

BRE CERTIFICATION
(formerly known as BRE Global)

FINANCIAL STATEMENTS
FOR THE YEAR

1 APRIL 2013 - 31 MARCH 2014

Company Registration Number: 3548352

BRE CERTIFICATION

FINANCIAL STATEMENTS

For the year 1 April 2013 – 31 March 2014

Registered office: Bucknalls Lane
Garston
Watford
Herts
WD25 9XX

Bankers: Barclays Bank Plc
Level 28
1 Churchill Place
Canary Wharf
London
E14 5HP

Solicitors: Sherrards
45 Grosvenor Road
St Albans
Herts
AL1 3AW

Auditors: KPMG LLP
58 Clarendon Road
Watford
Herts
WD17 1DE

BRE CERTIFICATION

FINANCIAL STATEMENTS

For the year 1 April 2013 – 31 March 2014

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BRE CERTIFICATION

REPORT OF THE DIRECTORS

For the year 1 April 2013 – 31 March 2014

The Directors have pleasure in presenting their report for the year ended 31 March 2014.

Directors

The directors who held office during the year and up until the date of signing these accounts are set out below:

Chairman and Director	Peter Bonfield
Directors	Russell Heusch
	Martin Wyatt (resigned 31 December 2013)
	Richard Hardy (appointed 18 April 2013)

Political and charitable donations

The company made no political donations, but made charitable donations during the year of £11k (2013: £6k).

Post balance sheet event

On 28 March 2014 the company passed a special resolution to re-register the company as an unlimited company. On 1 April 2014 the company hived up its entire business (all assets and liabilities) to its parent company BRE Global Limited, formally BRE Global (Newco) Ltd. Also on 1 April 2014, the company changed its name to BRE Certification.

This means that effective from 00.01 on 1 April 2014, BRE Certification became a non-trading company, a wholly owned subsidiary of BRE Global Limited.

The current (new) BRE Global Limited (company registration number 8961297) first financial year is 26 March 2014 (date of incorporation) to 31 March 2015.

Disclosure of information to the auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware. Each director has taken all the steps that ought to be taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.



BY ORDER OF THE BOARD

Richard Hardy
Managing Director

Bucknalls Lane
Garston
Watford
WD25 9XX

Company Registration Number: 03548352

29 August 2014

BRE CERTIFICATION

STRATEGIC REPORT

For the year 1 April 2013 – 31 March 2014

Principal activity

The company provides specialist third party assurance services worldwide (i.e. testing, training, inspection, certification, European Notified Body activities and specialist consultancy) in the areas of fire, security and the environment built on deep knowledge and understanding of the technologies and regulations in the countries in which we operate. All these services are designed to protect people, property and the environment and so ultimately benefit Governments, insurers, building owners, occupiers and the public as well as those suppliers who meet their requirements. These activities are overseen by an advisory governing body (comprising representative stakeholders) whilst the standards and schemes we develop and operate are informed and reviewed by a standing panel of international academic, industry and regulatory experts.

Review of the Business

Continued growth of the business throughout the year resulted in turnover of over £27m and an operating profit before gift aid and taxation of £2.9 million. Some of the growth can be attributed to our focussed effort to improve delivery and customer satisfaction as well as the expansion of our portfolio of products and services to meet market demand. In addition to this, confidence in the construction market started to improve, driving some growth in BREEAM and building products schemes. Increased demand for Physical and Electronic Security saw activity in this area increase significantly.

Changes in the UK Government procurement processes remain a threat to BREEAM with the drive to remove requirements to specify BREEAM standards to reduce what government see as 'red tape' and regulatory burdens. The UK Government's Housing Standards Review has resulted in the decision to wind down the domestic standard for new homes – the Code for Sustainable Homes. We are working with industry and key stakeholders to develop an alternative and improved standard, which will drive sustainability in domestic market and enable house builders to differentiate their products. Government are also proposing to restrict the ability of local planning authorities to specify voluntary standards such as BREEAM.

In response to the reduction in government driven work we are continuing to expand our product range and increase our international activities. We have opened an office in Malaysia to complement the services provided by our offices in India and China. We have quality auditors in Austria, Hungary, Malaysia and the Philippines to improve the international reach of our inspection services. Our LPCB brand is now accepted in over 60 countries as meeting local requirements.

To differentiate our offerings from international competition all of our services are underpinned by sound science and research and we write our own standards where there are none existing or there is a clear need from industry for robust standards.

Risk

The risk management process in the Company enables the early identification, evaluation and effective management of the key risks facing the business at an operational level and operates internal controls, which adequately mitigate these risks. The company regularly assesses its risk management activities to ensure good practice in all areas.

The accreditation of the Company's assurance services by the United Kingdom Accreditation Service (UKAS) is an important corner stone of our risk management. Having an external body such as UKAS audit our operations and activities regularly, helps ensure that the Company both continues to work to, and can demonstrate that they are working to the highest standards. One of the measures employed by the Company to maintain its accreditation is to use an independent advisory Governing Body who both advise the Company and carry out impartiality audits to ensure we are running our business in the correct manner.

BRE CERTIFICATION

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, DIRECTORS' REPORT AND FINANCIAL STATEMENTS For the year 1 April 2013 – 31 March 2014

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK generally Accepted Accounting Standards).

The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG LLP

58 Clarendon Road
Watford
WD17 1DE
United Kingdom

Independent auditor's report to the members of BRE Certification

We have audited the financial statements of BRE Certification Limited for the year ended 31 March 2014, set out on pages 6 to 11. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2014 and of the company's profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of BRE Certification (*continued*)

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 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, 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
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Mark Matthewman (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

11/9/14

BRE CERTIFICATION

PRINCIPAL ACCOUNTING POLICIES

For the year 1 April 2013 - 31 March 2014

ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

BASIS OF PREPARATION

The financial statements have been prepared in accordance with applicable accounting standards and are prepared under the historical cost and going concern conventions. The principal accounting policies are as set out below and have remained unchanged from the previous year.

Under FRS 1 'Cash Flow Statements' the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

As the company is a wholly controlled subsidiary of BRE Trust, the company has taken advantage of the exemption contained in FRS 8 'Related Party Disclosures' and has, therefore, not disclosed transactions or balances with entities which are wholly owned subsidiaries of the group (or investees of the group qualifying as related parties). The consolidated financial statements of BRE Trust, within which this company is included, can be obtained from the address shown at the front of the financial statements.

TURNOVER

Turnover represents the invoiced amount for assurance services, systems and personnel; and amounts recoverable on contracts. Turnover is stated net of value added tax.

Profit is recognised on long term contracts, if the final outcome can be assessed with reasonable certainty, by including in the profit and loss account turnover reflecting the proportion of work completed to date on the project.

LONG TERM CONTRACTS

Amounts recoverable on long term contracts (work done not invoiced), which are included in debtors, are stated at the net sales value of the work done after making provision for contingencies and anticipated future losses on contracts and deducting amounts received as payments on account.

TAXATION

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred taxation is recognised without discounting, in respect of all timing differences between treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date except as otherwise required by FRS 19 'Deferred Tax'.

FOREIGN CURRENCIES

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Any exchange differences are dealt with through the profit and loss account.

BRE CERTIFICATION

PROFIT AND LOSS ACCOUNT

For the year 1 April 2013 – 31 March 2014

	Note	Before Gift Aid 2014 £'000	Gift Aid 2014 £'000	Total 2014 £'000	Total 2013 £'000
Turnover	1	27,293	-	27,293	23,440
Operating expenses		(24,382)	-	(24,382)	(20,722)
Operating profit		2,911	-	2,911	2,718
Payment of Gift Aid to BRE Trust		-	(2,903)	(2,903)	(2,698)
Operating profit/(loss) before taxation		2,911	(2,903)	8	20
Profit/(loss) for the financial year		2,911	(2,903)	8	20

All transactions arise from continuing operations.

There were no recognised gains or losses in the current or preceding year other than those passing through the profit and loss account.

The accompanying accounting policies and notes on pages 9 to 11 form an integral part of these financial statements.

BRE CERTIFICATION

BALANCE SHEET As at 31 March 2014

	Note	2014 £'000	2013 £'000
Fixed Assets			
Investments	4	7	7
		<u>7</u>	<u>7</u>
Current assets			
Debtors	5	10,682	11,187
Creditors: amounts falling due within one year	6	(10,037)	(10,550)
		<u>645</u>	<u>637</u>
Net current assets			
		<u>645</u>	<u>637</u>
Total assets less current liabilities			
		<u>652</u>	<u>644</u>
Net assets			
		<u>652</u>	<u>644</u>
Capital and reserves			
Share capital	7	-	-
Profit and loss account	8	652	644
		<u>652</u>	<u>644</u>
Shareholder's funds			
		<u>652</u>	<u>644</u>

These financial statements were approved by the Board of Directors on 29 August 2014.



Russell Heusch
Director

Company Registration Number: 03548352

The accompanying accounting policies and notes on pages 9 to 11 form an integral part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS

For the year 1 April 2013 – 31 March 2014

1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Turnover and profit before taxation are attributable to the company's principal activity in the UK.

The auditors' remuneration is borne by other group companies.

2 DIRECTORS' REMUNERATION AND STAFF COSTS

The remuneration of all the directors who were the only employees of the company was £nil (2013: £nil). Staff costs relating to the operations of BRE Global are borne by a subsidiary of BRE Group. A management recharge which includes these costs is included in operating expenses.

3 TAXATION

It is company policy that taxable profits made by BRE Global Limited are donated to BRE Trust under "Gift Aid". The Directors consider this arrangement will remain in place for the foreseeable future. As a result of this payment there is no liability to corporation tax.

The current tax charge for the period is lower (2013: lower) than the standard rate of corporation tax in the UK, 23% (2013: 24%). The differences are explained below.

	2014 £'000	2013 £'000
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	8	20
	<hr/>	<hr/>
Current tax at 23% (2013: 24%)	2	5
<i>Effects of:</i>		
Expenses not deductible for tax purposes	2	2
R&D relief claim	(5)	(7)
Timing differences	1	-
	<hr/>	<hr/>
Total current tax charge	-	-
	<hr/>	<hr/>

Reductions in the UK corporation tax rate from 26% to 24% (effective from 1 April 2012) and to 23% (effective 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. This will reduce the company's future current tax charge accordingly.

BRE CERTIFICATION

NOTES TO THE FINANCIAL STATEMENTS

For the year 1 April 2013 – 31 March 2014

4 FIXED ASSET INVESTMENTS

	Total £'000
Cost	
At the beginning of the year	7
	<hr/>
At 31 March 2014	7
	<hr/>
Net book value	
At 31 March 2014	7
	<hr/>
At 1 April 2013	7
	<hr/>

The fixed asset investment represents a 25% share in Fire Investigations UK LLP a joint venture with 3 other members.

5 DEBTORS

	2014 £'000	2013 £'000
Trade debtors	4,448	4,672
Amounts recoverable on contracts external to group	963	493
Amounts recoverable on contracts internal to group	304	313
Amounts due from group undertakings	4,929	5,675
Prepayments	38	34
	<hr/>	<hr/>
	10,682	11,187
	<hr/>	<hr/>

6 CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £'000	2013 £'000
Payments in advance external to group	6,608	7,304
Payments in advance within group	5	9
Trade creditors	402	488
Amounts due to group undertakings	2,903	2,698
Accruals	119	51
	<hr/>	<hr/>
	10,037	10,550
	<hr/>	<hr/>

BRE CERTIFICATION

NOTES TO THE FINANCIAL STATEMENTS

For the year 1 April 2013 – 31 March 2014

7 SHARE CAPITAL

	2014 £
Authorised: ordinary shares of £1 each	1
Allotted: Issued and fully paid 1 ordinary share of £1	1

By special resolution on 28th March 2014 the company became an unlimited company and one £1 ordinary share was issued.

8 MOVEMENT ON CAPITAL AND RESERVES

	Profit and Loss Account £'000
At 1 April 2013	644
Profit for the year	8
At 31 March 2014	652

9 CAPITAL COMMITMENTS

At 31 March 2014 the company had no commitments for capital expenditure (2013: £nil).

10 CONTINGENT LIABILITIES

There were no contingent liabilities at 31 March 2014 or 31 March 2013.

11 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The ultimate parent undertaking and controlling party is BRE Trust, a registered charity incorporated in England and Wales. It is situated at the address shown at the front of the financial statements. The consolidated financial statements of BRE Trust can be obtained from the address at the front of the financial statements. The largest and smallest group of undertakings for which group accounts have been prepared is that headed by BRE Trust.

12 RELATED PARTY TRANSACTIONS

During the year the company had no dealings with related parties.