

**Certsure LLP**  
**Financial Statements**  
**For the Year Ended**  
**31 March 2020**



**Certsure LLP**

**Financial Statements**

**Year ended 31 March 2020**

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## **Certsure LLP**

### **Designated members and advisors**

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**Designated members:**

The Electrical Contractors Association Ltd  
ESC Partnerships Ltd

**Registered office:**

Warwick House  
Houghton Hall Park  
Houghton Regis  
Bedfordshire  
LU5 5ZX

**Auditor:**

Moore Kingston Smith LLP  
Chartered Accountants and Registered Auditors  
4 Victoria Square  
St Albans  
Hertfordshire  
AL1 3TF

**Bankers:**

HSBC  
28 Borough High Street  
Southwark  
London  
SE1 1YB

# **Certsure LLP**

## **Report of the members**

**Year ended 31 March 2020**

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The members have the pleasure in presenting their report and the audited financial statements of Certsure LLP for the year ended 31 March 2020. The members confirm that the annual report and financial statements of the LLP comply with the current statutory requirements and the requirements of the LLP governing document.

### **Principal activities and business review**

The principal activities of Certsure LLP during the year were:

- to provide professional services and certification to a wide range of customers across the energy and building services sectors
- to certify installers and approve contractors as competent in accordance with appropriate scheme rules across the electrical, renewable and gas sectors
- to carry on other training / assessment, certification and verification services
- to supply products and services in connection with its activities

These activities were done under the existing brands of the NICEIC, NICEIC Certification and ELECSA the ownership and control of which were sold to Certsure LLP on 6 June 2019.

### **Business review and outlook**

Certsure LLP amongst other things is targeting:

- to bring unity, clarity and various benefits to the Electrical, Renewable and Gas Contractors as well as the end Consumer by raising technical standards
- to be the organisation of choice for certification and associated services
- to develop new and build on existing partnerships for the benefit of its contractors

The business streams operated by Certsure LLP are broadly exposed to the risks and can benefit from the opportunities of a changing regulatory environment resulting from governmental changes of policy and funding levels. The changing political landscape around green and carbon reduction initiatives continues to have an impact on the trading activities of that part of the business.

### **Impact of the Coronavirus**

The Directors have considered the potential impact of the coronavirus since the year-end, and the various measures taken to contain it, on the operations of the company in the near future. The Directors have taken steps to mitigate the financial impact on the company's affairs and are confident that the measures taken, along with the active management of the cash position, the phasing of investments and agreeing a phased distribution of the 19/20 profits to the members, will enable it to continue to operate for the foreseeable future.

### **NICEIC and ELECSA Divisions**

#### **Approved Contractor Scheme**

Certsure LLP under the trading name NICEIC maintains a register of electrical contractors that it has assessed against the Approved Contractor Scheme requirements, including the technical standard of electrical work.

The Approved Contractor Scheme has experienced continued growth over the last year. The total number of contractors on the roll rose to 22,639 (2019: 22,603) an increase of 36 over the year. The electrical contractors registered under the Approved Contractor Scheme continue to maintain high standards of work.

#### **Competent Persons Scheme (CPS)**

The CPS scheme has seen a period of decline with the number of contractors registered decreasing to 12,877 (2019: 13,333), a decrease of 456 over the year. However 306 contractors during the year transferred from the CPS Scheme to the Approved Contractor Scheme.

#### **MCS Installer**

The total number of contractors registered on the MCS Installer scheme decreased to 883 (2019: 959) a decrease of 76. Accreditation includes Solar Thermal, Solar PV, Heat Pumps, Biomass and Micro Wind.

**Green Deal Installers**

Green Deal Installers have seen a period of stability with the number of contractors registered slightly decreasing to 211 (2019: 224) a decrease of 13.

**TrustMark**

NICEIC continues to be one of a number of scheme providers authorised to award TrustMark to electrical contractors. TrustMark is a scheme supported by the Government's Department for Business, Energy and Industrial Strategy (BEIS), the building industry and consumer groups to help consumers and specifiers find reliable and trustworthy trades-people to make improvements and repairs to domestic properties. Currently NICEIC has registered 1,461 (2019: 1,456) contractors on the scheme an increase of 5 on last year.

**BAFE SP203 Fire Scheme**

During the year various initiatives were ongoing in order to increase the take up of the BAFE SP203 Fire Scheme and this has resulted in an increasing number of contractors on the scheme and an increase in revenue and profit from this business stream. Currently there are 130 (2019: 111) registered contractors on this scheme an increase of 19.

**Scottish Building Standards**

NICEIC continues to be one of only two bodies who are recognised as scheme providers for the Scottish Building Standards Certification of Construction (Electrical Installations to BS 7671) Scheme. Currently there are 82 (2019: 79) Approved Bodies and 91 (2019: 88) Approved Certifiers of Construction registered with NICEIC's scheme.

NICEIC in collaboration with SELECT, the trade association representing the electrical, electronics and communications systems industry in Scotland, runs a joint venture - Scottish Building Services Certification (SBSC) to support the Scottish building services industry deliver one route for the Certification requirements of The Building (Scotland) Act 2003.

**Merchandising**

The merchandising business stream revenue was just over half that of the previous year mainly as a result of reduction in sales the further out you go from the launch date of July 2018 for the 18th Edition of the Wiring Regulations (BS7671). The business continues to review its range of products allowing its registered contractors, specifiers and landlords to purchase online and paper certificates, publications, test equipment, workwear and tools.

**Training**

In the year the training business stream's revenue was slightly down on the previous year and this was primarily down to sales relating to the launch of the 18th Edition of the Wiring Regulations (BS7671) in July 2018 reducing the further out you go from the launch date.

The training business continues to offer public, virtual and in house training courses including a complete range of learning and development opportunities for individuals in the electrical, renewable, gas, water and health and safety sectors.

**Insurance Services**

The Insurance Services business stream is performing well with the revenue and the resulting profit being broadly in line with expectations.

**Consulting**

The Consulting business stream undertakes electrical and gas audits for various types of client. This remains a challenging sector however the revenue and profit were in line with that achieved in the previous year.

**NICEIC Certification Division**

The NICEIC Certification division continues to assess gas operatives under ACS. NICEIC Certification has continued to expand its role in providing various support products for the Gas, Water, Oil and Renewables sectors.

NICEIC Certification remains strong in the marketplace and has issued 9,714 (2019: 11,389) certificates in the past year via its UK network of Approved Centres. Certificates have been issued for various technical disciplines in support of utility trades as well as Competent Persons Schemes. The total number of Gas ACS Certificates issued has seen a decline over the last couple of years due to British Gas now having the largest section of its

Service Engineering workforce in an alternative scheme to demonstrate their competence, the Group Competence Scheme (GCS), coupled with a trend for small Gas businesses to specialise in one particular area of work within the Gas Industry and thus opting for the minimum rather than a greater suite of ACS qualifications.

**Streamlined Energy and Carbon Reporting**

The following data meets the requirements of the Streamlined Energy and Carbon Reporting (SECR) regulations.

Certsure LLP used a total of 2,485,438 kWh of energy in the 2019-20 financial year, resulting in total carbon emissions of 477.5 T CO<sub>2</sub>e. The carbon emission from the combustion of gas was at 123,875 kgCO<sub>2</sub>e. The carbon emission from the combustion of fuel for transport purposes was at 154,171 kgCO<sub>2</sub>e. The carbon emission from business travel where the company is responsible for purchasing the fuel was at 8,903 kgCO<sub>2</sub>e. The carbon emission from purchased electricity was at 190,551 kgCO<sub>2</sub>e. The intensity ratio was at 1,469 kgCO<sub>2</sub>e per FTE.

*In next year's annual report, the same exercise will be completed and annual carbon emissions compared.*

The data has been prepared using the GHG Reporting Protocol – Corporate Standard methodology, taking best available data and estimates where required. The reporting meets the minimum requirements for SECR and no voluntary emission sources are stated. The largest source of emissions in 2019-20 was transport, contributing 34% of carbon emissions.

Certsure LLP does not have operational or financial control over any subsidiary companies, so the operational boundary extends only to Certsure LLP, and all data reported on is from assets that Certsure LLP alone are responsible for. All carbon emissions are as a result of UK operations; there are no offshore activities.

Certsure LLP did not undertake any energy efficiency initiatives during this financial year.

**Results for the year and allocation to members**

The reported profit for Certsure LLP was £ 4,632k (2019: £ 5,204k).

**Designated members**

The following were designated members during the year:

- The Electrical Contractors Association Ltd
- ESC Partnerships Ltd

**Members' drawings, profit allocation and repayment of members' capital**

Each member is required to contribute a level of capital in line with the LLP agreement. No member shall have the right directly or indirectly to withdraw or receive back any capital contribution except under specified circumstances.

There are two members of the LLP and both are corporate entities. There have been permanent distributions to the members of £ 5,204k (2019: £ 3,718k). The LLP agreement provides that the Management Board shall allocate the profit and losses of the LLP between its members in the proportions as set out in the LLP agreement.

**Statement of members responsibilities**

**Year ended 31 March 2020**

---

**Responsibilities of the members**

The members are responsible for preparing the Members' Report and the financial statements in accordance with applicable law and regulations.

Legislation applicable to limited liability partnerships requires the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under legislation applicable to limited liability partnerships the members 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 LLP and of the profit or loss of the LLP for that period. In preparing these financial statements, the members are required to:

- select suitable accounting policies and apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the LLP will continue in business.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and enable them to ensure that the financial statements comply with the Companies Act 2006 as modified by the Limited Liability Partnerships Regulations 2008. They are also responsible for safeguarding the assets of the LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

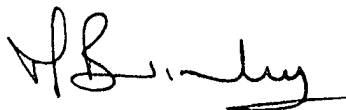
In so far as the members are aware:

- there is no relevant audit information of which the LLP's auditor is unaware; and
- the members have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

**Auditor**

Moore Kingston Smith LLP are deemed to be re-appointed under section 487 of the Companies Act 2006 as modified by the Limited Liability Partnerships Regulations 2008.

Signed on behalf of the Members



.....  
Designated Member  
Martyn Burnley  
The Electrical Contractors Association Ltd



.....  
Designated Member  
Jennifer Trim  
ESC Partnerships Ltd

Approved by the members on 8 October 2020

**Opinion**

We have audited the financial statements of Certsure (the 'limited liability partnership') for the year ended 31 March 2020 which comprise the Statement of Comprehensive Income, the Balance Sheet, Statement of changes in Equity, Statement of Cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 state of the limited liability partnership's affairs as at 31 March 2020 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 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

**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. We are independent of the limited liability partnership 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 members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the limited liability partnership'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 members are responsible for the other information. The other information comprises the information included in the members' report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 this other information, we are required to report that fact.

We have nothing to report in this regard.



**Independent Auditors Report**

**Year ended 31 March 2020**

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

We have nothing to report in respect of the following matters where the Companies Act 2006 as applied to limited liability partnerships 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
- we have not received all the information and explanations we require for our audit; or

**Responsibilities of members**

As explained more fully in the Members' Responsibilities Statement, the members 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 members 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 limited liability partnership 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.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the limited liability partnership's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the members.
- Conclude on the appropriateness of the members' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the limited liability partnership's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the limited liability partnership to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

**Auditor's responsibilities for the audit of the financial statements (continued)**

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Use of our report**

This report is made solely to the limited liability partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the limited liability partnership'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 limited liability partnership and the limited liability partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Silvia Vitiello (Senior Statutory Auditor)**  
**for and on behalf of Moore Kingston Smith LLP**

**Chartered Accountants**  
**Statutory Auditor**

23 October 2020

.....  
Date

4 Victoria Square  
St Albans  
Hertfordshire  
AL1 3TF

**Certsure LLP****Statement of comprehensive income****Year ended 31 March 2020**

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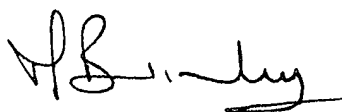
	Note	2020 £'000	2019 £'000
<b>Turnover</b>			
Sales	4	38,389	44,225
<b>Cost of sales</b>			
Direct costs		26,228	31,718
Gross Profit		<u>12,161</u>	<u>12,507</u>
Administrative expenses		7,583	7,345
Operating Profit	5	<u>4,578</u>	<u>5,162</u>
Interest Received		54	42
Profit for the financial year before members' remuneration and profit shares available for discretionary division among members		<u>4,632</u>	<u>5,204</u>
Total comprehensive income		<u>4,632</u>	<u>5,204</u>

The notes on pages 13 to 20 form part of these accounts

**Certsure LLP****Registered Number: OC379918****Balance sheet****As at 31 March 2020**

	Note	2020 £'000	2019 £'000
<b>Fixed assets</b>			
Intangibles	8	2,444	-
Tangible assets	9	1,328	1,843
		<u>3,772</u>	<u>1,843</u>
<b>Current assets</b>			
Stock	10	317	454
Debtors	11	5,184	6,586
Cash at bank and in hand		4,207	6,416
		<u>9,708</u>	<u>13,456</u>
<b>Creditors: amounts falling due within one year</b>	12	<u>8,848</u>	<u>10,095</u>
<b>Net current assets</b>		<b>860</b>	<b>3,361</b>
<b>Net assets attributable to Members</b>		<u><b>4,632</b></u>	<u><b>5,204</b></u>
<b>Represented by:</b>			
<b>Loans and other debts due to Members within one year</b>			
Other amounts		4,632	5,204
		<u>4,632</u>	<u>5,204</u>
<b>Members' other interests</b>			
Members' capital classified as equity		-	-
		<u>-</u>	<u>-</u>
		<u><b>4,632</b></u>	<u><b>5,204</b></u>
<b>Total Members' interests</b>			
Loans and other debts due to Members		4,632	5,204
Members' other interests		-	-
		<u><b>4,632</b></u>	<u><b>5,204</b></u>

Approved and authorised for issue by the members on 8 October 2020 and signed on its behalf by



.....  
 Designated Member  
 Martyn Burnley  
 The Electrical Contractors Association Ltd



.....  
 Designated Member  
 Jennifer Trim  
 ESC Partnerships Ltd

**The notes on pages 13 to 20 form part of these accounts**

**Certsure LLP****Statement of changes in equity****As at 31 March 2020**

	<b>Members' capital (classified as equity) £'000</b>	<b>Other reserves £'000</b>	<b>Total members' other interests £'000</b>	<b>Loans &amp; other debts £'000</b>	<b>Total members interests £'000</b>
<b>Members' interests as at 1 April 2018</b>	-	-	-	3,718	3,718
Total comprehensive income	-	5,204	5,204	-	5,204
<b>Members' interests after profit for the year</b>	-	5,204	5,204	3,718	8,922
Allocated profit for the year	-	(5,204)	(5,204)	5,204	-
Distributions	-	-	-	(3,718)	(3,718)
<b>Members' interests as at 31 March 2019</b>	-	-	-	5,204	5,204
Total comprehensive income	-	4,632	4,632	-	4,632
<b>Members' interests after profit for the year</b>	-	4,632	4,632	5,204	9,836
Allocated profit for the year	-	(4,632)	(4,632)	4,632	-
Distributions	-	-	-	(5,204)	(5,204)
<b>Members' interests as at 31 March 2020</b>	-	-	-	4,632	4,632

Members Capital is held 75p ESC Partnerships Ltd and 25p The Electrical Contractors Association Ltd.

In the event of winding up the LLP the creditors of the LLP will be paid before Members' distributions or the repayment of Members' capital.

The notes on pages 13 to 20 form part of these accounts

**Statement of cash flows**

**Year ended 31 March 2020**

	2020 £'000	2019 £'000
<b>Operating activities</b>		
Net cash inflow from operating activities (per note A below)	<u>6,253</u>	<u>5,845</u>
<b>Investing activities</b>		
Interest received	54	42
Payments to acquire tangible fixed assets	(611)	(1,026)
Payments to acquire intangible fixed assets	<u>(2,701)</u>	<u>-</u>
Net cash outflow from investing activities	<u>(3,258)</u>	<u>(984)</u>
<b>Financing activities</b>		
Payments to members	<u>(5,204)</u>	<u>(3,718)</u>
Net cash outflow from financing activities	<u>(5,204)</u>	<u>(3,718)</u>
 Increase / (Decrease) in cash in year	 <u><u>(2,209)</u></u>	 <u><u>1,143</u></u>
Cash and cash equivalents at beginning of year	<u>6,416</u>	<u>5,273</u>
Cash and cash equivalents at end of year	<u><u>4,207</u></u>	<u><u>6,416</u></u>

**STATEMENT OF CASH FLOWS NOTES**

	2020 £'000	2019 £'000
<b>A. Reconciliation of profit for the year to net cash inflow from operating activities</b>		
Profit for the year	4,632	5,204
Interest received	(54)	(42)
Depreciation of tangible assets	952	595
(Profit) / Loss on disposal of tangible assets	174	-
Amortisation of intangible assets	257	-
Decrease /(Increase) in stocks	137	(170)
Decrease / (Increase) in debtors	1,402	(1,612)
(Decrease) / Increase in creditors	<u>(1,247)</u>	<u>1,870</u>
<b>Net Cash inflow from Operating Activities</b>	<u><u>6,253</u></u>	<u><u>5,845</u></u>

The notes on pages 13 to 20 form part of these accounts

**1. Principal accounting policies**

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

**Basis of preparation**

**General information, statement of compliance and basis of accounting**

Certsure LLP is a limited liability partnership incorporated in the United Kingdom under the Limited Liability Partnership Act 2000 (registered number OC379918). The address of the registered office is given on page 1. The nature of the Partnership's operations and its principal activities are set out in the members' report on page 2.

The financial statements are prepared in compliance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council, the Statement of Recommended Practice: Accounting by Limited Liability Partnerships (effective 15 July 2014), the terms of the LLP's Membership Agreement and the Companies Act 2006, unless otherwise disclosed in the financial statements.

The financial statements have been prepared on the historical cost basis and presented in GBP£, rounded to the nearest thousand, which is the functional currency of the LLP.

**Going Concern**

The Directors have also considered the impact of the Coronavirus and measures taken in the UK. The company has a positive cash and reserves position at the time of approval of these financial statements. Having made enquiries, the Directors have concluded that there is a reasonable expectation that the company with agreeing a phased distribution of the 19/20 profits to the members has adequate resources to continue in operational existence for at least 12 months from the date of the audit report of these financial statements. The company therefore continues to adopt the going concern basis in preparing its financial statements.

**Intangible Assets**

Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

**Amortisation**

Amortisation is charged so as to allocate the cost of intangibles less their residual values over their estimated useful lives, using the straight-line method. The intangible assets are amortised over the following useful economic lives:

Brands	Between 3 and 10 years
--------	------------------------

**Fixed Assets**

All fixed assets are initially recorded at cost.

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

**Depreciation**

Tangible fixed assets are depreciated by equal annual instalments over their expected useful lives as follows:

Leasehold property	Over the life of the lease
Fixtures and Fittings	Between 3 and 6 years
Computer Software	Between 3 and 5 years
Motor Vehicles	Over 3 years

**Stocks**

Stocks, which consist primarily of publications, certificates, workwear, tools and test equipment for resale, are stated at the lower of cost and net realisable value. Cost is calculated as the cost of purchase on a FIFO basis.

**1. Principal accounting policies (continued)**

**Financial instruments**

Financial instruments are recognised on the LLP's balance sheet when the LLP becomes a party to the contractual provisions of the instrument.

**a. Financial assets**

The LLP's financial assets comprise basic financial instruments, being trade and other receivables and cash and bank balances. Trade and other debtors are measured at transaction price less any impairment. Any impairment loss is recognised in profit or loss. The impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the LLP would receive for the asset if it were to be sold at the reporting date. Financial assets are derecognised when contractual rights to the cash flows from the financial asset expire or are settled, or when substantially all the risks and rewards of ownership have been transferred.

**b. Financial liabilities**

The LLP's financial liabilities comprise basic financial liabilities, being trade and other creditors. These are initially recognised at transaction price and are measured subsequently at amortised cost. Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

**c. Offsetting**

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at banks and short term deposits with original maturities of three months or less and that are subject to an insignificant risk of changes in value.

**Turnover Policy**

Fees and other income are accounted for exclusive of VAT. Scheme assessment turnover along with the associated cost relating to engineer visits is recognised on renewal of membership. An element of scheme turnover relating to the provision of ongoing administration of the scheme is spread over the assessment year in equal monthly instalments. The turnover relating to the sale of all other affinity services is recognised in the month the service is provided. The turnover relating to the sale of products and certificates is recognised in the month of dispatch.

**Operating Leases**

Rental charges arising under operating lease agreements are charged to profit or loss as incurred.

**Foreign Currencies**

Transactions in foreign currencies are translated into sterling at the rate at the date of the transaction. Monetary assets and liabilities are translated into sterling at rates ruling at the balance sheet date. Exchange gains and losses are credited or charged to profit or loss in the period in which they arise.

**Defined contribution pension plan**

The LLP operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the LLP pays fixed contributions into a separate entity. Once the contributions have been paid the LLP has no further payments obligations. The contributions are recognised as an expense in the statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the LLP in independently administered funds.

**Taxation**

No taxation is reflected in the accounts as tax is borne by the individual Members in a personal capacity on their attributable profit shares and not the LLP.



**2. Critical accounting judgements and key sources of estimation uncertainty**

In the application of the LLP's accounting policies, which are described in note 1, the Members are required to make judgements, estimates and assumptions which affect the amounts reported for assets and liabilities as at the year end date and the amounts reported for revenues and expenses during the year. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. However, the nature of the estimation means that actual outcomes could differ from these estimates.

Due to the nature of the LLP's schemes transaction streams and year-end financial position relating to these areas, the Members consider there to be two critical judgements, estimates and assumptions used in the preparation of these financial statements relating to scheme sales.

Firstly the revenue recognition judgements, estimates and assumptions relating to the provision of assessments and related services to the LLP's clients. The value attributed to deferred income is £ 1,775k (2019: £ 1,451k). Secondly the cost accrual judgements, estimates and assumptions relating to the undertaking of assessments and related services to the LLP's clients. The value attributed to the assessment visit accrual is £ 560k (2019: £ 702k).

In addition the members have made a key estimate in relation to the period of amortisation of the ELECSA Brand which is being amortised over 3 years and the NICEIC Brand and NICEIC Approved Contractor Roll which is being amortised over 10 years.

Due to the simplicity of the LLP's product transaction streams and year-end financial position, the Members consider there to be no critical judgements, estimates and assumptions used in the preparation of these financial statements relating to product sales.

**3. Financial risk management**

The Members have overall responsibility for the establishment and oversight of the LLP's risk management framework. The risk department is responsible for developing and monitoring LLP's risk management strategy and policies. The risk department reports regularly to members on its activity by way of a Risk Register. There have been no significant changes to the LLP's exposures and risks or methods used to measure and manage these risk during the year.

The LLP seeks to minimise these risks as detailed below:

**Credit risk**

The LLP's exposure to credit risk arises from its cash balance and debtors. Cash balances are held at highly rated banking institutions in the UK. Debtors at the date of the balance sheet relate to trade debtors, prepayments, amounts due from related companies and amounts due from Members. The Members have the ability to withhold services should the fees agreed not be paid, and the assets become impaired, in order to minimise further loss. The Members closely monitor the recoverability of other debtors. The maximum exposure to credit risk is equal to the amounts at which the assets are included on the balance sheet.

**Liquidity risk**

The objective of the LLP in managing liquidity risk is to ensure that it can meet its financial obligations as and when they fall due. The LLP expects to meet its financial obligations through operating cash flows. In the event that the operating cash flows would not cover all the financial obligations the LLP has credit facilities available. The LLP is in a position to meet its commitments and obligations as they come due.

**Market risk**

The activities undertaken by the LLP are exposed to the risks of a changing regulatory environment resulting from governmental changes of policy and funding levels. The LLP monitors closely and on a regular basis any possible or actual changes to the regulatory environment such that the LLP is in a position to mitigate any financial or non-financial impact on the activities of the LLP. The Members do not feel the LLP is exposed to any other significant financial risk.

**4. Turnover**

The categories of turnover for the year were as follows:

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Rendering of services	<b>29,444</b>	29,518
Sale of goods & certificate charges	<b>8,945</b>	14,707
	<b>38,389</b>	<b>44,225</b>

**5. Operating profit**

The operating profit is stated after charging:

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Auditor remuneration:		
Audit	<b>15</b>	15
Other services	<b>20</b>	8
Operating lease charges:		
Plant and Equipment	<b>486</b>	511
Land and Buildings	<b>442</b>	534
Depreciation	<b>952</b>	595
Amortisation	<b>257</b>	-
Debtors impairment	<b>(232)</b>	498
Stock impairment	<b>(7)</b>	-

**6. Employees**

Staff costs for the year were as follows:

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Wages and salaries	<b>12,642</b>	13,107
Social security costs	<b>1,452</b>	1,457
Cost of defined contribution scheme	<b>1,243</b>	1,323
	<b>15,337</b>	<b>15,887</b>

The average monthly number of persons employed during the year was as follows:

	<b>2020</b>	<b>2019</b>
	<b>No.</b>	<b>No.</b>
Administration	<b>162</b>	167
Operations and trading	<b>163</b>	165
	<b>325</b>	<b>332</b>

6. Employees (continued)

**Key management personnel**

The key management personnel are considered to be firstly the Board which has 11 (2019 : 10) individuals and secondly the Senior Executive Team which has 6 (2019 : 7) individuals. The Board is made up of four individuals each being nominated by each of the two corporate Members along with two members from the Senior Executive Team namely the Managing Director (MD) and the Finance Director (FD) and finally an Independent Chair. The Board proactively challenge, ultimately agree and support the delivery of the strategic direction of Certsure with the Senior Executive Team having responsibility for recommending the direction and delivering the agreed direction. It is only the Senior Executive Team that are directly employed and remunerated by Certsure at a cost of £ 997k (2019 : £ 1,336k).

7. Information in relation to the Members

	2020 No.	2019 No.
The average number of Members during the year was	2	2
	2020 £'000	2019 £'000
The amount of profit attributable to the member with the largest entitlement was	3,474	3,903

8. Intangible fixed assets

	NICEIC Brand & AC Contractor Roll	ELECSA Brand	Total
	£'000	£'000	£'000
<b>Cost</b>			
At 1 April 2019	-	-	-
Additions	2,536	165	2,701
Disposal	-	-	-
<b>At 31 March 2020</b>	<b>2,536</b>	<b>165</b>	<b>2,701</b>
<b>Amortisation</b>			
At 1 April 2019	-	-	-
Charge for the year	211	46	257
Disposal	-	-	-
<b>At 31 March 2020</b>	<b>211</b>	<b>46</b>	<b>257</b>
<b>Net book value</b>			
At 31 March 2019	-	-	-
<b>At 31 March 2020</b>	<b>2,325</b>	<b>119</b>	<b>2,444</b>

**8. Intangible fixed assets (continued)**

Amortisation of intangible fixed assets is included in administrative expenses

On 6 June 2019 Certsure LLP purchased at market value from Electrical Safety Council their rights in the NICEIC Brand and the NICEIC Approved Contractor Roll for £ 2,536,000. These had been licensed to Certsure LLP since 28 March 2013.

On 6 June 2019 Certsure LLP purchased at market value from ECA Affinity Services Limited their rights in the ELECSA Brand for £ 165,000. This had been licensed to Certsure LLP since 28 March 2013.

**9. Tangible fixed assets**

	Leasehold Property	Fixtures & Fittings	Computer Software	Motor Vehicles	Total
	£'000	£'000	£'000	£'000	£'000
<b>Cost</b>					
At 1 April 2019	119	1,824	2,185	5	4,133
Additions	-	87	524	-	611
Disposal	-	(1,180)	(380)	(5)	(1,565)
<b>At 31 March 2020</b>	<b>119</b>	<b>731</b>	<b>2,329</b>	<b>-</b>	<b>3,179</b>
<b>Depreciation</b>					
At 1 April 2019	74	1,196	1,015	5	2,290
Charge for the year	14	270	668	-	952
Disposal	-	(1,126)	(260)	(5)	(1,391)
<b>At 31 March 2020</b>	<b>88</b>	<b>340</b>	<b>1,423</b>	<b>-</b>	<b>1,851</b>
<b>Net book value</b>					
At 31 March 2019	45	628	1,170	-	1,843
<b>At 31 March 2020</b>	<b>31</b>	<b>391</b>	<b>906</b>	<b>-</b>	<b>1,328</b>

**10. Stock**

	2020 £'000	2019 £'000
Finished goods	317	454

During the year ended 31 March 2020, a total of £ 2,116k of stock was included in the statement of comprehensive income as an expense (2019: £ 6,253k).

**11. Debtors**

	<b>2020</b>	2019
	<b>£'000</b>	£'000
Trade debtors	<b>3,597</b>	4,843
Owed by associate company – ESC	-	2
Owed by member – Electrical Contractors Association Ltd	<b>54</b>	63
Other debtors	<b>33</b>	16
Prepayments and accrued income	<b>1,500</b>	1,662
	<b>5,184</b>	6,586

The trade debtors, amounts owed to associates and members and other debtor balances included above are carried at amortised cost.

**12. Creditors : Amounts due in one year**

	<b>2020</b>	2019
	<b>£'000</b>	£'000
Trade creditors	<b>1,226</b>	1,115
PAYE and social security payable	<b>353</b>	370
VAT payable	<b>434</b>	844
Accruals and deferred income	<b>6,210</b>	7,356
Other Creditors	<b>625</b>	410
	<b>8,848</b>	10,095

The trade and other creditors included above are carried at amortised cost.

At the year end included within other creditors is an amount of £ 759 (2019 : £ 2,522) relating to outstanding defined contribution pension scheme payments.

**13. Leasing Commitments**

At 31 March 2020 the LLP had total commitments under non-cancellable operating leases payable as follows:

	<b>2020</b>		<b>2019</b>	
	<b>Land and</b>		<b>Land and</b>	
	<b>buildings</b>	<b>Other</b>	<b>buildings</b>	<b>Other</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
Within one year	<b>442</b>	<b>283</b>	534	76
Within two to five years inclusive	<b>1,592</b>	<b>391</b>	1,621	336
After 5 years	<b>1,194</b>	-	503	-
	<b>3,228</b>	<b>674</b>	2,658	412

**14. Related party transactions****Transactions with members**

Certsure LLP rents its trading premises from The Electrical Safety Council ('ESC') which is the ultimate parent company of ESC Partnerships Ltd. Certsure LLP operates the NICEIC Approved Contractor roll under licence from The Electrical Safety Council ('ESC').

	<u>2020</u> £'000	<u>2019</u> £'000
<b>Charged by ESC</b>		
Rent and roll	466	463
Reimbursable expenses	27	54

At 31 March 2020 Certsure LLP owed £ NIL (2019: £ 2k) to ESC.

Certsure LLP incurs cost in relation to renting rooms from the Electrical Contractors Association Ltd for the purpose of undertaking training courses. Certsure derives revenue from undertaking certification and health and safety assessments for the Electrical Contractors Association Ltd

	<u>2020</u> £'000	<u>2019</u> £'000
<b>Charged by ECA</b>		
Room rental	54	46
Reimbursable expenses	31	18
	<u>2020</u> £'000	<u>2019</u> £'000
<b>Charged by Certsure</b>		
Certification and health & safety assessments	626	809

At 31 March 2019 Certsure LLP was owed £ 54k (2019: £ 63k) by Electrical Contractors Association Ltd.

There are no restrictions or limitations on the ability of members to reduce the amount of members' interests.

**15. Ultimate controlling party**

The LLP is wholly owned and controlled by its Members.

The entity is jointly controlled by firstly The Electrical Safety Council the ultimate parent company of ESC Partnerships Limited and secondly The Electrical Contractors Association the ultimate parent entity of The Electrical Contractors Association Limited.

Published accounts for The Electrical Safety Council are available to the public and copies are available by writing to The Company Secretary, The Electrical Safety Council, 45 Great Guildford Street, London, SE1 0ES.

Published accounts for The Electrical Contractors Association are available to the public and copies are available by writing to The Company Secretary, The Electrical Contractors Association, Rotherwick House, 3 Thomas More St, London, E1W 1YZ.