

Registered number: 00878293

BRITISH BOARD OF AGREEMENT
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

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BRITISH BOARD OF AGREEMENT
(A Company Limited by Guarantee)

COMPANY INFORMATION

Directors	N R Hannah (resigned 31 December 2022) A J Kitchingman P G Giesler J B Tebbit V Muttukrishnan (resigned 31 December 2022) R Waterhouse N G Davis (appointed 31 December 2022, resigned 2 May 2023) T Deller-Hoy (appointed 6 July 2023)
Company secretary	F Benjamin-Laing (appointed 4 May 2023)
Registered number	00878293
Registered office	1st Floor, Building 3 Hatters Lane Croxley Park Watford Hertfordshire WD18 8YG
Independent auditors	Hillier Hopkins LLP Chartered Accountants & Statutory Auditor Radius House 51 Clarendon Road Watford Hertfordshire WD17 1HP

BRITISH BOARD OF AGREEMENT
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BRITISH BOARD OF AGREEMENT
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GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023

Introduction

Since its launch in 1966, the British Board of Agrément ("the BBA") has been providing a range of independent, impartial and expert services to the construction industry. This includes construction product testing, product assessment and, as well as a range of audit and inspection services. The company's services are designed to provide valuable reassurance to the construction industry, specifiers, government, and the public that building products are safe and fit for purpose.

The BBA's vision is "total peace of mind in the built environment we live, work and play in" with its mission being "to make the UK construction industry fit for purpose and future ready". Our values are to be (i) outcome obsessed, (ii) standard setters and (iii) rounded experts.

The BBA sets the highest safety and quality standards, and all its services are accredited by the United Kingdom Accreditation Service (UKAS). More information about the company's work, projects, and activities is available on its website: <https://www.bbacerts.co.uk>.

Grenfell

The Grenfell fire and subsequent inquiry has had a profound impact on the BBA. There has been a wholesale change in leadership since 2017 and the 'lessons learnt' have been explored in detail – the BBA has to contribute to a safer future for all and find ways in which it can support others to do so. Lessons learnt have again been subject to an extensive internal audit this year, which was then validated by a credible, external auditor. The findings and actions were approved by the board, incorporated in Quality Management System (QMS) improvements and also form the basis of the business plan.

Our people

The BBA acknowledges that excellence in client services can only be achieved with a highly skilled and motivated work force. We are fortunate to have capability in abundance, representing competence across more than 200 product sectors, representation on over 50 industry bodies and a diverse population from 19 different countries speaking 25 languages.

During this year, the BBA invested in new offices in Croxley Green, Watford, a creative space where colleagues can excel and interact with each other, clients and industry stakeholders. The offices in Liverpool were also refurbished, with improved test facilities to follow.

The BBA participated in Newsweek's 100 Most Loved Workplaces 2022 and was voted the 59th best place to work in the UK.

The BBA actively seeks feedback from its colleagues through regular communications forums, quarterly 'living the values' awards and six-monthly employee surveys. During this year the company also introduced several additional benefits, including an electric vehicle (EV) scheme, cycle-to-work scheme and a salary exchange scheme.



Service and impact

The primary objective of the company is to enhance safety within the UK construction industry. The BBA continually helps to raise standards and deliver quality and excellence in the manufacture of building products for over 50 years.

The BBA is a prominent market leader in providing certification for a diverse range of construction products. Each certificate is accompanied by a wealth of information relating to the 'fitness-for-purpose' of the product in

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GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023

given applications. Its services are unrivalled in the construction industry.

The client base is diverse, including start-ups, SMEs and large building product manufacturers with global operations. Their needs are different and at times complex - the BBA has invested in training and technology to improve services to its client. While our focus is aimed predominantly on the UK construction market, manufacturing sites are global. The BBA has teams of auditors and inspectors that visit manufacturing sites in more than 70 countries on a regular basis.

BBA is the leading member of many of the world's renowned technical bodies, including the WFTAO (World Federation of Technical Approval Organisations), and the UEAtc (The European Union for Technical Approval in Construction). The BBA is also an observer to EOTA (The European Organisation for Technical Assessments).

In this year, the BBA also set up an Industry Working Group to determine the best options for (i) increasing the use of product certification and (ii) maintaining the highest standards. The group is chaired by Mark Prisk, previously the Minister of State for Housing and Minister for Small Business, Industry and Enterprise for the period 2010 to 2013. The group has some 20 members, including construction product certification providers, industry stakeholders, warranty providers and clients.

The BBA brand is synonymous with strong technical competence and impartial content that is highly regarded in the construction industry. We have a significant role to play in the industry post-Grenfell and all investments made are aimed at serving our industry better.

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GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023

Business review

During the financial year ending the 30th of June 2023 (FY23) the BBA continued its transformation into a client-, market-, and industry-focused organisation – one that excels in client communications and delivers on-time-in-full, every time. Setting such high standards has required a complete overhaul of the organisation, substantial investment in digital infrastructure and cultural transformation. The BBA is very grateful for the support of its clients and friends in the industry whilst going through this challenging time.

During the year we did see changes in accreditation as UKAS mandated a change in the Agrément Product Certification Scheme, moving from ISO-IEC 17065 to ISO-IEC 17020 accreditation. This unplanned change brought significant management distraction and unplanned costs of almost £700,000.

Business Performance

The Company saw revenue growth in the year of 6% to £14,976k (2022: £13,648k) including other income. The business reported an operating loss of £585k (2022: £403k profit). This loss was predominantly due to the unplanned costs associated with UKAS' mandated, unplanned change.

Cash performance in the year is supported by strong working capital and credit control management. The BBA's cash and investment balance at the end of the financial year was £10,694 compared to previous year of £10,716k.

Outlook

The business enters the 2023/2024 financial period with a strong order book. The on-going investments made in transformation, technical resources, information systems and management resources place the business in a strong position to support future growth. New service offerings launched in the past financial periods and ongoing investments in new product development will support the business' ambition to be a leader in construction inspection, audit, testing and certification. Increase in demand is being balanced with the need to complete the transition to a fully digitised working environment.

The BBA is not immune to industry challenges, such as attracting and retaining highly skilled resources. In response, the BBA continues its pursuit of 'employer of choice' status with on-going investment in employee development.

The strength of the BBA brand, together with the industry's trust in the BBA's technical excellence, positions the company well to play a more central and strategic role within the UK construction industry. Working closely with stakeholders in government, the industry and the market, the BBA is playing a growing role in the drive to make construction a safer sector.

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GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023

Risk management

The company risk management process seeks to achieve a balance of cost versus risk that is consistent with the prudent management of a professional practice.

The company continuously assesses its risk management activities to ensure best practice. The business risk register which is reviewed and updated regularly by the Board of Directors and the Finance, Audit, Investment and Risk (FAIR) committee. The purpose of these reviews is to ensure that risks are identified, measured, and mitigated on a proactive timely basis. The principal risks to which the company is currently exposed and is likely to be exposed in the future are summarised below.

The BBA recognises the need to continue reaming lessons from the Grenfell Tower Inquiry. From the outset, the BBA has sought was to improve relevant service offerings and offer additional service that help others to build safer homes, buildings and structures.

Results and key performance indicators

The BBA produces monthly management accounts which monitor monthly, year to date, and forecast results, margins, and variances to budget and the preceding year.

Monthly and year to date forecast KPIs, are used to monitor costs and revenues, investments, capital expenditure, and cash flows which are reported to the senior management and are reviewed by the FAIR committee and governing board.

Price risk

Market conditions and a competitive environment continue to drive the businesses needs to provide value for money quality products at a competitive price.

Credit Risk

The company maintains a vigilance and appropriate level of credit services to our clients. Business management systems and credit reviews help the company to keep our exposure to a significant bad debt to a minimum. Where the company receives funds in advance for future projects, these are securely invested in protecting and making a reasonable return to reinvest into our business.

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GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023

Reputational risk

The board considers this to be one of the most significant risks to any professional service organisation. Clients pay for certification, which is a potential threat to impartiality, so it is critical that our product approval and certification services are highly professional, transparent, and impartial. In addition to the BBA's own impartiality procedures, the Technical Committee reviews impartiality and risks relating to activities of BBA's business. These risk include reputational, legal and loss of accreditation.

Awareness of the importance of the company's reputation and individual integrity underpins the BBA's commitment to delivering the highest quality service for clients alongside maintaining the highest standards of professional behaviour by BBA certificate holders, or membership of other BBA approved schemes.

Poor quality service would damage the company's reputation and adversely affect the ability to secure future work. Our management systems mitigate this risk by ensuring that robust quality systems are in place and monitored, quality staff are employed and trained, staff management processes and procedures are complied with, regular external compliance audits, and quality standards are in place that reinforce the importance of higher professional standards.

Pension scheme

The BBA operates a defined benefit pension scheme. The scheme was closed to new joiners on 31 March 2003 and closed fully on 31 March 2007. There is a risk associated with market fluctuations that future investment returns may not be sufficient to fund pension liabilities and prompt the need for additional employer funding contributions.

In the financial period ending June 2023; net pension liabilities were unchanged at £0.0m (2022:£0.0m).

Health, safety, and the environment

The company's service is concerned with the built environment, which entails significant health, safety, and environmental risks. Should policy or practise in this area prove inadequate, there is a consequent risk to employees, clients, and third parties. The company, therefore, takes health, safety, and environmental issues very seriously and ensures that all employees are appropriately trained and equipped and that procedures are continuously reviewed and improved. The aim is to go further than basic legal requirements to proactively manage issues and identify solutions before problems arise.

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GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023

Systems and IT

The company is dependent on its operational and IT systems and their reliability and protection of its intellectual capital, service delivery, and the availability of timely management information. There is a latent risk of downtime, data loss, insufficient capacity, and disparity in the manner the core systems are operated. Management has mitigated these risks by upgrading the company's office, mobile and communications infrastructure. The threat of cyber-attacks has increased and will require ongoing focus and investment as we constantly seek to maintain the resilience of our systems and protect the interest of our clients.

Business continuity

The company has established disaster recovery procedures, but residual risks exist should the company lose its main office due to fire, flood, etc., leading to some organisational disruption.

Compliance

The company is subject to a range of taxation, legal and regulatory requirements, failure to comply with these obligations could give rise to legal liability, financial loss and reputational damage. The company has; therefore, put appropriate internal controls in place to deal with such matters and employs qualified employees and advisers through whom it monitors and responds to the regulatory requirements.

As part of its commitment to maintaining the highest quality standards, the BBA continues to maintain UKAS accreditation for its services.

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GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023

Governance

Operating within a framework of good corporate governance is a priority for the BBA. We have taken our lead in this from the Financial Reporting Council's UK Corporate Governance Code published in July 2018, adopting the elements of this code that are relevant to a company of our size. We strive for governance that goes beyond compliance into accountability and ethical practice.

The non-executive directors advise and challenge Executives in a constructive and independent manner. The diverse expertise and experience of the board members leads to a valuable range of perspectives.

The Governing Board has set up three additional committees chaired by non-executive directors:

- Finance, Audit, Investments and Risk ('FAIR')
- Remuneration and Appointments
- Technical and Impartiality

The Governing Board consistently upholds and maintains the important virtues of expertise and impartiality in all activities undertaken and performed by BBA. The Technical Committee oversees the Management Review covering all business covered by accreditation schemes and this includes impartiality. This is reported to the board as well as used as part of the BBA's internal audit programme.

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

DocuSigned by:

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A J Kitchingman
Director and Chairman

Date: 08-11-2023 | 07:46 GMT

BRITISH BOARD OF AGREEMENT
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DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2023

The directors present their report and the financial statements for the year ended 30 June 2023.

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;
- 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 loss for the year, after taxation, amounted to £534,000 (2022 profit - £16,000).

Director

The director who served during the year was:

N R Hannah (resigned 31 December 2022)
A J Kitchingman
P G Giesler
J B Tebbitt
V Muttukrishnan (resigned 31 December 2022)
R Waterhouse
N G Davis (appointed 31 December 2022, resigned 2 May 2023)

After the year end, T Deller-Hoy was appointed as a Director on 6 July 2023.

Future developments

The directors aim to achieve growth in all areas of the business introducing new products to broaden the BBA customer service base. Plans to expand the company's regional footprint and test capabilities are also being progressed.

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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023

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 director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has 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.

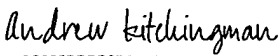
Post balance sheet events

Notwithstanding continue assistance on the Grenfell Tower Inquiry there has been no significant events affecting the group since the year end.

Auditors

The auditors, Hillier Hopkins LLP, 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.

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A J Kitchingman
Director

Date: 08-11-2023 | 07:46 GMT

BRITISH BOARD OF AGREEMENT
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRITISH BOARD OF AGREEMENT

Opinion

We have audited the financial statements of British Board of Agreement (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 30 June 2023, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 30 June 2023 and of the Group's profit after tax for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

BRITISH BOARD OF AGREEMENT
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRITISH BOARD OF AGREEMENT
(CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Directors' Report.

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

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

BRITISH BOARD OF AGREEMENT
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRITISH BOARD OF AGREEMENT
(CONTINUED)

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

BRITISH BOARD OF AGREEMENT
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRITISH BOARD OF AGREEMENT
(CONTINUED)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Group financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- the nature of the industry and sector, control environment and business performance including the remuneration incentives and pressures of key management;
- the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management. We consider the results of our enquiries of management and the FAIR Committee about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Company's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

We also obtained an understanding of the legal and regulatory frameworks that the Company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. We focused on laws and regulations that could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006 and relevant tax legislation.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial

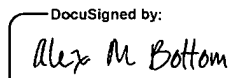
BRITISH BOARD OF AGREEMENT
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRITISH BOARD OF AGREEMENT
(CONTINUED)

Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

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Alexander Bottom ACA (Senior Statutory Auditor)

for and on behalf of
Hillier Hopkins LLP

Chartered Accountants
Statutory Auditor

Radius House
51 Clarendon Road
Watford
Hertfordshire
WD17 1HP

Date: 09-11-2023 | 12:58 GMT

BRITISH BOARD OF AGREEMENT
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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 £000	2022 £000
Turnover	4	14,487	13,648
Gross profit		14,487	13,648
Administrative Expenses		(15,561)	(13,346)
Other operating income	5	489	101
Operating (loss)/profit	6	(585)	403
Gain / (loss) from investments		(89)	(593)
Interest receivable and similar income	11	41	2
Interest payable and similar expenses	12	-	(1)
Other finance expense (net)		22	(73)
Loss before taxation		(611)	(262)
Tax on loss	14	77	278
(Loss)/profit for the financial year		(534)	16
Actuarial gains on defined benefit pension scheme		277	3,857
Pension surplus not recognised		(539)	(451)
Movement of deferred tax relating to pension deficit		-	(661)
Other comprehensive income for the year		(262)	2,745
Total comprehensive income for the year		(796)	2,761
(Loss)/profit for the year attributable to:			
Owners of the parent Company		(534)	16
		(534)	16
Total comprehensive income for the year attributable to:			
Owners of the parent Company		(796)	2,761
		(796)	2,761

The notes on pages 25 to 49 form part of these financial statements.

BRITISH BOARD OF AGREEMENT
(A Company Limited by Guarantee)
REGISTERED NUMBER: 00878293

CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2023

	Note	2023 £000	2022 £000
Fixed assets			
Intangible assets	15	581	369
Tangible assets	16	1,444	1,091
		<u>2,025</u>	<u>1,460</u>
Current assets			
Debtors: amounts falling due within one year	18	4,461	4,113
Current asset investments	19	-	4,634
Cash at bank and in hand	20	10,694	6,082
		<u>15,155</u>	<u>14,829</u>
Creditors: amounts falling due within one year	21	(14,876)	(13,189)
Net current assets		<u>279</u>	<u>1,640</u>
Total assets less current liabilities		<u>2,304</u>	<u>3,100</u>
Provisions for liabilities			
Other provisions		(178)	(178)
		<u>(178)</u>	<u>(178)</u>
Net assets		<u>2,126</u>	<u>2,922</u>
Capital and reserves			
Profit and loss account	24	2,126	2,922
		<u>2,126</u>	<u>2,922</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

DocuSigned by:

 3C085DDDB8DB428...
A J Kitchingman
 Director

Date: 08-11-2023 | 07:46 GMT

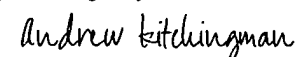
The notes on pages 25 to 49 form part of these financial statements.

BRITISH BOARD OF AGREEMENT
(A Company Limited by Guarantee)
REGISTERED NUMBER: 00878293

COMPANY BALANCE SHEET
AS AT 30 JUNE 2023

	Note	2023 £000	2022 £000
Fixed assets			
Intangible assets	15	581	369
Tangible assets	16	1,444	1,091
		<u>2,025</u>	<u>1,460</u>
Current assets			
Debtors: amounts falling due within one year	18	4,460	4,114
Current asset investments	19	-	4,634
Cash at bank and in hand	20	10,694	6,082
		<u>15,154</u>	<u>14,830</u>
Creditors: amounts falling due within one year	21	(14,876)	(13,190)
Net current assets		<u>278</u>	<u>1,640</u>
Total assets less current liabilities		<u>2,303</u>	<u>3,100</u>
Provisions for liabilities			
Other provisions		(178)	(178)
		<u>(178)</u>	<u>(178)</u>
Net assets excluding pension asset		<u>2,125</u>	<u>2,922</u>
Net assets		<u>2,125</u>	<u>2,922</u>
Capital and reserves			
Profit and loss account carried forward		2,125	2,922
		<u>2,125</u>	<u>2,922</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

DocuSigned by:

 3C085DD0B880B428...
A J Kitchingman
 Director

Date: 08-11-2023 | 07:46 GMT

The notes on pages 25 to 49 form part of these financial statements.

BRITISH BOARD OF AGREEMENT
(A Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023

	Profit and loss account	Total equity
	£000	£000
At 1 July 2022	2,922	2,922
Comprehensive income for the year		
Loss for the year	(534)	(534)
Actuarial losses on pension scheme	(262)	(262)
Other comprehensive income for the year	(262)	(262)
Total comprehensive income for the year	(796)	(796)
At 30 June 2023	2,126	2,126

The notes on pages 25 to 49 form part of these financial statements.

BRITISH BOARD OF AGREEMENT
(A Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022

	Profit and loss account	Total equity
	£000	£000
At 1 July 2021	161	161
Comprehensive income for the year		
Profit for the year	16	16
Actuarial gains on pension scheme	2,745	2,745
Other comprehensive income for the year	2,745	2,745
Total comprehensive income for the year	2,761	2,761
At 30 June 2022	2,922	2,922

The notes on pages 25 to 49 form part of these financial statements.

BRITISH BOARD OF AGREEMENT
(A Company Limited by Guarantee)

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023

	Profit and loss account	Total equity
	£000	£000
At 1 July 2022	2,922	2,922
Comprehensive income for the year		
Loss for the year	(535)	(535)
Actuarial losses on pension scheme	(262)	(262)
Other comprehensive income for the year	(262)	(262)
Total comprehensive income for the year	(797)	(797)
At 30 June 2023	2,125	2,125

The notes on pages 25 to 49 form part of these financial statements.

BRITISH BOARD OF AGREEMENT
(A Company Limited by Guarantee)

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022

	Profit and loss account	Total equity
	£000	£000
At 1 July 2021	161	161
Comprehensive income for the year		
Profit for the year	16	16
	<u>2,745</u>	<u>2,745</u>
Actuarial gains on pension scheme	2,745	2,745
	<u>2,761</u>	<u>2,761</u>
Total comprehensive income for the year	2,761	2,761
	<u>2,922</u>	<u>2,922</u>
At 30 June 2022	<u>2,922</u>	<u>2,922</u>

The notes on pages 25 to 49 form part of these financial statements.

BRITISH BOARD OF AGREEMENT
(A Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	£000	£000
Cash flows from operating activities		
Loss for the financial year	(534)	16
Adjustments for:		
Depreciation and amortisation	408	240
Interest paid	-	1
Interest received	(41)	(2)
Taxation charge	(77)	(278)
(Increase) in debtors	(267)	(744)
Increase in creditors	1,686	1,845
Increase in provisions	-	179
Sale of investment	4,383	(67)
Gain on investments	-	593
Corporation tax received	77	377
Net cash generated from operating activities	5,635	2,160
Cash flows from investing activities		
Purchase of intangible fixed assets	(356)	(315)
Purchase of tangible fixed assets	(617)	(872)
Sale of tangible fixed assets	(2)	-
Purchase of fixed asset investments	-	(44)
Interest received	41	2
Other received	(89)	-
Net cash from investing activities	(1,023)	(1,229)

BRITISH BOARD OF AGREEMENT
(A Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	£000	£000
Cash flows from financing activities		
Interest paid	-	(1)
Net cash used in financing activities	-	(1)
Net increase in cash and cash equivalents	4,612	930
Cash and cash equivalents at beginning of year	6,082	5,152
Cash and cash equivalents at the end of year	10,694	6,082
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	10,694	6,082
	10,694	6,082

The notes on pages 25 to 49 form part of these financial statements.

BRITISH BOARD OF AGREEMENT
(A Company Limited by Guarantee)

CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 30 JUNE 2023

	At 1 July 2022 £000	Cash flows £000	At 30 June 2023 £000
Cash at bank and in hand	6,082	4,612	10,694
	<u>6,082</u>	<u>4,612</u>	<u>10,694</u>

The notes on pages 25 to 49 form part of these financial statements.

BRITISH BOARD OF AGREEMENT
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

1. General information

British Board of Agreement (the "Company") is incorporated and domiciled in England and Wales.

The company is a private company limited by guarantee and consequently does not have share capital. It is non-profit distributing and the liability of each Member is limited to £1 upon winding up.

The company provides reinsurance to manufacturers, users, specifiers, insurers and regulators of construction products and systems that such products and systems are fit for purpose.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the Group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 July 2015.

BRITISH BOARD OF AGREEMENT
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

2. Accounting policies (continued)

2.3 Going concern

Although the group made a loss during FY23, forecasts for future years included in the 5 year strategy show expected profits. The group has net assets of £2,126k including a pension liability of zero and cash of £10,694k. Although the group will be expected to cover any future increase in the pension liability, this does not materially affect the groups ability to continue as a going concern. The expectation of future profits and cash of £10,694k, the directors believe the group has the ability to pay their debts as they fall due and expect to continue as a going concern for a minimum of 12 months from the date of signing these financial statements.

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

BRITISH BOARD OF AGREEMENT
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

2. Accounting policies (continued)

2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.6 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.7 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.8 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

BRITISH BOARD OF AGREEMENT
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

2. Accounting policies (continued)

2.9 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

Defined benefit pension plan

The Group operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including but not limited to age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The liability recognised in the Balance Sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the balance sheet date less the fair value of plan assets at the balance sheet date (if any) out of which the obligations are to be settled.

The defined benefit obligation is calculated using the projected unit credit method. Annually the company engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating to the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the Group's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Remeasurement of net defined benefit liability'.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

- a) the increase in net pension benefit liability arising from employee service during the period; and
- b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss as a 'finance expense'.

BRITISH BOARD OF AGREEMENT
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

2. Accounting policies (continued)

2.10 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

2.11 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.12 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Motor vehicles	- 10-15 years, straight line
Test equipment	- 7-25 years, straight line
Office furniture and equipment	- 5-10 years, straight line
Computer equipment	- 3-5 years, straight line
Accommodation	- 5-15 years, straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

BRITISH BOARD OF AGREEMENT
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

2. Accounting policies (continued)

2.13 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Group shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Consolidated Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

2.14 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.15 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.16 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.17 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.18 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

BRITISH BOARD OF AGREEMENT
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

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

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However the nature of estimation means that actual outcomes could differ from those estimates.

The following judgements (apart from those involving estimates) have had the most significant effects on the amounts recognised in the financial statements:

- The revenue and costs recognised under long term contracts, have been individually assessed for each contract as at the period end. Management have recognised revenue and cost based on the expected total profit margin for the contract and the amounts delivered and utilised by the customer as at the period end.
- The recovery of trade receivables has been assessed as at the year end and up until the date of signing these financial statements. Management have based their decision to provide for any amounts based on their judgement of all the available information, and their experience of the specific nature of the trade receivable in question.

4. Turnover

An analysis of turnover by class of business is as follows:

	2023 £000	2022 £000
Product approval and testing	7,767	8,902
Contractor and system certification	3,797	3,575
License fees	2,923	1,171
	14,487	13,648

All turnover arose within the United Kingdom.

5. Other operating income

	2023 £000	2022 £000
Government grants received	-	18
Insurance income	489	-
Fees receivable	-	83
	489	101

BRITISH BOARD OF AGREEMENT
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

6. Operating (loss)/profit

The operating (loss)/profit is stated after charging:

	2023	2022
	£000	£000
Exchange differences	14	1
Other operating lease rentals	859	769
	<u>859</u>	<u>769</u>

7. Auditors' remuneration

During the year, the Group obtained the following services from the Company's auditors:

	2023	2022
	£000	£000
Fees payable to the Company's auditors for the audit of the consolidated and parent Company's financial statements	25	20
Fees payable to the Company's auditors for the audit of the consolidated and parent Company's financial statements		
Fees payable corporation consultancy	3	2
All non-audit services	2	4
	<u>2</u>	<u>4</u>

BRITISH BOARD OF AGREEMENT
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

8. Employees

During the year, redundancy costs were incurred on £21,015 (2022: £142,200) relating to the contract termination of 1 (2022: 4) employee.

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

	Group	<i>Group</i>	Company	<i>Company</i>
	2023	<i>2022</i>	2023	<i>2022</i>
	£000	<i>£000</i>	£000	<i>£000</i>
Wages and salaries	8,676	<i>7,602</i>	8,676	<i>7,602</i>
Social security costs	1,043	<i>844</i>	1,043	<i>844</i>
Cost of defined benefit scheme	32	<i>34</i>	32	<i>34</i>
Cost of defined contribution scheme	696	<i>514</i>	696	<i>514</i>
	10,447	<i>8,994</i>	10,447	<i>8,994</i>

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

	Group	<i>Group</i>	Company	<i>Company</i>
	2023	<i>2022</i>	2023	<i>2022</i>
	No.	<i>No.</i>	No.	<i>No.</i>
Senior Management	10	<i>9</i>	10	<i>9</i>
Operations	152	<i>141</i>	152	<i>141</i>
Corporate Overheads	37	<i>28</i>	37	<i>28</i>
	199	<i>178</i>	199	<i>178</i>

BRITISH BOARD OF AGREEMENT
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

9. Directors' remuneration

	2023	2022
	£000	£000
Directors' emoluments	421	450
Group contributions to defined contribution pension schemes	15	22
	436	472

During the year retirement benefits were accruing to 2 directors (2022 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £237 thousand (2022 - £188 thousand).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £13,120 (2022 - £12,120).

10. Gain / (loss) from investments

	2023	2022
	£000	£000
Gain / (loss) from investments	(89)	(593)
	(89)	(593)

The above loss comes from the sale of investment as seen in note 19.

11. Interest receivable

	2023	2022
	£000	£000
Other interest receivable	41	2
	41	2

BRITISH BOARD OF AGREEMENT
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

12. Interest payable and similar expenses

	2023 £000	2022 £000
Other loan interest payable	-	1
	<u>-</u>	<u>1</u>
	<u><u>-</u></u>	<u><u>1</u></u>

13. Other finance expense (net)

	2023 £000	2022 £000
Interest income on pension scheme assets	945	581
Net interest on net defined benefit liability	(923)	(654)
	<u>22</u>	<u>(73)</u>
	<u><u>22</u></u>	<u><u>(73)</u></u>

14. Taxation

	2023 £000	2022 £000
Corporation tax		
Current tax on profits for the year	-	(278)
Adjustments in respect of previous periods	(77)	-
	<u>(77)</u>	<u>(278)</u>
Taxation on loss on ordinary activities	<u><u>(77)</u></u>	<u><u>(278)</u></u>

BRITISH BOARD OF AGREEMENT
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

14. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2022 - *lower than*) the standard rate of corporation tax in the UK of 19% (2022 - 19%). The differences are explained below:

	2023 £000	2022 £000
Loss on ordinary activities before tax	(613)	(265)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2022 - 19%)	(116)	(50)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	68	106
Capital allowances for year in excess of depreciation	(95)	-
Adjustments to tax charge in respect of prior periods	(77)	-
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	-	(126)
Movement on deferred tax not recognised	143	(208)
Total tax charge for the year	(77)	(278)

The negative Corporation Tax charge arises due to current year and retrospective claims, relating to the Company's investment in R&D.

Factors that may affect future tax charges

On 3 March 2021 the Chancellor of the Exchequer announced an increase in the main rate of UK corporation tax to 25 per cent for businesses with profits greater than £250,000. Businesses with profits of £50,000 or less will continue to be taxed at 19% with marginal relief for profits up to £250,000. These changes were substantively enacted on 25 May 2021 and will take effect from 1 April 2023.

BRITISH BOARD OF AGREEMENT
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

15. Intangible assets

Group

	Computer software £000
Cost	
At 1 July 2022	1,052
Additions	356
At 30 June 2023	<u>1,408</u>
Amortisation	
At 1 July 2022	683
Charge for the year on owned assets	144
At 30 June 2023	<u>827</u>
Net book value	
At 30 June 2023	<u><u>581</u></u>
At 30 June 2022	<u><u>369</u></u>

BRITISH BOARD OF AGREEMENT
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

15. Intangible assets (continued)

Company

	Computer software £000
Cost	
At 1 July 2022	1,052
Additions	356
At 30 June 2023	<u>1,408</u>
Amortisation	
At 1 July 2022	683
Charge for the year	144
At 30 June 2023	<u>827</u>
Net book value	
At 30 June 2023	<u><u>581</u></u>
At 30 June 2022	<u><u>369</u></u>

BRITISH BOARD OF AGREEMENT
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

16. Tangible fixed assets

Group

	Plant and machinery £000	Motor vehicles £000	Computer equipment £000	Other fixed assets £000	Total £000
Cost or valuation					
At 1 July 2022	1,296	34	433	1,064	2,827
Additions	272	-	142	203	617
Disposals	(9)	-	-	-	(9)
At 30 June 2023	<u>1,559</u>	<u>34</u>	<u>575</u>	<u>1,267</u>	<u>3,435</u>
Depreciation					
At 1 July 2022	915	31	248	542	1,736
Charge for the year on owned assets	106	2	86	70	264
Disposals	(8)	-	(1)	-	(9)
At 30 June 2023	<u>1,013</u>	<u>33</u>	<u>333</u>	<u>612</u>	<u>1,991</u>
Net book value					
At 30 June 2023	<u>546</u>	<u>1</u>	<u>242</u>	<u>655</u>	<u>1,444</u>
At 30 June 2022	<u>381</u>	<u>3</u>	<u>185</u>	<u>522</u>	<u>1,091</u>

BRITISH BOARD OF AGREEMENT
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

16. Tangible fixed assets (continued)

Company

	Plant and machinery £000	Motor vehicles £000	Computer equipment £000	Other fixed assets £000	Total £000
Cost or valuation					
At 1 July 2022	1,296	34	433	1,064	2,827
Additions	272	-	142	203	617
Disposals	(9)	-	-	-	(9)
At 30 June 2023	<u>1,559</u>	<u>34</u>	<u>575</u>	<u>1,267</u>	<u>3,435</u>
Depreciation					
At 1 July 2022	915	31	248	542	1,736
Charge for the year on owned assets	106	2	86	70	264
Disposals	(8)	-	(1)	-	(9)
At 30 June 2023	<u>1,013</u>	<u>33</u>	<u>333</u>	<u>612</u>	<u>1,991</u>
Net book value					
At 30 June 2023	<u>546</u>	<u>1</u>	<u>242</u>	<u>655</u>	<u>1,444</u>
At 30 June 2022	<u>381</u>	<u>3</u>	<u>185</u>	<u>522</u>	<u>1,091</u>

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17. Fixed asset investments

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Activity	Class of shares	Holding
BBA Consultancy, Investigation and Training Limited	Non-trading	Ordinary	100%
BBA (EU) Certification Limited (dissolved during the year)	Non-trading	Ordinary	100%

The registered office of BBA Consultancy, Investigation and Training Limited is 1st Floor, Building 3, Hatters Lane, Watford, England, WD 18 8YG.

BBA (EU) Certification Limited was dissolved during the year and is no longer a member of the Group.

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18. Debtors

	Group	<i>Group</i>	Company	<i>Company</i>
	2023	<i>2022</i>	2023	<i>2022</i>
	£000	<i>£000</i>	£000	<i>£000</i>
Trade debtors	3,422	3,042	3,422	3,042
Other debtors	191	512	190	513
Prepayments and accrued income	492	281	492	281
Tax recoverable	356	278	356	278
	4,461	<i>4,113</i>	4,460	<i>4,114</i>

19. Current asset investments

	Group	<i>Group</i>	Company	<i>Company</i>
	2023	<i>2022</i>	2023	<i>2022</i>
	£000	<i>£000</i>	£000	<i>£000</i>
Unit Trust Funds	-	4,634	-	4,634

The Unit Trust Funds were made up of the following investment categories as at the prior year balance sheet date:

	UK Bonds	Global Equities	Cash & Alternatives
Short term investment portfolio			
100% Sarasin GlobalSar Income Fund	70%	20%	10%
Medium term investment portfolio			
60% Sarasin GlobalSar Income Fund	54%	36%	10%
40% Sarasin GlobalSar Dynamic Fund			
Long term investment portfolio			
100% Sarasin GlobalSar Dynamic Fund	30%	60%	10%

20. Cash and cash equivalents

	Group	<i>Group</i>	Company	<i>Company</i>
	2023	<i>2022</i>	2023	<i>2022</i>
	£000	<i>£000</i>	£000	<i>£000</i>
Cash at bank and in hand	10,694	6,082	10,694	6,082
	10,694	<i>6,082</i>	10,694	<i>6,082</i>

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21. Creditors: Amounts falling due within one year

	Group	<i>Group</i>	Company	<i>Company</i>
	2023	<i>2022</i>	2023	<i>2022</i>
	£000	<i>£000</i>	£000	<i>£000</i>
Payments received on account	10,490	<i>8,980</i>	10,490	<i>8,980</i>
Trade creditors	1,306	<i>871</i>	1,306	<i>871</i>
Amounts owed to group undertakings	-	<i>-</i>	-	<i>1</i>
Other taxation and social security	954	<i>710</i>	954	<i>710</i>
Other creditors	735	<i>1,121</i>	735	<i>1,121</i>
Accruals and deferred income	1,391	<i>1,507</i>	1,391	<i>1,507</i>
	14,876	<i>13,189</i>	14,876	<i>13,190</i>

22. Financial instruments

	Group	<i>Group</i>	Company	<i>Company</i>
	2023	<i>2022</i>	2023	<i>2022</i>
	£000	<i>£000</i>	£000	<i>£000</i>
Financial assets				
Financial assets measured at fair value through profit or loss	10,694	<i>6,082</i>	10,694	<i>6,082</i>

Financial assets measured at fair value through profit or loss comprise cash at bank and in hand.

23. Provisions

Group

	Travel	Dilapidation	Total
	£000	£000	£000
At 1 July 2022	79	99	178
At 30 June 2023	79	99	178

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23. Provisions (continued)

Company

	Travel £000	Dilapidation £000	Total £000
At 1 July 2022	79	99	178
At 30 June 2023	79	99	178

The travel provision relates to any claims made for audits undertaken remotely due to covid restrictions.

Included in provisions is an estimate for dilapidations relating to the lease of property. When the leases cease, the company is liable to incur the costs to cover dilapidations.

24. Reserves

Profit and loss account

This reserve includes all current and prior year retained earnings.

Actuarial gains/losses on the defined benefit pension scheme, net of the associated deferred tax, are included within this account.

25. Company status

The company is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation.

26. Contingent liabilities

Two products certified by the BBA were investigated as being used in the external cladding of Grenfell Tower. When issuing the certificate for one of them, it has been alleged that this product had poorer fire performance than that stated on the BBA certificate. It was established during the Grenfell inquiry that the manufacturer had not provided all pertinent test data to BBA.

The company has provided support to the Public Inquiry into the Grenfell Tower Fire. The Inquiry closed in November 2022 with a final report expected in early 2024. The Met Police have also now commenced their investigation. There are a number of issues and circumstances that need to be explored and the possible implications for BBA are unlikely to be known for some time. At present no legal action, (civil or criminal) has been commenced against BBA in respect of the issue of these certificates.

Given the number of issues, uncertainties and complexities that exist, the company is unable to make a reliable estimate of any contingent liability relating to this matter at the balance sheet date.

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27. Pension commitments

The Group operates a Defined Benefit Pension Scheme.

Reconciliation of present value of plan liabilities:

	2023 £000	2022 £000
Reconciliation of present value of plan liabilities		
At the beginning of the year	24,700	33,254
Interest cost	923	654
Actuarial gains/losses	(3,843)	(8,573)
Benefits paid	(1,161)	(1,086)
Previously unrecognised surplus deducted	(451)	-
Derecognition of surplus	990	451
At the end of the year	21,158	24,700

Reconciliation of present value of plan assets:

	2023 £000	2022 £000
At the beginning of the year	24,700	30,442
Interest income	945	586
Administration expenses	-	(5)
Actuarial gains/losses	(3,566)	(4,716)
Contributions	240	140
Benefits paid	(1,161)	(1,086)
Deferred tax on actuarial gain/loss	-	(661)
At the end of the year	21,158	24,700

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NOTES TO THE FINANCIAL STATEMENTS
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27. Pension commitments (continued)

Composition of plan assets:

	2023 £000	2022 £000
Equities	-	9,871
LDI Funds	5,163	5,020
Insured pensioners	307	667
Corporate bonds	8,286	-
Multi-Asset Funds	-	8,627
Cash	7,120	-
NCA	282	515
Total plan assets	21,158	24,700

	2023 £000	2022 £000
Fair value of plan assets	21,158	24,700
Present value of plan liabilities	(21,158)	(24,700)
Net pension scheme liability	-	-

The amounts recognised in profit or loss are as follows:

	2023 £000	2022 £000
Interest on obligation	(923)	(654)
Interest income on plan assets	945	581
Total	22	(73)
Actual return on scheme assets	(2,621)	(4,130)
	(2,621)	(4,130)

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27. Pension commitments (continued)

	2023	2022
	£000	£000
Analysis of actuarial loss recognised in Other Comprehensive Income		
Actual return less interest income included in net interest income	277	3,857
	<u>277</u>	<u>3,857</u>

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

	2023	2022
	%	%
Discount rate	5.4	3.9
Future salary increases	2.6	2.5
Future pension increases	3.2	3.2
Mortality rates		
- for a male aged 65 now	86.2	86.8
- at 65 for a male aged 45 now	87.2	87.7
- for a female aged 65 now	88.7	89.1
- at 65 for a female member aged 45 now	<u>89.8</u>	<u>90.3</u>

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27. Pension commitments (continued)

Amounts for the current and previous four periods are as follows:

Defined benefit pension schemes

	2023	2022	2021	2020	2019
	£000	£000	£000	£000	£000
Defined benefit obligation	(20,168)	(24,249)	(33,254)	(35,285)	(32,457)
Derecognition of scheme surplus	(990)	(451)	-	-	-
Scheme assets	21,158	24,700	29,781	28,913	28,974
Surplus / (Deficit)	-	-	(3,473)	(6,372)	(3,483)
Net Surplus/(Deficit)	990	451	(3,473)	(6,372)	(3,483)
Derecognition of scheme surplus	(990)	(451)	-	-	-
	-	-	(3,473)	(6,372)	(3,483)

28. Commitments under operating leases

At 30 June 2023 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group	Group	Company	Company
	2023	2022	2023	2022
	£000	£000	£000	£000
Not later than 1 year	429	487	429	487
Later than 1 year and not later than 5 years	1,270	927	1,270	927
Later than 5 years	347	-	347	-
	2,046	1,414	2,046	1,414

29. Related party transactions

During the year the Group made use of the services of Behind the Hedge Limited to the value of £48,000. A director of the Company is also a director of Behind the Hedge Limited. No other related party transactions require disclosure.

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NOTES TO THE FINANCIAL STATEMENTS
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30. Controlling party

In the opinion of the members, there is no ultimate controlling party.