

Certsure LLP
Financial Statements
For the Year Ended
31 March 2018

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Certsure LLP

Financial Statements

Year ended 31 March 2018

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Certsure LLP

Designated members and advisors

Designated members:

The Electrical Contractors Association Ltd
ESC Partnerships Ltd

Registered office:

Warwick House
Houghton Hall Park
Houghton Regis
Bedfordshire
LU5 5ZX

Auditor:

Moore Stephens LLP
Chartered Accountants and Statutory Auditor
150 Aldersgate Street,
London
EC1A 4AB

Bankers:

HSBC
28 Borough High Street
Southwark
London
SE1 1YB

Certsure LLP

Report of the members

Year ended 31 March 2018

The members have the pleasure in presenting their report and the audited financial statements of Certsure LLP for the year ended 31 March 2018. 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 all of which are currently being licensed to Certsure LLP.

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 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.

NICEIC and ELECSA Divisions

Approved Contractor Scheme

Certsure LLP under the trading name NICEIC and under licence from The Electrical Safety Council 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 21,854 (2017: 20,382) an increase of 1,472 (7.2%) 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 14,236 (2017: 15,304), a decrease of 1,068 over the year. However 1,121 contractors during the year transferred from the CPS Scheme to the Approved Contractor Scheme.

MCS Installer

The total number registered increased to 1,010 (2017: 980) an increase of 30. Accreditation includes Solar Thermal, Solar PV, Heat Pumps, Biomass and Micro Wind.

Green Deal Installers

Green Deal Installers has seen a period of continued decline with the number of contractors registered decreasing to 232 (2017: 361) a decrease of 129. The reduction is mainly due to the ongoing impact of the Government removing funding from the Green Deal Finance Company in July 2015.

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 BIS (Department of Business, Innovation and Skills), the building industry and consumer groups to help consumers and specifiers find reliable and trustworthy tradespeople to make improvements and repairs to domestic properties. Currently NICEIC has registered 1,619 (2017: 1,848) contractors on the scheme a decrease of 229 on last year.

Extension to Scope

NICEIC operates a national registration scheme for enterprises conducting Portable Appliance Testing (PAT). Currently there are 32 (2017: 76) registered enterprises.

BAFE SP203 Fire Scheme

During the year various initiatives were launched 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 86 (2017: 70) registered contractors on this scheme.

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 72 (2017: 69) Approved Bodies and 78 (2017: 71) 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 7.5% down on the previous year mainly as a result of the continued cyclical drop off in sales of publications related to the 3rd Amendment of the 17th Edition of the Wiring Regulations (BS7671). Despite the revenue being down on the previous year the profit was comparable. The revenue will see some significant upside in the year to 31 March 2019 due to additional sales of products relating to the launch of the 18th Edition of the Wiring Regulations (BS76718) in July 2018. 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 14.7% up on the previous year and this was in part down to an increase in sales to key accounts. The revenue will see some significant upside in the year to 31 March 2019 due to additional sales of products relating to the launch of the 18th Edition of the Wiring Regulations (BS76718) in July 2018.

The training business continues to offer public 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 up on that achieved in the previous year.

Certsure LLP

Report of the members (continued)

Year ended 31 March 2018

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 14,808 (2017: 13,627) 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. Over the last couple of years with British Gas a section of its Engineering workforce have moved onto an alternative scheme to demonstrate their competence, the Group Competence Scheme (GCS) and also engineers specialising in their particular area of work within the Gas Industry and opting for the minimum rather than a greater suite of qualifications.

NICEIC Certification revenue has benefited in the year from an increasing number of Smart Meter Engineers being put through for Assessment by NICEIC Certification largest clients.

Results for the year and allocation to members

The reported profit for Certsure LLP was £ 3,718k (2017: £ 4,072k).

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 £ 4,072k (2017: £ 3,515k). 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 2018

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.

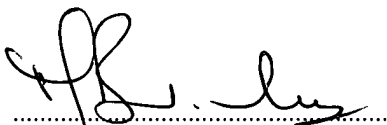
In so far as the members are aware:

- 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.

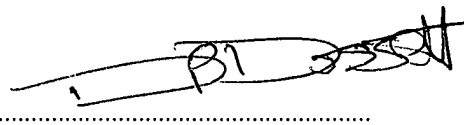
Auditor

Moore Stephens 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
The Electrical Contractors Association Ltd



Designated Member
ESC Partnerships Ltd

Approved by the members on 6 September 2018

Opinion

We have audited the financial statements of Certsure LLP (the 'limited liability partnership') for the year ended 31 March 2018 which comprise the statement of comprehensive income, 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 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, as applied to limited liability partnerships.

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 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 audit opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in 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 partnerships 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 members are responsible for the other information.

Our opinion on the financial statements does not cover the other information and 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.

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.

Responsibilities of members

As explained more fully in the statement of members' responsibilities set out on page 5, 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 members are responsible for assessing the limited liability partnership'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 members 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Councils website at: 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 limited liability partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as applied to limited liability partnerships. 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.



Richard Willis, Senior Statutory Auditor

For and on behalf of Moore Stephens LLP, Statutory Auditor

150 Aldersgate Street
London
EC1A 4AB

Date: 13 September 2018

Certsure LLP**Statement of comprehensive income****Year ended 31 March 2018**

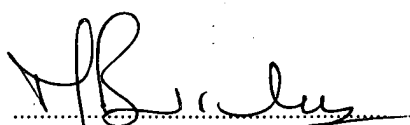
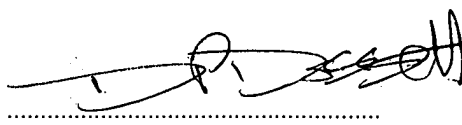
	Note	2018 £'000	2017 £'000
Turnover			
Sales	4	33,805	33,177
Cost of sales			
Direct costs		24,054	23,110
Administrative expenses		6,065	6,022
		<u>30,119</u>	<u>29,132</u>
Operating Profit	5	3,686	4,045
Interest Received		32	27
Profit for the financial year before members' remuneration and profit shares available for discretionary division among members		<u>3,718</u>	<u>4,072</u>
Total comprehensive income		<u>3,718</u>	<u>4,072</u>

The notes on pages 12 to 18 form part of these accounts

Certsure LLP**Registered Number: OC379918****Balance sheet****As at 31 March 2018**

	Note	2018 £'000	2017 £'000
Fixed assets			
Tangible assets	8	1,412	1,299
		<u>1,412</u>	<u>1,299</u>
Current assets			
Stock	9	284	331
Debtors	10	4,974	4,604
Cash at bank and in hand		5,273	5,720
		<u>10,531</u>	<u>10,655</u>
Creditors: amounts falling due within one year	11	<u>8,225</u>	<u>7,882</u>
Net current assets		2,306	2,773
Net assets attributable to Members		<u>3,718</u>	<u>4,072</u>
Represented by:			
Loans and other debts due to Members within one year			
Other amounts		3,718	4,072
		<u>3,718</u>	<u>4,072</u>
Members' other interests			
Members' capital classified as equity		-	-
		<u>-</u>	<u>-</u>
		<u>3,718</u>	<u>4,072</u>
Total Members' interests			
Loans and other debts due to Members		3,718	4,072
Members' other interests		-	-
		<u>3,718</u>	<u>4,072</u>

Approved and authorised for issue by the members on 6 September 2018 and signed on its behalf by

Designated Member
The Electrical Contractors Association LtdDesignated Member
ESC Partnerships Ltd**The notes on pages 12 to 18 form part of these accounts**

Certsure LLP

Statement of changes in equity

As at 31 March 2018

	Members' capital (classified as equity) £'000	Other reserves £'000	Total members' other interests £'000	Loans & other debts £'000	Total members interests £'000
Members' interests as at 1 April 2016	-	-	-	3,515	3,515
Total comprehensive income	-	4,072	4,072	-	4,072
Members' interests after profit for the year	-	4,072	4,072	3,515	7,587
Allocated profit for the year	-	(4,072)	(4,072)	4,072	-
Distributions	-	-	-	(3,515)	(3,515)
Members' interests as at 31 March 2017	-	-	-	4,072	4,072
Total comprehensive income	-	3,718	3,718	-	3,718
Members' interests after profit for the year	-	3,718	3,718	4,072	7,790
Allocated profit for the year	-	(3,718)	(3,718)	3,718	-
Distributions	-	-	-	(4,072)	(4,072)
Members' interests as at 31 March 2018	-	-	-	3,718	3,718

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 12 to 18 form part of these accounts

Certsure LLP**Statement of cash flows****Year ended 31 March 2018**

	2018 £'000	2017 £'000
Operating activities		
Net cash inflow from operating activities (per note A below)	<u>4,150</u>	<u>4,381</u>
Investing activities		
Interest received	32	27
Payments to acquire tangible fixed assets	<u>(557)</u>	<u>(601)</u>
Net cash outflow from investing activities	<u>(525)</u>	<u>(574)</u>
Financing activities		
Payments to members	<u>(4,072)</u>	<u>(3,515)</u>
Net cash outflow from financing activities	<u>(4,072)</u>	<u>(3,515)</u>
 (Decrease) / Increase in cash in year	 <u>(447)</u>	 <u>292</u>
 Cash and cash equivalents at beginning of year	 <u>5,720</u>	 <u>5,428</u>
 Cash and cash equivalents at end of year	 <u>5,273</u>	 <u>5,720</u>

STATEMENT OF CASH FLOWS NOTES

	2018 £'000	2017 £'000
A. Reconciliation of profit for the year to net cash inflow from operating activities		
Profit for the year	3,718	4,072
Interest received	(32)	(27)
Depreciation	444	390
Decrease in stocks	47	46
(Increase) in debtors	(370)	(470)
Increase in creditors	343	370
 Net Cash inflow from Operating Activities	 <u>4,150</u>	 <u>4,381</u>

The notes on pages 12 to 18 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 Members consider the LLP to be a going concern as the entity is profitable and is expected to be profitable for the foreseeable future.

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.

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.

1. Principal accounting policies (continued)

Financial instruments (continued)

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.

2. Critical accounting judgements and key sources of estimation uncertainty (continued)

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 £1,301k (2017: £ 1,439k). 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 £ 711k (2017: £ 650k).

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:

	2018 £'000	2017 £'000
Rendering of services	26,264	25,192
Sale of goods & certificate charges	7,541	7,985
	<u>33,805</u>	<u>33,177</u>

5. Operating profit

The operating profit is stated after charging:

	2018 £'000	2017 £'000
Auditor remuneration:		
Audit	15	15
Other services	20	61
Operating lease charges:		
Plant and Equipment	503	490
Land and Buildings	441	441
Depreciation	444	390
Debtors impairment	158	179
Stock impairment	25	(35)

6. Employees

Staff costs for the year were as follows:

	2018 £'000	2017 £'000
Wages and salaries	12,689	11,952
Social security costs	1,389	1,304
Cost of defined contribution scheme	1,313	1,246
	<u>15,391</u>	<u>14,502</u>

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

	2018 No.	2017 No.
Administration	171	170
Operations and trading	156	142
	<u>327</u>	<u>312</u>

Key management personnel

The key management personnel are considered to be firstly the Board which has 10 (2017 : 10) individuals and secondly the Senior Executive Team which has 10 (2017 : 9) 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 Chief Executive Officer (CEO) and the Finance Director (FD). 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 £ 1,010k (2017 : £ 834k).

Certsure LLP**Notes to the accounts****Year ended 31 March 2018****7. Information in relation to the Members**

	2018 No.	2017 No.
The average number of Members during the year was	<u>2</u>	<u>2</u>
	2018 £'000	2017 £'000
The amount of profit attributable to the member with the largest entitlement was	<u>2,788</u>	<u>3,258</u>

8. Tangible fixed assets

	Leasehold Property £'000	Fixtures & Fittings £'000	Computer Software £'000	Motor Vehicles £'000	Total £'000
Cost					
At 1 April 2017	119	1,198	1,228	5	2,550
Additions	-	130	427	-	557
At 31 March 2018	<u>119</u>	<u>1,328</u>	<u>1,655</u>	<u>5</u>	<u>3,107</u>
Depreciation					
At 1 April 2017	46	796	404	5	1,251
Charge for the year	14	160	270	-	444
At 31 March 2018	<u>60</u>	<u>956</u>	<u>674</u>	<u>5</u>	<u>1,695</u>
Net book value					
At 31 March 2017	<u>73</u>	<u>402</u>	<u>824</u>	<u>-</u>	<u>1,299</u>
At 31 March 2018	<u>59</u>	<u>372</u>	<u>981</u>	<u>-</u>	<u>1,412</u>

9. Stock

	2018 £'000	2017 £'000
Finished goods	<u>284</u>	<u>331</u>

During the year ended 31 March 2018, a total of £ 1,297k of stock was included in the statement of comprehensive income as an expense (2017: £ 1,829k).

Certsure LLP**Notes to the accounts****Year ended 31 March 2018****10. Debtors**

	2018 £'000	2017 £'000
Trade debtors	3,243	3,054
Owed by associate company – ESF	3	10
Owed by member – Electrical Contractors Association Ltd	209	72
Other debtors	23	38
Prepayments and accrued income	1,496	1,430
	<u>4,974</u>	<u>4,604</u>

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

11. Creditors : Amounts due in one year

	2018 £'000	2017 £'000
Trade creditors	899	851
PAYE and social security payable	367	351
VAT payable	446	516
Accruals and deferred income	6,397	6,140
Other Creditors	116	24
	<u>8,225</u>	<u>7,882</u>

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

12. Leasing Commitments

At 31 March 2018 the LLP had total commitments under non-cancellable operating leases payable as follows:

	2018		2017	
	Land and buildings £000's	Other £000's	Land and buildings £000's	Other £000's
Expiring within one year	441	379	441	395
Expiring within two to five years inclusive	1,189	385	1,189	548
After 5 years	-	-	290	-
	<u>1,630</u>	<u>764</u>	<u>1,920</u>	<u>943</u>

Certsure LLP

Notes to the accounts

Year ended 31 March 2018

13. 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>2018</u> <u>£'000</u>	<u>2017</u> <u>£'000</u>
Charged by ESC		
Rent and roll	822	822
Staff Recharges	-	30
Reimbursable expenses	58	40

At 31 March 2018 Certsure LLP owed Nil (2017: £ 83k) to ESC.

Transactions with associated companies

Certsure LLP historically provided chargeable support services, primarily in respect of IT, Finance, HR and Facilities management to ESF Enterprises Ltd. ESF Enterprises Ltd is a subsidiary of The Electrical Safety Council. This service was charged at cost.

	<u>2018</u> <u>£'000</u>	<u>2017</u> <u>£'000</u>
Charged to ESF Enterprises Ltd		
Support Services	0	0

At 31 March 2018 Certsure LLP was owed Nil (2017 : £3k) by ESF Enterprises Ltd. This included monies owed from / owing to in relation to support service fees and cash received by ESF Enterprises Ltd relating to the NICEIC division.

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

14. 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 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 Limited are available to the public and copies are available by writing to The Company Secretary, The Electrical Contractors Association Limited, 24-26 South Park, Sevenoaks, Kent, England, TN13 1DU.