

ACCREDITATION  
DEVELOPMENT  
PROJECTS

+  
**74**

NPS AVERAGE SCORE:  
POST ASSESSMENT  
SURVEY



# PAF/PAC Chair Statement



by  
**Ron Gainsford OBE**  
Chair UKAS Policy  
Advisory Forum  
& Council

This has been another busy, challenging but productive year for UKAS and both the Policy Advisory Forum (PAF) and Policy Advisory Council (PAC) have played an important role in supporting new initiatives and projects.

These include the work UKAS has been doing with DHSC (Department of Health and Social Care) on accrediting private providers of COVID-19 testing and with MHCLG and industry partners to develop a new competence framework for those involved in the construction and management of high-risk buildings in the wake of the Grenfell Tower tragedy. PAC and PAF Members have also been instrumental in highlighting the risks from non-accredited certification.

At its annual event last September, the PAF discussed strategic priorities including how UKAS worked with its stakeholders to respond to the challenges and opportunities from Brexit, COVID-19 and the post-pandemic world; and the impact of new technologies on the quality and conformity assessment industries. This year the Forum will welcome the Civil Aviation Authority and the Considerate Constructors Scheme as new members thus reflecting how UKAS' stakeholder interests and reach continue to expand.

During its more frequent meetings throughout the year, the PAC has supported a number of development and operational agreements following careful analysis for any conflicts of interest. These include agreements with the Forensic Capability Network, the Information Commissioner's Office and Defra.

Going forward, challenges remain as the fallout from the pandemic continues and the UK navigates new trading relationships in the post-Brexit global marketplace. However, having demonstrated agility, resilience and innovation in its response to this extraordinary year UKAS is well placed to tackle these head on. The PAF and PAC will ensure that UKAS continues to steer a competent and innovative course reflecting the needs of its many stakeholders. We all look forward to playing our full part in ongoing UKAS success.



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The PAF and PAC will ensure that UKAS continues to steer a competent and innovative course.  
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# Purpose, Vision, Mission and Values



by  
**Jeff Ruddle**  
UKAS Strategic  
Development Director

As experts in accreditation and assessment, UKAS is committed to providing information that evidences and illustrates it is fulfilling its role with diligence and ability.

This ensures all stakeholders involved in supporting and working with UKAS as the sole National Accreditation Body are able to understand what it does, how it does it and the values involved in executing those activities. This information is mapped out on the UKAS website, via committees, through conferences and training sessions and within publications like this Annual Report.

Over the last year, UKAS not only focussed on what is necessary in terms of enhancing its position as a world leading provider of accreditation services, but also on the values that should underpin the implementation of all its activities.

At UKAS we feel this is vital to fulfilling our purpose and this belief is the reason why, in early 2021 we re-launched our Purpose, Vision, Mission and Values and updated our strategic priorities to align. This created clear expectations of what working for and with UKAS is like and promises that UKAS is dedicated not only to delivering a world class accreditation service, but also in providing trust and confidence in the products and services we all rely on.

UKAS values are defined within the acronym 'PRIDE' which neatly encompasses characteristics we want everyone to associate with UKAS. The full details of our Purpose, Vision, Mission and Values are spelt out on the website, but to paraphrase here, it is to deliver the UK's national accreditation service and to underpin quality infrastructure both at home and abroad. The manner in which our services will be delivered is with Professionalism, Respect, Integrity, Dedication and Excellence.

As the UK's sole National Accreditation Body, UKAS has a unique responsibility to work independently of, but in collaboration with a wide number of stakeholders. This includes the UK government and our international peer organisations who scrutinise UKAS activity as part of the national and global quality infrastructure. It also includes those within the conformity assessment sector plus specific industry partners and specialists who all help set the standards that government, regulators or policy makers require. They all play a vital part in helping UKAS fulfill its purpose.



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The measure of our success in fulfilling our purpose with the values we espouse can be seen through our response to the COVID-19 pandemic. This has been especially apparent in the role UKAS played and continues to play supporting the nation's COVID-19 laboratory testing activities throughout the pandemic.

Following the government's lead and working in conjunction with the relevant departments and organisations, UKAS created and carried out assessments as requested to reflect the new conditions. It had to adapt and innovate in order to meet an unprecedented change in the volume and speed at which laboratories needed to operate. Even as problems arose with the test to travel provision, all parties, from providers to media, consumer representatives and government continued to agree on the importance of UKAS accreditation and what achieving accreditation should signify.

Alongside this, UKAS quickly adapted its assessment model to adopt remote assessment. This ensured that confidence in products and services underpinned by accreditation was not diminished during the pandemic, even when and the organisations it accredits were operating in exceptionally challenging circumstances.

Throughout the challenges of the year and the delivery of these achievements, the ambition remained to make progress in a way that was recognisably 'UKAS'. This involved ensuring our activities were delivered with transparency and consistency to demonstrate the integrity of our operations and that our communications, training and expertise continued to underpin our professionalism. At a time when change needed to be instigated quickly, often requiring more complex arrangements, it became more important than ever to ensure the value of respect was reflected across all our work.

It has been very gratifying that so many of our customers and stakeholders have been open to the necessary changes and been flexible at the same time as sustaining quality outcomes. In terms of dedication, so many of our staff and their customers have been maintaining the highest levels of engagement despite having to work from home.

The ultimate ambition of being excellent in all respects remains the standard we aspire to and we continue to welcome input and feedback from all parties, helping us, through this collaboration, to achieve excellence throughout our activities.



# What is the purpose of accreditation?



by  
**Paul Greenwood**  
UKAS Operations  
Director

When the UKAS symbol is applied to a quotation for work, report or certificate, product or publicity material it signifies that a truly independent evaluation has been conducted of the competence, impartiality and performance capability of the accredited organisation.

As the sole National Accreditation Body for the United Kingdom it is UKAS' responsibility to ensure that confidence is maintained in accredited certification, testing, inspection and calibration organisations. Accreditation by UKAS means that independent evaluation by competent assessors with relevant technical knowledge and experience has been conducted on these evaluators. Success means they have demonstrated fitness for purpose against internationally recognised standards, of the activities being conducted under their approved scope.

Standards and accreditation play an important role in the UK's National Quality Infrastructure (NQI). Overall, the NQI makes a significant contribution to the economy, health and safety, and the environment.

It underpins World Trade Organization rules on eliminating technical barriers to trade by facilitating the mutual recognition of products and services and regulatory equivalence across national borders. The outcome is increased confidence in domestic and international markets, greater participation in global trade and a stronger balance of payments.

Both standards and accreditation are primarily voluntary systems, but some aspects of accreditation are mandatory. In a number of areas it is therefore a requirement to obtain accreditation before offering certain services, in others it is a de facto 'license' to trade inasmuch as key purchasers expect suppliers to hold it.

Accreditation is not simply a mechanism for demonstrating compliance and conformity however; it provides market differentiation and objective proof that an organisation complies with best practice. The process of seeking and maintaining accreditation is often invaluable in identifying improvements and efficiencies in policies and processes which can ultimately result in reduced overheads and running costs. A 2013 University of Birkbeck study concluded that accreditation contributed around £1bn to the UK economy each year.

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# Metrics dashboard for Operations

## Number of accredited CABs (Conformity Assessment Bodies) by standard:

Standard	2021	2020
ISO/IEC 17025 (Testing Laboratories)	<b>1,167</b>	1,139
ISO/IEC 17025 (Calibration Laboratories)	<b>360</b>	352
ISO/IEC 17020 (Inspection Bodies)	<b>357</b>	349
ISO 15189 (Medical Laboratories)	<b>596</b>	592
ISO/IEC 17021 (Management System Certification Bodies)	<b>104</b>	103
ISO/IEC 17065 (Product Certification Bodies)	<b>113</b>	110
ISO/IEC 17024 (Personnel Certification Bodies)	<b>27</b>	23
ISO/IEC 17043 (Proficiency Testing Providers)	<b>34</b>	34
ISO 17034 (Reference Material Producers)	<b>12</b>	11
ISO 14065 (Green House Gas Verifiers)	<b>12</b>	12
QSI (Medical Imaging Services)	<b>36</b>	34
IQIPS (Physiological Services)	<b>94</b>	87
BS 70000 (Medical Physics and Clinical Engineering)	<b>3</b>	2

## Number of new accreditations and extension to scope granted:

	2021	2020
New CAB Applications	<b>628</b>	129
New CAB Grants of Accreditation	<b>54</b>	72
Extension to Scope Applications	<b>1,505</b>	1,386
Extension to Scope Grants	<b>1,060</b>	886

**Number of new CAB applications by standard:**

Standard	Amount
ISO 15189	471
ISO/IEC 17025 Testing	60
ISO 22870	22
ISO/IEC 17020	20
IQIPS	10
ISO/IEC 17025 Calibration	10
ISO/IEC 17065	10
QSI	8
ISO 20387	8
ISO/IEC 17021-1	7
ISO/IEC 17024	1
BS 70000	1
<b>Grand Total</b>	<b>628</b>

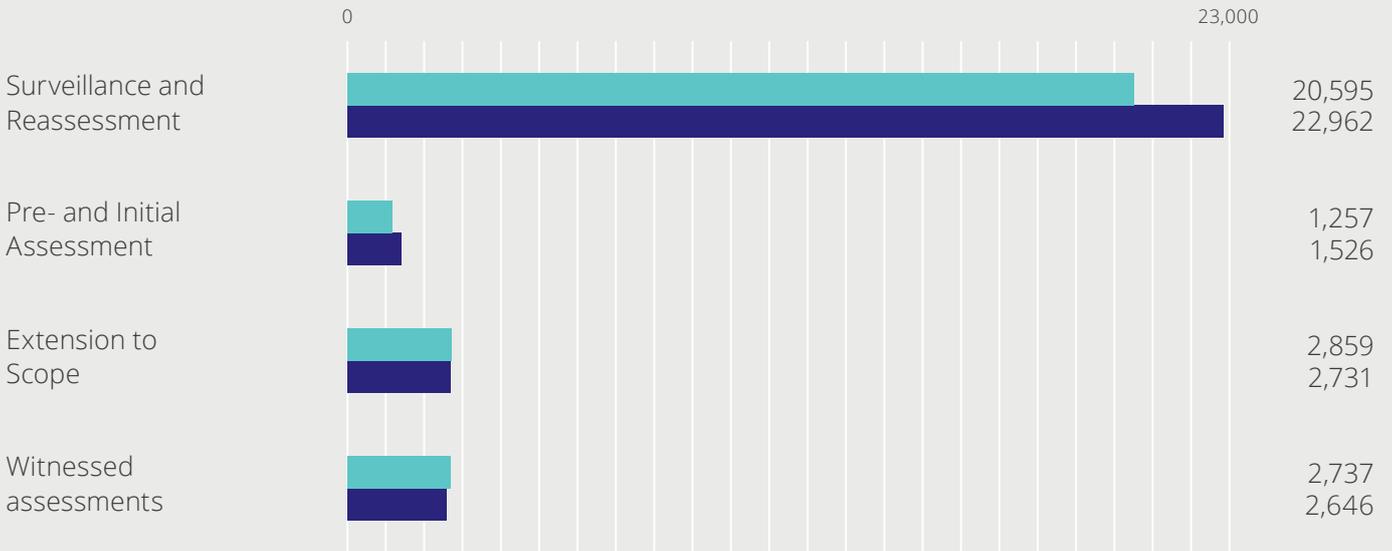
**Number of extensions to scope applications by standard:**

Standard	Amount
ISO/IEC 17025 Testing	612
ISO 15189	496
ISO/IEC 17065	113
ISO/IEC 17021-1	84
ISO/IEC 17020	66
ISO/IEC 17025 Calibration	64
No category assigned	20
IQIPS	13
ISO/IEC 17043	11
ISO 14065	9
QSI	9
ISO/IEC 17024	4
ISO 17034	4
<b>Grand Total</b>	<b>1,505</b>



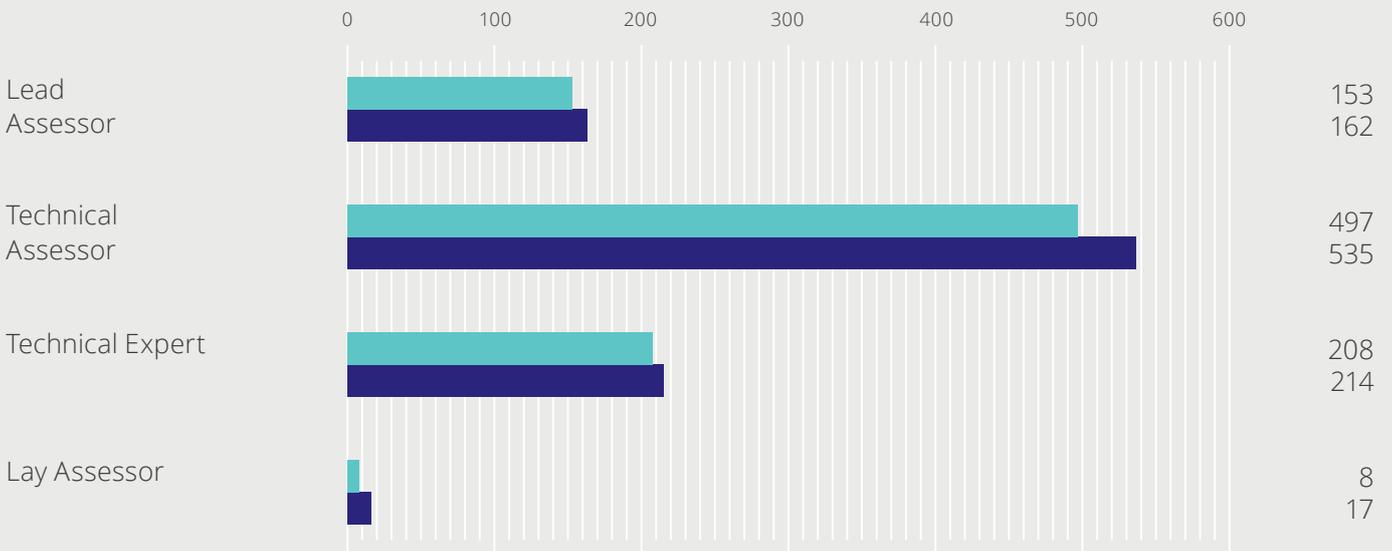
**Number of assessment days delivered:**

2021 2020



**Number of assessors (broken down by role):**

NO. (31/03/2021) NO. (31/03/2020)



**Number of sanctions issued:**





# Upholding the integrity of accreditation

UKAS accreditation is universally accepted as a driver of confidence for a number of important reasons.

Most significantly, UKAS' history and track record demonstrate its effectiveness, having been the UK's sole National Accreditation Body for over 25 years. Through UKAS' membership of international accreditation organisations such as ILAC, IAF and EA, its international recognition gives it global reach on behalf of its customers, stakeholders and end users. This places UKAS at the centre of a global peer review process that is central to generating trust and driving quality. Because of the breadth of its scope, delivering accreditation across all major industry and service sectors, UKAS is uniquely placed to share the principles of accreditation and facilitate the common values that drive quality standards, irrespective of the type of organisation or situation involved. This means UKAS is trusted to deliver accreditation in areas as diverse as nuclear power, forensic science, healthcare diagnostics and food testing.

Underpinning this integrity is a vital network of stakeholders who all share a common commitment to accreditation and with whom UKAS is centrally engaged. The network includes customer associations covering certification, testing and measurement as well as representative organisations from key industry sectors such as the Chartered Quality Institute and the Science Council.

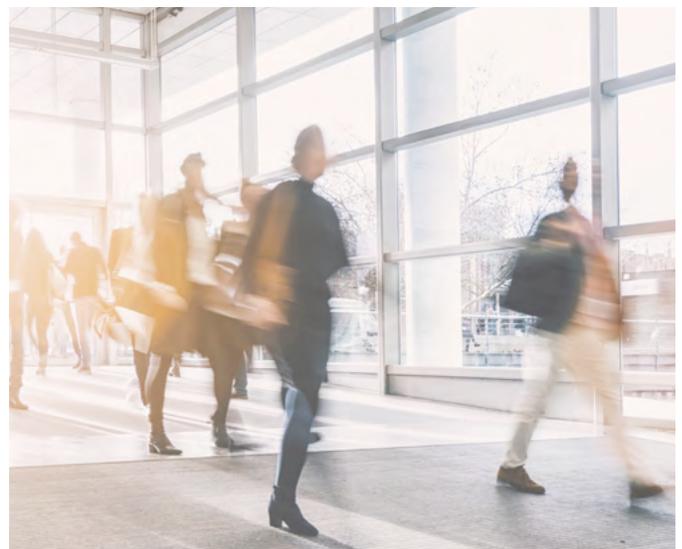
“UKAS is committed to delivering its service in a way that is understood and appreciated by all the parties involved.



by  
**Lorraine Turner**  
UKAS Accreditation Director

In addition to being a key partner in the UK's National Quality Infrastructure, UKAS also works closely with policy makers and government agencies, alongside national and regional government departments. The positive engagement in and commitment of all these bodies ensures UKAS accreditation continues to deliver positive and quality outcomes for consumers and end users of products and services, as well as the organisations that provide them and the policy makers responsible for them.

UKAS is committed to delivering its service in a way that is understood and appreciated by all the parties involved. Stakeholder meetings, technical advisory committees and training sessions all aim to achieve this, alongside the everyday work of every team member involved with delivering accreditation. In this way UKAS is determined to uphold the integrity of accreditation so it continues to be the route of choice when it comes to delivering a world of confidence in the wide range of goods and services that we all rely on every day.





# Development

UKAS has a healthy pipeline of new development opportunities to enable an increasing number of conformity assessment activities to be underpinned by accreditation.

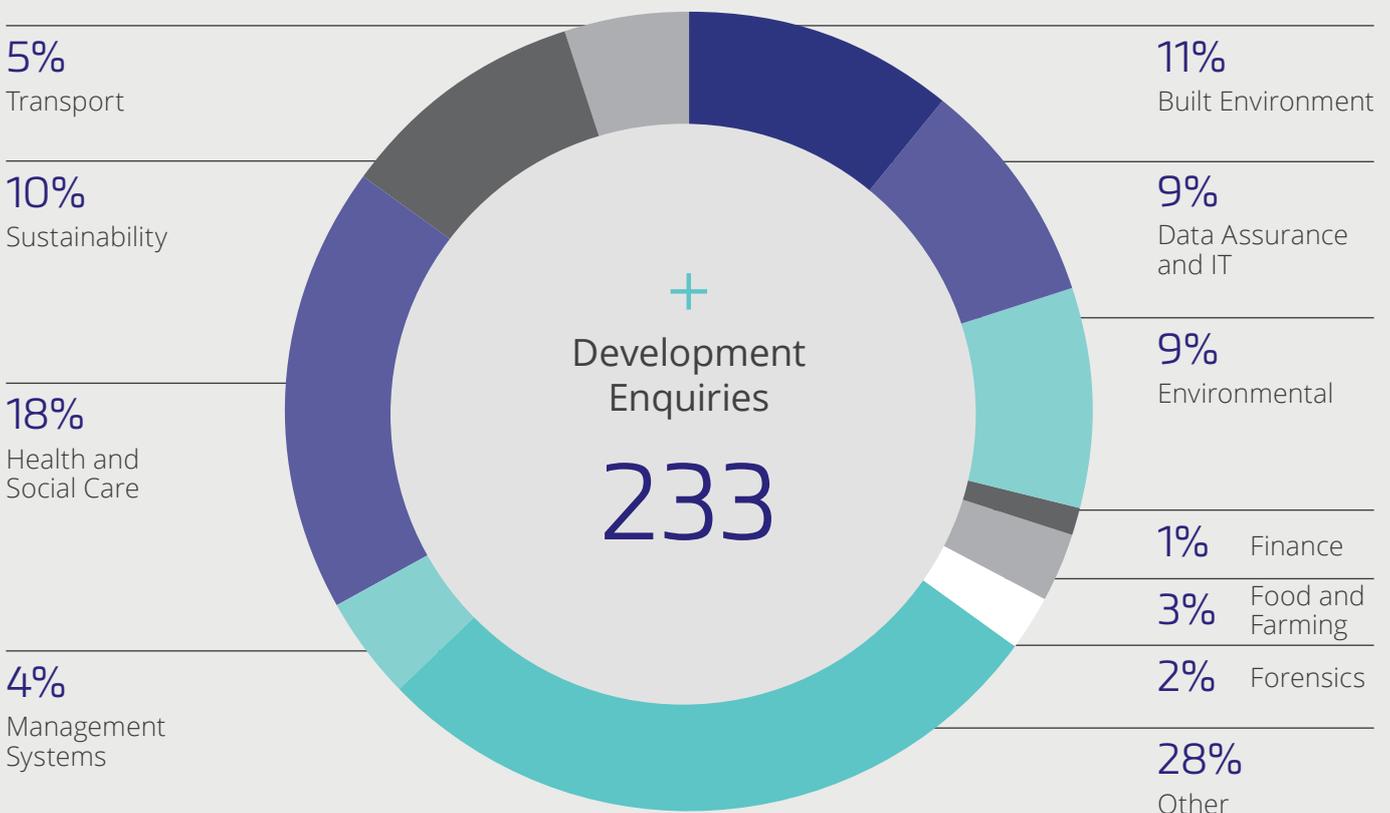
Development enquiries come from government, regulators, conformity assessment bodies (existing/new), scheme owners and individuals.

The level of interest in accreditation has remained strong during the pandemic and the development team continues to field a large number of enquiries with interested parties and stakeholders. It is critical for UKAS to identify those enquiries which meet its eligibility criteria, to ensure they relate to conformity assessment activities and are eligible or viable for accreditation.

A number of these opportunities have led to development projects following a formal review of the schemes.

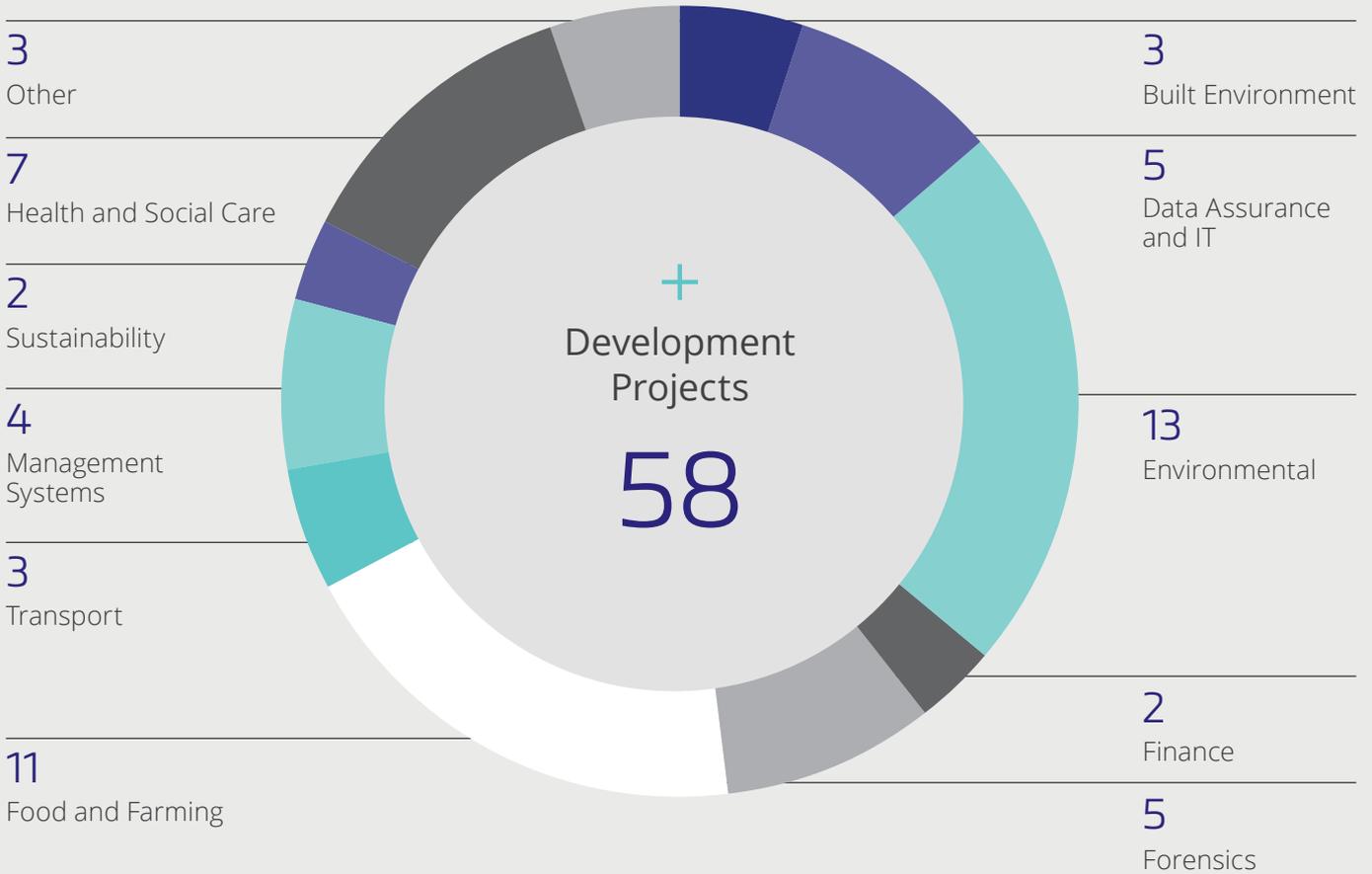
The impact of COVID-19 on existing development projects has resulted in some delays to assessment and progress towards grant of accreditation, but greater use of a blended approach is enabling projects to get back on track.

## Enquiries



## Development projects

Development projects at different stages include Scheme Review, Calls for Expression of Interest, Pilot Assessment and then Grant of Accreditation.



**+**  
**20**

New development projects established in 2020/2021 including Calls for Expression of Interest in: Facility Management, Vision Science, Private Parking Code, Compost Scheme, Electrical Capacity Market, Carbon Neutral and Events Sustainability.

**+**  
**19**

Development projects completed.



# Challenges and opportunities for accredited conformity assessment



by  
**Hanane Taidi**  
Director General,  
TIC Council

The COVID-19 pandemic has highlighted the urgent need for rapid and effective risk mitigation strategies, providing a reliable compliance and safety traceability system within the fragmented global supply chain. To this end, our sector is continuously reinventing its service to adapt and deliver innovative solutions to ensure consumers remain protected and businesses continue to run safely. As an example, during the pandemic, when doubts about counterfeit PPE materialised, the TIC Council membership in China launched an initiative to provide free pre-shipment inspection of PPE for governments, NGOs and civil society groups. Furthermore, to improve future crisis management, the TIC Council reached out to Chinese customs authorities and offered to establish formal cooperation on epidemic prevention quality control.

Boosting resilience against future sanitary crises is therefore of utmost importance. The pandemic has highlighted the extent of our global vulnerability and the pressing need to increase preparedness to save lives and prevent the shutdown of world economies. There are so many protocols that have been developed and this could become a systematic approach, potentially requiring long-term risk mitigation strategies where the TIC sector will have a role to play.

Take the issue of non-conforming masks and PPE at the start of the pandemic. With a proper traceability system in place, this would not have happened. Throughout the pandemic the issue of counterfeit goods has also been exacerbated by the increase in online purchasing. Moreover, piracy of intellectual property has also been highlighted by the pandemic with the recent rise in counterfeit medicines and medical products. As such, the TIC sector is actively supporting regulators and economic operators to protect consumers and their brands from health and safety risks, associated security breaches and financial losses that can arise.

The next decade is set to be an exciting chapter for the TIC sector in which demand for third party services will take an upwards trajectory. There are several key factors at play and a transition period where TIC members can lend their expertise. For example, the TIC sector can support the transition towards a greener economy with the aim of providing an answer to the challenges of climate change.

Similarly, another topic where I see a bright future for our industry, is that of digitalisation. The pandemic accelerated the adoption of digitalisation and more disruptive technologies. As the world becomes ever more connected and digital, there is an increasing demand to ensure that digital products and services meet the safety, security, and sustainability requirements.

As the Internet of Things global market is set to grow exponentially within a very short timeframe, how can regulators and organisations developing standards keep pace? Ensuring the safety and security of consumers is an area to which the TIC sector can bring its competence and expertise, acting as an ally to economic operators who abide by the rules and regulations.

The TIC industry has already been demonstrating its capacity to provide innovative technological solutions to overcome logistical constraints. In particular, the use of drones and other remote and hybrid alternatives to conduct audits, has allowed the sector to provide services key to the functioning of the economy in a more effective way. This has also enabled access to remote and dangerous sites without jeopardising the safety of auditors or inspectors. Working to facilitate trade will also continue to be high on the TIC Council's agenda. TIC activities enable economic operators to test and certify their products with requirements of other world regions, helping them navigate the complex international trade environment.

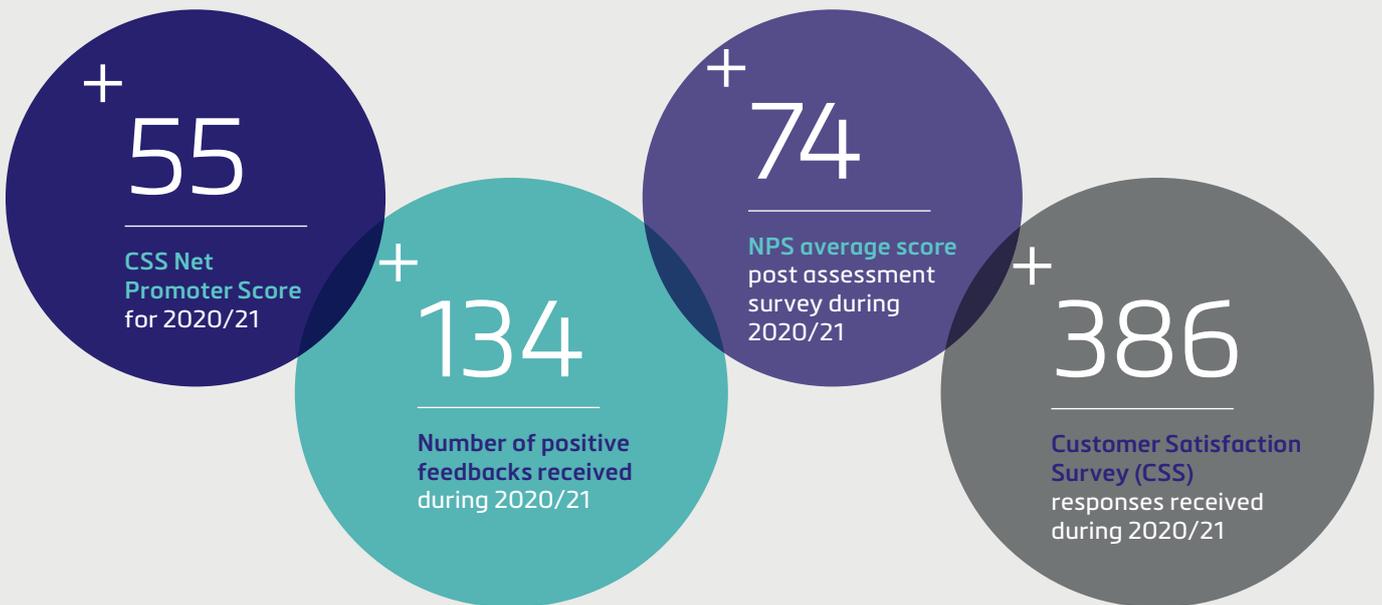


# Technical, Quality and Risk

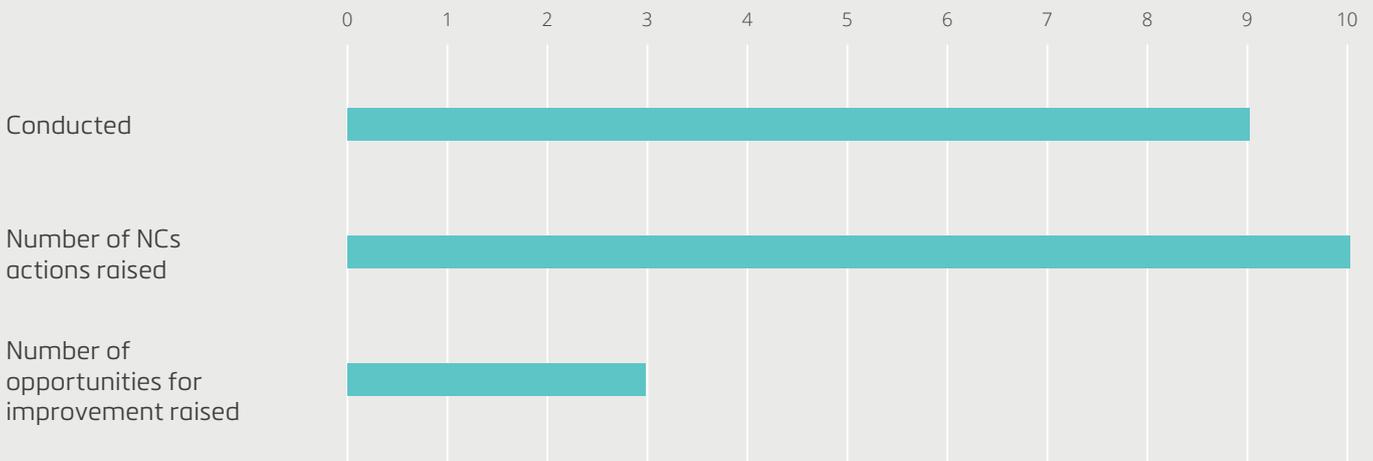
Technical, quality and risk are three pillars that are at the forefront of UKAS thinking, ensuring that we continue to provide a technically valid service in a compliant, effect and efficient way that meets the demands of our customers, Government and stakeholders.

Working on the principle of continuous improvement, we manage robust mechanisms to monitor changes in the requirements relevant to ourselves and our accredited customers, the customer experience and satisfaction, and of our own performance. The challenges to the business over the past 12 months have already been clearly stated within this report and the UKAS Technical, Quality & Risk (TQR) Group has been instrumental in ensuring that we have not only maintained our systems under challenging conditions, but developed and prospered during this period. In

particular, the last year has seen the successful transition of UK Notified Bodies (for CE Marking) to UK Approved Bodies (for UKCA Marking) and we continue to provide advice and support to Government, industry and CABs. In addition, May saw the undertaking of our EA peer evaluation, delayed from November 2020 due to the pandemic, which resulted in a positive recommendation: We expect the formal decision on maintenance of our MLA signatory status by the end of 2021.



### Number of internal audits



**+**

**789**

Number of authorised staff monitoring exercises completed (internal & external)

**+**

**809**

Number of Post-Assessment Survey (PAS) received during 2020/21

### Breakdown of complaints received against UKAS:





# The future for mutual recognition and international collaboration?



an interview with  
**Etty Feller**  
ILAC Chair

**Q: How important is the ILAC MRA (Mutual Recognition Arrangement) for the laboratory and inspection communities, regulators and users of accredited services?**

Operating on a “tested/inspected once, accepted everywhere” philosophy, the ILAC MRA provides a quick and easy way for laboratories and inspection bodies to demonstrate their competence across economic borders. Regulators around the world recognise that this reduces the need to duplicate tests of the same item and inspections of the same system when goods and services are imported into their economy, which benefits the bottom line and provides assurance to consumers.

**Q: The World Trade Organisation is committed to lowering technical barriers to trade (TBTs). What role does the MRA play in helping achieve this?**

The WTO and ILAC are key partners in the INetQI consortium, which is committed to promoting the use of metrology, standardisation, accreditation and conformity assessment as tools to identify sustainable economic development throughout the world. The guiding principle of mutual recognition very much aligns with this goal and the MRA forms a key part in INetQI’s efforts to reduce technical barriers to trade, in both member and developing countries.

**Q: How does UKAS contribute to ILAC’s policies and activities?**

UKAS is one of the founding members of ILAC, so both the UKAS brand and its team is highly respected, recognised and valued throughout the ILAC community. Harmonising the interests of over 100 members is challenging work, and UKAS makes a significant contribution to ILAC policy in this area. UKAS also leads several important ILAC committees, including those that are developing the potential of accreditation and mutual recognition in new and innovative areas such as Biobanking.

**Q: It has been announced that ILAC and IAF are planning to create a single international accreditation body. What will this mean for the future of accreditation underpinned by global mutual recognition agreements?**

Combining the extensive collective resources of ILAC and IAF into one international accreditation body will greatly benefit members of both organisations, as well as regulators and end users of accredited services throughout the world. In keeping with the underlying principle of the MRA, it will reduce duplication and enhance harmonisation and cooperation between all signatories. It will also allow the creation of a single MRA, which will move the approach from “tested/certificated/calibrated once, accepted everywhere” to “accredited once, accepted everywhere”. Speaking with one voice in this way will be crucial to ensuring that the MRA is even more effective at gaining recognition and increasing its influence in the international arena.



**Q: The ILAC MRA already encompasses over 100 economies worldwide. What work is being undertaken to expand its reach and effectiveness further?**

2020/2021 has been a unique period and presented a number of challenges to ILAC members. It has also demonstrated the effectiveness of the flexible way we work, allowing us to turn these challenges into opportunities. Amongst the many advantages that accreditation has over regulation is that accreditation is more flexible and able to respond more quickly to change, in an apolitical way. To be effective in developing new areas for accreditation, such as the Fourth Industrial Revolution, we must demonstrate this flexibility and we must LEAD: Listen and Learn, Educate and Engage, be Agile and Dare to take assessed risks.

From regulators and conformity assessment bodies to industry and end users of services, engaging with a range of stakeholders and really listening to them will allow us to develop a greater understanding of their needs. Armed with this knowledge, we can adapt and update the ways in which we conduct assessments and evaluations to meet those needs, demonstrating accreditation's potential to deliver a recognised and reliable system of global expertise and acceptance on a local basis, in any economy. This will ensure that accreditation and the MRA will continue to have a significant positive effect on daily economic life across a wider range of industries in an increasingly diverse global economy.





# Government and stakeholder engagement in UKAS

UKAS engages with government and with its stakeholders to explain the value of accreditation and to enable its wider use.

## Government engagement

UKAS works with policymakers in many government departments, agencies and regulators to explore how accreditation can be used to support better, risk-based, outcomes-focused policy delivery.



## Customer associations

To ensure that UKAS delivers an effective, technically competent and professional accreditation service, it makes sure that customer views, concerns and future priorities are fed into its strategic planning processes through mechanisms like the Policy Advisory Forum and Council, as well as its Technical Advisory Committees.



## Business and industry – professional bodies and other interests

In addition to government policy, UKAS accreditation underpins a broad and diverse range of economic and business activities. UKAS therefore works closely with professional institutions and trade associations including those representing indirect customers and end-users.



## United Kingdom Quality Infrastructure – partners

UKAS is an integral part of the UK's national quality infrastructure, which is formalised in the UKQI body, incorporating UKAS, BSI, NPL and the Office for Product Safety and Standards. These organisations work together as UKQI to provide a high-quality framework for measurement, standards, testing, certification and accreditation services. This has been instrumental in underpinning the innovative development, productivity and competitiveness of products and services in the UK and beyond.



## The role of External Affairs:

- The External Affairs department manages the relationships with all stakeholders to raise the profile of accreditation and UKAS;
- External Affairs work reflects stakeholder views and develops policy positions on key issues;
- This engagement helps establish where and how accreditation may be appropriate as an alternative or a complement to regulatory policy development;
- UKAS expertise also helps UK government target intervention when it is most needed.

## UKAS' External Affairs department supports important projects such as:

- Development, rollout and support of the UKCA mark, enabling businesses to continue to place goods on the GB market following departure from the EU;
- Supporting UK government in international trade negotiations to secure favourable deals for the UK following the EU exit;
- Development of quality and safety initiatives in the construction sector following the Hackitt Inquiry;
- Identifying opportunities to innovate and develop standards in technologies emerging from the 4th Industrial Revolution (4IR).

## UKAS shapes its strategy and policy via:

- Policy Advisory Forum (PAF) of 60 members;
- Policy Advisory Council (PAC) linked to the Board;
- Healthcare steering groups;
- 4IR steering group.

## UKAS provides advice and guidance via:

- Technical Advisory Committees to drive discussion and dissemination of knowledge;
- External industry groups to drive awareness of quality and competency across multiple sectors;
- Appointed technical focus people to provide a competent and appropriate focal point for technical enquiries;
- Development pilots to deliver new areas of accreditation.



# International

UKAS continues to support the global accreditation community, participating in a number of international groups and committees covering a wide range of sectors and issues.

Recent appointments of UKAS staff and Directors to key roles within such groups demonstrates our commitment to growing our influence in this community and supporting our customers operating on the global market.

The international accreditation system strengthens international trade, enabling UK exports to be accepted worldwide, and imports to be accepted in the UK as meeting the specified technical requirements.

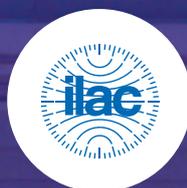


### Committees and working groups

UKAS is an active participant in a range of high-level committees and working groups which help to promote the value of accreditation at both national and international levels. As a part of these groups UKAS is instrumental in developing and disseminating those messages.



International Accreditation Forum



International Laboratory Accreditation Cooperation



European co-operation for Accreditation



# Responding to the COVID-19 pandemic, the role of accreditation?



by  
**Sue Hill**  
Chief Scientific  
Officer for NHS  
England

The COVID-19 pandemic presented us all with unique challenges that needed us to consider approaches that were far removed from the business as usual practices. For me it was clear the initial priority was to ensure that there was sufficient COVID-19 testing to identify positive cases – and this initially meant laboratory capacity – to both enable hospitals to treat the critically unwell and then provide quick and timely diagnosis for those in the community.

From the very outset being able to build and rollout additional laboratory capacity was reliant on ensuring standards would be met, and systems and processes would enable processing to be undertaken at scale and pace.

As a result it was paramount the services would be working to the standards expected of accreditation and for those already UKAS accredited the current scope of practice extended to include COVID-19, so that testing across the country no matter where it was undertaken was homogeneous. NHS, universities, private sector and Lighthouse labs would all deliver testing with the standards, systems and processes that ensured the results could be trusted.

Specifically working with colleagues across the NHS, DHSC and PHE, a staged approach was undertaken, working with accredited NHS laboratories and also some within universities, the provision was built for hospitals to ensure timely identification of COVID-19 positive cases and subsequent treatment of patients.

This was not without difficulties. A worldwide shortage of consumables, completely new protocols to rollout, a need to diversify the supply chain, and with the

constant introduction of new laboratory capacity, a requirement to make sure results could be uploaded and then communicated to clinicians, patients and public health colleagues.

Laboratories that came forward to undertake COVID-19 testing needed to have the necessary technical competence, equipment, methodology and quality management processes and systems in place to enable them to generate accurate results, which could be relied upon.

In order to maintain confidence in the quality and robustness of COVID-19 testing, PHE and the NHS's policy was that laboratories undertaking COVID-19 diagnostic testing should already be accredited by UKAS and should apply for an extension of scope for COVID-19 testing.



NHS, universities, private sector and Lighthouse labs would all deliver testing with the standards, systems and processes that ensured the results could be trusted.





Speed, however was key. It was clear early on that the UKAS accreditation process would take time, and the urgency of rolling out testing against the newness of the COVID-19 infection needed to be taken into consideration.

There is also the fact that is more difficult to accredit a new novel test method in a very short period, as there is little validation or evidence to support that it works. Reliability of the tests needed to be understood and the NHS and the public needed to have confidence in the test.

The stringent requirements to demonstrate assay performance using accepted validation and acceptance criteria was essential and NHS laboratories needed to ensure that they had undertaken this using internal (validation and verification) and external quality assurance (Lab Audit QA process), before offering this testing service to patients.

While we were working in exceptional circumstances, we still needed to maintain quality of service provided and provide that confidence. UKAS became part of that critical validation path and process for onboarding of labs, utilising the expertise at UKAS (scientific and assessment) that could support decisions about validation of tests at PHE and in the NHS.

As more and more laboratory capacity was added from within and outside of the NHS/PHE laboratory network, being able to rely on and draw upon the UKAS accreditation process was vital.

We are always grateful for the willingness of UKAS to be part of broader discussions. Our thanks to the team for being part of the Government's' advisory committee, assessing the various levels of performance and the plethora of testing methods proposed.

Leading on from this UKAS supported the establishment and growth of the testing capacity by providing expertise to consider the process of testing. Importantly UKAS has been central to setting up a staged accreditation process for private sector providers of COVID-19 testing.





# The role of accreditation in Product Safety



an interview with  
**Will Creswell**  
Programme  
Director,  
Office for  
Product Safety  
and Standards

## Q: What is your role and remit at the OPSS (Office for Product Safety and Standards)?

As the Deputy Director in OPSS responsible for Testing and Targeting, I oversee the Office's work on Standards and Accreditation; Risk, Intelligence and Border Profiling; Incident Management; Testing Strategy; Legal Metrology and Calibration.

## Q: What role does accreditation play in providing product assurance?

Accreditation plays an important role in providing assurance and ensures that those who carry out conformity assessment, testing, certification and inspection are competent to do so.

To be clear, all stakeholders have an equally important role to play in providing assurance. Therefore responsibility remains with businesses to comply with the respective product safety requirements; CABs (Conformity Assessment Bodies) certify those requirements have been met and UKAS ensures that CABs are impartial in fulfilling their role from a technical and competence point of view.

## Q: How should UKAS accreditation evolve to continue to support product safety legislation in the future?

The UK product safety landscape has never been static. Evolving and innovating our systems and processes will always be a necessary step to ensure the UK is at the forefront in consumer protection and innovation.

As the UK looks to build on the Global Britain agenda and the opportunities derived from leaving the EU, there is a greater requirement for UK influence on the international stage. This includes an increased focus on working with international partners where it is deemed to be in the UK's interests and championing our best practice at a global level. As part of this we see an opportunity for UKAS to continue to grow its influence and promote UK interests on accreditation policy internationally through membership of ILAC and IAF. Additionally, we need to ensure that our

accreditation system enables the UK economy to adapt to be flexible and responsive to changes and challenges we face.

## Q: How can the conformity assessment sector proactively adapt to changing risks such as the challenges from new technologies?

Being flexible, adaptable and responsive are key and this must be set in the context of effective horizon scanning and strong partnerships with standards-making bodies, CABs, regulators and technology innovators. The UK must be at the forefront of innovation in the accreditation system and ensure that it continues to develop to meet our national needs and effectively supports international trade mechanisms.

## Q: What do you see as the key opportunities for UKAS to respond positively to the Government's key priorities going forward e.g. Net Zero, Building a Safer Future, new construction products regulator?

The government is looking at the opportunities and challenges in a holistic way. An example of this is a recent report from the Taskforce on Innovation, Growth and Regulatory Reform, whose purpose is to scope out and propose options for how the UK can take advantage of our newfound regulatory freedoms, as well as challenging the Government's own emerging proposals. Together with OPSS' own Product Safety Framework Review there is a clear opportunity for relevant bodies, including UKAS, to act on the recommendations of these reports and contribute to the future shape of the product safety system in the UK.

Additionally, UKAS recently demonstrated that it can quickly respond to national imperatives when it managed to deliver accreditation for a significant number of testing facilities to a tight deadline to meet the COVID-19 pandemic requirements. The ability to recognise market pressures and move quickly to react to these will be key in the future. It is clear there will also be further opportunities to support the UK government elsewhere in its policy ambitions.



# Accreditation and the Fourth Industrial Revolution



by  
**Jeff Ruddle**  
UKAS Strategic  
Development Director

As part of our strategic priority “To be agile, enabling the organisation to adapt and innovate” UKAS has been examining and researching the impact of the Fourth Industrial Revolution (4IR) on accreditation and the conformity assessment sector. What is clear is that 4IR is a large diverse topic covering a multitude of differing technologies including:

Artificial Intelligence (AI); Machine learning; Internet of Things; Blockchain/Distributed Ledger Technology; Big Data; Wearables; Virtual/Augmented Reality; Autonomous Vehicles; Digital Healthcare; Genomics; 3D Printing/Additive Manufacturing; Cyber Security; Smart Devices; Nanotechnology; Robotics and Cloud Computing.

It is evident that many of the technologies have the ability to not only introduce change to the accreditation and the conformity assessment communities but also to change how we all live and work.

Through our conversations and meetings with customers and stakeholders about 4IR in the conformity assessment sector the picture that emerges is very mixed. Some are very early on their journey with 4IR and others are much further down the road, already identifying the potential for 4IR technologies to improve the services or products they provide.

However, regardless of which technologies are being considered and how far along the process organisations are, there is a fundamental need for business and consumer confidence in these new technologies.

The potential for products such as Smart Devices, AI and Autonomous Vehicles is evident and exciting, but their perceived complexity can make businesses and

consumers wary. As can be seen through concerns over data security of Smart Devices and AI systems inheriting the biases against specific demographics based on the data they were ‘trained’ upon.

Accredited conformity assessment can provide a solution to deliver the necessary trust and confidence in a new generation of products and services that are underpinned by 4IR technologies. Whilst these new technologies can initially appear complex to provide assurance on, the existing mechanisms used by the conformity assessment sector (namely testing, inspection and certification against agreed specifications, regulations or standards) are appropriate to provide the level of assurance required.

There is a need for the conformity assessment sector to work with these emerging technologies and develop its skills in 4IR. This will enable us to understand the critical points at which these technologies have to be tested or inspected, so that the standards and specifications that are developed are fit for purpose. Doing so will support ongoing innovation whilst providing the necessary assurance demanded by regulators, businesses and customers.

Already UKAS has been closely involved with its National Quality Infrastructure partners BEIS, BSI and NPL in producing an action plan for regulating 4IR. This is an excellent example of the NQI partners working in collaboration and represents some initial steps in what will be an ongoing journey to provide trust and confidence in 4IR technologies.



# Group Strategic Report



by  
**Matt Gantley**  
UKAS Chief Executive

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

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

## Business review

The results for the Group are set out on page 46. These financial statements reflect the trading activities and results of both United Kingdom Accreditation Service (UKAS) and Clinical Pathology Accreditation (UK) Limited (CPA).

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

## Principal risks and uncertainties

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

## Financial key performance indicators

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

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

+  
**£2,983,925**

OPERATING PROFIT IN 2021

+  
**46.3%**

GROUP GROSS MARGIN FOR 2021

+  
**27,448**

ACCREDITATION DAYS  
DELIVERED IN 2021

### Other key performance indicators

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

### COVID-19 response

The Group delivered fewer days compared to the previous year due to the impact of the pandemic. When the magnitude of the crisis started to emerge, the Directors took decisive action to cease overseas travel and on-site assessments. UKAS swiftly adapted its delivery model and, within days of “lockdown”, switched to assessing remotely with all staff working from home. Similarly, the training portfolio was quickly transferred to online delivery. Inevitably, there was an adverse impact on the days delivered year on year as a result of having to replan many assessments around challenges faced by our customers as some customers had to furlough staff whilst others, such as medical and forensic laboratories, had to redirect resources to the COVID-19 response. Despite the challenges, the Group achieved an increase in profitability without resorting to the Government’s ‘furlough’ arrangements.

### Directors’ statement of compliance with duty to promote the success of the Group

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

“UKAS swiftly adapted its delivery model and, within days of “lockdown”, switched to assessing remotely.

”





# Directors' report for year ended 31 March 2021

## Directors' responsibilities statement

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

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

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

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

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

## Results and dividends

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

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

The Directors who served during the year were:



**Lord Jamie Lindsay**  
Chairman



**Matthew Gantley**  
Chief Executive



**Professor Michael Mainelli**  
Senior Independent Director



**Georgia Alsop**  
Finance & Corporate Services Director



**Jeffrey Ruddle**  
Strategic Development Director



**Lorraine Turner**  
Accreditation Director



**Sarah Veale CBE**  
Non-Executive Director



**Doctor Jeffrey Llewellyn**  
Non-Executive Director



**Professor Adrian Charles Newland CBE**  
Non-Executive Director



**Philip Rycroft**  
Non-Executive Director

## Future developments

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

These Strategic Priorities are:

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

*(continued on next page)*

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

<p>Key strategic objectives related to our priority to excel in areas of technical expertise and service, are:</p>	<ul style="list-style-type: none"> <li>• Deliver ‘World Class’ customer service;</li> <li>• Ensure ongoing MLA/MRA signatory status, through effective peer evaluation;</li> <li>• Engage with and respond to outcomes of the Grenfell Inquiry to ensure that accreditation is part of the range of solutions;</li> <li>• Conduct research to understand the impact of remote assessment on the integrity of accreditation;</li> <li>• Develop and enhance operations and sales resources, introducing sector specialists to support strong technical management and key sector growth.</li> </ul>
<p>Key strategic objectives related to our priority to be agile, enabling the organisation to adapt and innovate, are:</p>	<ul style="list-style-type: none"> <li>• Develop and deliver a customer and assessor portal to support self-service and improved customer interactions;</li> <li>• Modernise our assessment offering through development of our risk based approach to assessment and adoption of web/app based reporting;</li> <li>• Develop online tools to support verification of UKAS accredited activities, supporting stakeholders in specifying accreditation or accredited certification;</li> <li>• Develop our contacts and resources in areas of disruptive technology (4IR) to better understand and prepare for the impact on UKAS and the TIC sector;</li> <li>• Develop tools to assist new applicants, removing perceived and real barriers to applying for accreditation;</li> <li>• Improve internal collaboration and communication, through an updated intranet and expanded use of MS Teams and SharePoint.</li> </ul>
<p>Key strategic objectives related to our priority to be perceptive in developing talent and building knowledge, are:</p>	<ul style="list-style-type: none"> <li>• Drive improvement in staff engagement;</li> <li>• Leverage our learning management system to improve the tools and processes for induction, training and development;</li> <li>• Launch talent and leadership development programme;</li> <li>• Review office working patterns to respond to societal changes;</li> <li>• Develop our policies and processes to improve our diversity, inclusion, and opportunities for career progression.</li> </ul>
<p>Key strategic objectives related to our priority to deliver financial stability and productivity, are:</p>	<ul style="list-style-type: none"> <li>• Deliver to balanced score card and budgetary targets;</li> <li>• Enhance customer management and sales policies and processes, to ensure we provide services that meet customer expectations.</li> </ul>
<p>Key strategic objectives related to our priority to be respected and recognised as the world’s foremost accreditation body, are:</p>	<ul style="list-style-type: none"> <li>• Enhance UKAS’ relationship within UK Government, building a reputation as an agile organisation that provides solutions to government’s challenges;</li> <li>• Develop and enhance collateral on the value of accreditation, to communicate to customers, stakeholders and regulators the benefits of being accredited and using accredited services;</li> <li>• Increase UKAS’ commitment to ILAC/IAF and EA, taking on leadership roles in key committees;</li> <li>• Further enhance UKAS’ reputation within the healthcare sector, building upon existing services to expand our offering within the healthcare sector;</li> <li>• Diversify and improve our stakeholder engagement, bringing in new members to key committees such as ‘UKAS Members’, PAC/PAF and TACs.</li> </ul>

## Stakeholder engagement

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

Examples of our key engagement activities in 2021 include:

Key stakeholder or stakeholder concern	Key engagements	Further information
Workforce	<p>UKAS values employee engagement and regularly shares information with its employees and their representatives on all matters of concern to them, including highlighting financial and economic factors affecting the Company's performance and encourages employee involvement in the Company's overall performance. The Group communicates and engages with its workforce, including contractor assessors, using a variety of channels blending in-person, virtual and electronic communication. Underpinning this are our values which promote acting with integrity and respect for one another. In 2021 the executive and non-executive Directors were able to communicate regularly with the whole of the UKAS workforce, through the use of technology, providing important updates on policies and initiatives, sharing insights and best practice, and inviting feedback and questions. The effectiveness of these strategies is tracked through our employee engagement survey. Throughout 2021, employee morale remained high, with 82% of employees who responded to our survey giving positive responses to questions around morale.</p>	
Employee wellbeing during COVID-19	<p>UKAS supported employee wellbeing by ensuring that staff had the relevant tools and information on policy decisions around safety.</p> <p>Managers were provided with training and advice on how to lead remote teams effectively, and on how to identify signs of stress and support their teams. Our Events Committee spearheaded a number of social events which helped keep the whole of UKAS connected.</p>	
Members of the company's Defined Benefit Pension Scheme	<p>The Board regularly engages with members of UKAS' Defined Benefit Pension Scheme (the 'Scheme') through various direct and indirect channels, including regular communication with trustees and attendance by Directors at Trustee meetings.</p> <p>The Scheme is well funded and remains open to new employees.</p>	

*(continued on next page)*

<p>Equality, diversity and inclusion</p>	<p>The Group believes that equality, diversity and inclusion enable delivery of its purpose. To benefit from a diverse workforce, we apply role-related and objective criteria to select and develop talent and we focus on building an inclusive environment where everyone feels able to participate and achieve their potential, irrespective of gender, sexual orientation, ethnicity or disability. The Group is committed to providing a work environment free from harassment and discrimination. We endeavour to treat each individual fairly in relation to job applications, training, promotion and career development. The Board receives an overview of diversity and inclusion at UKAS and in 2021 it shared its Equality and Diversity Action Plan with the UKAS workforce.</p>	<p>Further information on the gender gap report can be found on the UKAS website.</p>
<p>UK government</p>	<p>UKAS worked closely with BEIS and the Cabinet Office to support the UK's response to the COVID-19 pandemic by providing advice on the requirements for PPE and ventilators for medical use. UKAS also played a leading role in the UK Government's rapid development of accreditation of COVID-19 sampling and testing. In parallel, UKAS worked closely with Government on plans for the end of the EU transition period and with DIT on the role of accreditation in international trade agreements.</p>	
<p>UKAS members and other trade associations</p>	<p>UKAS maintains an External Affairs programme for ongoing engagement activities with a broad range of stakeholders including UKAS members and trade associations.</p> <p>The Company's Articles of Association also require the Directors to establish a Policy Advisory Forum (PAF): "the purpose of which will be to ensure that the Directors are aware of the views of interested parties on policy issues affecting the Company's activities, including the development, interpretation and application of national, European and International Standards, guidelines, procedures, regulations, practices and agreements applicable to accreditation bodies and conformity assessment bodies." The PAF represents over 60 stakeholders and is represented by a smaller Policy Advisory Council (PAC). The PAC advises the UKAS Board on the more detailed aspects of stakeholder feedback on UKAS policy, particularly on questions relating to the safeguarding of impartiality.</p>	<p>Further information in the Policy Advisory Forum and Policy Advisory Council</p>

**Disclosure of information to auditors**

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

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

**Post balance sheet events**

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

**Auditors**

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

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

*Matthew Gantley*

**Matthew Gantley**  
Director

# Route to sustainability 2021

## Sustainability

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

### Greenhouse gas emissions, energy consumption and energy efficiency action

During the year, as a result of the pandemic, the group adopted remote assessing and all staff worked mostly from home. Consequently, there was minimal overseas travel and little travel in the UK. Going forward, UKAS will be retaining a blended approach to assessing, continuing to assess remotely where this is optimal and does not compromise the technical rigour of an assessment. Moreover, many internal meetings will continue to be conducted virtually, keeping CO<sub>2</sub> emissions low.

UK energy use relates to the Staines office only

+ **33.305**

Tonnes CO<sub>2</sub> greenhouse gas emissions relating to business travel

+ **0.00121**

Intensity ratio emissions per assessment days delivered

+ **124,369**

KWh UK energy use

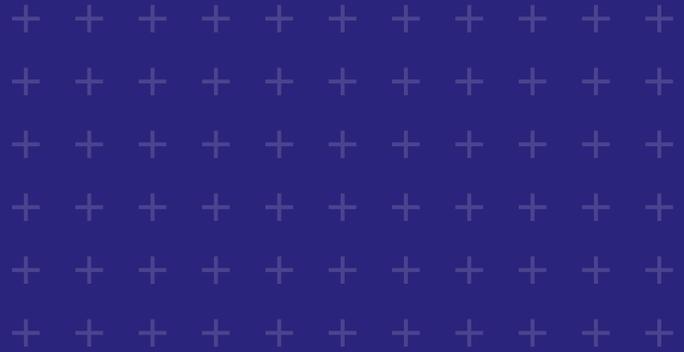
Greenhouse gas emissions include overseas activities and have been calculated using The International Panel on Climate Change Guidelines 2016 (Tier 3 methodology).

 <p>+ Fuel in hire cars and in taxis</p> <p>⊗ Not Included</p>	 <p>+ Fuel in planes and in trains</p> <p>⊙ Included</p>
 <p>+ Fuel in fleet cars</p> <p>⊙ Included</p>	 <p>+ Fuel reimbursed to employees for own cars</p> <p>⊙ Included</p>
 <p>+ Fuel in vehicles operated by contractors</p> <p>⊗ Not Included</p>	 <p>+ Hotels</p> <p>⊙ Included</p>

# Financial Review



by  
**Georgia Alsop**  
UKAS Finance and  
Corporate Services  
Director



Despite the circumstances, UKAS performed strongly during 2021, managing to mitigate the impact of COVID-19.

As the magnitude of the crisis became clear, in March 2020, UKAS was quick to switch to providing assessment and training services online, a move that was well received by customers and other stakeholders. Against the background of the pandemic, the need for quality assurance came into focus. In response, UKAS worked closely with BEIS and the Cabinet Office to support the UK Government's response by providing advice and by gearing up operationally, to handle in just the last quarter of the financial year, upwards of 500 new applications from COVID-19 sampling and testing providers seeking accreditation.

Group operating profit of £3.0m for 2021 increased by 27.3% compared to a profit of £2.3m in the previous year, boosted by higher fees from new applicants for accreditation, higher commercial training income and, a reduction in discretionary spend. Gross profit margin of 46.3% was ahead of last year's margin of 39.8%, reflecting strong levels of productivity across all business areas.

Group revenue for 2021 decreased to £29.8m compared to £33.9m in the previous year, largely due to 2,680 fewer assessment days year-on-year and lower income from chargeable travel. Overall, UKAS delivered 27,448 assessment days compared to 30,128 days in the previous year. Notwithstanding UKAS' agile response to the crisis and the sustained demand for accreditation services, inevitably the pandemic did disrupt some assessment activities, particularly in the first quarter of 2021, as UKAS had to suspend

international travel at short notice and replan assessments where customers themselves faced challenges and, had to furlough staff, or, in the case of medical and forensic laboratories, had to redirect resources to the COVID-19 response.

UKAS continued to invest in its people as well as in important infrastructure projects such as the launch of its new website and the development of its customer and contractor portals which are expected to be implemented in the third quarter of 2021. In parallel, costs were contained through the effective use of online collaboration solutions and without accessing the Government's furlough scheme. Group administrative expenses of £10.8m were 3.0% lower compared to the previous year's administrative expenses of £11.1m and this can largely be attributed to reduced administrative travel costs.

Profit and loss reserves of £17.9m were positive and included a £2m long term pension asset, relating to the company's defined benefit pension scheme. At the last actuarial valuation as at 31 March 2018, the UKAS Defined Benefit Pension Scheme was fully funded, even on a prudent basis and the Scheme's funding levels remain strong. The Group aims to hold three months turnover as reserves and as at 31 March 2021 exceeded its target.

The Group's liquidity position as at 31 March 2021 strengthened further with its current asset ratio increasing from 3.2 to 3.3.



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