

# Certsure LLP

Annual Report and Financial Statements

For the year ended 31 March 2023

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COMPANIES HOUSE

Limited Liability Partnership Registration No. OC379918 (England and Wales)

# Certsure LLP

## Limited Liability Partnership Information

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**Designated members** The Electrical Contractors Association Limited  
ESC Partnerships Limited

**Limited liability partnership number** OC379918

**Registered office** Warwick House  
Houghton Hall Park  
Houghton Regis  
Dunstable  
LU5 5ZX

**Auditor** Moore Kingston Smith LLP  
4 Victoria Square  
St Albans  
Hertfordshire  
AL1 3TF

**Bankers** HSBC  
28 Borough High Street  
Southwark  
London  
SE1 1YB

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# Certsure LLP

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# Certsure LLP

## Members' Report

For the year ended 31 March 2023

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The members have the pleasure of presenting their report and the audited financial statements of Certsure LLP for the year ended 31 March 2023. 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

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 out other training / assessment, certification and verification services
- to supply other products and services in connection with its activities

These activities were delivered under the existing brands of the NICEIC and NICEIC Certification. The ELECSA brand has been retired and all Certsure LLP customers moved across to the NICEIC brands by July 2022.

### Business Review and Outlook

The company remains confident in its strategy, capacity and capability to continue to grow the business through the uncertain future trading conditions and the current economic climate.

Certsure LLP seeks to be trusted by customers, envied by competitors and respected by stakeholders. It also looks to deliver added value to the two designated members and to complement their strategic aims.

Certsure's principles are founded on:

- Technical integrity
- Customer centricity
- Striving to be a "digital first" business
- Collaborative strategic partnerships

The business is embarking on a 5-year plan to invest to grow the business, to maintain and meet these new ambitious financial returns.

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 provider 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 general economic 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 renewable energy and carbon reduction initiatives continues to have an impact on the trading activities of that part of the business. The surge, since late-2021 of global energy prices, particularly gas and oil, will accelerate investment and Government incentives into carbon reduction and green technologies.

# Certsure LLP

## Members' Report (Continued)

For the year ended 31 March 2023

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### Impact of the Coronavirus

The business has weathered the storm of the coronavirus pandemic, with business activity returning to near normal levels, albeit with changing working practices such as hybrid working for employees and remote training delivery.

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

In 2020/21, the LLP received financial support of £757k from the UK Government's Coronavirus Job Retention Scheme (CJRS). On the basis of the financial performance of that year, the members decided to repay, in full, the CJRS as it was considered to be reputationally, and morally, the right thing to do. The sum of £757k was repaid in August 2021 and is recorded under "administration expenses" in the 2021/22 statutory accounts.

### Results for the year and allocation to members

The reported profit for Certsure LLP was £8,017k (2022: £6,320k).

### Trading

2022/23 was a good year for the business. Turnover for the year increased by £4,425k to £41,826k (2022: £37,401k); a rise of 11.8%. Cost of sales increased by £1,012k to £25,019k (2022: £24,007k) a rise of 4.2%. Gross margin increased by £3,413k to £16,807k (2022: £13,394) an increase of 25.5%.

All of the LLP's products (listed below) remain profitable with AC, CPS and NOCS leading the market.

- Approved Contractor Scheme (AC)
- Competent Persons Scheme (CPS)
- NICEIC Online Certification Scheme (NOCS)
- Microgeneration Certification Scheme (MCS) Installer
- Green Deal Installers
- TrustMark
- BAFE SP203 Fire Detection and Alarm Systems Scheme
- Scottish Building Standards
- Merchandising – NICEIC Direct online shop
- Training
- Insurance Services
- Consulting

### Members' drawings, contributions and repayments

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 £7,085k (2022: £7,852k). 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.

### Designated members

The designated members who held office during the year and up to the date of signature of the financial statements were as follows:

The Electrical Contractors Association Limited  
ESC Partnerships Limited

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# Certsure LLP

## Members' Report (Continued)

For the year ended 31 March 2023

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### Employee involvement

The limited liability partnership's policy is to consult and discuss with employees, through working with Certsure's recognised Trade Union, and as part of the overall internal communications strategy. Information of matters of concern to employees is provided through internal communications, bulletins and updates which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the limited liability partnership's performance.

### Equal opportunities

The limited liability partnership recognises its people as being fundamental to its success and the value that diversity and inclusivity brings to its workforce. It is committed to ensuring that its processes are conducted in such a way that promotes equality of opportunity. The limited liability partnership is committed to applying its equal opportunities policy and always ensuring compliance with relevant employment legislation, ensuring that no-one is excluded or disadvantaged in any way.

### Auditor

The auditor, Moore Kingston Smith LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

### Energy and carbon report

The following data meets the requirements of the Streamlined Energy and Carbon Reporting (SECR) regulations. Certsure LLP used a total of 1,948,708 kWh of energy in the 2022-23 financial year, resulting in carbon emissions of 419.4 tCO<sub>2</sub>e. This is a reduction of 12% compared to the 2019-20 base year, but an increase of 27.1% on the 2021-22 reporting year. Scope 1 and Scope 2 emissions have reduced by 1% and 55% respectively, compared to the 2019-20 base year, whilst Scope 3 emissions have increased by 561%. The substantial increase in Scope 3 emissions is mainly due to an increase in employees opting to have a personal car allowance (PCA), avoiding long waiting times for a new car and also the lack of options in choice of cars available for lease due to issues emanating from the affects of 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 2022-23 was Scope 1 transport fuels, contributing 45% of carbon emissions. Where cars are recorded under a personal car allowance (PCA), i.e. owned by the employee, they have been considered as grey fleet in this year's report, accounting for 14% of the reported emissions.

Electric vehicle charging data is not recorded by Certsure; it is understood that some vehicles are charged at the various Certsure locations/buildings. To avoid double counting of emissions it has been assumed that all electric vehicles, including plug in hybrid vehicles, are fully charged on site. A materiality calculation has been completed to estimate the worst-case increase in emissions if electric vehicles were fully charged off site. There is a variation of +1.6% in overall emissions if all electric/plug in hybrid vehicles were charged off site. It is recommended that meters are installed to the EV charging points within Certsure LLP's building stock to account more accurately for the charging of electric/plug in hybrid vehicles.

Certsure LLP report emissions against full time equivalent as a key performance indicator. A reduction of 77 kg CO<sub>2</sub>e per full time equivalent employee was reported in 2022-2023 which is a 32% reduction from the 2019-20 baseline reporting year.

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 result from UK operations; there are no offshore activities.

# Certsure LLP

## Members' Report (Continued)

For the year ended 31 March 2023

	Units	2019-20	2020-21	2021-22	2022-23	Variance from 2019- 20 (%)
<b>Energy Inputs</b>						
Total Purchased Electricity	kWh	745,505	469,351	396,619	447,227	(40)
Total Purchased Gas	kWh	673,784	409,280	464,010	469,811	(30)
Total Purchased Transport Fuels	kWh	1,066,147	387,158	903,382	1,031,669	(3)
Total Energy Use	kWh	2,485,438	1,265,789	1,764,010	1,948,708	(22)
					3,450,188	(55)
<b>Emissions</b>						
Scope 1 - Combustion of Gas	kWhCO <sub>2e</sub>	123,875	75,254	84,988	85,759	(31)
Scope 1 - Combustion of transport fuels in company owned vehicles	kWhCO <sub>2e</sub>	154,171	61,562	135,229	188,271	22
Total Scope 1 emissions	kWhCO <sub>2e</sub>	278,046	136,816	220,217	274,030	(1)
Scope 2 - Purchase Electricity	kWhCO <sub>2e</sub>	190,551	109,425	84,214	86,485	(55)
Total Scope 2 emissions	kWhCO <sub>2e</sub>	190,551	109,425	84,214	86,485	(55)
Scope 3 - Combustion of transport fuels in employee owned vehicles where the company has purchased (or reimbursed) the fuel	kWhCO <sub>2e</sub>	8,903	47	25,644	58,861	561
Total Scope 3 emissions	kWhCO <sub>2e</sub>	8,903	47	25,644	58,861	561
Total Emissions	kWhCO <sub>2e</sub>	477,501	246,288	330,075	419,376	(12)
FTE		325	308	305	319	(2)
Emissions per FTE	kgCO <sub>2e</sub> /FTE	1,469	800	1,082	1,315	(11)
	tCO <sub>2e</sub> /FTE	1.47	0.80	1.082	1.315	(11)

### Measures taken to improve energy efficiency

Certsure LLP has implemented energy saving measures to reduce their environmental impact including utilisation of higher energy efficient plant and machinery and hybrid, plug-in hybrid and fully electric vehicles.

# Certsure LLP

## Members' Report (Continued)

For the year ended 31 March 2023

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### Statement of members' responsibilities

The members are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008) 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. Under company law (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008) 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 limited liability partnership and of the profit or loss of the limited liability partnership for that period. In preparing these financial statements, the members are required to:

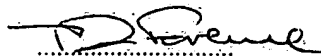
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the limited liability partnership will continue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

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

### Statement of disclosure to auditor

So far as each person who was a member at the date of approving this report is aware, there is no relevant audit information of which the limited liability partnership's auditor is unaware. Additionally, the members individually have taken all the necessary steps that they ought to have taken as members in order to make themselves aware of all relevant audit information and to establish that the limited liability partnership's auditor is aware of that information.

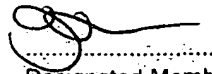
Approved by the members on 20/09/23 and signed on behalf by:



Designated Member

Terence Foreman

The Electrical Contractors Association Limited



Designated Member

Jennifer Trim

ESC Partnerships Limited



# Certsure LLP

## Independent Auditor's Report

### To the Members of Certsure LLP

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#### Opinion

We have audited the financial statements of Certsure LLP (the 'limited liability partnership') for the year ended 31 March 2023 which comprise the Profit and Loss Account, the Balance sheet, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including 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 2023 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 contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 Auditor's Report (Continued)

### To the Members of Certsure LLP

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

We have nothing to report in respect of the following matters where the Companies Act 2006 as applied to limited liability partnerships requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of members**

As explained more fully in the Members' Responsibilities Statement, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the 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.

# Certsure LLP

## Independent Auditor's Report (Continued)

### To the Members of Certsure LLP

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#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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.

# Certsure LLP

## Independent Auditor's Report (Continued)

### To the Members of Certsure LLP

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

# Certsure LLP

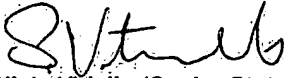
## Independent Auditor's Report (Continued)

To the Members of Certsure LLP

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### 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

Date: 22/09/23...

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

4 Victoria Square  
St Albans  
Hertfordshire  
AL1 3TF

# Certsure LLP

## Statement of Comprehensive Income

For the year ended 31 March 2023

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		<b>2023</b>	<b>2022</b>
	<b>Notes</b>	<b>£'000</b>	<b>£'000</b>
<b>Turnover</b>	<b>3</b>	41,826	37,401
Cost of sales		(25,019)	(24,007)
		<hr/>	<hr/>
<b>Gross profit</b>		16,807	13,394
Administrative expenses		(8,866)	(7,077)
Other operating income		-	2
		<hr/>	<hr/>
<b>Operating profit</b>	<b>4</b>	7,941	6,319
Interest receivable and similar income	<b>8</b>	76	1
		<hr/>	<hr/>
<b>Profit for the financial year before members' remuneration and profit shares available for discretionary division among members</b>		<b>8,017</b>	<b>6,320</b>
		<hr/> <hr/>	<hr/> <hr/>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

# Certsure LLP

## Balance Sheet

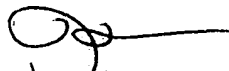
As at 31 March 2023

	Notes	2023		2022	
		£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Intangible assets	9		1,563		1,826
Tangible assets	10		917		866
			<u>2,480</u>		<u>2,692</u>
<b>Current assets</b>					
Stocks	11	445		629	
Debtors	12	8,128		6,421	
Investments	13	1,000			
Cash and cash equivalents		<u>7,863</u>		<u>9,341</u>	
		17,436		16,391	
<b>Creditors: amounts falling due within one year</b>	14	<u>(11,899)</u>		<u>(11,998)</u>	
<b>Net current assets</b>			<u>5,537</u>		<u>4,393</u>
<b>Total assets less current liabilities and net assets attributable to members</b>			<u>8,017</u>		<u>7,085</u>
<b>Represented by:</b>					
<b>Total members' interests</b>					
Due to members in respect of profits			<u>8,017</u>		<u>7,085</u>
			<u>8,017</u>		<u>7,085</u>

The financial statements were approved by the members and authorised for issue on 20/09/23 and are signed on their behalf by:



The Electrical Contractors Association Limited  
Terence Foreman  
Designated member  
Limited Liability Partnership Registration No. OC379918



ESC Partnerships Limited  
Jennifer Trim  
Designated member

## Certsure LLP

### Statement of Changes in Equity For the year ended 31 March 2023

	Members' capital (classified as equity)	Other reserves	Loans & other debts due to members	Total members' interests
	£'000	£'000	£'000	£'000
<b>Members' interests as at 1 April 2021</b>	-	-	8,617	8,617
Total comprehensive income	-	6,320	-	6,320
Allocated profit for the year	-	(6,320)	6,320	-
Distributions	-	-	(7,852)	(7,852)
<b>Members' interests as at 31 March 2022</b>	-	-	7,085	7,085
Total comprehensive income	-	8,017	-	8,017
Allocated profit for the year	-	(8,017)	8,017	-
Distributions	-	-	(7,085)	(7,085)
<b>Members' interests as at 31 March 2023</b>	-	-	8,017	8,017

Members' capital of £1 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.



# Certsure LLP

## Statement of Cash Flows

For the year ended 31 March 2023

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		2023		2022	
	Notes	£'000	£'000	£'000	£'000
<b>Cash flows from operating activities</b>					
Cash generated from operations	21		6,992		1,601
<b>Investing activities</b>					
Purchase of tangible fixed assets		(461)		(787)	
Proceeds on disposal of tangible fixed assets		-		1	
Short term investments		(1,000)		-	
Interest received		76		1	
<b>Net cash used in investing activities</b>			<b>(1,385)</b>		<b>(785)</b>
<b>Financing activities</b>					
Payments to members that represent a return on amounts subscribed or otherwise contributed		(7,085)		(7,852)	
<b>Net cash used in financing activities</b>			<b>(7,085)</b>		<b>(7,852)</b>
<b>Net decrease in cash and cash equivalents</b>			<b>(1,478)</b>		<b>(7,036)</b>
Cash and cash equivalents at beginning of year			9,341		16,377
<b>Cash and cash equivalents at end of year</b>			<b>7,863</b>		<b>9,341</b>

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# Certsure LLP

## Notes to the Financial Statements

For the year ended 31 March 2023

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### 1 Accounting policies

#### Limited liability partnership information

Certsure LLP is a limited liability partnership incorporated in England and Wales. The registered office is Warwick House, Houghton Hall Park, Houghton Regis, Dunstable, LU5 5ZX.

The limited liability partnership's principal activities are disclosed in the Members' Report.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with the Statement of Recommended Practice "Accounting by Limited Liability Partnerships" issued in December 2018, together with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the limited liability partnership. Monetary amounts in these financial statements are rounded to the nearest £'000.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

At the time of approving the financial statements, the members have a reasonable expectation that the limited liability partnership has adequate resources to continue in operational existence for the foreseeable future. Thus the members continue to adopt the going concern basis of accounting in preparing the financial statements.

The LLP has a positive cash flow and reserves position at the time of approval of these financial statements. Having made enquiries, the members have concluded that there is reasonable expectation that the LLP, based on financial performance in 22/23 and its budgeted performance in 23/24 will be in operational existence for at least 12 months from the date of the audit report of these financial statements.

#### 1.3 Turnover

Fees and other income are accounted for exclusive of VAT. Scheme assessment visit turnover 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. In relation to scheme applications the income in relation to the application is deferred until the month of assessment.

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.

# Certsure LLP

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2023

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### 1 Accounting policies

(Continued)

#### 1.4 Members' participating interests

Members' participation rights are the rights of a member against the LLP that arise under the members' agreement (for example, in respect of amounts subscribed or otherwise contributed remuneration and profits).

Members' participation rights in the earnings or assets of the LLP are analysed between those that are, from the LLP's perspective, either a financial liability or equity, in accordance with section 22 of FRS 102. A member's participation rights including amounts subscribed or otherwise contributed by members, for example members' capital, are classed as liabilities unless the LLP has an unconditional right to refuse payment to members, in which case they are classified as equity.

All amounts due to members that are classified as liabilities are presented within 'Loans and other debts due to members' and, where such an amount relates to current year profits, they are recognised within 'Members' remuneration charged as an expense' in arriving at the relevant year's result. Undivided amounts that are classified as equity are shown within 'Members' other interests'. Amounts recoverable from members are presented as debtors and shown as amounts due from members within members' interests.

Once an unavoidable obligation has been created in favour of members through allocation of profits or other means, any undrawn profits remaining at the reporting date are shown as 'Loans and other debts due to members' to the extent they exceed debts due from a specific member.

#### 1.5 Intangible fixed assets other than goodwill

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

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Brands	Between 3 and 10 years
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#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold land and buildings	Over the life of the lease
Fixtures and fittings	Between 3 and 6 years straight line
Computer software	Between 3 and 5 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

# Certsure LLP

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2023

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### 1 Accounting policies

(Continued)

#### 1.7 Impairment of fixed assets

At each reporting period end date, the limited liability partnership reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the limited liability partnership estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.8 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 purchases on a first in first out basis.

#### 1.9 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.10 Financial instruments

The limited liability partnership has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the limited liability partnership's statement of financial position when the limited liability partnership becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally 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.

# Certsure LLP

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2023

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### 1 Accounting policies

(Continued)

#### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

#### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

#### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

#### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the limited liability partnership transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the limited liability partnership after deducting all of its liabilities.

# Certsure LLP

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2023

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### 1 Accounting policies

(Continued)

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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

#### **Other financial liabilities**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the limited liability partnership's obligations expire or are discharged or cancelled.

#### **1.11 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the limited liability partnership is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.12 Retirement benefits and post retirement payments to members**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due. Assets of the schemes are held separately from the LLP.

#### **1.13 Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

# Certsure LLP

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2023

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### 1 Accounting policies

(Continued)

#### 1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

### 2 Judgements and key sources of estimation uncertainty

In the application of the limited liability partnership's accounting policies, the members are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Due to the nature of the LLP's schemes, transaction streams and year-end financial position the main area of judgement and key source of estimation uncertainty relates to matching all schemes income and expenses.

### 3 Turnover

An analysis of the limited liability partnership's turnover is as follows:

	2023	2022
	£'000	£'000
<b>Turnover analysed by class of business</b>		
Rendering of services	31,705	28,161
Sales of goods & certificate charges	10,121	9,240
	<u>41,826</u>	<u>37,401</u>

# Certsure LLP

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2023

### 4 Operating profit

	2023	2022
	£'000	£'000
Operating profit for the year is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	1	-
Fees payable to the LLP's auditor for the audit of the LLP's financial statements	24	18
Depreciation of owned tangible fixed assets	410	548
Impairment of owned tangible fixed assets	-	151
Amortisation of intangible assets	263	309
Impairment of stocks recognised or reversed	67	13
Operating lease charges	944	889
Impairment of debtors	215	(150)
	<u>          </u>	<u>          </u>

### 5 Auditor's remuneration

	2023	2022
	£'000	£'000
Fees payable to the LLP's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the LLP	24	18
	<u>          </u>	<u>          </u>
<b>For other services</b>		
Preparation of financial statements	8	8
Taxation compliance services	4	3
All other non-audit services	2	2
	<u>          </u>	<u>          </u>
	14	13
	<u>          </u>	<u>          </u>

### 6 Employees

The average number of persons (excluding members) employed by the partnership during the year was:

	2023	2022
	Number	Number
Administration	153	156
Operations and trading	179	160
	<u>          </u>	<u>          </u>
Total	332	316
	<u>          </u>	<u>          </u>



# Certsure LLP

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2023

### 6 Employees (Continued)

Their aggregate remuneration comprised:

	2023 £'000	2022 £'000
Wages and salaries	14,844	12,661
Social security costs	1,742	1,462
Pension costs	1,349	1,213
	<u>17,935</u>	<u>15,336</u>

#### Key management personnel

The key management personnel are considered to be firstly the Management Board which has 11 (2022: 11) individuals and secondly the Senior Executive Team which has 6 (2022: 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, strategies and actions. It is only the Senior Executive Team that are directly employed and remunerated by Certsure at a cost of £1,247k (2022: £839k)

### 7 Information in relation to members

	2023 Number	2022 Number
Average number of members during the year	<u>2</u>	<u>2</u>
	2023 £'000	2022 £'000
Profit attributable to the member with the highest entitlement	<u>6,013</u>	<u>4,740</u>

### 8 Interest receivable and similar income

	2023 £'000	2022 £'000
Interest income		
Interest on bank deposits	<u>76</u>	<u>1</u>
Investment income includes the following:		
Interest on financial assets not measured at fair value through profit or loss	<u>76</u>	<u>1</u>

## Certsure LLP

### Notes to the Financial Statements (Continued)

For the year ended 31 March 2023

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<b>9 Intangible fixed assets</b>	<b>NICEIC Brand £'000</b>	<b>ELECSA Brand £'000</b>	<b>Total £'000</b>
<b>Cost</b>			
At 1 April 2022 and 31 March 2023	2,536	165	2,701
<b>Amortisation and impairment</b>			
At 1 April 2022	719	156	875
Amortisation charged for the year	254	9	263
At 31 March 2023	973	165	1,138
<b>Carrying amount</b>			
At 31 March 2023	1,563	-	1,563
At 31 March 2022	1,817	9	1,826

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 would then 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 Financial Statements (Continued)

For the year ended 31 March 2023

### 10 Tangible fixed assets

	Leasehold land and buildings	Fixtures and fittings	Computer software	Total
	£'000	£'000	£'000	£'000
<b>Cost</b>				
At 1 April 2022	25	855	2,325	3,205
Additions	44	71	346	461
Disposals	-	-	(292)	(292)
At 31 March 2023	69	926	2,379	3,374
<b>Depreciation and impairment</b>				
At 1 April 2022	25	308	2,006	2,339
Depreciation charged in the year	1	180	229	410
Eliminated in respect of disposals	-	-	(292)	(292)
At 31 March 2023	26	488	1,943	2,457
<b>Carrying amount</b>				
At 31 March 2023	43	438	436	917
At 31 March 2022	-	547	319	866

### 11 Stocks

	2023 £'000	2022 £'000
Finished goods and goods for resale	445	629

### 12 Debtors

	2023 £'000	2022 £'000
<b>Amounts falling due within one year:</b>		
Trade debtors	3,513	4,631
Amounts owed by group undertakings	1	30
Other debtors	2,199	17
Prepayments and accrued income	2,415	1,743
	8,128	6,421

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 Financial Statements (Continued)

For the year ended 31 March 2023

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### 13 Current asset investments

	2023 £'000	2022 £'000
Short term deposits	1,000	-

### 14 Creditors: amounts falling due within one year

	2023 £'000	2022 £'000
Trade creditors	664	1,799
Owed to member - The Electrical Contractors Association Limited	-	1
Other taxation and social security	3,080	1,024
Other creditors	48	304
Accruals and deferred income	8,107	8,870
	<u>11,899</u>	<u>11,998</u>

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

### 15 Retirement benefit schemes

	2023 £'000	2022 £'000
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	1,349	1,213

The limited liability partnership operates a defined contribution pension scheme for all qualifying employees.

### 16 Loans and other debts due to members

	2023 £'000	2022 £'000
<b>Analysis of loans</b>		
Amounts falling due within one year	8,017	7,085

In the event of a winding up the amounts included in "Loans and other debts due to members" will rank equally with unsecured creditors.

# Certsure LLP

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2023

### 17 Operating lease commitments

#### Lessee

Amounts recognised in profit or loss as an expense during the period in respect of operating lease arrangements are as follows:

	2023 £'000	2022 £'000
Within one year	871	885
Between two and five years	2,375	2,714
In over five years	-	398
	<u>3,246</u>	<u>3,997</u>

### 18 Events after the reporting date

On 4 April 2023, a distribution was approved by the board of BASEC (British Approvals Service For Cables, company no. 01150237), an entity in which Certsure LLP is a member. £2,113,153 was distributed to Certsure LLP on 17 April 2023.

### 19 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. The transaction is at arm's length.

	2023 £'000	2022 £'000
<b>Charged by ESC</b>		
Rent	468	466
Reimbursable expenses	23	22
	<u>491</u>	<u>488</u>

At 31 March 2023 Certsure LLP were owed £1k (2022: £nil) from ESC.

Certsure incurs cost in relation to renting rooms from The Electrical Contractors Association Limited for the purpose of undertaking training courses. Certsure derives revenue from undertaking certification and health and safety assessments for The Electrical Contractors Association Limited. All transactions are on an arm's length basis.

At 31 March 2023, Certsure LLP were owed £7k (2022: £nil) by The Electrical Contractors Association Limited.

	2023 £'000	2022 £'000
<b>Charged by Certsure</b>		
Other related parties	89	354
	<u>89</u>	<u>354</u>

# Certsure LLP

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2023

### 19 Related party transactions

(Continued)

Transactions with related parties are on an arm's length basis.

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

### 20 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, ECA Court, 24-26 South Park, Sevenoaks, Kent TN13 1DU.

21 Cash generated from operations	2023 £'000	2022 £'000
Profit for the year	8,017	6,320
<b>Adjustments for:</b>		
Investment income recognised in profit or loss	(76)	(1)
Amortisation and impairment of intangible assets	263	309
Depreciation and impairment of tangible fixed assets	410	699
<b>Movements in working capital:</b>		
Decrease/(increase) in stocks	184	(450)
Increase in debtors	(1,707)	(1,559)
Decrease in creditors	(99)	(3,717)
<b>Cash generated from operations</b>	<b>6,992</b>	<b>1,601</b>