

Velosi Certification Bureau Limited
Annual report and financial statements
for the year ended 31 December 2014

Registered number: 03696143

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Velosi Certification Bureau Limited

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Velosi Certification Bureau Limited

Officers and professional advisers

DIRECTORS

R Fernandez Armas
M Coles

REGISTERED OFFICE

4 Bennet Road
Bennet Court
Reading
Berkshire
RG2 0QX
England

BANKERS

Citibank
Canada Square
London

SOLICITORS

Field Seymour Parkes LLP
1 London Street
Reading
RG1 4QW

AUDITOR

Deloitte LLP
Reading
United Kingdom

Velosi Certification Bureau Limited

Directors' report

The directors present their report and the financial statements for the year ended 31 December 2014.

The directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption and from preparing a Strategic Report.

Principal activities

The principal activities of the company during the year were that of supplying technical, engineering and industrial services.

Going concern

Due to the financial position of the company, and because the current volatility in the financial markets has created economic uncertainty, the company is reliant upon the continued support of the ultimate parent undertaking, Velosi S.a.r.l

The directors of the company have received assurances from Velosi S.a.r.l that it will continue to support the company to enable it to meet its liabilities as they fall due for at least 12 months from the date of approval of these financial statements. Therefore the financial statements have been prepared on a going concern basis.

Directors

The directors, who served throughout the year except as noted, were as follows:

J T Vincent (resigned 1st December 2014)

N A Jalil (resigned 1st September 2014)

R Fernandez Armas (appointed 1st September 2014)

M Coles

Auditors

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

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director 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 is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Approved by the Board and signed on its behalf by:

M Coles
Director

Date: 30 September 2015

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Velosi Certification Bureau Limited

Directors' responsibilities statement

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 for smaller entities). 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.

Independent auditor's report to the members of Velosi Certification Bureau Limited

We have audited the financial statements of Velosi Certification Bureau Limited for the year ended 31 December 2014, which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 15. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 explained more fully in the Directors' Responsibilities Statement, 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.

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 annual report 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.

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 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; 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 auditor's report to the members of Velosi Certification Bureau 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from preparing a Strategic Report or in preparing the Directors' Report.



Tobias Wright (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Reading, UK
30 September 2015

Velosi Certification Bureau Limited

Profit and loss account For the year ended 31 December 2014

	Note	2014 £	2013 £
Turnover	2	1,418,076	1,823,003
Cost of sales		(479,356)	(1,667,916)
Gross profit		<u>938,720</u>	<u>155,087</u>
Administrative expenses		(1,007,774)	(202,798)
Operating loss	3	(69,054)	(47,711)
Interest payable		(10,522)	(73)
Loss on ordinary activities before taxation		<u>(79,576)</u>	<u>(47,784)</u>
Tax on loss on ordinary activities	4	-	-
Loss for the financial year	12	<u>(79,576)</u>	<u>(47,784)</u>

All amounts relate to continuing operations.

There were no recognised gains or losses for 2014 and 2013 other than those included in the profit and loss account.

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

Velosi Certification Bureau Limited

Balance sheet as at ended 31 December 2014

	Note	2014 £	2013 £
Fixed assets			
Tangible assets	5	67,773	96,538
Investments	6	24,459	24,459
		<u>92,232</u>	<u>120,997</u>
Current assets			
Stocks	7	-	5,346
Debtors	8	409,356	609,646
Cash at bank and in hand		-	6,099
		<u>409,356</u>	<u>621,091</u>
Creditors: amounts falling due within one year	9	(1,084,359)	(1,232,038)
Net current liabilities		<u>(675,003)</u>	<u>(610,947)</u>
Total assets less current liabilities		<u>(582,771)</u>	<u>(489,950)</u>
Creditors: amounts falling due after more than one year	10	-	(13,242)
Net liabilities		<u>(582,771)</u>	<u>(503,192)</u>
Capital and reserves			
Called-up share capital	11	100	100
Profit and loss account	12	(582,871)	(503,292)
Shareholders' deficit		<u>(582,771)</u>	<u>(503,192)</u>

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements of Velosi Certification Bureau Limited (registered number 03696143) were approved by the board of directors and authorised for issue on ~~30th~~ September 2015.

M Coles
Director

Velosi Certification Bureau Limited

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

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

Going concern

Due to the financial position of the company, and because the current volatility in the financial markets has created economic uncertainty, the company is reliant upon the continued support of its ultimate parent undertaking, Velosi S.a.r.l.

The directors of the company have received assurances from Velosi S.a.r.l that it will continue to support the company to enable it to meet its liabilities as they fall due for at least 12 months from the date of approval of these financial statements. Therefore the financial statements have been prepared on a going concern basis.

Turnover

Turnover is stated net of VAT and trade discounts. Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the value of the consideration due. Where a contract has only been partially completed at the balance sheet date turnover represents the value of the service provided to date based on a proportion of the total contract value. Where payments are received from customers in advance of services provided, the amounts are recorded as Deferred Income and included as part of Creditors due within one year.

Expenses

The company undertook a cost allocation exercise directed by the Applus group which has had the effect of reclassifying costs between those that are affected by activities relating to revenue and those that do not relate to revenue activities. The new guidelines will enable more accurate cost and comparative gross margin reviews and bring all group companies in line. The new allocation reporting provides a more precise reflection of costs between direct and indirect costs.

Tangible fixed assets

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 and machinery	-	25% straight-line
Motor vehicles	-	25% straight-line
Fixtures & fittings and equipment	-	15% straight-line

Investments

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

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.

Operating lease agreements

Rentals applicable to operating leases, where substantially all 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.

Velosi Certification Bureau Limited

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

Finance lease agreements

Assets held under finance leases and the related lease obligations are included at the fair value of the leased assets at the inception of the lease. Depreciation on leased assets is calculated to write off this amount on a straight line basis over the shorter of the lease term and the useful life of the asset.

Rentals payable are apportioned between the finance charge and a reduction of the outstanding obligation for future amounts payable so that the charge for each accounting period is a constant percentage of the remaining balance of the capital sum outstanding.

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 differences can be deducted.

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.

Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirement to do so by section 400 of the Companies Act 2006 as it is a subsidiary undertaking of Applus Services S.A., a company incorporated in Spain, and is included in the consolidated accounts of that company that are publically available.

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. Turnover

1% of the company's turnover (2013: 2%) is attributable to geographical markets outside the United Kingdom.

3. Loss on ordinary activities before taxation

Loss on ordinary activities before taxation is stated after charging:

	2014	2013
	£	£
Depreciation of tangible fixed assets	56,012	30,650
Auditor's remuneration	14,051	22,235
Auditors	9,900	9,300
Taxation	4,151	12,935
Pension costs	7,348	2,670
Rent	32,833	26,100
	<u> </u>	<u> </u>

During the year, no director received any emoluments (2013: £nil).

Velosi Certification Bureau Limited

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

4. Tax on profit on ordinary activities

The tax charge comprises:

	2014 £	2013 £
Current tax		
UK corporation tax	-	-
Deferred tax		
Origination and reversal of timing differences	-	-
Prior year adjustment	-	-
Total deferred tax	-	-
Total tax on profit on ordinary activities	-	-

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	2014 £	2013 £
Loss on ordinary activities before tax	<u>(79,576)</u>	<u>(47,784)</u>
Loss on ordinary activities at standard UK corporation tax rate of 21.49% (2013: 23.25%)	(17,103)	(11,109)
Effects of:		
Expenses not deductible for tax purposes	20	579
Capital allowances in excess of depreciation	1,245	6
Movement in short term timing differences	9,366	466
Unrelieved tax losses carried forward	6,472	10,058
Current tax charge for the year	<u>-</u>	<u>-</u>

The company has tax losses carried forward of £511,775 (2013: £481,663) on which a deferred tax asset has not been recognised because no tax benefit is expected from these losses in the foreseeable future.

Velosi Certification Bureau Limited

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

5. Tangible fixed assets

	Plant and machinery £	Motor vehicles £	Furniture, fitting and equipment £	Total £
Cost				
At 1 January 2014	135,350	83,826	7,927	227,103
Additions	28,865	-	-	28,865
Disposals	(909)	(19,570)	-	(20,479)
At 31 December 2014	<u>163,306</u>	<u>64,256</u>	<u>7,927</u>	<u>235,489</u>
Depreciation				
At 1 January 2014	84,809	43,564	2,192	130,565
Charge for the year	26,949	27,211	1,852	56,012
Disposals	(749)	(18,112)	-	(18,861)
At 31 December 2014	<u>111,009</u>	<u>52,663</u>	<u>4,044</u>	<u>167,716</u>
Net book value				
At 31 December 2014	<u>52,297</u>	<u>11,594</u>	<u>3,883</u>	<u>67,773</u>
At 31 December 2013	<u>50,541</u>	<u>40,262</u>	<u>5,735</u>	<u>96,538</u>

6. Fixed asset investments

	2014 £	2013 £
Cost	<u>24,459</u>	<u>24,459</u>

Investments constitute holdings in the following unlisted entities direct and indirect:

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 – 49% holding

Velosi CBL (M) SDN, BHD

Country of Incorporation – Malaysia

Nature of business – Provision of equipment inspection services

Ordinary shares – 100% holding

Velosi Certification Bureau Limited

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

7. Stocks

	2014 £	2013 £
Finished goods and goods for resale	-	5,346
	-	5,346

There is no material difference between the balance sheet value of stocks and their replacement cost.

8. Debtors

	2014 £	2013 £
Trade debtors	138,420	497,631
Amounts owed by Group undertakings	171,433	72,222
Other debtors	9,916	23,570
Accrued income	89,587	16,223
	409,356	609,646

9. Creditors: amounts falling due within one year

	2014 £	2013 £
Obligations under finance leases and hire purchase contracts	12,929	8,053
Trade creditors	52,670	190,762
Amounts owed to Group undertakings	919,597	887,306
Other taxation and social security	17,433	25,454
Accruals and deferred income	49,353	52,561
Other creditors	32,377	67,902
	1,084,359	1,232,038

10. Creditors – amounts falling due after more than one year

	2014 £	2013 £
Obligations under finance leases and hire purchase contracts	-	13,242

11. Called up share capital

	2014 £	2013 £
Allotted, called up and fully paid 100 ordinary shares of £1 each	100	100

Velosi Certification Bureau Limited

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

12. Deficit

	Profit and loss account £
At 1 January 2014	(503,292)
Loss for the financial year	(79,579)
At 31 December 2014	<u>(582,871)</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 the amounts outstanding at the yearend amounted to £1,167 (2013: £3,014).

Defined contribution

	2014 £	2013 £
Contributions by the company for the year	<u>15,561</u>	<u>14,479</u>

14. Related party transactions

Advantage has been taken of the exemption provided by FRS8 ('Related party disclosures') from disclosing details of transactions with its subsidiary undertakings on the basis that 90% or more of the Company's voting rights are controlled within the group which prepares publicly available consolidated group financial statements in which they are included.

15. Ultimate parent undertaking

The company's immediate parent company is Velosi Europe Limited. The ultimate controlling party is Applus Services S.A, a company incorporated in Spain.

The group of which Applus Services S.A. is the parent organisation forms the largest and smallest group preparing consolidated accounts which include Velosi Certification Bureau Limited.

Copies of these consolidated financial statements can be downloaded from the corporate website