

Velosi Certification Bureau Limited

Company Registration No: 03696143

Directors' report and financial statements

For the year ended 31 December 2008

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VELOSI CERTIFICATION BUREAU LIMITED

COMPANY INFORMATION

Directors	J T Vincent N A Jalil S T Ooi
Company secretary	M Coles
Company number	03696143
Registered office	1 Woodside Business Park Whitley Wood Lane, Reading Berkshire RG 2 8LW
Auditors	Mazars LLP Chartered Accountants Tower Bridge House St Katharine's Way London E1W 1DD

VELOSI CERTIFICATION BUREAU LIMITED

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VELOSI CERTIFICATION BUREAU LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2008

The directors present their report and the financial statements for the year ended 31 December 2008.

Principal activities

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

Directors

The directors who served during the year were:

J T Vincent
N A Jalil
S T Ooi

Statement of directors' responsibilities

The directors are responsible for preparing the Annual 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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;
- 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 enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

Provision of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

VELOSI CERTIFICATION BUREAU LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2008

Auditors

The auditors, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

The report of the directors has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the board on 17th August 2009
signed on its behalf.

and



J T Vincent
Director

VELOSI CERTIFICATION BUREAU LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF VELOSI CERTIFICATION BUREAU LIMITED

We have audited the financial statements of Velosi Certification Bureau Limited for the year ended 31 December 2008, set out on pages 5 to 12. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007).

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 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of directors' responsibilities.

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. We also report to you whether, in our opinion, the information given in the Directors' report is consistent with the financial statements.

In addition we 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 judgments 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.

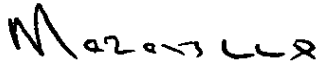
VELOSI CERTIFICATION BUREAU LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF VELOSI CERTIFICATION BUREAU LIMITED

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 2008 and of its profit for the year then ended;
- the financial statements 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.



Mazars LLP

Chartered Accountants
Registered Auditor

Tower Bridge House
St Katharine's Way
London
E1W 1DD

17 August 2009

VELOSI CERTIFICATION BUREAU LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2008

	Note	2008 £	2007 £
Turnover		694,919	869,584
Cost of sales		(526,198)	(607,602)
Gross profit		168,721	261,982
Administrative expenses		(161,199)	(207,511)
Other operating income	2	-	250
Operating profit	3	7,522	54,721
Interest receivable		794	853
Profit on ordinary activities before taxation		8,316	55,574
Tax on profit on ordinary activities	4	(2,624)	(18,159)
Profit for the financial year	12	5,692	37,415

All amounts relate to continuing operations.

There were no recognised gains and losses for 2008 and 2007 other than those included in the profit and loss account.

The notes on pages 7 to 12 form part of these financial statements.

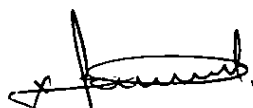
VELOSI CERTIFICATION BUREAU LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2008

	Note	£	2008 £	£	2007 £
Fixed assets					
Tangible fixed assets	5		8,380		10,587
Fixed asset investments	6		24,459		24,459
			<u>32,839</u>		<u>35,046</u>
Current assets					
Stocks	7	26,495		18,168	
Debtors	8	384,719		480,327	
Cash at bank		39,007		16,881	
		<u>450,221</u>		<u>515,376</u>	
Creditors: amounts falling due within one year	9	(527,455)		(600,509)	
Net current liabilities			<u>(77,234)</u>		<u>(85,133)</u>
Total assets less current liabilities			<u>(44,395)</u>		<u>(50,087)</u>
Capital and Reserves					
Called up share capital	11		100		100
Profit and loss account	12		(44,495)		(50,187)
Shareholders' deficit			<u>(44,395)</u>		<u>(50,087)</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 17th August 2009.


Director

The notes on pages 7 to 12 form part of these financial statements.

VELOSI CERTIFICATION BUREAU LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

1.2 Going concern

The directors are of the opinion that the company will continue to trade as a going concern and are confident that the parent company will continue to support the company and provide it with adequate funds when necessary to enable it to meet its debts as they fall due for the foreseeable future. Should the company be unable to continue trading then adjustments would have to be made to reduce the value of the assets to their recoverable amounts and to provide further liabilities that may arise and to reclassify fixed assets as current assets.

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant & machinery	-	25%	straight line
Fixtures & fittings	-	15%	straight line

1.5 Investments

Investments held as fixed assets are shown at cost less provisions for their impairment.

1.6 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

1.7 Operating lease agreements

Rentals applicable to operating leases, where substantially all of the benefits and risks of ownership remain with the lessor, are charged against profits on a straight line basis over the period of the lease.

1.8 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 FOR THE YEAR ENDED 31 DECEMBER 2008

1. Accounting policies (continued)

1.9 Foreign currency

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.

1.10 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.

1.11 Group accounts

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

1.12 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.

2. Other operating income

	2008 £	2007 £
Sundry income	-	250

3. Operating profit

The operating profit is stated after charging:

	2008 £	2007 £
Depreciation of tangible fixed assets: - owned by the company	5,131	4,815
Auditors' remuneration	5,825	4,250
Pension costs	1,809	2,010

During the year, no director received any emoluments (2007 - £NIL).

VELOSI CERTIFICATION BUREAU LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

4. Taxation

	2008 £	2007 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	165	169
Deferred tax (see note 10)		
Deferred tax	2,459	17,990
	<u>2,624</u>	<u>18,159</u>
Tax on profit on ordinary activities		
	<u>2,624</u>	<u>18,159</u>

5. Tangible fixed assets

	Plant and machinery £	Furniture, fittings and equipment £	Total £
Cost			
At 1 January 2008	38,601	1,517	40,118
Additions	2,924	-	2,924
	<u>41,525</u>	<u>1,517</u>	<u>43,042</u>
At 31 December 2008			
	<u>41,525</u>	<u>1,517</u>	<u>43,042</u>
Depreciation			
At 1 January 2008	28,429	1,102	29,531
Charge for the year	4,905	226	5,131
	<u>33,334</u>	<u>1,328</u>	<u>34,662</u>
At 31 December 2008			
	<u>33,334</u>	<u>1,328</u>	<u>34,662</u>
Net book value			
At 31 December 2008	8,191	189	8,380
	<u>8,191</u>	<u>189</u>	<u>8,380</u>
At 31 December 2007	10,172	415	10,587
	<u>10,172</u>	<u>415</u>	<u>10,587</u>

6. Fixed asset investments

	Unlisted investments £
Cost or valuation	
At 1 January 2008 and 31 December 2008	24,459
	<u>24,459</u>

VELOSI CERTIFICATION BUREAU LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

6. Fixed asset investments (continued)

Investments constitute holdings in the following unlisted entities:

Velosi Quality Management International L.L.C

Country of Incorporation - United Arab Emirates

Nature of business - Provision of certification, engineering and inspection services

Ordinary shares - 100% holding

Velosi CBL (M) SDN. BHD

Country of Incorporation - Malaysia

Nature of business - Provision of equipment inspection services

Ordinary shares - 100% holding

7. Stocks

	2008 £	2007 £
Work in progress	21,710	15,288
Finished goods and goods for resale	4,785	2,880
	<u>26,495</u>	<u>18,168</u>

8. Debtors

	2008 £	2007 £
Trade debtors	193,036	294,974
Amounts owed by group undertakings	156,116	150,888
Other debtors	17,549	13,988
Deferred tax asset (see note 10)	18,018	20,477
	<u>384,719</u>	<u>480,327</u>

9. Creditors: Amounts falling due within one year

	2008 £	2007 £
Trade creditors	49,148	128,478
Amounts owed to group undertakings	378,363	362,191
Corporation tax	165	169
Social security and other taxes	44,902	46,631
Other creditors	54,877	63,040
	<u>527,455</u>	<u>600,509</u>

VELOSI CERTIFICATION BUREAU LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

10. Deferred tax asset

	2008 £	2007 £
At beginning of year	20,477	38,467
Movement in year	(2,459)	(17,990)
At end of year	<u>18,018</u>	<u>20,477</u>

The deferred tax asset is made up as follows:

	2008 £	2007 £
Tax losses carried forward	<u>18,018</u>	<u>20,477</u>

11. Share capital

	2008 £	2007 £
Authorised, allotted, called up and fully paid 100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

12. Reserves

	Profit and loss account £
At 1 January 2008	(50,187)
Profit for the year	5,692
At 31 December 2008	<u>(44,495)</u>

13. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £1,809 (2007 - £2,010).

Defined contribution

	2008 £	2007 £
Contributions by the company for the year	<u>1,809</u>	<u>2,010</u>

VELOSI CERTIFICATION BUREAU LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

14. Operating lease commitments

At 31 December 2008 the company had annual commitments under non-cancellable operating leases as follows:

	2008 £	2007 £
Expiry date:		
Within 1 year	-	276
Between 2 and 5 years	12,936	9,384
	<u>12,936</u>	<u>9,384</u>

15. Ultimate parent undertaking

The ultimate parent undertaking is Velosi Limited, a company registered in Jersey, Channel Islands.

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

VELOSI CERTIFICATION BUREAU LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2008

	Page	2008 £	2007 £
Turnover	14	694,919	869,584
Cost of sales	14	(526,198)	(607,602)
		<hr/>	<hr/>
Gross profit		168,721	261,982
Gross profit %		24.3 %	30.1 %
Other operating income	14	-	250
		<hr/>	<hr/>
		168,721	262,232
Less: Overheads			
Administration expenses	14	(161,199)	(207,511)
		<hr/>	<hr/>
Operating profit		7,522	54,721
Interest receivable	15	794	853
		<hr/>	<hr/>
Profit for the year		<u>8,316</u>	<u>55,574</u>

VELOSI CERTIFICATION BUREAU LIMITED

SCHEDULE TO THE DETAILED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2008

	2008 £	2007 £
Turnover		
Sales	623,651	821,859
Commission receivable	71,268	47,725
	<u>694,919</u>	<u>869,584</u>
	2008 £	2007 £
Cost of sales		
Wages and salaries	242,418	108,436
Certification purchases	283,780	499,166
	<u>526,198</u>	<u>607,602</u>
	2008 £	2007 £
Other operating income		
Sundry income	-	250
	<u>-</u>	<u>250</u>
	2008 £	2007 £
Administration expenses		
Staff salaries	73,982	100,914
Staff national insurance	7,785	10,684
Staff pension costs - money purchase schemes	1,809	2,010
Staff training	5,332	1,999
Staff welfare	1,774	2,239
Canteen	12	164
Commissions payable	2,763	22,442
Entertainment	42	221
Hotels, travel and subsistence	1,809	8,601
Consultancy	870	-
Printing and stationery	3,889	1,561
Telephone and fax	632	857
Computer costs	81	179
Advertising and promotion	3,452	310
Trade subscriptions	3,639	2,431
Legal and professional	2,278	2,417
Auditors' remuneration	5,825	4,250
Auditors' remuneration - non-audit	1,750	-
Accountancy fees	3,025	3,295
	<u>120,749</u>	<u>164,574</u>
Sub-total carried forward	120,749	164,574

VELOSI CERTIFICATION BUREAU LIMITED

SCHEDULE TO THE DETAILED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2008

	2008 £	2007 £
Administration expenses (continued)		
Sub-total brought forward	120,749	164,574
Equipment hire	5	1,377
Bank charges	569	736
Sundry expenses	435	12,753
Rent - operating leases	23,400	5,472
Rates	-	1,059
Cleaning	-	18
Insurances	5,775	5,816
Repairs and maintenance	341	998
Sundry establishment expenses	-	4,468
Depreciation - plant and machinery	5,131	4,587
Depreciation - fixtures & fittings	-	228
Recruitment	779	2,305
Profit/(loss) on foreign exchange	4,015	3,120
	<u>161,199</u>	<u>207,511</u>
	2008 £	2007 £
Interest receivable		
Bank interest receivable	<u>794</u>	<u>853</u>