

Company registration number: 2244967 (England and Wales)

**BUREAU VERITAS CERTIFICATION UK LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**



# BUREAU VERITAS CERTIFICATION UK LIMITED

## CONTENTS

---

	Page
Company information	1
Strategic report for the year ended 31 December 2018	2
Directors' report for the year ended 31 December 2018	4
Independent auditor's report to the members of Bureau Veritas Certification UK Limited	6
Statement of comprehensive income for the year ended 31 December 2018	9
Statement of financial position as at 31 December 2018	10
Statement of changes in equity for the year ended 31 December 2018	11
Notes to the financial statements for the year ended 31 December 2018	12

# BUREAU VERITAS CERTIFICATION UK LIMITED

## COMPANY INFORMATION

---

**Directors**

K. Smith  
J. Franks  
K. Dolan

**Company number**

2244967

**Registered office**

Suite 206 Fort Dunlop  
Fort Parkway  
Birmingham  
West Midlands  
B24 9FD

**Independent auditors**

Ernst & Young LLP  
2 St. Peter's Square  
Manchester  
M2 3EY

**Bankers**

NatWest Bank PLC  
10 Southwark Street  
London  
SE1 1TJ

# BUREAU VERITAS CERTIFICATION UK LIMITED

## STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

---

The directors present their strategic report on the company for the year ended 31 December 2018.

### Principal activities

The principal activities of the company during the year were the provision of certification for quality management systems, environmental certification and CE marking of medical devices and gas appliances.

### Review of the business

The company's loss for the financial year is £468,225 (2017: loss £979,806).

The company's net liabilities at 31 December 2018 were £1,187,630 (2017: net liabilities £1,039,263).

The company considers the principal risk and uncertainty affecting the business is recruitment and retention of key staff. This risk is managed through structured and focussed recruitment campaigns along with staff training, development programmes and incentive schemes designed to promote staff retention.

### Financial risk management

The company's operations expose it to a variety of financial risks that include the effect of changes in credit risk, liquidity risk and interest rate risk.

The company is not exposed to any significant commodity price risk.

The company has implemented policies that require appropriate credit checks on potential customers before sales are made. The amount of exposure of any individual counterparty is subject to a limit which is assessed regularly by the board.

All the company's debt is inter-company and the interest rate risk, liquidity risk and cash-flow risk is managed by the Bureau Veritas SA board.

### Future developments

Whilst the current economic climate can be described as challenging, the directors consider that the company is well placed to perform satisfactorily in the future.

### Key performance indicators ("KPI's")

The company's directors consider various KPI's on a frequent basis. These include turnover, gross profit, operating profit and average number of employees.

	2018	2017
Turnover	6,904,655	£7,058,157
Gross profit	£2,220,237	£1,872,502
Operating loss	(£612,647)	(£978,034)
Average headcount	59	65

### Risks and opportunities looking ahead

The growth within the UK business continues in line with the Strategic Plan 2020 (SP20). This plan sets out a clear focus on market sectors and diversification of service portfolio underpinned by our people and client centricity. The key client centricity has enabled continued growth in these accounts through our client growth and through broadening the services we offer enabling our clients to manage their QHSE and sustainability risks effectively.

## **BUREAU VERITAS CERTIFICATION UK LIMITED**

### **STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)**

---

This is balanced with the way we are managing any risks as well as opportunities associated with political and economic uncertainty in UK seen due to Brexit and global trading environment for UK companies. Delays in capex projects and associated spend in this environment is expected which we must balance with continuing to broaden our client base and service offering through our growth plans.

On behalf of the board

A handwritten signature in black ink, appearing to be 'K. Smith', with a circular flourish at the top and several horizontal strokes below.

**K. Smith**  
**Director**

24 January 2020

# **BUREAU VERITAS CERTIFICATION UK LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018**

---

The directors present their report and the audited financial statements of the company for the year ended 31 December 2018.

### **Future developments**

An indication of the likely future developments of the business is included in the Strategic Report on page 2.

### **Going concern**

The company has net current liabilities of £604,035 (2017: £73,415) at the balance sheet date. The directors of Bureau Veritas SA have confirmed that they will provide financial support to enable the Company to meet its financial liabilities as they fall due for a period of at least 12 months from the date of signing of these financial statements. On this basis, the directors have formed a judgement that it is appropriate to prepare the financial statements on a going concern basis.

### **Dividends**

The Directors do not recommend the payment of a dividend (2017: £nil).

### **Financial risk management**

Financial risk management is described in the Strategic Report on page 2.

### **Directors**

The following directors have held office since 1 January 2018 and up until the date of signing these financial statements:

K. Smith  
M. Gee (resigned 31<sup>st</sup> Aug 2018)  
J. Franks  
K. Dolan (appointed 1<sup>st</sup> Jun 2018)

### **Directors' indemnities**

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. This is purchased by Bureau Veritas SA on behalf of the Directors. The indemnity was in force throughout the last financial year and is currently in force.

### **Employee involvement and health and safety at work**

The company is committed to the development of employees and thereby, to employees' greater involvement in its operations. The company holds periodic meetings between local management and employees to discuss matters likely to affect employees' interests and to allow a free flow of information. During the period the company has provided training for employees at all levels through a structured programme of courses, seminars and workshops.

The policy of the company is to ensure, as far as it is able to do so, the health, safety and welfare of everyone engaged in or affected by its business.

The company endorses the active application of equal opportunities policies and programmes to provide fair and equitable conditions for employees regardless of sex, family status, religion, creed, colour, ethnic origin, age or disability.

### **Employment of disabled persons**

It is the policy of the company to give full and fair consideration to applications for employment received from disabled persons. Within the limitations of their abilities, they are given the same opportunities for training, career development and promotion as are available to other employees and if necessary, retraining is given to an employee who becomes disabled whilst in the Company's employment.

# BUREAU VERITAS CERTIFICATION UK LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

---

### Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, the Directors' Report and the 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Statement of disclosure of information to auditors

In the case of each of the persons who are directors at the time when the report is approved under section 418 of the Companies Act 2006 the following applies:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- he/she has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### Independent auditors

Ernst and Young LLP has indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

On behalf of the board



K. Smith  
Director

24 January 2020

# **BUREAU VERITAS CERTIFICATION UK LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BUREAU VERITAS CERTIFICATION UK LIMITED**

---

### **Opinion**

We have audited the financial statements of Bureau Veritas Certification UK Limited for the year ended 31 December 2018 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Change in Equity and the related notes 1 to 18, including a significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

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

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.



# BUREAU VERITAS CERTIFICATION UK LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BUREAU VERITAS CERTIFICATION UK LIMITED

---

We have nothing to report in this regard.

### **Opinion on other matter 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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ▶ the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have identified no material misstatements in the Strategic Report or 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 5, 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 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 company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

## BUREAU VERITAS CERTIFICATION UK LIMITED

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BUREAU VERITAS CERTIFICATION UK LIMITED (CONTINUED).

---

#### 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Ernst & Young LLP*

Anne Wong (Senior Statutory Auditor)  
For and on behalf of Ernst & Young LLP Statutory Auditor  
Manchester

*24 January 2020*

# BUREAU VERITAS CERTIFICATION UK LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 £	2017 £
Turnover	2	6,904,655	7,058,157
Cost of sales		(4,684,418)	(5,185,655)
<b>Gross profit</b>		<b>2,220,237</b>	<b>1,872,502</b>
Administrative expenses		(2,832,884)	(2,850,536)
<b>Operating loss</b>	3	<b>(612,647)</b>	<b>(978,034)</b>
Interest payable and similar charges	6	(15,482)	(6,483)
Other finance expenses	11	(11,028)	(32,733)
<b>Loss on ordinary activities before taxation</b>	3	<b>(639,157)</b>	<b>(1,017,250)</b>
Tax on loss on ordinary activities	7	170,932	37,444
<b>Loss on ordinary activities after taxation</b>		<b>(468,225)</b>	<b>(979,806)</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Actual (loss) /gain return on pension scheme assets	11	(112,635)	274,236
Transfer of scheme assets and liabilities to other group companies	11	482,786	-
Deferred tax associated with actuarial (loss)/gain on pension fund	10	(62,932)	(80,257)
<b>Other comprehensive income</b>		<b>307,219</b>	<b>193,979</b>
<b>Total comprehensive expense</b>		<b>(161,006)</b>	<b>(785,827)</b>

# BUREAU VERITAS CERTIFICATION UK LIMITED

## STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

	Note	2018 £	2017 £
<b>Current assets</b>			
Debtors	8	2,807,662	2,236,090
Cash at bank		15,436	-
		<b>2,823,098</b>	<b>2,236,090</b>
<b>Creditors: amounts falling due within one year</b>	9	<b>(3,427,133)</b>	<b>(2,309,505)</b>
<b>Net current liabilities</b>		<b>(604,035)</b>	<b>(73,415)</b>
<b>Net liabilities excluding pension deficit</b>		<b>(604,035)</b>	<b>(73,415)</b>
Pension deficit	11	(583,595)	(965,848)
<b>Net liabilities including pension deficit</b>		<b>(1,187,630)</b>	<b>(1,039,263)</b>
<b>Capital and reserves</b>			
Called-up share capital	12	100,000	100,000
Profit and loss account		(1,287,630)	(1,139,263)
<b>Total equity</b>		<b>(1,187,630)</b>	<b>(1,039,263)</b>

The financial statements on pages 9 to 23 were approved by the board of directors and authorised for issue on ~~24~~ January 2020 and are signed on its behalf by:



K. Smith  
Director

~~24~~ January 2020

Bureau Veritas Certification UK Limited

Registered number: 2244967

# BUREAU VERITAS CERTIFICATION UK LIMITED

## STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER 2018

	Share capital £	Profit and loss account £	Total £
<b>Balance at 1 January 2017</b>	<b>100,000</b>	<b>(364,320)</b>	<b>(264,320)</b>
Loss for the year	-	(979,806)	(979,806)
Other comprehensive income, net of tax:-			
Actuarial gain on defined benefit plan	-	193,979	193,979
<b>Total comprehensive expense for the year</b>	<b>-</b>	<b>(785,827)</b>	<b>(785,827)</b>
Transactions with owners in their capacity as owners:			
Share-based payment	-	10,884	10,884
<b>Balance at 31 December 2017</b>	<b>100,000</b>	<b>(1,139,263)</b>	<b>(1,039,263)</b>
Loss for the year	-	(468,225)	(468,225)
Other comprehensive income, net of tax:-	-		
Actuarial (losses) on defined benefit plan	-	(175,567)	(175,567)
Transfer of scheme assets and liabilities from other group companies	-	482,786	482,786
<b>Total comprehensive expense for the year</b>	<b>-</b>	<b>(161,006)</b>	<b>(161,006)</b>
Transactions with owners in their capacity as owners:			
Share-based payment	-	12,639	12,639
<b>Balance at 31 December 2018</b>	<b>100,000</b>	<b>(1,287,630)</b>	<b>(1,187,630)</b>

# BUREAU VERITAS CERTIFICATION UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

---

### 1. Accounting policies

#### General information

Bureau Veritas Certification UK Limited ("the Company") is a limited company domiciled and incorporated in England.

The address of the Company's registered office and place of business is Suite 206 Fort Dunlop, Fort Parkway, Birmingham, West Midlands, B24 9FD.

The company's principal activity and the nature of the Company's operations are disclosed as part of the strategic report on page 2. The financial statements are prepared in sterling which is the functional currency of the Company and rounded to the nearest £.

#### Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires the directors 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 is the Company's key source of estimation uncertainty:

The recoverability of assets such as trade debtors is based on a review by senior management with considerable knowledge of the industry and client.

Amounts recoverable on contracts are largely calculated using a percentage of completion method, and as such, prudent judgement is exercised around sensitive areas affecting the calculations, such as budgeted fees and budgeted hours.

Pension and other post-employment benefits are based on the cost of defined benefit pension plans and other post-employment medical benefits are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty. In determining the appropriate discount rate, management considers the interest rates of corporate bonds in the respective currency with at least AA rating, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The underlying bonds are further reviewed for quality, and those having excessive credit spreads are removed from the population bonds on which the discount rate is based, on the basis that they do not represent high quality bonds. The mortality rate is based on publicly available mortality tables for the specific country. Future salary increases and pension increases are based on expected future inflation rates for the respective country.

Taxation provisions are based on reasonable estimates, for possible consequences of audits by the tax authorities of the consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience with previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies.

#### Basis of accounting

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, and under the historical cost convention.

# BUREAU VERITAS CERTIFICATION UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

---

### 1. Accounting policies (continued)

#### Leased assets

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

#### Turnover

Turnover represents the amount receivable by the company in respect of services provided during the period and is recognised on provision of the service. Accrued income is recognised where the service has been provided but not yet billed to the customer. Turnover excludes sales related taxes.

#### Going concern

The company has net current liabilities of £604,035 (2017: £73,415). The directors of Bureau Veritas SA have confirmed that they will provide financial support to enable the company to meet its financial liabilities as they fall due for a period of at least 12 months from the date of signing of these financial statements. On this basis, the directors have formed a judgement that it is appropriate to prepare the financial statements on a going concern basis.

#### Taxation

Corporation tax payable is provided on taxable profits based on the tax rates and laws enacted or substantially enacted at the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more or less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

#### Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling on the date of the transaction. All exchange differences are accounted for through the profit and loss account.

#### Pensions

The company participates in a group personal pension scheme operated by Bureau Veritas UK Limited. The cost of the company's group personal pension arrangements are charged to the profit and loss account on the basis of contributions payable in respect of the accounting period.

Certain employees of the company are deferred members of the Bureau Veritas Pension and Assurance Scheme, which is a defined benefit scheme for the group, based on final pensionable pay and which is closed to new entrants. The scheme requires contributions to be made to a separately administered fund.

The company has recognised an allocation of the liability in the scheme and related profit and loss and reserve movements, based on the proportion of pensionable members employed by the company compared to the full pensionable members of the scheme.

Under section 28 of FRS 102, assets held by defined benefit schemes are measured using market values. Pension scheme liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. Any increase in the present market value of liabilities of the company's defined benefit scheme expected to arise from employee

# BUREAU VERITAS CERTIFICATION UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

---

### 1. Accounting policies (continued)

service in the period is charged against operating profit. The expected return on the scheme assets and the increase during the period in the present value of the schemes liabilities arising from the passage of time are included in other finance income. Actuarial gains and losses are recognised in the statement of comprehensive income.

#### Provisions

Provisions are recognised when the company has a present obligation as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

#### Share based payments

The cost of shares which will be awarded under the Share Options Plans and the Free Share Plans is measured at fair value. The fair value of shares in each scheme is accrued over the vesting period and reported in the wages and salaries expense and reserves.

Bureau Veritas Certification UK Limited will bear the cost of employers' national insurance at the maturity or exercise date. The liability is calculated by reference to the market value of the shares at the balance sheet date. The liability is accrued between the grant date and the maturity date for the free share plan and between the grant date and the end of the vesting period for the share option plans. This liability is reported in accruals.

At each balance sheet date, the entity revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the profit and loss account, with a corresponding adjustment to reserves.

The national insurance cost and option gain will be allowable for corporation tax deductions in the period that the options are exercised and the free shares are awarded. A deferred tax asset has been provided in respect of this timing difference.

#### Financial Instruments

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less. For the purpose of the consolidated cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

#### Reduced disclosures

In accordance with FRS 102, the Company has taken advantage of the exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares.
- Section 7 'Statement of Cash Flows'.
- Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income.
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements.
- Section 33 'Related Party Disclosures' paragraph 33.7.



# BUREAU VERITAS CERTIFICATION UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

### 2. Turnover

An analysis of turnover by geographical market is given below:

	2018	2017
	£	£
United Kingdom	4,227,094	4,491,530
Rest of Europe	1,250,111	1,386,919
Rest of World	1,427,450	1,179,708
	<b>6,904,655</b>	<b>7,058,157</b>

### 3. Loss on ordinary activities before taxation

Operating loss is stated after charging:

	2018	2017
	£	£
Foreign exchange losses	3,223	48,494
Operating lease rentals:		
- Plant and machinery	74,943	116,490
Auditors' remuneration - audit services	6,204	6,200
Franchise fees paid to Bureau Veritas SA	356,874	337,078

### 4. Directors' emoluments

No directors received remuneration for the year-ending 31<sup>st</sup> December 2018 (2017: none) as their services are inconsequential to their other roles.

No directors had a loan with the company at the year-end (2017: none).

The number of directors for whom retirement benefits are accruing under a defined contribution scheme is none (2017: none). No directors are accruing benefits under a defined benefit pension scheme (2017: none).

No directors exercised share options in 2018 (2017: none).

There were no additional senior management team remunerations other than the directors which were disclosed in the note above.

# BUREAU VERITAS CERTIFICATION UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

### 5. Employee information

The average monthly number of employees (including directors) during the year was:

	2018 Number	2017 Number
<b>By activity</b>		
Technical	27	33
Administration	32	32
	<b>59</b>	<b>65</b>

### Employment costs (including directors' emoluments):

	2018 £	2017 £
Wages and salaries	2,561,360	2,852,039
Social security costs	274,045	305,079
Share-based payments	12,639	10,884
Other pension costs (note 11)	125,868	134,995
	<b>2,973,912</b>	<b>3,302,997</b>

### 6. Interest payable and similar charges

	2018 £	2017 £
Interest payable on loan with group undertakings	15,482	6,483
	<b>15,482</b>	<b>6,483</b>

# BUREAU VERITAS CERTIFICATION UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

### 7. Tax on loss on ordinary activities

	2018 £	2017 £
Current tax:		
Overseas tax	6,192	11,083
Tax losses sold to other group companies	(176,561)	(60,782)
Total current tax	(170,369)	(49,699)
Deferred tax:		
Origination and reversal of timing differences (note 10)	(2,613)	(2,279)
Pension contribution / actuarial gain in excess of pension charge (note 10)	2,050	14,533
Total deferred tax (note 10)	(563)	12,255
Tax on loss on ordinary activities	(170,932)	(37,444)

The tax for the year is higher (2017: higher) than the standard rate of corporation tax in the UK of 19% (2017: 19%). The differences are explained below:

	2018 £	2017 £
Loss on ordinary activities before tax	(639,157)	(1,017,250)
Loss on ordinary activities multiplied by standard rate of UK corporation tax of 19% (2017: 20%)	(121,440)	(195,821)
Effects of:		
Pension contributions in excess of pension charge	(14,544)	(10,557)
Net disallowable expenditure	12,642	322
Other differences	(563)	12,255
Overseas taxation	6,192	11,083
Group relief surrendered free of charge	123,666	206,056
Tax losses sold to other group companies	(176,885)	(60,782)
Total tax charge for the year	(170,932)	(37,444)

### Factors which affect tax charges

Further reductions to the UK corporation tax rate have been announced. The changes reduce the rate to 19% from 1<sup>st</sup> April 2018 and 17% from 1<sup>st</sup> April 2020. These changes were substantively enacted on 6<sup>th</sup> September 2016.

# BUREAU VERITAS CERTIFICATION UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

### 8. Debtors

	2018 £	2017 £
<b>Amounts falling due within one year:</b>		
Trade debtors	1,619,289	1,424,888
Amounts owed by group undertakings	1,067,081	631,877
Other debtors	-	3,856
Deferred tax (note 10)	105,161	167,530
Prepayments and accrued income	16,131	7,939
	<b>2,807,662</b>	<b>2,236,090</b>

The amounts owed by group undertakings are unsecured, interest-free, has no fixed date of repayment and is repayable on demand.

### 9. Creditors: amounts falling due within one year

	2018 £	2017 £
Bank overdraft	-	1,422
Trade creditors	41,688	61,515
Amounts owed to group undertakings	2,714,902	1,838,673
Taxation and social security	268,474	237,189
Accruals and deferred income	402,069	170,706
	<b>3,427,133</b>	<b>2,309,505</b>

Included in amounts due to group undertakings is an unsecured loan of £1,999,684 (2017: 1,106,233) owed to Bureau Veritas SA which is subject to interest based on LIBOR plus an applicable margin and is repayable on demand. The remaining £715,218 (2017: £732,440) owed to group undertakings are unsecured, interest-free, have no fixed date of repayment and are repayable on demand.

### 10. Deferred taxation

	2018 £	2017 £
<b>Deferred tax asset</b>		
Share option and free share plans	5,947	3,334
	<b>5,947</b>	<b>3,334</b>
 1 January	 3,334	 1,055
Deferred tax charge in profit and loss account (note 7)	2,613	2,279
31 December (note 7)	<b>5,947</b>	<b>3,334</b>

# BUREAU VERITAS CERTIFICATION UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

### 10. Deferred taxation (continued)

	2018 £	2017 £
Deferred tax asset relating to pension deficit		
1 January	164,196	258,986
Deferred tax charge in profit and loss account (note 7)	(2,050)	(14,533)
Deferred tax charged to the statement of comprehensive income	(62,932)	(80,257)
31 December	99,214	164,196

### 11. Pension deficit

#### Defined contribution

The company participates in a group personal pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable to the fund by the company.

	2018 £	2017 £
Contributions payable by the Company for the year	125,868	134,995

Included within other taxation and social security as at 31 December 2018 were contributions payable of £11,968 (2017: £8,701).

#### Defined benefit

The company participates in a group scheme, The Bureau Veritas Pension and Assurance Scheme, which is a defined benefit scheme and is closed to new entrants. The assets of the scheme are held separately from those of the company. All employees within the scheme are deferred members.

The latest actuarial valuation was at 31 December 2018. The gross deficit for the scheme was valued at £2,669,000. The market value of assets was £12,495,000 and the present value of scheme liabilities was £15,194,000.

The portion of the deficit relating to employees of this company is £583,595 (2017: £965,868). The difference arises from adjustments to the assumptions, additional contributions and movements in asset values. The assumptions used in the last actuarial valuation were 3.3% for rate of increase in pensions in payment, 2.4% deferred pensions and 3.3% for inflation. These assumptions were adjusted to 3.4%, 2.5% and 3.4% respectively at 31st December 2018, to reflect the investment market's expectation of long term future inflation. During the year the assumptions underlying the allocation of the pension assets and liabilities between the companies were revised resulting in a net transfer of £482,786 to other group companies.

# BUREAU VERITAS CERTIFICATION UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

### 11. Pension deficit (continued)

	2018	2017
	%	%
<b>The major actuarial assumptions used were:</b>		
Rate of increase in pensions in payment	3.40	3.30
Rate of increase for deferred pensions	2.50	2.40
Discount rate	2.90	2.50
Inflation assumption (RPI)	3.40	3.30
Inflation assumption (CPI)	2.50	2.40

The average life expectancy for a pensioner retiring at 65 on the reporting date is:

	2018	2017
Male	21.8	21.9
Female	23.7	23.7

The average life expectancy for an employee that is aged 45 on the reporting date is:

	2018	2017
Male	22.8	23.0
Female	24.9	25.0

The pension fund deficit is calculated as follows:

	2018	2017
	£	£
<b>Valuation of assets in the scheme:</b>		
Equities	998,760	1,932,745
Diversified growth assets	1,207,873	2,085,575
Bonds	-	-
Other assets	495,164	1,103,709
Total market value of assets	2,701,797	5,122,029
Present value of scheme liabilities	(3,285,392)	(6,087,877)
Deficit in the scheme	(583,595)	(965,848)
Related deferred tax asset	99,214	164,196
Net pension deficit	(484,381)	(801,652)

# BUREAU VERITAS CERTIFICATION UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

### 11. Pension deficit (continued)

The amounts recognised in profit or losses are as follows:

	2018 £	2017 £
<b>Analysis of amount charged to other finance expenses</b>		
Interest on pension scheme liabilities	(11,028)	(32,733)
	<b>(11,028)</b>	<b>(32,733)</b>

	2018 £	2017 £
<b>Analysis of amount recognised in the statement of comprehensive income</b>		
Actual (loss) return on pension scheme assets	(62,706)	332,516
Transfer of scheme assets and liabilities to other group companies	482,786	-
Changes in assumptions underlying the present value of the scheme liabilities	(49,929)	(58,280)
	<b>(370,151)</b>	<b>274,236</b>

Changes in the present value of the defined benefit obligation are as follows:

	2018 £	2017 £
<b>Movement in gross deficit during the year</b>		
Gross deficit in scheme at beginning of year	(965,848)	(1,294,937)
Other finance income / (expense)	(11,028)	(32,733)
GMP costs	(64,436)	-
Transfer of scheme assets and liabilities to other group companies	482,786	-
Company contributions paid	87,566	87,586
Actuarial (loss)/gain	(112,635)	274,236
Gross deficit in scheme at end of year	<b>(583,595)</b>	<b>(965,848)</b>

	2018 £	2017 £
<b>Reconciliation of present value of scheme liabilities</b>		
1 January	6,087,877	6,099,054
Interest cost	84,546	168,055
Transfer of scheme liability to other group companies	(2,650,693)	-
GMP	64,436	-
Benefits paid	(119,142)	(237,512)
Actuarial (gains)/losses	(181,632)	58,280
31 December	<b>3,285,392</b>	<b>6,087,877</b>

	2018 £	2017 £
<b>Reconciliation of fair value of scheme assets</b>		
1 January	5,122,029	4,804,117
Interest income	73,518	135,322
Transfer of scheme assets to other group companies	(2,167,907)	-
Company contributions paid	87,566	87,586
Benefits paid	(119,142)	(237,512)
Actuarial (losses)/gains	(294,267)	332,516
31 December	<b>2,701,797</b>	<b>5,122,029</b>

# BUREAU VERITAS CERTIFICATION UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

### 12. Called up share capital

	2018 £	2017 £
<b>Allotted, called up and fully paid:</b>		
100,000 (2017: 100,000) ordinary shares of £1 each	100,000	100,000

The company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the company.

### 13. Commitments under operating leases

The total future minimum lease payments under non-cancellable operating leases for plant and machinery are as follows:

	Plant and Machinery 2018 £	2017 £
Expiring within one year	45,856	66,368
Expiring between two and five years	48,437	65,150
	<b>94,293</b>	<b>131,518</b>

### 14. Contingent liabilities

The company participates in a group arrangement with other members of the Bureau Veritas UK Group. At 31 December 2018, the company had guaranteed bank borrowings of other Bureau Veritas UK Group companies amounting to £nil (2017: £nil).

### 15. Ultimate parent undertaking

The immediate parent company is Bureau Veritas Certification Holdings SAS, a company incorporated in France. The parent company of Bureau Veritas Certification Holdings SAS is Bureau Veritas SA.

The smallest group of undertakings of which the company is a member that produces consolidated financial statements is Bureau Veritas SA, a company registered in France. Its group financial statements are available from the Company's registered office at 67/71 Boulevard du Chateau, 92200 Neuilly-sur-Seine, France. ([www.bureauveritas.com](http://www.bureauveritas.com))

The directors regard the Wendel Group, a Company incorporated in France, as the company's ultimate parent and ultimate controlling party by virtue of its majority interest in the equity capital of Bureau Veritas SA.

The largest group of undertakings of which the company is a member that produces consolidated financial statements is Wendel Group, a company registered in France. Its group financial statements are available from the company's registered office at 89 rue Taitbout, 75009, Paris, France ([www.wendelgroup.com](http://www.wendelgroup.com)).



# BUREAU VERITAS CERTIFICATION UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

---

### 16. Post balance sheet events

There were no post balance sheet events which require reporting.

### 17. Capital commitments

There were no capital commitments in place at the year end.

### 18. Financial instruments

	2018 £	2017 £
<b>Financial assets measured at amortised cost</b>		
Trade debtors	1,619,289	1,424,888
Other debtors	-	11,795
Cash	15,436	-
Amounts owed by group undertaking	1,067,080	631,877
<b>Financial liabilities measured at amortised cost</b>		
Trade creditors	41,689	61,515
Other tax and social security	268,474	237,189
Amounts owed to group undertakings	2,714,902	1,838,673
Bank overdraft	-	1,422
Accruals and deferred income	402,069	170,706