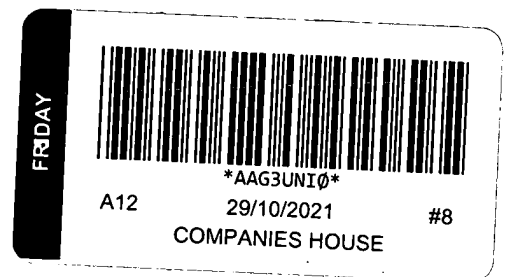




MOORE Kingston Smith

Companies House No. 02379918

Certsure LLP
Financial Statements
For the Year Ended
31 March 2021



Certsure LLP

Financial Statements

Year ended 31 March 2021

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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 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 2021

The members have the pleasure of presenting their report and the audited financial statements of Certsure LLP for the year ended 31 March 2021. 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 other 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. On 1 February 2021 Certsure LLP announced that the ELECSA brand will be retired and that all Certsure LLP customers will move across to the NICEIC brand between April 2021 and November 2022.

Business review and outlook

Certsure LLP is targeting:

- to continue to deliver benefits to Electrical, Renewable and Gas Contractors as well as the end consumer by raising technical standards
- to continue to be the organisation of choice for certification and associated services in the energy and building services sectors
- to develop new and build on existing partnerships for the benefit of its customers

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

During the first quarter of the year customer activity levels were down as a result of the Covid-19 pandemic and this adversely impacted both revenue and operating surplus. The Directors took immediate steps to protect employees and mitigate the financial impact on the LLP's affairs. Measures taken including cost control initiatives, the phasing of investments and agreeing a phased distribution of the 19/20 profits to the members, enabled the LLP to continue to operate during a challenging first quarter of trading. The customer activity levels picked up significantly during the second quarter which enabled revenue to recover back to pre Covid-19 pandemic and budgeted levels for the remaining three quarters of the year. The operating surplus for the remaining three quarters of the year was favourable against budget in part as a result of ongoing cost control initiatives and a more cost effective method of service delivery.

When the Covid-19 pandemic hit, there was a tremendous amount of uncertainty surrounding the impact the pandemic would have on the economy. The LLP was not excluded from this and needed to take steps to protect the business and its staff to ensure a continued service to our customers. As such, the UK Government's Job Retention Scheme (JRS) was a welcome and much needed lifeline during this period. However due to the LLPs eventual financial performance in the year the Members, after the balance sheet date, have decided to voluntarily refund monies received through the JRS on the basis that this is reputationally and morally the right thing to do.

Certsure LLPs agile approach during the year and the adaptation of its business model, including the investment in a more digital approach, means Certsure LLP is forecasting to deliver healthy revenues and surpluses for the foreseeable future.

Certsure LLP

Report of the members

Year ended 31 March 2021

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 23,184 (2020: 22,639) an increase of 545 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 in respect of the number of contractors has seen a period of being broadly flat. The number of contractors decreased to 12,743 (2020: 12,877), a decrease of 134 over the year. However 307 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 increased to 887 (2020: 883) an increase of 4. 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 increasing to 233 (2020: 211) an increase of 22.

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 1,695 (2020: 1,461) contractors on the scheme an increase of 234 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 159 (2020: 130) registered contractors on this scheme an increase of 29.

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 (2020: 82) Approved Bodies and 91 (2020: 91) 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 13% down on the previous year mainly as a result of reduced sales the further out you go from the launch date of July 2018 for the 18th Edition of the Wiring Regulations (BS7671). The business continually reviews 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 significantly down on the previous year mainly as a result of the cancellation of face to face training during the first quarter of the year as a result of the Covid-19 pandemic. The training business continues to develop and 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.

Certsure LLP

Report of the members

Year ended 31 March 2021

Insurance Services

The Insurance Services business stream performed well during the year with the revenue and the resulting profit increasing as the number of active policyholders steadily increases.

Consulting

The Consulting business stream undertakes electrical and gas audits for various types of client. Revenue was 35% down on the previous year as a result of the cancellation of various audits as a result of the Covid-19 pandemic.

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 7,635 (2020: 9,714) 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. Activity levels have been adversely impacted as a result of Approved Centres being closed at various points during the pandemic and also as a consequence of the introduction of social distancing requirements when open.

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 1,265,789 kWh of energy in the 2020-21 financial year, resulting in carbon emissions of 246.3 T CO₂e, a reduction of 48% compared to 2019-20.

There was a significant reduction in all reported areas of energy consumption compared to the previous reporting year; electricity (-37%), gas (-39%) and transport fuels (-64%), owing at least in part to the travel and operational restrictions resulting from the Covid-19 pandemic.

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 2020-21 was electricity, contributing 44% 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.

Results for the year and allocation to members

The reported profit for Certsure LLP was £ 6,617k (2020: £ 4,632k).

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 £ 2,632k (2020: £ 5,204k). 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

Certsure LLP

Statement of members responsibilities

Year ended 31 March 2021

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.

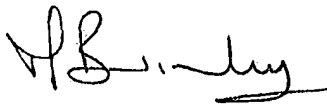
In so far as the members are aware:

- 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.

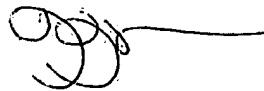
Auditor

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 7 September 2021

Certsure LLP

Independent Auditors Report

Year ended 31 March 2021

Opinion

We have audited the financial statements of Certsure LLP for the year ended 31 March 2021 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Cash Flow Statement 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 Financial Reporting Standard 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 2021 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

In auditing the financial statements, we have concluded that the members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the limited liability partnership's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the members with respect to going concern are described in the relevant sections of this report.

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, 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.

Certsure LLP

Independent Auditors Report

Year ended 31 March 2021

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 members' responsibilities statement 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud, are: to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the limited liability partnership.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the limited liability partnership and considered that the most significant are 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, the Limited Liability Partnerships SORP, and UK financial reporting standards as issued by the Financial Reporting Council
- We obtained an understanding of how the limited liability partnership complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

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.

Certsure LLP

Independent Auditors Report

Year ended 31 March 2021

- 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.

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 which 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 any party other than the Limited Liability Partnership and the Limited Liability Partnership's members as a body, for our 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

29 September 2021
Date

4 Victoria Square
St Albans
Hertfordshire
AL1 3TF

Certsure LLP**Statement of comprehensive income****Year ended 31 March 2021**

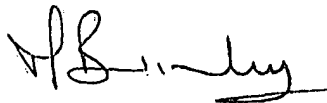
| | Note | 2021 £'000 | 2020 £'000 |
|--|--------------|-----------------------|-----------------------|
| Turnover | | | |
| Sales | 4 | 33,260 | 38,389 |
| | | <u>33,260</u> | <u>38,389</u> |
| Other income | 5 | 757 | - |
| Cost of sales | | 21,019 | 26,228 |
| Direct costs | | | |
| | | <u>12,998</u> | <u>12,161</u> |
| Gross Profit | | | |
| Administrative expenses | | 6,392 | 7,583 |
| | | <u>6,606</u> | <u>4,578</u> |
| Operating Profit | 6 | | |
| Interest Received | | 11 | 54 |
| | | <u>6,617</u> | <u>4,632</u> |
| Profit for the financial year before members' remuneration and profit shares available for discretionary division among members | | | |
| | | <u>6,617</u> | <u>4,632</u> |
| Total comprehensive income | | <u>6,617</u> | <u>4,632</u> |

The notes on pages 13 to 21 form part of these accounts

Certsure LLP**Registered Number: OC379918****Balance sheet****As at 31 March 2021**

| | Note | 2021 £'000 | 2020 £'000 |
|---|------|---------------|---------------|
| Fixed assets | | | |
| Intangible assets | 9 | 2,135 | 2,444 |
| Tangible assets | 10 | 779 | 1,328 |
| | | <u>2,914</u> | <u>3,772</u> |
| Current assets | | | |
| Stock | 11 | 179 | 317 |
| Debtors | 12 | 4,862 | 5,184 |
| Cash at bank and in hand | | 16,377 | 4,207 |
| | | <u>21,418</u> | <u>9,708</u> |
| Creditors: amounts falling due within one year | 13 | <u>15,715</u> | <u>8,848</u> |
| Net current assets | | 5,703 | 860 |
| Net assets attributable to Members | | <u>8,617</u> | <u>4,632</u> |
| Represented by: | | | |
| Loans and other debts due to Members within one year | | | |
| Other amounts | | 8,617 | 4,632 |
| | | <u>8,617</u> | <u>4,632</u> |
| Members' other interests | | | |
| Members' capital classified as equity | | - | - |
| | | <u>-</u> | <u>-</u> |
| | | <u>8,617</u> | <u>4,632</u> |
| Total Members' interests | | | |
| Loans and other debts due to Members | | 8,617 | 4,632 |
| Members' other interests | | - | - |
| | | <u>8,617</u> | <u>4,632</u> |

Approved and authorised for issue by the members on 7 September 2021 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 21 form part of these accounts

Certsure LLP**Statement of changes in equity****As at 31 March 2021**

| | Members' capital (classified as equity) £'000 | Other reserves £'000 | Total members' other interests £'000 | Loans & other debts due to members £'000 | Total members interests £'000 |
|---|--|---------------------------------|---|---|--|
| Members' interests as at 1 April 2019 | - | - | - | 5,204 | 5,204 |
| Total comprehensive income | - | 4,632 | 4,632 | - | 4,632 |
| Members' interests after profit for the year | - | 4,632 | 4,632 | 5,204 | 9,836 |
| Allocated profit for the year | - | (4,632) | (4,632) | 4,632 | - |
| Distributions | - | - | - | (5,204) | (5,204) |
| Members' interests as at 31 March 2020 | - | - | - | 4,632 | 4,632 |
| Total comprehensive income | - | 6,617 | 6,617 | - | 6,617 |
| Members' interests after profit for the year | - | 6,617 | 6,617 | 4,632 | 11,249 |
| Allocated profit for the year | - | (6,617) | (6,617) | 6,617 | - |
| Distributions | - | - | - | (2,632) | (2,632) |
| Members' interests as at 31 March 2021 | - | - | - | 8,617 | 8,617 |

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 21 form part of these accounts

Certsure LLP**Statement of cash flows****Year ended 31 March 2021**

| | 2021 £'000 | 2020 £'000 |
|--|-----------------------------|-----------------------------|
| Operating activities | | |
| Net cash inflow from operating activities (per note A below) | 15,229 | 6,253 |
| Investing activities | | |
| Interest received | 11 | 54 |
| Payments to acquire tangible fixed assets | (438) | (611) |
| Payments to acquire intangible fixed assets | - | (2,701) |
| Net cash outflow from investing activities | (427) | (3,258) |
| Financing activities | | |
| Payments to members | (2,632) | (5,204) |
| Net cash outflow from financing activities | (2,632) | (5,204) |
| Increase / (Decrease) in cash in year | 12,170 | (2,209) |
| Cash and cash equivalents at beginning of year | 4,207 | 6,416 |
| Cash and cash equivalents at end of year | 16,377 | 4,207 |

STATEMENT OF CASH FLOWS NOTES

| | 2021 £'000 | 2020 £'000 |
|--|-----------------------------|-----------------------------|
| A. Reconciliation of profit for the year to net cash inflow from operating activities | | |
| Profit for the year | 6,617 | 4,632 |
| Interest received | (11) | (54) |
| Depreciation of fixed assets | 947 | 952 |
| Loss on disposal of fixed assets | 40 | 174 |
| Amortisation of intangible assets | 309 | 257 |
| Decrease in stocks | 138 | 137 |
| Decrease in debtors | 322 | 1,402 |
| Increase / (Decrease) in creditors | 6,867 | (1,247) |
| Net Cash inflow from Operating Activities | 15,229 | 6,253 |

The notes on pages 13 to 21 form part of these accounts

Certsure LLP

Notes to the accounts

Year ended 31 March 2021

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 have considered the impact of the ongoing coronavirus pandemic and measures taken in the UK to contain it. The LLP has a positive cash and reserves position at the time of approval of these financial statements. Having made enquiries, the members have concluded that there is a reasonable expectation that the LLP, based on its financial performance in 20/21 and its budgeted performance in 21/22 will be in operational existence for at least 12 months from the date of the audit report of these financial statements. The LLP 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 visit turnover is recognised on renewal of membership with the cost of the estimated number of these visits to be undertaken by third party assessors being accrued and the cost of visits to be undertaken by employed assessors being covered by the monthly salary charge. 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 payment 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 £ 1,739k (2020: £ 1,775k). 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 £ 996k (2020: £ 560k).

Secondly 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 the 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.

Certsure LLP**Notes to the accounts****Year ended 31 March 2021****4. Turnover**

The categories of turnover for the year were as follows:

| | 2021 £'000 | 2020 £'000 |
|-------------------------------------|---------------|---------------|
| Rendering of services | 25,486 | 29,444 |
| Sale of goods & certificate charges | 7,774 | 8,945 |
| | <u>33,260</u> | <u>38,389</u> |

5. Other Income

The categories of other income for the year were as follows:

| | 2021 £'000 | 2020 £'000 |
|--------------|---------------|---------------|
| Grant income | <u>757</u> | <u>-</u> |

During the year, the company recognised grant income of £ 757k (2020: £nil) in respect of the UK Government's Job Retention Scheme (JRS). Due to the LLPs eventual financial performance in the year the Members, after the balance sheet date, have decided to voluntarily refund monies received through the JRS on the basis that this is reputationally and morally the right thing to do.. This income has been presented within Other Income to avoid distorting the underlying performance of the company. In line with this treatment, the company will also present its voluntary refund of the grant income within Other Income in its results in 2021.

6. Operating profit

The operating profit is stated after charging:

| | 2021 £'000 | 2020 £'000 |
|--------------------------|---------------|---------------|
| Auditor remuneration: | | |
| Audit | 15 | 15 |
| Other services | (2) | 20 |
| Operating lease charges: | | |
| Plant and Equipment | 457 | 486 |
| Land and Buildings | 398 | 442 |
| Depreciation | 947 | 952 |
| Amortisation | 308 | 257 |
| Debtors impairment | (61) | (232) |
| Stock impairment | 5 | (7) |

Certsure LLP**Notes to the accounts****Year ended 31 March 2021****7. Employees**

Staff costs for the year were as follows:

| | 2021 £'000 | 2020 £'000 |
|-------------------------------------|---------------|---------------|
| Wages and salaries | 12,382 | 12,642 |
| Social security costs | 1,402 | 1,452 |
| Cost of defined contribution scheme | 1,189 | 1,243 |
| | <u>14,973</u> | <u>15,337</u> |

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

| | 2021 No. | 2020 No. |
|------------------------|-------------|-------------|
| Administration | 151 | 162 |
| Operations and trading | 157 | 163 |
| | <u>308</u> | <u>325</u> |

Key management personnel

The key management personnel are considered to be firstly the Board which has 11 (2020 : 11) individuals and secondly the Senior Executive Team which has 6 (2020 : 6) 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 and the Finance Director 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 £ 782k (2020 : £ 979k).

8. Information in relation to the Members

| | 2021 No. | 2020 No. |
|--|---------------|---------------|
| The average number of Members during the year was | <u>2</u> | <u>2</u> |
| | 2021 £'000 | 2020 £'000 |
| The amount of profit attributable to the member with the largest entitlement was | <u>4,963</u> | <u>3,474</u> |

Certsure LLP**Notes to the accounts****Year ended 31 March 2021****9. Intangible fixed assets**

| | NICEIC Brand & AC Contractor Roll | ELECSA Brand | Total |
|-------------------------|--|-------------------------|--------------|
| | £'000 | £'000 | £'000 |
| Cost | | | |
| At 1 April 2020 | 2,536 | 165 | 2,701 |
| Additions | - | - | - |
| Disposals | - | - | - |
| At 31 March 2021 | 2,536 | 165 | 2,701 |
| Amortisation | | | |
| At 1 April 2020 | 211 | 46 | 257 |
| Charge for the year | 254 | 55 | 309 |
| Disposals | - | - | - |
| At 31 March 2021 | 465 | 101 | 566 |
| Net book value | | | |
| At 31 March 2020 | 2,325 | 119 | 2,444 |
| At 31 March 2021 | 2,071 | 64 | 2,135 |

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. On 1 February 2021 Certsure announced that the ELECSA brand will be retired and that all the LLP's customers will move across to the NICEIC brand between April 2021 and November 2022.

Certsure LLP**Notes to the accounts****Year ended 31 March 2021****10. Tangible fixed assets**

| | Leasehold Property | Fixtures & Fittings | Computer Software | Motor Vehicles | Total |
|-------------------------|-------------------------------|------------------------------------|------------------------------|---------------------------|--------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Cost | | | | | |
| At 1 April 2020 | 119 | 731 | 2,329 | - | 3,179 |
| Additions | 0 | 109 | 329 | - | 438 |
| Disposals | (94) | (168) | (664) | - | (926) |
| At 31 March 2021 | 25 | 672 | 1,994 | - | 2,691 |
| Depreciation | | | | | |
| At 1 April 2020 | 88 | 340 | 1,423 | - | 1,851 |
| Charge for the year | 10 | 164 | 773 | - | 947 |
| Disposals | (73) | (168) | (645) | - | (886) |
| At 31 March 2021 | 25 | 336 | 1,551 | - | 1,912 |
| Net book value | | | | | |
| At 31 March 2020 | 31 | 391 | 906 | - | 1,328 |
| At 31 March 2021 | - | 336 | 443 | - | 779 |

11. Stock

| | 2021 £'000 | 2020 £'000 |
|----------------|-----------------------|-----------------------|
| Finished goods | 179 | 317 |

During the year ended 31 March 2021, a total of £ 1,332k of stock was included in the statement of comprehensive income as an expense (2020: £ 2,116k).

12. Debtors

| | 2021 £'000 | 2020 £'000 |
|---|-----------------------|-----------------------|
| Trade debtors | 3,037 | 3,597 |
| Owed by member – Electrical Contractors Association Ltd | 49 | 54 |
| Other debtors | 71 | 33 |
| Prepayments and accrued income | 1,705 | 1,500 |
| | 4,862 | 5,184 |

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

Certsure LLP

Notes to the accounts

Year ended 31 March 2021

13. Creditors : Amounts due in one year

| | 2021 £'000 | 2020 £'000 |
|---|---------------|---------------|
| Trade creditors | 991 | 1,226 |
| PAYE and social security payable | 341 | 353 |
| VAT payable | 2,387 | 434 |
| Accruals and deferred income | 11,630 | 6,210 |
| Owed to member - Electrical Contractors Association Ltd | 68 | - |
| Other Creditors | 298 | 625 |
| | <u>15,715</u> | <u>8,848</u> |

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

At the year end included within other creditors is an amount of £ 277 (2020 : £ 759) relating to outstanding defined contribution pension scheme payments.

14. Leasing Commitments

At 31 March 2021 the LLP had total commitments under non-cancellable operating leases payable as follows:

| | 2021 | | 2020 | |
|------------------------------------|---------------------------------|-----------------|---------------------------------|-----------------|
| | Land and buildings £000's | Other £000's | Land and buildings £000's | Other £000's |
| Within one year | 398 | 452 | 442 | 283 |
| Within two to five years inclusive | 1,592 | 1,208 | 1,592 | 391 |
| After 5 years | 796 | - | 1,194 | - |
| | <u>2,786</u> | <u>1,660</u> | <u>3,228</u> | <u>674</u> |

15. Post Balance Sheet Events

During the year the Certsure received grant income of £ 757k (2020 : £ Nil) in relation to the UK Government's Job Retention Scheme (JRS).

This income was recognised as Other Income in the results. The furlough scheme provided welcome and timely support but Certsure has made the decision post 31 March 2021 to voluntarily refund this income. The decision to refund was made on the basis of this being the right thing to do for the company when reviewing the overall positive financial performance for the year and the considered damage to the company's reputation by retaining the JRS. Due to the timing of the decision to repay the JRS, there was no liability recognised at 31 March 2021 and the cost of the refund will be recognised as an adjustment to Other Income in the 2022 results.

Certsure LLP

Notes to the accounts

Year ended 31 March 2021

16. 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.

| | <u>2021</u> £'000 | <u>2020</u> £'000 |
|-----------------------|----------------------|----------------------|
| Charged by ESC | | |
| Rent | 466 | 466 |
| Reimbursable expenses | 27 | 27 |

At 31 March 2021 Certsure LLP owed £ NIL (2020: £ Nil) 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>2021</u> £'000 | <u>2020</u> £'000 |
|-----------------------|----------------------|----------------------|
| Charged by ECA | | |
| Room rental | 2 | 46 |
| Reimbursable expenses | 6 | 18 |

| | <u>2021</u> £'000 | <u>2020</u> £'000 |
|---|----------------------|----------------------|
| Charged by Certsure | | |
| Certification and health & safety assessments | 436 | 809 |

At 31 March 2021 Certsure LLP owed £ 19k to Electrical Contractors Association Ltd, In 2020 Electrical Contractors Association Ltd owed Certsure LLP £ 54k

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

17. 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.