

Company No: 07805321

BSI ASSURANCE UK LIMITED
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2012

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BSI ASSURANCE UK LIMITED

ANNUAL REPORT

for the year ended 31 December 2012

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BSI ASSURANCE UK LIMITED

Directors' report for the year ended 31 December 2012

The directors present their annual report and the audited financial statements of the Company for the year ended 31 December 2012

The Company was incorporated on 11 October 2011 and therefore the comparatives represent the period from the date of incorporation to 31 December 2011, during which the Company was dormant

Principal activities and future developments

The principal activities of the Company are second and third-party certification of management systems and testing and certification services both for products and services. The Company will continue these principal activities in the foreseeable future.

Principal risks, uncertainties and financial risk management

The directors of The British Standards Institution (BSI), the Company's ultimate parent company, 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 Assurance UK Limited's business. The principal risks, uncertainties and financial risk management of BSI Group, which include those of the Company, are disclosed in the BSI Group Annual Report and Financial Statements 2012.

Key performance indicators

Revenue and gross profit for the year ended 31 December 2012 were £73,790,000 and £36,491,000 respectively. These represent a 100% increase on 2011 due to the Company starting trading on 1 January 2012.

Results and dividends

The Company's profit for the financial year was £12,325,000 (2011: £nil). An interim dividend of £3,000,000 (2011: £nil) per ordinary share, amounting to £6,000,000 (2011: £nil) was recommended by the Directors on 17 December 2012 and paid on 31 December 2012.

Directors

The directors of the Company, who served during the year, and for the subsequent year up to the date of approving the financial statements, together with their dates of appointment and resignation, where appropriate, are as shown below -

H Kerr
C Smith

BSI ASSURANCE UK LIMITED

Directors' report for the year ended 31 December 2012

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 period and remains in force.

Subsequent events

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

Employees

The Company is committed to employment policies, which follow best practice, based on equal opportunities for all employees, irrespective of sex, race, color, disability or marital status. The Company gives full and fair consideration to applications for employment from disabled persons, having regard to their particular aptitudes and abilities. Appropriate arrangements are made for the continued employment and training, career development and promotion of disabled persons employed by the Company. If members of staff become disabled the Company continues employment, either in the same or an alternative position, with appropriate retraining being given if necessary.

Statement of Directors' responsibilities

The directors are responsible for preparing the 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 and 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.

BSI ASSURANCE UK LIMITED

**Directors' report
for the year ended 31 December 2012**

Disclosure of information to auditors

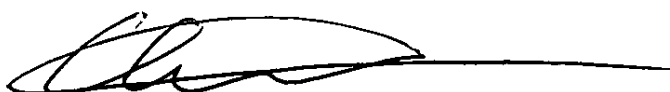
Each of the persons who is a director at the date of approval of this report confirms that

- (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/she 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
10 June 2013

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF BSI ASSURANCE UK LIMITED

We have audited the financial statements of BSI Assurance UK Limited for the year ended 31 December 2012 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 2, 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.

This report, including the opinions, has been prepared for and only for the Company's member 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.

Scope of the audit of the financial statements

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. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 December 2012 and 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.

Opinion on other matter prescribed by the Companies Act 2006

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF BSI ASSURANCE UK LIMITED (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, 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

Other Matter – prior period financial statements unaudited

The financial statements for the period from the date of incorporation, 11 October 2011 to 31 December 2011, forming the corresponding figures of the financial statements for the year ended 31 December 2012 are unaudited



Rachel Savage (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
10 June 2013

BSI ASSURANCE UK LIMITED**Profit and loss account
for the year ended 31 December 2012**

	Note	Year ended 31.12.2012 £'000	For the period from 11 10 2011 to 31 12 2011 £'000 (Unaudited)
Turnover	3	73,790	-
Cost of sales		(37,299)	-
Gross profit		36,491	-
Distribution costs		(6,142)	-
Administrative expenses		(17,583)	-
Exceptional items	6	622	-
Operating profit	6	13,388	-
Interest payable and similar charges	7	(442)	-
Profit on ordinary activities before taxation		12,946	-
Tax on profit on ordinary activities	8	(621)	-
Profit for the financial year	17	12,325	-

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

There is no difference between the profit on ordinary activities before taxation or the retained profit for the year stated above, and their historical costs equivalents

All results derive from continuing operations

The notes on pages 8 to 20 form an integral part of these financial statements

BSI ASSURANCE UK LIMITED**Balance sheet
As at 31 December 2012**

	Note	2012 £'000	2011 £'000 (Unaudited)
Fixed assets			
Intangible assets	10	2,101	-
Tangible assets	11	6,381	-
		8,482	-
Current assets			
Stocks	12	42	-
Debtors	13	19,714	-
		19,756	-
Creditors - amounts falling due within one year	14	(21,259)	-
Net current liabilities		(1,503)	-
Total assets less current liabilities		6,979	-
Provisions for liabilities	15	(654)	-
Net assets		6,325	-
Capital and reserves			
Called up share capital	16	-	-
Profit and loss account	17	6,325	-
Total shareholders' funds		6,325	-

The notes on pages 8 to 20 form an integral part of these financial statements

The financial statements on pages 6 to 20 were approved by the directors on 10 June 2013 and signed on its behalf by



Craig Smith
Director
10 June 2013

BSI ASSURANCE UK LIMITED

Notes to the financial statements for the year ended 31 December 2012

1. Principal accounting policies

These financial statements are prepared on the going concern basis, under the historical cost convention, in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the period, are set out below.

As used in the financial statements and related notes, the term 'Company' refers to BSI Assurance UK Limited. The Directors have confirmed that they believe that the Company's accounting policies are the most appropriate for the purposes of providing a true and fair view of the Company's results and state of affairs and have been consistently applied except where indicated below.

The Company's financial statements are presented in British Pounds Sterling (£) and all values are rounded to the nearest £1,000 except when otherwise indicated.

Turnover and cost of sales

Turnover, which excludes value added tax, represents the value of goods and services supplied. Where turnover relates to defined service periods, it is recognized in the profit and loss account over the period to which it relates.

Where the Company makes payments to suppliers for services to be provided over future periods, the value of the future services is deferred over the period to which the service relates.

The Company provides a variety of assessment and certification services, consultancy services and training services. Turnover value is recognized as the services are performed.

Foreign currencies

Transactions denominated in foreign currencies are translated into sterling at contracted rates or, where no contract exists at average monthly rates. Foreign exchange gains and losses arising from the settlement of such transactions and from the translation at the year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, which are held at the year-end, are taken to the profit and loss account.

BSI ASSURANCE UK LIMITED

Notes to the financial statements for the year ended 31 December 2012

1. Principal accounting policies (continued)

Intangible assets

Goodwill arising on acquisitions is capitalized and amortized over the period of 20 years, being the period which the Directors estimate that the values of the underlying businesses acquired are expected to exceed the value of the underlying assets. The Directors take into account the nature, age and stability of the industry in which the business operates.

The Directors evaluate the carrying value of goodwill each financial year to determine if there has been an impairment in value, which would result in the inability to recover the carrying amount, and when it is determined that the carrying value exceeds the recoverable amount, the excess is written off to the profit and loss account.

Tangible fixed assets

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition.

Depreciation on other assets is calculated on a straight-line basis so as to write off the cost of tangible fixed assets less their estimated residual values, over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

Short leasehold improvements	Over the unexpired term of the lease
Plant, machinery and office equipment	10%-33%

The Company selects these depreciation rates carefully and reviews them regularly, to take account of any changes in circumstances. The principal factors that the Company takes into account are the expected rate of technological developments and the intensity at which the assets are expected to be used.

Provisions for liabilities

Provisions are made when an obligation exists for a future liability in respect of a past event and where the amount of the obligation can be reliably estimated. Where liabilities are expected to be discharged over a number of years, the provisions have been discounted using an appropriate risk free rate.

BSI ASSURANCE UK LIMITED

Notes to the financial statements for the year ended 31 December 2012

1. Principal accounting policies (continued)

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is determined on a first in first out basis and includes transport and handling costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Where necessary, provision is made for obsolete, slow-moving and defective stocks.

Pensions

i Defined Benefit Scheme

The Company's ultimate parent company ('BSI') operates a pension scheme for the UK employees of the Company and other group companies. The scheme provides benefits based on final pensionable salary and service up to 30 April 2010 (the date the scheme closed to the accrual of benefits). The Company has provided a guarantee and indemnity to the Trustee of the scheme with respect to all obligations and liabilities of BSI to make contributions to the scheme which is disclosed as a contingent liability. No recognition of the scheme under FRS 17 Retirement Benefits has been made in the financial statements of the Company as the scheme is sponsored solely by BSI, with no recharges made to the Company.

ii Defined contribution pension schemes

The Company pays fixed contributions to an external pension provider and has no legal or constructive obligations to pay any further amounts. The contributions are recognized as employee benefit expense when they are due.

Contingent liabilities

Contingent liabilities are possible obligations that arise from past events and whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the Company's control or are present obligations arising from past events that are not recognized as it is not probable a transfer of economic benefits will occur or the amount cannot be measured with sufficient certainty. The Company reviews its obligations regularly.

Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Costs in respect of operating leases are charged on a straight-line basis over the lease term.

BSI ASSURANCE UK LIMITED

Notes to the financial statements for the year ended 31 December 2012

1. Principal accounting policies (continued)

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.

Deferred taxation

Deferred tax is fully provided in respect of timing differences that have originated but not reversed by the balance sheet date. These are based on average tax rates that are expected to apply at the time of the reversal, which will be the rates that have either been enacted, or substantially enacted, by the balance sheet date. No deferred tax is provided on permanent timing differences. Deferred tax assets are recognized to the extent that they are regarded as more likely than not to be recoverable. Deferred tax on unremitted earnings of foreign subsidiaries is only provided if dividends have been accrued as receivable or there is a binding agreement to distribute past earnings in the future. Deferred tax balances are not discounted.

Cash flow statement

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".

Related party transactions

The company has taken advantage of the exemption available under Financial Reporting Standard 8 ("Related Party Transactions") not to provide details of transactions with other wholly-owned group companies.

BSI ASSURANCE UK LIMITED

Notes to the financial statements for the year ended 31 December 2012

2. Restructure of UK operations

On 1 January 2012, the business streams and balance sheets of Assurance and part of Standards divisions, previously accounted for within The British Standards Institution Royal Charter Company ("BSI RCC"), were hived down into wholly owned subsidiaries, BSI Assurance UK Limited and BSI Standards Limited, and a new subsidiary created for the purposes of a Professional Services business stream, BSI Professional Services EMEA Limited. This was implemented in order to contain operational risks and to ensure independence between the different business streams. The membership, international projects and funded activity businesses were not hived down and remain with BSI RCC. The table below shows the breakdown of the assets and liabilities transferred to each of the new companies and the impact on the balance sheet of the Company.

	31 December 2011	1 January 2012			
	BSI RCC £m	BSI Standards Limited £m	BSI Assurance UK Limited £m	BSI Professional Services EMEA Limited £m	BSI RCC £m
Intangible assets	4.2	-	2.4	1.8	-
Tangible assets	20.1	3.1	6.7	-	10.3
Investments in subsidiaries	40.3	-	-	-	40.3
Current assets	47.1	5.3	12.9	-	28.9
Current liabilities	(43.8)	(7.7)	(9.8)	-	(26.3)
Long-term liabilities	(2.5)	-	(1.3)	-	(1.2)
Pension liability, net of tax	(44.3)	-	-	-	(44.3)
Purchase price (inter-company)	-	(0.7)	(10.9)	(1.8)	13.4
Net Assets	21.1	-	-	-	21.1

As part of the hive down, each of the wholly owned subsidiaries has provided a guarantee and indemnity to the Trustee of the UK pension fund with respect to all obligations and liabilities of the BSI RCC to make contributions to the scheme.

BSI ASSURANCE UK LIMITED

Notes to the financial statements for the year ended 31 December 2012

3. Turnover

	Year ended 31.12.2012 £'000	For the period from 11 10 2011 to 31.12 2011 £'000 (Unaudited)
Rendering of services		
Europe, Middle East and Africa	56,499	-
Americas	14,916	-
Asia Pacific	2,375	-
	73,790	-

4. Directors' emoluments

The emoluments of the directors are paid by the ultimate parent company. The directors' services to this company and to a number of fellow subsidiaries are of a non-executive nature and their emoluments are deemed to be wholly attributable to their services to the ultimate parent company, accordingly these directors received no remuneration for the services to the Company (2011 nil).

5. Employee information

The average monthly number of persons (including directors) employed by the Company was

	Year ended 31.12.2012 Number	For the period from 11 10 2011 to 31 12 2011 Number (Unaudited)
By activity		
Production, assessment, training and laboratory	397	-
Sales and distribution	76	-
Administration	223	-
	696	-

	Year ended 31.12.2012 £'000	For the period from 11 10 2011 to 31 12 2011 £'000 (Unaudited)
Staff costs		
Wages and salaries	26,099	-
Social security costs	3,119	-
Defined contribution pension costs	2,582	-
	31,800	-

BSI ASSURANCE UK LIMITED

Notes to the financial statements for the year ended 31 December 2012

6. Operating profit

	Year ended 31.12.2012 £'000	For the period from 11 10 2011 to 31 12 2011 £'000 (Unaudited)
Operating profit is stated after charging		
Staff costs (Note 5)	31,800	-
Depreciation of owned tangible fixed assets	1,371	-
Amortisation of owned intangible assets	305	-
Auditors' remuneration for audit of the Company financial statements	9	-
Operating lease charges		
- Land and buildings	924	-
- Vehicles	1,492	-

Exceptional items of £622,000 credit (2011 nil) to the profit and loss account relates primarily to the restructuring of the UK Product Testing laboratories for which a provision was made in 2011 in the financial statements of the ultimate parent company and transferred to the Company as part of the restructuring (see Note 2). After a review of the project, a revised restructuring plan has been adopted resulting in the release of part of the provision.

7. Interest payable and similar charges

	Year ended 31.12.2012 £'000	For the period from 11 10 2011 to 31 12 2011 £'000 (Unaudited)
Interest payable on group loans (Note 14)	442	-

8. Tax on profit on ordinary activities

	Year ended 31.12.2012 £'000	For the period from 11 10 2011 to 31 12 2011 £'000 (Unaudited)
Current tax		
- UK corporation tax on profits for the year/period	255	-
Total current tax	255	-
Deferred tax		
- Origination and reversal of timing differences	366	-
Total deferred tax (Note 9)	366	-
Tax on profit on ordinary activities	621	-

BSI ASSURANCE UK LIMITED

Notes to the financial statements for the year ended 31 December 2012

8. Tax on profit on ordinary activities (continued)

The tax assessed for the year is lower (2011 n/a) than the standard rate of corporation tax in the UK for the year ended 31 December 2012 of 24.5% (2011 26.5%), as shown below

	Year ended 31.12.2012 £'000	For the period from 11 10 2011 to 31 12 2011 £'000 (Unaudited)
Profit on ordinary activities before tax	12,946	-
Profit on ordinary activities multiplied by the standard rate in the UK 24.5% (2011 26.5%)	3,172	-
Effects of		
- Income not taxable	257	-
- Expenses not deductible for tax purposes	(277)	-
- Accelerated capital allowances and other timing differences	147	-
- Group relief claimed for nil consideration	(3,044)	-
Current tax charge for the year/period	255	-

Factors affecting current and future tax charges

During the year, the UK corporation tax rate was reduced from 26% to 24%, which was substantially enacted on 26 March 2012 and effective from 1 April 2012, and to 23%, which was substantially enacted on 3 July 2012 and effective from 1 April 2013

A further reduction to the UK corporation tax rate to 21% from 1 April 2014 has been announced subsequent to the balance sheet date. The change had not been substantively enacted at the balance sheet date and, therefore, is not recognized in these financial statements

Based on current capital investment plans, the company expects to continue to be able to claim capital allowances in excess of depreciation in future years at a similar level to the current year

Deferred tax liabilities have not been discounted (Note 15)

9. Deferred tax

	2012 £'000	2011 £'000 (unaudited)
Movements in deferred tax		
Accelerated capital allowances, representing total deferred tax	(366)	-
At start of year/period	-	-
Deferred tax charged to the profit and loss account (Note 8)	(366)	-
At end of year/period (Note 15)	(366)	-

BSI ASSURANCE UK LIMITED

Notes to the financial statements for the year ended 31 December 2012

10. Intangible assets

	Goodwill £'000
Cost	
At 1 January 2012	-
Additions as part of restructure (Note 2)	2,406
At 31 December 2012	2,406
Accumulated amortisation	
At 1 January 2012	-
Charge for the year	(305)
At 31 December 2012	(305)
Net book amount at 31 December 2012	2,101
Net book amount at 31 December 2011(Unaudited)	-

On 1 January 2012, the Company acquired the Goodwill associated with GL Industrial Services UK Limited (GLCS) and Six Sigma from The British Standards Institution, the ultimate parent company. This is being amortized on a straight-line basis over 20 years. Refer to Note 2 for full details of the restructure.

There were no impairments of goodwill during the year (2011: £nil).

11. Tangible assets

	Short leasehold improvements £'000	Plant, machinery and office equipment £'000	Total £'000
Cost			
At 1 January 2012	-	-	-
Additions as part of restructure (Note 2)	2,995	3,671	6,666
Additions	250	850	1,100
Disposals	-	(14)	(14)
Reclassifications	13	(13)	-
At 31 December 2012	3,258	4,494	7,752
Accumulated depreciation			
At 1 January 2012	-	-	-
Charge for the year	(237)	(1,134)	(1,371)
Disposals	-	-	-
At 31 December 2012	(237)	(1,134)	(1,371)
Net book amount at 31 December 2012	3,021	3,360	6,381
Net book amount at 31 December 2011(Unaudited)	-	-	-

BSI ASSURANCE UK LIMITED**Notes to the financial statements
for the year ended 31 December 2012****12. Stocks**

	2012	2011
	£'000	£'000
		(Unaudited)
Raw materials and consumables	42	-

13. Debtors

	2012	2011
	£'000	£'000
		(Unaudited)
Amount falling due within one year		
Trade debtors	10,088	-
Amounts owed by group undertakings*	3,574	-
Amount owed by parent undertaking*	1,694	-
Other receivables	372	-
Prepayments and accrued income	3,986	-
	19,714	-

* The amounts owed by the parent and group undertakings include trading and financing balances. All trade balances owed by group entities are to be received within 45 days, financing loans are unsecured and repayable on demand. No interest is charged on loans to the parent or group undertakings.

14. Creditors - amounts falling due within one year

	2012	2011
	£'000	£'000
		(Unaudited)
Trade creditors	1,045	-
Amount owed to group undertaking*	6,651	-
Corporation tax payable	1,765	-
VAT and other taxes	1,982	-
Social security and PAYE	983	-
Other creditors	144	-
Deferred income	4,925	-
Accruals	3,764	-
	21,259	-

Trade creditors are non-interest bearing and are generally on 30-60 day terms

* The amount owed to group undertaking includes trading and financing balances. All trade balances owed to parent entity are to be paid within 45 days. Financing loans from the ultimate parent company are unsecured, repayable on demand and bears interest at LIBOR plus 2.5%.

BSI ASSURANCE UK LIMITED

Notes to the financial statements for the year ended 31 December 2012

15. Provisions for liabilities

	Property provision £'000	Other provision £'000	Deferred tax £'000	Total £'000
At 1 January 2012	-	-	-	-
Additions as part of restructure (Note 2)	494	775	-	1,269
(Credited)/ charged to the profit and loss account	(300)	(126)	366	(60)
Utilized during the year	-	(555)	-	(555)
As 31 December 2012	194	94	366	654

The property provisions are held against dilapidations and potential property exposures relating to sublet properties. The Company has used either the known position or a best estimate of the Company's potential exposure to calculate the potential cost to the Company over the remaining lease periods.

Other provisions relate to anticipated costs relating to the Company's liability for restructuring the UK Product Testing laboratories and German operating sites.

Provisions are recognized at the best estimate of the expenditure required to settle the Company's liability.

Deferred tax liability relates exclusively to accelerated capital allowances. Factors effecting future tax charges are disclosed in Note 8.

16. Called up share capital

	2012 £	2011 £ (Unaudited)
Allotted, issued and fully paid 2 ordinary shares of £1 each	2	2

BSI ASSURANCE UK LIMITED

Notes to the financial statements for the year ended 31 December 2012

17. Reconciliation of movements in total shareholder's funds

	2012 £'000	2011 £'000 (Unaudited)
Profit for the financial year	12,325	-
Dividends	(6,000)	-
Net movement, representing closing shareholder's funds	6,325	-

The Company's profit for the financial year is £12,325,114 (2011 £nil). An interim dividend of £3,000,000 (2011 £nil) per ordinary share, amounting to £6,000,000 (2011 £nil) was recommended by the Directors on 17 December 2012 and paid on 31 December 2012.

18. Contingent liabilities

Except as disclosed in Note 2 relating to the Company providing a guarantee and indemnity to the Trustee of the UK pension fund with respect to all obligations and liabilities of the BSI RCC to make contributions to the scheme, the Company has no other contingent liabilities.

18. Capital commitments

	2012 £'000	2011 £'000 (Unaudited)
Capital expenditure that has been contracted for but not provided for in the financial statements	158	-

BSI ASSURANCE UK LIMITED

Notes to the financial statements for the year ended 31 December 2012

19. Financial commitments

At 31 December 2012, annual commitments under non-cancellable operating leases were as follows

	2012 £'000	2011 £'000 (Unaudited)
Land and buildings		
Expiring within one year	20	-
Other		
Expiring within one year	202	-
Expiring within two and five years	944	-
	1,146	
	1,166	-

20. Immediate and ultimate parent undertaking

The immediate parent undertaking is BSI Group Assurance Limited

The directors regard The British Standards Institution (BSI), a company incorporated in England by Royal Charter, as the ultimate controlling undertaking. The largest and smallest group in which the results of the Company are consolidated is that headed by BSI.

Copies of The British Standards Institution consolidated financial statements can be downloaded from www.bsigroup.com or obtained from the Company Secretary at

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London
W4 4AL
United Kingdom