

Company registration number: 05622600 (England and Wales)

BUREAU VERITAS UK HOLDINGS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018



BUREAU VERITAS UK HOLDINGS LIMITED

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BUREAU VERITAS UK HOLDINGS LIMITED

COMPANY INFORMATION

Directors

K. Smith
K. Dolan

Company number

05622600

Registered office

Suite 308 Fort Dunlop
Fort Parkway
Birmingham
West Midlands
B24 9FD

Independent auditors

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

Bankers

National Westminster Bank
London Bridge Branch
PO Box 35
10 Southwark Street
London
SE1 1TJ

BUREAU VERITAS UK HOLDINGS 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 activity of the company during the year was to act as a holding company to certain members of the Bureau Veritas UK group of companies.

Review of the business

The Company's profit for the year is £1,889,740 (2017: £3,634,791).

Capital redemption

The Company had no capital redemption during the year (2017: Nil)

Dividends

The Company received an interim dividend from Bureau Veritas UK Limited in respect of the year ended 31st December 2018 of £0.10 per ordinary share, being a total £2,563,000 on 28th August 2018 (2017: £4,108,958).

The Company paid an interim dividend to Bureau Veritas International SAS in respect of the year ended 31st December 2018 of £3,634,791 per ordinary share, being a total £3,634,791 on 29th August 2018 (2017: £4,700,353).

Future developments

The directors do not anticipate any significant change in the business activity for the foreseeable future.

Financial risk management

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

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

The interest rate risk, liquidity risk, interest rate cashflow risk and impairment risk is managed by the Bureau Veritas SA board.

Key performance indicators ("KPI"s)

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business of Bureau Veritas UK Holdings Limited.

On behalf of the board



K. Smith

Director

19th December 2019

BUREAU VERITAS UK HOLDINGS 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 £75,356,843 (2017: £73,621,792) 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.

Financial risk management

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

Directors

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

K. Smith

K. Dolan (appointed 1st June 2018)

S. Metz (resigned 11th September 2018)

C. Thomas (resigned 10th October 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.

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

BUREAU VERITAS UK HOLDINGS LIMITED

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

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:

- (a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- (b) 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 were appointed on the 8th September 2017 and have indicated their willingness to continue in office. They were reappointed in 2018.

On behalf of the board



K Smith

Director

19th December 2019

BUREAU VERITAS UK HOLDINGS LIMITED

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

Opinion

We have audited the financial statements of Bureau Veritas UK Holdings Limited for the year ended 31 December 2018 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 14, 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 (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 profit 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 related 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.

We have nothing to report in this regard.

BUREAU VERITAS UK HOLDINGS LIMITED

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

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the 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 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 company and its environment obtained in the course of the audit, we have not identified 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 required 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 3, 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 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.

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

19 December 2019

BUREAU VERITAS UK HOLDINGS LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 £	2017 £
Administrative expenses		(74)	(52)
Income from fixed asset investments		2,563,000	4,108,958
Operating profit	2	2,562,926	4,108,906
Interest payable and similar charges	4	(663,186)	(474,115)
Profit on ordinary activities before taxation		1,899,740	3,634,791
Tax from profit on ordinary activities	5	-	-
Profit on ordinary activities after taxation		1,899,740	3,634,791
Total other comprehensive income for the year		1,899,740	3,634,791

BUREAU VERITAS UK HOLDINGS LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

	Note	2018 £	2017 £
Fixed assets			
Investments	6	77,256,584	77,256,584
Current assets			
Cash at bank and in hand		4,308	4,381
Creditors: amounts falling due within one year	7	(75,361,151)	(73,626,173)
Net current liabilities		(75,356,843)	(73,621,792)
Total assets less current liabilities		1,899,741	3,634,792
Creditors: amounts falling due after more than one year	8	-	-
Net assets		1,899,741	3,634,792
Capital and reserves			
Called-up share capital	9	1	1
Profit and loss account		1,899,740	3,634,791
Total shareholder's funds		1,899,741	3,634,792

The financial statements on pages 7 to 15 were approved by the board and authorised for issue on 19th December 2019 and were signed on their behalf by:



K. Smith

Director

Bureau Veritas UK Holdings Limited

Registered number: 05622600

BUREAU VERITAS UK HOLDINGS LIMITED

STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER 2018

	Share Capital	Profit and loss account	Total
	£	£	£
Balance at 1 January 2017	1	4,700,353	4,700,354
Profit for the year	-	3,634,791	3,634,791
Total comprehensive income for the year	-	3,634,791	3,634,791
Dividends paid	-	(4,700,353)	(4,700,353)
Balance at 31 December 2017	1	3,634,791	3,634,792
Profit for the year	-	1,899,740	1,899,740
Total comprehensive income for the year	-	1,899,740	1,899,740
Dividends paid	-	(3,634,791)	(3,634,791)
Balance at 31 December 2018	1	1,899,740	1,899,741

BUREAU VERITAS UK HOLDINGS LIMITED

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

1. Accounting policies

General information

Bureau Veritas UK Holdings Limited ("the Company") is a limited company domiciled and incorporated in England. The address of the Company's registered office and principal place of business is Suite 308, Fort Dunlop, Fort Parkway, Birmingham, B24 9FD.

The Company's principal activities and nature of its operations are outlined in the Strategic Report in page 2.

Accounting convention

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.

Going concern

The company has net current liabilities of £75,356,843 (2017: £73,621,792) 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.

Fixed asset investments

Fixed asset investments in subsidiary undertakings are stated at cost less provision for impairment. Cost represents the aggregate of cash consideration, costs incurred and either the fair or nominal value of shares issued. Impairment reviews are performed when there is an indication of potential impairment. When it is determined that the carrying value exceeds the recoverable amount, the excess is written off to the Income Statement.

Group financial statements

The company is a wholly-owned subsidiary of Bureau Veritas International SAS. The parent company of Bureau Veritas International SAS is Bureau Veritas SA and is included in the consolidated financial statements which are publicly available. Consequently, the company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 400 of the Companies Act 2006.

Taxation

Corporation tax payable is provided on taxable profits at the current rate of taxation prevailing 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 statements.

BUREAU VERITAS UK HOLDINGS LIMITED

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

1. Accounting policies (continued)

Taxation (continued)

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 on a non-discounted basis.

Related party transactions

The Company has taken advantage of the exemption in section 33 of FRS 102 "Related Party Disclosures" and has not disclosed details of transactions with fellow wholly owned undertakings within the Bureau Veritas SA group of companies or compensation of key management personnel.

Critical accounting estimates and areas of judgement

The directors believe that estimates and assumptions do not have a significant risk of causing a material difference to the carrying amounts of assets and liabilities within the next financial year.

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 33 'Related Party Disclosures' paragraph 33.7.

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.

BUREAU VERITAS UK HOLDINGS LIMITED

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

2. Operating profit

The auditor's remuneration in 2018 and 2017 was borne by Bureau Veritas UK Limited, a fellow group company.

3. Directors' emoluments and employee information

The company had no employees in either year other than the directors.

The directors received no remuneration in relation to their qualifying services to the company during the year (2017: nil), as their services to the company are inconsequential to their roles.

The number of directors for whom retirement benefits are accruing amounted to nil (2017: nil).

4. Interest payable and similar charges

	2018 £	2017 £
Interest payable		
On loans with group undertakings	663,186	474,115

5. Tax on profit on ordinary activities

There is no tax charge in the current or prior year. The tax assessed for the year is lower (2017: lower) than the standard rate of corporation tax in the UK 19% (2017: 19.25%) as explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	1,899,740	3,634,791
Profit on ordinary activities multiplied by standard rate of UK corporation tax of 19% (2017: 19.25%)	360,950	699,697
Effects of:		
Losses surrendered to other group companies	126,020	91,277
Income not taxable for tax purposes	(486,970)	(790,974)
Total tax charge for the year	-	-

There is no deferred tax in the current or prior year.

Factors which may affect future tax charges

Further reductions to the UK corporation tax rate have been announced. The changes reduce the rate to 18% from 1 April 2020. These changes were substantively enacted on 8 July 2015.

BUREAU VERITAS UK HOLDINGS LIMITED

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

6. Fixed asset investments

	Subsidiary undertakings £
Cost	
At 1 January 2018 and 31 December 2018	77,256,584
Net Book Value	
At 31 December 2018	77,256,584
At 1 January 2018	77,256,584

Further details of investments of the Company and its principal subsidiary undertakings are given in note 12.

The directors believe that the carrying value of the investments is supported by their underlying net assets.

7. Creditors: amounts falling due within one year

	2018 £	2017 £
Amounts owed in relation to loans from group companies	75,361,151	73,626,173

A loan of £66,515,786 (2017: £64,851,181) from Bureau Veritas S.A. is subject to interest based on LIBOR plus a fixed margin. It has no fixed date of repayment, is unsecured and is repayable on demand. A loan of £8,837,573 (2017: £8,767,200) from Bureau Veritas UK Limited is subject to interest based on LIBOR plus a fixed margin. It has no fixed date of repayment, is unsecured and is repayable on demand. A loan of £7,792 (2017: £7,792) from Bureau Veritas Cyprus Limited is subject to interest based on LIBOR plus a fixed margin. It has no fixed date of repayment, is unsecured and is repayable on demand.

8. Creditors: amounts falling due after more than one year

	2018 £	2017 £
Amounts due in relation to loans from group companies	-	-

BUREAU VERITAS UK HOLDINGS LIMITED

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

9. Share capital

	2018 £	2017 £
Allotted and fully paid:		
1 (2017: 1) ordinary shares of £1 each	1	1

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.

10. Related party transactions

During the year there were no related party transactions other than those with fellow group companies.

11. Ultimate parent company

The immediate parent company is Bureau Veritas International SAS. The parent company of Bureau Veritas International SAS is Bureau Veritas SA, a company registered in France.

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)

The directors regard Wendel SA, 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 SA, 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)

BUREAU VERITAS UK HOLDINGS LIMITED

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

12. Subsidiary undertakings and joint ventures

The principal trading subsidiary undertakings at 31 December 2018, all of which were wholly owned unless otherwise stated were as follows:

Incorporated	Company	Principal activities	Shareholding
England and Wales	Bureau Veritas UK Limited	Inspection and verification services	100% ordinary shares
England and Wales	Bureau Veritas Consumer Products Services UK Limited	Industrial and commercial laboratory	100% ordinary shares
Cyprus	Bureau Veritas (Cyprus) Limited	Inspection and verification services	100% ordinary shares
England and Wales	HCD Building Control Limited	Inspection and consultancy services	100% ordinary shares*

* Shares are held by Bureau Veritas UK Limited

13. 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).

14. Financial instruments

	2018 £	2017 £
Financial assets measured at amortised cost		
Cash	4,308	4,381
Financial liabilities measured at amortised cost		
Amounts owed to group undertakings	75,361,151	73,626,173