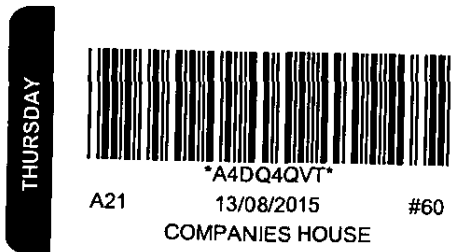


Company No: 05435540

**BSI GROUP ASSURANCE LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2014**



**BSI GROUP ASSURANCE LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

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**BSI GROUP ASSURANCE LIMITED**

**Strategic report for the year ended 31 December 2014**

The directors present their strategic report on the Company for the year ended 31 December 2014

**Review of the business**

Turnover for the year ended 31 December 2014 was £13,032,000 (2013 £11,242,000) The turnover which is solely dividend income represents a 15.9% increase on 2013. The amount of dividend income is reliant upon the financial performance of the subsidiary companies the Company has invested in and also their ability to pay dividends. The Company will continue to be a holding company for the foreseeable future.

Net assets of the Company increased by 96.2% to £10,246,000 (2013 £5,223,000), mainly as a result of dividends income received amounting to £13,032,000 (2013 £11,242,000), offset by dividend payment of £8,000,000 (2013 £10,700,000).

**Principal risks and uncertainties**

The directors of BSI Group manage the Group's risks at a group level, rather than at an individual business unit level. For this reason, the Company's directors believe that a discussion of the Company's risks would not be appropriate for an understanding of the development, performance or position of BSI Group Assurance Limited's business. The principal risks, uncertainties and financial risk management of BSI Group, which include those of the Company, are disclosed in pages 22 and 23 of the BSI Group Annual Report and Financial Statements 2014, which does not form part of this report.

BY ORDER OF THE BOARD



C Smith  
Director  
30 July 2015

## **BSI GROUP ASSURANCE LIMITED**

### **Directors' report for the year ended 31 December 2014**

The directors present their annual report and the audited financial statements of the Company for the year ended 31 December 2014

#### **Principal activities and future development**

The principal activity of the Company is that of a holding company. The Company will continue to operate as a holding company in the foreseeable future.

#### **Results and dividends**

The Company's profit for the financial year was £13,022,000 (2013 £11,242,000). An interim dividend of £8,000,000 (2013 £10,700,000) per ordinary share, amounting to £8,000,000 (2013 £10,700,000) was recommended by the Directors on 18 December 2014 and settled on 31 December 2014.

#### **Directors**

The directors of the Company who served during the year ended 31 December 2014 and up to the date of approving the financial statements are:

H R Kerr  
C H Smith

#### **Directors' qualifying third party indemnity provisions**

Under the provisions of its Articles of Association, the Company grants an indemnity to its directors in respect of proceedings brought by third parties. The indemnity applied throughout the financial year and remains in force.

#### **Going concern**

The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the ultimate parent company, The British Standards Institution. The directors have received confirmation that The British Standards Institution intends to support the company for at least one year after these financial statements are signed.

#### **Post balance sheet events**

There have been no events subsequent to the year end that would have materially affected the financial statements at that date.

## **BSI GROUP ASSURANCE LIMITED**

### **Directors' report for the year ended 31 December 2014 (continued)**

#### **Statement of directors' responsibilities**

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, the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the directors 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 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 judgements and accounting 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 adequate 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 the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Disclosure of information to auditors**

Each of the persons who is a director at the date of approval of this report confirms that

- a) so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- b) he/she has taken all the steps that he ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor are aware of that information

#### **Independent auditors**

The Company's auditors were automatically reappointed in accordance with section 487(2) of the Companies Act 2006. The Company's auditors are PricewaterhouseCoopers LLP.

BY ORDER OF THE BOARD



For and on behalf of  
BSI Secretaries Limited  
Company Secretary  
30 July 2015

# ***Independent auditors' report to the members of BSI Group Assurance Limited***

## **Report on the financial statements**

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### **Our opinion**

In our opinion, BSI Group Assurance Limited's financial statements (the "financial statements")

- give a true and fair view of the state of the company's affairs as at 31 December 2014 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
- 

### **What we have audited**

BSI Group Assurance Limited's financial statements comprise

- the balance sheet as at 31 December 2014,
- the profit and loss account for the year then ended, and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events

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## **Opinion on other matter prescribed by the Companies Act 2006**

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

## **Other matters on which we are required to report by exception**

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### **Adequacy of accounting records and information and explanations received**

Under the Companies Act 2006 we are required to report to you if, in our opinion

- we have not received all the information and explanations we require for our audit, or
- 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

We have no exceptions to report arising from this responsibility

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### **Directors' remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility

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# ***Independent auditors' report to the members of BSI Group Assurance Limited (continued)***

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## **Responsibilities for the financial statements and the audit**

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### **Our responsibilities and those of the directors**

As explained more fully in the Statement of Directors' Responsibilities 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) ("ISAs (UK & Ireland)") Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing

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### **What an audit of financial statements involves**

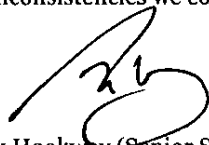
We conducted our audit in accordance with ISAs (UK & Ireland) An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed,
- the reasonableness of significant accounting estimates made by the directors, and
- the overall presentation of the financial statements

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both

In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report



Alex Hookway (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Uxbridge  
30 July 2015

## BSI GROUP ASSURANCE LIMITED

### Profit and loss account for the year ended 31 December 2014

	Note	2014 £'000	2013 £'000
Turnover	4	13,032	11,242
Loss on disposal of investment		(10)	-
<b>Profit on ordinary activities before taxation</b>	5	<b>13,022</b>	11,242
Tax on profit on ordinary activities	6	-	-
<b>Profit for the financial year</b>	10	<b>13,022</b>	11,242

There is no difference between the profit on ordinary activities before taxation and the profit for the years stated above, and their historical cost equivalents

All results derive from continuing operations

The Company has no recognized gains and losses other than those included in the results above, and therefore no separate statement of total recognized gains and losses has been presented

The notes on pages 8 to 12 form an integral part of these financial statements



## BSI GROUP ASSURANCE LIMITED

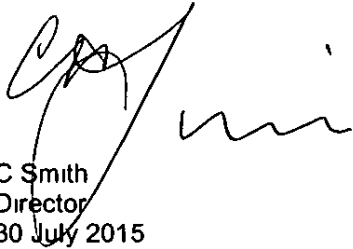
### Balance sheet

As at 31 December 2014

	Note	2014 £'000	2013 £'000
<b>Fixed assets</b>			
Investments	7	47,219	47,229
<b>Creditors: amounts falling due within one year</b>	8	<b>(36,973)</b>	<b>(42,006)</b>
<b>Net current liabilities</b>		<b>(36,973)</b>	<b>(42,006)</b>
<b>Total assets less current liabilities</b>		<b>10,246</b>	<b>5,223</b>
<b>Capital and reserves</b>			
Called up share capital	9	-	-
Profit and loss account	10	10,246	5,223
<b>Total shareholders' funds</b>	10	<b>10,246</b>	<b>5,223</b>

The notes on pages 8 to 12 form an integral part of these financial statements

The financial statements of BSI Group Assurance Limited, registered number 05435540, on pages 6 to 12 were approved by the board of directors on 30 July 2015 and signed on its behalf by



C Smith  
Director  
30 July 2015

## **BSI GROUP ASSURANCE LIMITED**

### **Notes to the financial statements for the year ended 31 December 2014**

#### **1 Principal accounting policies**

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. The principal accounting policies are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

##### **a) Basis of accounting**

These financial statements are prepared under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The Company has a net current liabilities position. However, the financial statements have been prepared on a going concern basis, which takes into account an undertaking from the ultimate parent to continue to support the company for the foreseeable future.

No group financial statements have been prepared as the Company is a wholly-owned subsidiary of The British Standards Institution, a company incorporated in the United Kingdom, and accordingly is exempt by virtue of Section 400 of the Companies Act 2006 from preparing group financial statements.

##### **b) Fixed asset investments**

Fixed asset investments are recorded at cost, less any provision for impairment. Impairment reviews are carried out by the directors when there is an indication of impairment.

##### **c) Turnover**

Turnover represents the value of dividend income and is recognized in the profit and loss account when it is receivable.

##### **d) Foreign currencies**

Transactions during the year are translated into sterling at an average exchange rate for the year. Monetary assets and liabilities expressed in foreign currencies are translated into sterling at exchange rates ruling at the year end. All foreign exchange differences are taken to the profit and loss account in the year in which they arise.

##### **e) Deferred taxation**

Deferred tax is fully provided in respect of timing differences that have originated but not reversed by the balance sheet. These are based on average tax rates that are expected to apply at the time of reversal, which will be the rates that have either been enacted, or substantially enacted, by the balance sheet. No deferred tax is provided on permanent timing differences. Deferred tax assets are recognized if it is more likely than not that they will be recovered. Deferred tax balances are not discounted.

## BSI GROUP ASSURANCE LIMITED

Notes to the financial statements (continued)  
for the year ended 31 December 2014

### 1. Principal accounting policies (continued)

#### f) Cash flow statement and related party disclosures

The Company is a wholly-owned subsidiary of The British Standards Institution and is included in the consolidated financial statements of The British Standards Institution, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (revised 1996) 'Cash Flow Statements'

The Company is also exempt under the terms of Financial Reporting Standard 8 'Related Party Disclosures' from disclosing related party transactions that are part of The British Standards Institution group

#### g) Current income tax

Tax is recognized in the profit and loss account. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

### 2. Employees

The company had no employees during the year (2013 nil)

### 3. Directors' emoluments

The emoluments of the directors are paid by the ultimate parent company. The services of the directors to the Company are of a non-executive nature and their emoluments are deemed to be wholly attributable to their services to the ultimate parent company, accordingly the Directors received no remuneration for the services to the Company.

### 4. Turnover

	2014	2013
	£'000	£'000
Dividends received from subsidiary undertakings	13,032	11,242

### 5. Profit on ordinary activities before taxation

The auditors' remuneration of £1,600 (2013 £1,600) is borne by the ultimate parent company, The British Standards Institution.

## BSI GROUP ASSURANCE LIMITED

Notes to the financial statements (continued)  
for the year ended 31 December 2014

### 6. Tax on profit on ordinary activities

Analysis of charge in the year

	2014 £'000	2013 £'000
<b>Total current tax charge</b>	-	-
Deferred tax	-	-
<b>Total deferred tax</b>	-	-
<b>Tax on profit on ordinary activities – current</b>	-	-

The tax assessed for the year is lower (2013 lower) than the standard rate of corporation tax 21.5% (2013 23.25%). The differences are explained below

	2014 £'000	2013 £'000
<u>Profit on ordinary activities before taxation</u>	13,022	11,242
Profit on ordinary activities at a standard rate of corporation tax in the UK of 21.5% (2013 23.25%)	2,800	2,614
Non-taxable loss on disposal	2	-
Tax exempt dividends	(2,802)	(2,614)
Current tax for the year	-	-

### 7. Investments

<b>Shares in group undertakings</b>	<b>£'000</b>
<b>Cost</b>	
At 1 January 2014	52,505
Disposal	(10)
<b>At 31 December 2014</b>	<b>52,495</b>
<b>Accumulated Impairment</b>	
At 1 January 2014 / 31 December 2014	(5,276)
<b>Net book value</b>	
At 31 December 2014	47,219
At 31 December 2013	47,229

## BSI GROUP ASSURANCE LIMITED

Notes to the financial statements (continued)  
for the year ended 31 December 2014

### 7. Investments (continued)

Disposal in the year of £10,000 represent the disposal of BSI Brasil

Investments include the following

Name	% ownership of ordinary Shares	Country of Incorporation	Activity
BSI Group Holdings The Netherlands BV	100	The Netherlands	Business services
BSI Group Italia SRL	100	Italy	Business services
BSI Group France SARL	98	France	Business services
BSI Group Eurasia Certification Services Co Ltd	100	Turkey	Business services
BSI Group America Inc	100	USA	Business services
BSI Group Canada Inc	100	Canada	Business services
BSI Brasil Sistemas de Gestao Ltda	100	Brazil	Business services
BSI Group Japan Kabushiki Kaisha	100	Japan	Business services
BSI Group Singapore Pte Ltd	100	Singapore	Business services
BSI Group Korea Ltd	100	Korea	Business services
BSI Management Systems Ltd	100	England & Wales	Business services
BSI Group India Pvt Ltd	100	India	Business services
BSI Group (Thailand) Co Ltd	100	Thailand	Business services
BSI Group Deutschland GmbH	100	Germany	Business services
BSI Pacific Limited	100	Hong Kong	Business services
BSI Group Australia Holdings Pty Ltd	100	Australia	Business services
PT BSI Group Indonesia	99	Indonesia	Business services
BSI Services Malaysia Sdn Bhd	100	Malaysia	Business services
British Standards Institution Group Middle East LLCI	49	Qatar	Business services
BSI Assurance UK Ltd	100	England & Wales	Business services

The directors consider that the fair value of investments is not less than their carrying value

## BSI GROUP ASSURANCE LIMITED

Notes to the financial statements (continued)  
for the year ended 31 December 2014

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

	2014 £'000	2013 £'000
Amounts due to ultimate parent company *	<u>36,973</u>	<u>42,006</u>

\* Amounts due to ultimate parent undertakings are unsecured financing balances and are repayable on demand. No interest was incurred during the year (2013: nil)

### 9 Called up share capital

	2014 £	2013 £
Allotted, issued and fully paid 1 ordinary share of £1 each (2013: 1)	<u>1</u>	<u>1</u>

### 10 Reconciliation of movements in total shareholders' funds

2014	Called up share capital £'000	Profit and loss account £'000	Total £'000
At 1 January 2014	-	5,223	5,223
Profit for the financial year	-	13,022	13,022
Dividends paid	-	(8,000)	(8,000)
Net addition to shareholders' funds	-	<u>5,022</u>	<u>5,022</u>
At 31 December 2014	-	<u>10,246</u>	<u>10,246</u>

An interim dividend of £8,000,000 (2013: £10,700,000) per ordinary share, amounting to £8,000,000 (2013: £10,700,000) was recommended by the Directors on 18 December 2014 and settled on 31 December 2014.

### 11 Immediate and ultimate parent undertaking

The immediate parent undertaking is BSI Limited. The ultimate parent undertaking and controlling party is The British Standards Institution, which is also the parent undertaking of the smallest and largest group to consolidate these financial statements.

Copies of The British Standards Institution consolidated financial statements can be downloaded from [www.bsigroup.com](http://www.bsigroup.com) or obtained from the Company Secretary at

389 Chiswick High Road  
London W4 4AL  
United Kingdom