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COMPANY REGISTRATION NUMBER 03696143

Velosi Certification Bureau Limited

Financial Statements

31 December 2006



Velosi Certification Bureau Limited

Financial Statements

Year ended 31 December 2006

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Velosi Certification Bureau Limited

Officers and Professional Advisers

The board of directors	J T Vincent N A Jalil S T Ooi
Company secretary	M Coles
Registered office	318a Kings Road Reading RG1 4JG
Auditor	Haines Watts Chartered Accountants & Registered Auditors Sterling House 177-181 Farnham Road Slough Berkshire SL1 4XP
Bankers	Lloyds TSB 24 Broad Street Reading Berkshire RG1 2BT

Velosi Certification Bureau Limited

The Directors' Report

Year ended 31 December 2006

The directors present their report and the financial statements of the company for the year ended 31 December 2006

Principal activities

The principal activity of the company during the year was supplying technical, engineering and industrial services

The directors and their interests in the shares of the parent company

The directors who served the company during the year together with their beneficial interests in the shares of the parent company were as follows

		Ordinary shares in the parent company	
		At	At
		31 December 2006	1 January 2006 or later date of appointment
J T Vincent		25	25
N A Jalil	(Appointed 6 April 2006)	-	-
S T Ooi	(Appointed 6 April 2006)	-	-
S Coles	(Resigned 7 September 2006)	-	-

Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Company law requires the directors to prepare financial statements for each financial year which 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 year

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on pages 8 to 9, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also 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 disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. The directors 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

In so far as the directors are aware

there is no relevant audit information of which the company's auditors are unaware, and

the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

Auditor

During the year Haines Watts were appointed as auditor to fill a casual vacancy left by Kugan and Co. A resolution to re-appoint Haines Watts as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985

Velosi Certification Bureau Limited

The Directors' Report *(continued)*

Year ended 31 December 2006

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985

Signed on behalf of the directors



M Coles

Approved by the directors on 23/3/07

Velosi Certification Bureau Limited

Independent Auditor's Report to the Shareholders of Velosi Certification Bureau Limited

Year ended 31 December 2006

We have audited the financial statements of Velosi Certification Bureau Limited for the year ended 31 December 2006 on pages 6 to 13 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005) and on the basis of the accounting policies set out on pages 8 to 9

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditor's 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 auditor

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985, and whether the information given in the Directors' Report is consistent with the financial statements. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Velosi Certification Bureau Limited

Independent Auditor's Report to the Shareholders of Velosi Certification Bureau Limited (continued)

Year ended 31 December 2006

Opinion

In our opinion

the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 December 2006 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985, and

the information given in the Directors' Report is consistent with the financial statements



HAINES WATTS
Chartered Accountants
& Registered Auditors

Sterling House
177-181 Farnham Road
Slough
Berkshire
SL1 4XP

28 March 2007

Velosi Certification Bureau Limited

Profit and Loss Account

Year ended 31 December 2006

	Note	Year to 31 Dec 06 £	Period from 1 Jul 04 to 31 Dec 05 £
Turnover		798,394	434,076
Cost of sales		523,263	284,398
Gross profit		275,131	149,678
Administrative expenses		203,567	185,739
Other operating income	2	—	(4,800)
Operating profit/(loss)	3	71,564	(31,261)
Interest receivable		398	265
Interest payable and similar charges		—	(16)
Profit/(loss) on ordinary activities before taxation		71,962	(31,012)
Tax on profit/(loss) on ordinary activities	4	(38,406)	—
Profit/(loss) for the financial year		110,368	(31,012)

The notes on pages 8 to 13 form part of these financial statements

Velosi Certification Bureau Limited

Balance Sheet

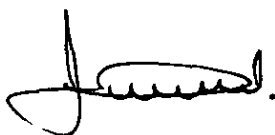
31 December 2006

	Note	2006 £	£	2005 £	£
Fixed assets					
Tangible assets	5		13,229		9,252
Investments	6		22,996		22,996
			<u>36,225</u>		<u>32,248</u>
Current assets					
Debtors	7	254,944		192,107	
Cash at bank		29,082		4,116	
		<u>284,026</u>		<u>196,223</u>	
Creditors. Amounts falling due within one year	9	<u>407,753</u>		<u>426,341</u>	
Net current liabilities			(123,727)		(230,118)
Total assets less current liabilities			<u>(87,502)</u>		<u>(197,870)</u>
Capital and reserves					
Called-up equity share capital	11		100		100
Profit and loss account	12		(87,602)		(197,970)
Deficit			<u>(87,502)</u>		<u>(197,870)</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective January 2005)

These financial statements were approved by the directors on the 23/3/07 and are signed on their behalf by

J T Vincent
Director



The notes on pages 8 to 13 form part of these financial statements

Velosi Certification Bureau Limited

Notes to the Financial Statements

Year ended 31 December 2006

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

The directors have prepared the financial statements on a going concern basis which is dependent on the continued support of the holding company (Velosi Europe Limited). Velosi Europe Limited has confirmed its intention to support the company to enable it to trade for the foreseeable future.

Changes in accounting policies

In preparing the financial statements for the current year, the company has adopted the following Financial Reporting Standards:

-Financial Reporting Standard for Smaller Entities (effective January 2005)

The adoption of this new accounting standard has had no effect on the accounting policies or presentation of the financial statements.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant & Machinery	- 25% on cost
Fixtures & Fittings	- 33% on cost

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax. Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Velosi Certification Bureau Limited

Notes to the Financial Statements

Year ended 31 December 2006

1. Accounting policies *(continued)*

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Group accounts

The company does not prepare group accounts on the basis that group accounts are prepared by the ultimate parent company.

2 Other operating income

	Year to 31 Dec 06 £	Period from 1 Jul 04 to 31 Dec 05 £
Government Grant	<u>-</u>	<u>4,800</u>

3 Operating profit/(loss)

Operating profit/(loss) is stated after charging

	Year to 31 Dec 06 £	Period from 1 Jul 04 to 31 Dec 05 £
Staff pension contributions	1,455	3,240
Depreciation of owned fixed assets	4,026	5,274
Auditor's fees	2,750	2,300
Net loss on foreign currency translation	<u>4,566</u>	<u>1,094</u>

Velosi Certification Bureau Limited

Notes to the Financial Statements

Year ended 31 December 2006

4 Taxation on ordinary activities

	Year to 31 Dec 06 £	Period from 1 Jul 04 to 31 Dec 05 £
Current tax		
UK Corporation tax based on the results for the year at 19% (2005 - 19%)	61	-
Total current tax	61	-
Deferred tax		
Origination and reversal of timing differences (note 8) Losses	(38,467)	-
Tax on profit/(loss) on ordinary activities	(38,406)	-

5 Tangible fixed assets

	Plant & Machinery £	Fixtures & Fittings £	Total £
Cost			
At 1 January 2006	28,425	1,517	29,942
Additions	8,003	-	8,003
At 31 December 2006	36,428	1,517	37,945
Depreciation			
At 1 January 2006	20,043	647	20,690
Charge for the year	3,799	227	4,026
At 31 December 2006	23,842	874	24,716
Net book value			
At 31 December 2006	12,586	643	13,229
At 31 December 2005	8,382	870	9,252

Velosi Certification Bureau Limited

Notes to the Financial Statements

Year ended 31 December 2006

6. Investments

	£
Cost	
At 1 January 2006 and 31 December 2006	<u>22,996</u>
Net book value	
At 31 December 2006	<u>22,996</u>
At 31 December 2005	<u>22,996</u>

The company owns 100% of the issued share capital of the companies listed below,

Velosi Quality Management International Limited

Country of Incorporation - United Arab Emirates

Nature of business - Certifying client organisation's systems and interpreting certification criteria

Ordinary shares - 49% holding

Velosi CBL (N)(M) SDN. BHD.

Country of incorporation - Malaysia

Nature of business - Certifying client organisation's systems and interpreting certification criteria

Ordinary shares - 100% holding

	2006 £	2005 £
Aggregate capital and reserves		
Velosi Quality Management International Limited	(80,237)	(90,520)
Velosi CBL (N)(M) SDN BHD Limited	(361)	-
Profit and (loss) for the year		
Velosi Quality Management International Limited	269	(14,045)
Velosi CBL (N)(M) SDN BHD Limited	(369)	-

7. Debtors

	2006 £	2005 £
Trade debtors	92,607	98,327
Amounts owed by group undertakings	73,786	27,933
Other debtors	50,084	65,847
Deferred taxation (note 8)	38,467	-
	<u>254,944</u>	<u>192,107</u>

Velosi Certification Bureau Limited

Notes to the Financial Statements

Year ended 31 December 2006

8 Deferred taxation

The deferred tax included in the Balance sheet is as follows

	Year to 31 Dec 06 £	Period from 1 Jul 04 to 31 Dec 05 £
Included in debtors (note 7)	<u>38,467</u>	-

The movement in the deferred taxation account during the year was

	Year to 31 Dec 06 £	Period from 1 Jul 04 to 31 Dec 05 £
Profit and loss account movement arising during the year	<u>38,467</u>	-
Balance carried forward	<u>38,467</u>	-

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of

	2006 £	2005 £
Tax losses available	<u>38,467</u>	-
	<u>38,467</u>	-

9 Creditors. Amounts falling due within one year

	2006 £	2005 £
Trade creditors	69,925	76,316
Amounts owed to group undertakings	259,875	288,182
Corporation tax	61	-
Other taxation and social security	13,286	5,845
Other creditors	<u>64,606</u>	<u>55,998</u>
	<u>407,753</u>	<u>426,341</u>

10 Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company

Velosi Certification Bureau Limited

Notes to the Financial Statements

Year ended 31 December 2006

11 Share capital

Authorised share capital

	2006	2005
	£	£
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

Allotted, called up and fully paid

	2006		2005	
	No	£	No	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

12 Reconciliation of shareholders' funds and movement on reserves

	Share capital	Profit and loss account	Total share-holders' funds
	£	£	£
Balance brought forward	100	(197,970)	(197,870)
Profit for the year	—	110,368	110,368
Balance carried forward	<u>100</u>	<u>(87,602)</u>	<u>(87,502)</u>

13. Ultimate parent company

The ultimate parent company of this company is Velosi Limited, a company registered in Jersey

Velosi Limited prepares group financial statements and copies can be obtained from 44 Esplanade, St Helier, JE4 8PN