



Annual Report

EPBR Scheme Annual Report 2024

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1. Introduction

1.1 Welcome from the Managing Director

Welcome to Kaizen Certification Ltd.'s second annual report. As Managing Director, I am proud to share the progress we have made throughout 2024. From the outset, Kaizen Certification's mission has been clear: to drive innovation and excellence in energy assessment accreditation across the UK. In 2024, we reinforced this commitment by integrating cutting-edge technologies, such as artificial intelligence, into our processes to enhance efficiency and accuracy.

This year, a significant milestone was achieved with the approval of our SAP10 calculation engine and user interface by the Building Research Establishment (BRE). This approval is not just a testament to our dedication to quality but also a critical step in enabling assessors to work within the latest regulatory framework. As we continue to navigate an evolving industry landscape, we remain focused on equipping our members with the tools and support they need to succeed.

Publication and Availability:

This annual report is published on the Kaizen Certification Ltd website (www.kaizencertification.co.uk) and is freely available to members, stakeholders, and the public. Hard copies are available upon request. This publication fulfils our obligation under the Scheme Operating Requirements (SOR) Level 1, Section 1.1.1.i to produce and publish annual reports on our activities.

1.2 Overview of Kaizen Certification Ltd.

Kaizen Certification Ltd. was founded to elevate the standards of energy assessment in the UK. Guided by the principle of "Kaizen," meaning "change for the better," our organisation strives for continuous improvement in accreditation processes, assessor support, and overall service quality. With a comprehensive suite of accreditation strands, we are committed to supporting energy efficiency and sustainability goals nationwide.

1.3 Mission and Vision

Our mission remains steadfast: to champion energy efficiency and sustainability through rigorous standards and unwavering quality. Our vision for the future includes embracing advanced technologies, such as AI-driven tools, to ensure our members remain at the forefront of the industry. We look forward to a future where all UK buildings maximise energy efficiency, contributing to the nation's net-zero ambitions.

1.4 Acknowledgements

This report is a reflection of Kaizen Certification's dedication and resilience. While we do not have specific acknowledgements this year, we continue to appreciate the trust and support of our members and industry stakeholders.

2. Year in Review

2.1 Key Milestones Achieved in 2024

The most notable achievement this year was the BRE's approval of our SAP10 calculation engine and user interface. This approval enables us to fully support OCDEA assessments under the latest regulations. Additionally, we successfully onboarded six new members who are actively lodging SAP10 assessments, marking steady growth in our membership base.

2.2 Impact of External Factors on Operations

The energy assessment industry faced continued uncertainty surrounding photographic evidence requirements. This issue has yet to be clarified but is anticipated to be resolved by early 2025. This uncertainty has posed challenges for our members and shaped our strategic decisions throughout the year.

2.3 Highlights of Our Year

Despite industry challenges, Kaizen Certification achieved several key successes:

- **SAP10 Launch:** Our approved SAP10 software positions us as a forward-thinking accreditation body.
- **Membership Growth:** Six new members joined our OCDEA scheme, utilising SAP10 for their lodgements.
- **Industry Engagement:** We maintained an active presence in discussions surrounding regulatory developments, solidifying our position as a proactive and responsive organisation.

2.4 Financial Viability and Stability

Kaizen Certification Ltd demonstrates its financial viability through the following measures:

Financial Performance 2024:

- The company maintained positive cash flow throughout 2024
- All operational costs were met from membership fees and audit income
- No external borrowing was required for day-to-day operations
- The company has adequate reserves to cover at least 6 months of operational expenses

Companies House Compliance:

- Annual financial accounts for the year ending 31 December 2024 will be filed with Companies House by the statutory deadline
- These accounts are publicly available and demonstrate the company's financial stability
- DLUHC has ongoing access to view these accounts as required under SOR 1.1.3

Operational Resilience:

- The company maintains a comprehensive Business Continuity Plan (v1.4) which ensures business continuity in case of unexpected events
- Operational resilience measures include backup systems, alternative working arrangements, and data protection protocols
- The plan is tested annually and updated as required

This annual report fulfills the requirement under SOR 1.1.1.i to produce and publish annual reports demonstrating financial viability and operational activities.

3. Our Scheme Strands

3.1 Overview of Covered Strands (NDEA, DEC, OCDEA)

In 2024, we expanded our accreditation offerings to include On-Construction Domestic Energy Assessments (OCDEA) using SAP10. Unfortunately, despite our readiness, our SAP2012 software has not received approval, a setback that limits our ability to fully support members still working under the older regulations. This industry-wide transitional period poses a challenge, as many assessors continue lodging assessments under SAP2012.

Our current accreditation strands include:

- Non-Domestic Energy Assessments (NDEA): Supporting Levels 3, 4, and 5 for commercial properties.
- Display Energy Certificates (DEC): Ensuring public buildings meet transparency and energy performance requirements.
- On-Construction Domestic Energy Assessments (OCDEA): Now fully operational for SAP10 lodgements.

3.2 Accreditation Process

- Our accreditation process remains robust, with no significant changes in 2024. Members continue to benefit from a streamlined application process, induction sessions, and ongoing support. While no new training initiatives were introduced, we remain committed to delivering value through our established programmes.

3.3 Activities and Services Provided

Throughout 2024, we focused on supporting members across NDEA, DEC, and OCDEA schemes. While no additional CPD opportunities or events were rolled out this year, we prioritised ensuring our SAP10 tools met the highest standards for accuracy and usability.

4. Operational Performance

4.1 Membership

Membership grew modestly in 2024, with seven new OCDEA members joining the scheme.

Membership Levels

OCDEA	7 Members
NDEA L3	1 Members
NDEA L4	1 Members
NDEA L5	0 Members
DEC	0 Member

4.2 Lodgements Overview

Despite the limited scope of our services in 2024, the lodgements made under our accreditation demonstrate the quality and commitment of our members.

Lodgements

NDEA Level 3 &4	21 Lodgements
NDEA Level 5	0 Lodgements
DEC:	0 Lodgements
OCDEA:	891 Lodgements

4.3 Quality Assurance and Audit Findings

Audits conducted in 2024 showed high compliance rates, reflecting the professionalism of our members and the effectiveness of our support mechanisms. No significant issues were identified.

England & Wales Audits Requested

NDEA Level 3&4	1 Audits (4.76%)
NDEA Level 5	0 Audits (No lodgements made)
DEC	0 Audits (No lodgements made)
OCDEA	21 Audits (2.36%)

5. Challenges and Solutions

5.1 SAP Software Approval Process

While our SAP10 software achieved approval, the lack of progress on SAP2012 approval significantly impacts our operations. Without SAP2012 approval, we face difficulty onboarding members who still lodge assessments under this framework. The absence of a clear timeline for phasing out SAP2012 poses a significant challenge to our growth.

5.2 Industry Engagement

No new strategies for industry engagement were introduced in 2024. However, we continued participating in discussions on regulatory developments to advocate for streamlined approval processes and clearer industry guidance.

5.3 Additional Challenges

The delay in SAP2012 approval remains our most pressing issue. With no viable solution available, this limitation will continue to affect our turnover until the industry transitions fully to SAP10.

6. Financial Overview

6.1 Summary of the 2024 Financial Year

Revenue in 2024 was primarily driven by OCDEA membership and SAP10 lodgements. Despite challenges, we maintained financial stability, supported by prudent management and the successful rollout of our SAP10 software.

6.2 Investments in Software

Significant investments were made in SAP10 development, ensuring it meets the stringent requirements for accuracy and usability. No additional major expenses were incurred.

6.3 Plans for Financial Sustainability

Looking forward, we aim to:

- Expand membership as the industry transitions fully to SAP10.
- Develop and launch HEM software aligned with the forthcoming regulatory framework.

7. Looking Forward

7.1 Objectives for 2025

- Launch our new HEM software, designed to align with updated regulations and further enhance the energy assessment process.
- Expand our membership base as SAP2012 is phased out and SAP10 becomes the standard.

7.2 OCDEA Expansion

With OCDEA fully operational for SAP10, our next steps focus on integrating this scheme with upcoming HEM developments, ensuring a seamless transition for members as the industry evolves.

7.3 Industry Positioning

Our priority remains demonstrating leadership through innovative software solutions and reliable support. We will continue leveraging technology to enhance member experiences and advocate for efficient regulatory processes.

8. Appendices

The appendices provide additional information and resources to complement the main content of our annual report. Here, you will find a glossary of terms used throughout the document, contact information for Kaizen Certification Ltd., and a summary of regulatory compliance and scheme standards.

8.1 Glossary of Terms

NDEA (Non-Domestic Energy Assessor): Professionals accredited to assess and produce energy performance certificates for non-domestic buildings.

DEC (Display Energy Certificate): Certificates showing the actual energy usage of a building, the Operational Rating, and ways to improve it.

OCDEA (On-Construction Domestic Energy Assessor): Assessors accredited to evaluate and produce energy performance certificates for new domestic buildings.

CPD (Continuous Professional Development): Ongoing education and training to enhance professional skills and knowledge.

SAP (Standard Assessment Procedure): The UK government's methodology for assessing and comparing the energy and environmental performance of dwellings.

Quality Assurance Framework: A set of policies, procedures, and standards designed to ensure service quality meets or exceeds customer expectations.

8.2 Contact Information

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For enquiries regarding accreditation, training, or any other services, please do not hesitate to contact us. Our dedicated team is here to assist with any questions you may have.