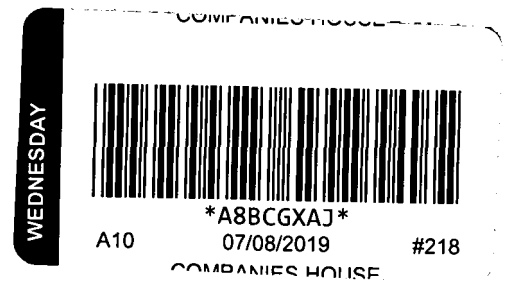


BSI STANDARDS HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018



BSI STANDARDS HOLDINGS LIMITED

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BSI STANDARDS HOLDINGS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

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 Company's principal activity during the year was that of a holding company.

The Company had no other operations during the year and will continue to operate as a holding company in the foreseeable future.

Review of the business

Revenue for the year ended 31 December 2018 was £9,500,000 (2017: £9,000,000). The revenue which is solely dividend income represents a 5.6% increase on 2017. The amount of dividend income is reliant upon the financial performance of the subsidiary companies the Company has invested in and also their ability to pay dividends. The Company will continue to be a holding company for the foreseeable future.

Principal risks, uncertainties and financial risk management

The directors of The British Standards Institution (BSI), the Company's ultimate parent company, manage the Group's risks at a group level, rather than at an individual business unit level. For this reason, the Company's directors believe that a discussion of the Company's risks would not be appropriate for an understanding of the development, performance or position of BSI Standards Holdings Limited's business. The principal risks, uncertainties and financial risk management of BSI Group, which include those of the Company, are disclosed in pages 27 and 31 of the BSI Group Annual Report and Financial Statements 2018, which does not form part of this report.

This report was approved by the board and signed by order of the board.


BSI Services Holdings Limited
Company Secretary

Date: 25 JULY 2019

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

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

Principal activities and future developments

The Company's principal activity during the year was that of a holding company and will continue to operate as a holding company in the foreseeable future.

Principal risks, uncertainties and financial risk management

The directors of The British Standards Institution (BSI), the Company's ultimate parent company, manage the Group's risks at a group level, rather than at an individual business unit level. For this reason, the Company's directors believe that a discussion of the Company's risks would not be appropriate for an understanding of the development, performance or position of BSI Standards Holdings Limited's business. The principal risks, uncertainties and financial risk management of BSI Group, which include those of the Company, are disclosed in pages 27 and 31 of the BSI Group Annual Report and Financial Statements 2018, which does not form part of this report.

Results and dividends

The Company's profit for the financial year was £9,500,000 (2017: £9,000,000). A dividend of £9,500,000 (2017: £9,000,000), was recommended by the Directors on 14 December 2018 and paid on 31 December 2018.

Directors

The directors of the Company, who served during the year, and for the subsequent year up to the date of approving the financial statements, together with their dates of appointment and resignation, where appropriate, are as shown below:

H Kerr
C Smith

Post balance sheet events

There have been no events subsequent to the year-end that would have materially affected the financial statements at that date.

Directors' qualifying third party indemnity provisions

Under the provisions of its Articles of Association, the Company grants an indemnity to its directors in respect of proceedings brought by third parties. The indemnity applied throughout the financial year and remains in force.

Going concern

The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the ultimate parent company, The British Standards Institution. The directors have received confirmation that The British Standards Institution intends to support the Company for at least one year after these financial statements are signed.

BSI STANDARDS HOLDINGS LIMITED

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

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

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, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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 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.

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.

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'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's auditors are aware of that information.

Independent Auditors

The Company's auditors were automatically reappointed in accordance with section 487(2) of the Companies Act 2006. The Company's auditors are PricewaterhouseCoopers LLP.

This report was approved by the board and signed by its order.


BSI Services Holdings Limited
Company Secretary

Date: 25 JULY 2019

BSI STANDARDS HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BSI STANDARDS HOLDINGS LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, BSI Standards Holdings Limited's financial statements:

- give a true and fair view of the state 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 (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 December 2018; the Statement of comprehensive income, the Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- 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.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material

BSI STANDARDS HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BSI STANDARDS HOLDINGS LIMITED

misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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 in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

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 financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

BSI STANDARDS HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BSI STANDARDS HOLDINGS LIMITED

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Alex Hookway (Senior statutory auditor)

for and on behalf of

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

1 Harefield Road
Uxbridge
UB8 1EX

Date: 25 JULY 2019

BSI STANDARDS HOLDINGS LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 £	2017 £
Revenue	7	9,500,000	9,000,000
Profit before tax		9,500,000	9,000,000
Tax on profit	8	-	-
Profit for the financial year		9,500,000	9,000,000

The Company has no recognised gains or losses other than those included in the results above therefore no separate statement of total comprehensive income has been presented.

All results derive from continuing operations.

The notes on pages 10 to 16 form part of these financial statements.

BSI STANDARDS HOLDINGS LIMITED**REGISTERED NUMBER: 05901209****BALANCE SHEET
AS AT 31 DECEMBER 2018**

	Note	2018 £	2017 £
Fixed assets			
Investments	10	30,002	30,002
		<u>30,002</u>	<u>30,002</u>
Current assets			
Debtors: amounts falling due within one year	11	1	1
		<u>1</u>	<u>1</u>
Creditors: amounts falling due within one year	12	(30,002)	(30,002)
Net current liabilities		<u>(30,001)</u>	<u>(30,001)</u>
Total assets less current liabilities		<u>1</u>	<u>1</u>
Net assets		<u>1</u>	<u>1</u>
Capital and reserves			
Called up share capital	13	1	1
Retained earnings		-	-
Total equity		<u>1</u>	<u>1</u>

The financial statement on pages 7 to 16 were approved by the Board of Directors on and signed on its behalf by:



C Smith
Director

Date: 25 JULY 2019

The notes on pages 10 to 16 form part of these financial statements.

BSI STANDARDS HOLDINGS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2018

	Called up share capital	Retained Earnings	Total equity
	£	£	£
At 1 January 2017	1	-	1
Comprehensive income for the year			
Profit for the year	-	9,000,000	9,000,000
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	9,000,000	9,000,000
Dividends: Equity capital	-	(9,000,000)	(9,000,000)
Total transactions with owners	-	(9,000,000)	(9,000,000)
At 31 December 2017 and 1 January 2018	1	-	1
Comprehensive income for the year			
Profit for the year	-	9,500,000	9,500,000
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	9,500,000	9,500,000
Dividends: Equity capital	-	(9,500,000)	(9,500,000)
Total transactions with owners	-	(9,500,000)	(9,500,000)
At 31 December 2018	1	-	1

The notes on pages 10 to 16 form part of these financial statements.

Retained earnings

Retained earnings are used to record the undistributed retained profits.

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

1. General information

BSI Standards Holdings Limited's ("the Company") principal activity is as a holding company.

The Company is a private company limited by shares and is incorporated and domiciled in the UK and registered in England and Wales. The address of its registered office is 389 Chiswick High Road, London W4 4AL, United Kingdom.

2. Statement of compliance

The individual financial statements of BSI Standards Holdings Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006, under the provision of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410).

3. Accounting policies

3.1 Principal accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.2 Basis of preparation

These financial statements are prepared on the going concern basis, under the historical cost convention, as modified by the revaluation of land and buildings and certain financial assets and liabilities measured at fair value through profit and loss.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. These areas involving a higher degree of judgement or complexity, or areas where assumptions are estimates are significant to the financial statements are disclosed in note 4.

No group financial statements have been prepared as the Company is a wholly-owned subsidiary of The British Standards Institution, a company incorporated in England, and accordingly is exempt by virtue of Section 400 of the Companies Act 2006 from preparing group financial statements

3.3 Going concern

The Company has a net current liabilities position. However, the financial statements have been prepared on a going concern basis, which takes into account an undertaking from the ultimate parent to continue to support the Company for the foreseeable future.

3.4 Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions. The company has taken advantage of the following exemptions:

- FRS 102 paragraph 1.12(b), from preparing a statement of cash flows, on the basis that it is a qualifying entity. The parent of the group in whose consolidated financial statements the company's cash flows are included is The British Standards Institution.
- FRS 102 paragraph 1.12 (e), from disclosing key management personnel compensation in total.

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

3. Principal accounting policies (continued)

3.5 Foreign currencies

Functional and presentation currency

The Company's functional and presentation currency is the pound sterling (£).

Transactions and balances

Transactions denominated in foreign currencies are translated into Sterling at contracted rates or, where no contract exists at average monthly rates. Foreign exchange gains and losses arising from the settlement of such transactions and from the translation at the year-end exchange rates of monetary assets and liabilities denominated in foreign currencies.

3.6 Revenue

Revenue represents the value of dividend income and is recognised in the statement of comprehensive income when the right to receive payment has been established.

3.7 Investments

Investments are stated at cost less any provision for impairment in value. Impairment testing is conducted whenever indicators of impairment are present.

3.8 Financial Instruments

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in full in respect of financial instruments.

Financial assets

Basic financial instruments, include loans to fellow group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

Financial liabilities

Basic financial liabilities, include loans from fellow group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as currently liabilities if payment is due within one year or less. If not they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measure at amortised cost using the effective interest method.

The Company does not hold or issue any other financial instruments for trading purposes.

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

3. Principal accounting policies (continued)

3.9 Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been substantively enacted by the period end.

Management periodically evaluates position taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provision where appropriate on the basis of amounts expected to be paid to the authorities.

3.10 Related party transactions

The Company discloses transactions with related parties which are not wholly owned with the same group. It does not disclose transactions with members of the same group that are wholly owned.

4. Critical accounting judgements and estimation uncertainty

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Investments

FRS 102 requires management to undertake an annual test for impairment of investments, to test for impairment if events or changes in circumstances indicate that the carrying amount of an investment may not be recoverable. Impairment testing is an area involving management judgement, requiring assessment as to whether the carrying value of investments can be supported by the net present value of future cash flows derived from such investments using cash flow projections which have been discounted at an appropriate rate. Further details of investments can be seen in note 10.

5. Directors' emoluments and auditors' remuneration

The emoluments of the directors are paid by the ultimate parent company. The directors services to this company and to a number of fellow subsidiaries are of a non-executive nature and their emoluments are deemed to be wholly attributable to their services to the ultimate parent company, accordingly these directors received no remuneration for the services to the Company (2017: nil). The auditors' remuneration of £1,800 (2017: £1,700) is borne by the ultimate parent company, The British Standards Institution (BSI).

6. Employee information

The Company had no employees during the year (2017: nil).

BSI STANDARDS HOLDINGS LIMITED

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

7. Revenue

	2018 £	2017 £
Dividend received from subsidiary undertaking	9,500,000	9,000,000
	<u>9,500,000</u>	<u>9,000,000</u>

8. Tax on profit

	2018 £	2017 £
Total current tax	-	-
Deferred tax		
Total deferred tax	-	-
Tax on profit	-	-

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2017 - *lower than*) the standard rate of corporation tax in the UK of 19.00% (2017 - 19.25%). The differences are explained below:

	2018 £	2017 £
Profit before tax	9,500,000	9,000,000
Tax calculated at the weighted average UK statutory tax rate of 19.00% (2017: 19.25%)	1,805,000	1,732,500
Effects of:		
Non-taxable dividends	(1,805,000)	(1,732,500)
Total tax charge for the year	-	-

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

BSI STANDARDS HOLDINGS LIMITED

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

9. Dividends

	2018 £	2017 £
Paid: £9,500,000 (2017: £9,000,000) per £1 share	9,500,000	9,000,000
	<u>9,500,000</u>	<u>9,000,000</u>

A dividend of £9,500,000 (2017: £9,000,000), was recommended by the Directors on 14 December 2018 and paid on 31 December 2018.

10. Investments

	Investments in subsidiary companies £
Cost	
At 1 January 2018	30,002
At 31 December 2018	<u>30,002</u>
Net book value	
At 31 December 2018	<u>30,002</u>
At 31 December 2017	<u>30,002</u>

Investments are stated at cost.

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Address	Holding	Principal activity
BSI Standards Limited	389 Chiswick High Road, London W4 4AL, England	100%	Business Services
Hypercat Alliance Limited	389 Chiswick High Road, London W4 4AL, England	100%	Business Services
Hypercat Services Limited (Dissolved on 15 May 2018)	389 Chiswick High Road, London W4 4AL, England	100%	Business Services

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

BSI STANDARDS HOLDINGS LIMITED

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

11. Debtors: Amounts falling due within one year

	2018 £	2017 £
Amounts owed by group undertakings	1	1
	<u>1</u>	<u>1</u>

The amount owed by group undertakings is unsecured, receivable on demand and interest-free.

12. Creditors: Amounts falling due within one year

	2018 £	2017 £
Amounts owed to ultimate parent undertakings	30,001	30,001
Amounts owed to group undertakings	1	1
	<u>30,002</u>	<u>30,002</u>

The amounts owed to the ultimate parent and group undertakings are unsecured and payable on demand. No interest is charged on loans from the ultimate parent, immediate parent and subsidiary undertakings.

13. Called up share capital

	2018 £	2017 £
Allotted, called up and fully paid		
1 (2017 - 1) ordinary share of £1.00 each	1	1
	<u>1</u>	<u>1</u>

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

14. Controlling parties

The immediate parent undertaking is BSI Limited.

The directors regard The British Standards Institution (BSI), a company incorporated in England by Royal Charter, as the ultimate controlling undertaking. The largest and smallest group in which the results of the Company are consolidated is that headed by BSI.

The address of the immediate and ultimate parent's registered office is 389 Chiswick High Road, London, W4 4AL.

Copies of The British Standards Institution consolidated financial statements can be downloaded from www.bsigroup.com or obtained from the Company Secretary at 389 Chiswick High Road, London, W4 4AL, United Kingdom.