

Company Registration No. 06751823

**SGS Ashby Limited (formerly SVA
Limited)**

**Annual Report and Financial Statements
For the 8 months ended 31 December 2015**



SGS ASHBY LIMITED (formerly SVA LIMITED)

ANNUAL REPORT AND FINANCIAL STATEMENTS 2015

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SGS ASHBY LIMITED (formerly SVA LIMITED)

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

P Earl
J Griffiths

SECRETARY

C Aldag

REGISTERED OFFICE

Rossmore Business Park
Ellesmere Port
Cheshire
CH65 3EN

BANKERS

National Westminster Bank Plc
5 High Street
Bracknell
Berkshire
RG12 1DH

AUDITOR

Deloitte LLP
Chartered Accountants and Statutory Auditor
Liverpool
United Kingdom

SGS ASHBY LIMITED (formerly SVA LIMITED)

STRATEGIC REPORT

The directors are pleased to present their Strategic Report for the 8 months ended 31 December 2015.

PRINCIPAL ACTIVITY

The principal activity of the company in the period under review remained that of the provision of food and consumer goods testing and advisory services.

REVIEW OF BUSINESS

The statement of comprehensive income is set out on page 6. The directors expect the present level of business to be sustained in the foreseeable future.

As shown in the statement of comprehensive income, turnover has decreased to £9,248,000 (2014: £14,430,000) caused by the short accounting period (8 months) as the company moved its year end to match that of its immediate parent entity SGS Holdings UK Limited. Profit from operations has also been affected by the short accounting period reducing from £3,780,000 to £1,745,000.

Average group employee numbers have increased in the year from 193 to 217 heads.

The balance sheet shows net assets of £6,422,000 (2014: £5,059,000).

PRINCIPAL RISKS AND UNCERTAINTIES

The company operates in a competitive trading environment. There is continued focus on the company's product offering and its relationship with its customers and staff to manage its industry risk and the company continues to maintain an ongoing programme of investment in new equipment and technology.

Group risks are discussed in the Annual Report of the ultimate parent, SGS SA, which does not form part of this report.

The company has prepared the financial statements on a going concern basis, further details of which are given in note 1 to the financial statements.

Approved by the Board of Directors and signed on behalf of the Board



J. Griffiths
Director

31 March 2016

SGS ASHBY LIMITED (formerly SVA LIMITED)

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the period ended 31 December 2015.

FUTURE DEVELOPMENTS

The directors expect the present level of activity to be sustained for the foreseeable future.

The company has prepared the financial statements on a going concern basis. Further details are given in Note 1 to the financial statements.

POST BALANCE SHEET EVENT

On 7 January 2016 the company changed its name from SVA Limited to SGS Ashby Limited.

DIVIDENDS

No dividends were paid for the period ended 31 December 2015 (year ended 30 April 2015: £nil).

DIRECTORS

The directors who served throughout the period and thereafter, unless otherwise stated are shown below:

P Earl	appointed 14 May 2015
J Griffiths	appointed 15 May 2015
J Longworth	resigned 14 May 2015
N Griffiths	resigned 14 May 2015
J S Williams	resigned 14 May 2015
P Berryman	resigned 14 May 2015
N M Jupe	resigned 8 April 2015

AUDITOR

In the case of the persons who are directors of the company at the date when the report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors to make themselves 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.

During the period the company appointed Deloitte LLP as its statutory auditor in place of BDO LLP following the completion of their audit for the year ended 30 April 2015.

APPROVAL OF REDUCED DISCLOSURES

The company, as a qualifying entity, has taken advantage of the disclosure exemptions in FRS 102 paragraph 1.12.

The company's shareholder has been notified in writing about the intention to take advantage of the disclosure exemptions and no objections have been received.

Approved by the Board of Directors and signed on behalf of the Board



J. Griffiths
Director

31 March 2016

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 period. 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). 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 judgments and 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 proper 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 SGS ASHBY LIMITED (formerly SVA LIMITED)

We have audited the financial statements of SGS Ashby Limited (formerly SVA Limited) for the period ended 31 December 2015 which comprise the Statement of comprehensive income, the Balance Sheet, the Statement of changes in equity and the related notes 1 to 21. 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), including FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 2015 and of its profit for the period 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.

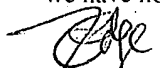
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the strategic report and the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

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.


Timothy Edge ACA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Liverpool, United Kingdom
31 March 2016

SGS ASHBY LIMITED (formerly SVA LIMITED)

STATEMENT OF COMPREHENSIVE INCOME
Period ended 31 December 2015

		8 month period ended 31 December 2015 £000	Year ended 30 April 2015 £000
	Note		
TURNOVER	3	9,248	14,430
Cost of sales		(6,083)	(6,684)
		<hr/>	<hr/>
GROSS PROFIT		3,165	7,746
Administrative expenses		(1,420)	(3,966)
		<hr/>	<hr/>
OPERATING PROFIT	6	1,745	3,780
		<hr/>	<hr/>
Interest receivable and similar income		-	1
Interest payable and similar charges	7	(1)	(5)
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,744	3,776
Taxation on profit on ordinary activities	8	(381)	(806)
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		1,363	2,970
		<hr/>	<hr/>
Profit for the financial period		1,363	2,970
		<hr/>	<hr/>
Total comprehensive income for the financial period		1,363	2,970
		<hr/>	<hr/>

All of the activities relate to continuing activities.

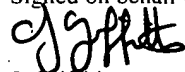
SGS ASHBY LIMITED (formerly SVA LIMITED)

BALANCE SHEET 31 December 2015

	Note	As at 31 December 2015 £000	As at 31 December 2015 £000	As at 30 April 2015 £000	As at 30 April 2015 £000
FIXED ASSETS					
Intangible assets	9		-		43
Tangible assets	10		677		737
			<u>677</u>		<u>780</u>
CURRENT ASSETS					
Stocks	11	98		76	
Debtors	12	4,231		5,031	
Cash at bank and in hand		3,960		1,917	
		<u>8,289</u>		<u>7,024</u>	
CREDITORS: amounts falling due within one year	13	(2,453)		(2,602)	
NET CURRENT ASSETS			5,836		4,422
TOTAL ASSETS LESS CURRENT LIABILITIES			6,513		5,202
CREDITORS: amounts falling due after more than one year	14		(31)		(49)
PROVISIONS FOR LIABILITIES	16		(60)		(94)
NET ASSETS			<u>6,422</u>		<u>5,059</u>
CAPITAL AND RESERVES					
Called-up share capital	17		612		612
Share premium account	17		160		160
Profit and loss account	17		5,650		4,287
SHAREHOLDER'S FUNDS			<u>6,422</u>		<u>5,059</u>

The financial statements of SGS Ashby Limited (formerly SVA Limited), registered number 06751823, were approved by the Board of Directors on 31 March 2016.

Signed on behalf of the Board of Directors



J. Griffiths
Director

SGS ASHBY LIMITED (formerly SVA LIMITED)

STATEMENT OF CHANGES IN EQUITY
31 December 2015

	Note	Share capital £000	Share premium £000	Profit and loss account £000	Total £000
At 30 April 2014		612	160	1,687	2,459
Changes on transition to FRS 102	21	-	-	-	-
At 1 May 2014 as restated		612	160	1,687	2,459
Profit for the year		-	-	2,970	2,970
Purchase of own shares		-	-	(370)	(370)
At 30 April 2015		612	160	4,287	5,059
Profit and total comprehensive income for the period		-	-	1,363	1,363
At 31 December 2015		612	160	5,650	6,422

NOTES TO THE FINANCIAL STATEMENTS
Period ended 31 December 2015

1. ACCOUNTING POLICIES

Company information

SGS Ashby Limited (formerly SVA Limited) is a company domiciled in England and Wales, registration number 06751823. The principal place of business is Rossmore Business Park, Ellesmere Port, Cheshire, CH65 3EN.

Basis of preparation

The company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. SGS Ashby Limited is consolidated in the financial statements of its parent, SGS United Kingdom Limited, which may be obtained at Companies House, Cardiff. Exemptions have been taken in these separate company financial statements in relation to share-based payments, financial instruments, the presentation of a cash flow statement and remuneration of key management personnel.

The financial statements have been prepared in accordance with Financial Reporting Standard 102 and in accordance with the Companies Act 2006. The principal accounting policies are summarised below.

The financial statements have been prepared in accordance with the historical cost convention and are presented in sterling (£).

These financial statements for the period ended 31 December 2015 are the first financial statements that comply with FRS 102. The date of transition is 1 May 2014.

The transition to FRS 102 has resulted in a small number of changes in accounting policies to those used previously.

The nature of these changes and their impact on the opening equity and profit for the comparative period are explained in note 21.

Going concern

The company's business activities, together with its performance are set out in the Directors' Report.

Based on internal forecasts and projections that take into account a reasonable range of possible trading performance, the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the financial statements are 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.

Amounts recoverable on contracts, which are included in debtors, are stated at the net sales value of the work done less amounts received as progress payments on account. Excess progress payments are included in creditors as payments on account.

Cash flow statement

As permitted by section 7, paragraphs 1.11 and 1.12 of FRS 102 'Statements of Cash Flows', the company's cash flow statement has not been included in these financial statements. The company is a wholly owned subsidiary of SGS SA, the ultimate parent company, which produces a consolidated cash flow statement.

NOTES TO THE FINANCIAL STATEMENTS
Period ended 31 December 2015

1. ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment

The cost of fixed assets is their purchase cost, together with any incidental costs of acquisition.

Provision for depreciation is made so as to write off the cost of tangible fixed assets except freehold land on a straight line basis, over the expected useful economic life of the assets concerned. The principal annual rates used for this purpose are:

	%
Leasehold improvements	Over the term of the lease
Plant and machinery	15-25
Fixtures and fittings	15-25
Office equipment	15-25

Financial instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

Financial liabilities are classified according to the substance of the contractual arrangements entered into.

Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a finance transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments that are classified as payable or receivable within one year and which meet the following conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment:

1. Returns to the holder are (i) a fixed amount or (ii) a fixed rate of return over the life of the instrument; or (iii) a variable return that throughout the life of the instrument is equal to a single referenced quoted or observable interest rate, or (iv) some combination of such fixed and variable rates, providing that both rates are positive.
2. There is no contractual provision that could by its terms, result in the holder losing the principle amount or any interest that is attributable to the current period or prior periods.
3. Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in relevant taxation or law.
4. There are no conditional returns or repayment provisions except for the variable rate return described in 1. and prepayments provisions described in 3.

Other debt instruments not meeting these criteria are measured at fair value through profit or loss.

Financial assets are derecognised when and only when (a) the contractual rights to the cash flows from the financial asset expire or are settled, (b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or (c) the Company, despite having retained some significant risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

NOTES TO THE FINANCIAL STATEMENTS
Period ended 31 December 2015

1. ACCOUNTING POLICIES (CONTINUED)

Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Financial assets

For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to sell, which is equivalent to the net realisable value. Cost is calculated using the FIFO (first-in first-out) method. Provision is made for obsolete, slow moving or defective items where appropriate.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference.

The tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

NOTES TO THE FINANCIAL STATEMENTS

Period ended 31 December 2015

1. ACCOUNTING POLICIES (CONTINUED)

Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rate of exchange prevailing at that date. Exchange gains or losses are included in the profit on ordinary activities.

Retirement benefits

The company operates a defined contribution pension scheme for the benefit of employees. The amount charged to the Statement of comprehensive income in respect of pension costs and other post retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Leasing and hire purchase commitments

Assets are held under finance leases and other similar contracts, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets and are depreciated over shorter of the lease terms and their useful lives. The capital elements of the future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a periodic rate of interest on the remaining balance of the liability.

Rentals under operating leases are charged on a straight line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

Research and development

Research and development expenditure is written off as incurred.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from the estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements and sources of estimation uncertainty that the directors have made in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Recoverability of trade debtors and unbilled revenue

Trade debtors and unbilled revenue are recognised net of an estimated allowance for bad debts. These allowances for potential uncollectible amounts are estimated based primarily on the group's ageing policy guidelines, individual client analysis and an analysis of the underlying risk profile of each revenue stream by business and geography.

SGS ASHBY LIMITED (formerly SVA LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

Period ended 31 December 2015

3. TURNOVER

Turnover and profit before tax are derived from the principal activity of the provision of food and consumer goods testing and advisory services, originating in the UK.

The analysis by geographical destination of the company's turnover is set out below:

	8 month period ended 31 December 2015 £000	Year ended 30 April 2015 £000
United Kingdom	6,987	10,380
Other	2,261	4,050
	<u>9,248</u>	<u>14,430</u>

Turnover and profit before tax are derived from the principal activity of the provision of food and consumer goods testing and advisory services, originating in the UK.

4. STAFF COSTS

	8 month period ended 31 December 2015 £000	Year ended 30 April 2015 £000
Staff costs for the period (including directors)		
Wages and salaries	3,738	5,634
Social security costs	364	562
Other pension costs	295	399
	<u>4,397</u>	<u>6,595</u>

The average monthly number of employees, including directors, during the period was as follows:

	8 month period ended 31 December 2015 No.	Year ended 30 April 2015 No.
Testing & advisory	180	163
Office and management	37	30
	<u>217</u>	<u>193</u>

SGS ASHBY LIMITED (formerly SVA LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

Period ended 31 December 2015

5. DIRECTORS' EMOLUMENTS

The emoluments of the new directors appointed during the period are recorded in the financial statements for SGS United Kingdom Limited. The total emoluments are £360,000 (year ended 30 April 2015: £nil), however it is not practical to split these costs between individual entities.

The emoluments of the directors who resigned during the year are detailed below;

	8 month period ended 31 December 2015 £000	Year ended 30 April 2015 £000
Emoluments	-	624
Company contributions to defined contribution scheme	-	39
	-	663

During the period retirement benefits were accruing to no directors (year ended 30 April 2015: 4) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £nil (year ended 30 April 2015: £281,000).

The value of the company's contributions paid to a defined contribution scheme in respect of the highest paid director amounted to £nil (year ended 30 April 2015: £18,000).

6. OPERATING PROFIT

	8 month period ended 31 December 2015 £000	Year ended 30 April 2015 £000
The operating profit is stated after charging:		
Depreciation	132	233
Amortisation of intangible assets	-	21
Operating lease rentals	272	351
Auditor's remuneration - audit of financial statements	10	10

There were no non-audit fees payable to the auditor in the current period (year ended 30 April 2015: £nil).

7. INTEREST PAYABLE

	8 month period ended 31 December 2015 £000	Year ended 30 April 2015 £000
On finance leases and hire purchase contracts	1	5

SGS ASHBY LIMITED (formerly SVA LIMITED)

NOTES TO THE FINANCIAL STATEMENTS Period ended 31 December 2015

8. TAX ON PROFIT ON ORDINARY ACTIVITIES

	8 month period ended 31 December 2015 £000	Year ended 30 April 2015 £000
Current tax		
UK corporation tax on profits for the period	415	754
Total current tax	415	754
Deferred tax		
Origination and reversal of timing differences	(23)	59
Adjustment in respect of previous periods	(4)	(3)
Effect of changes in tax rates	(7)	(4)
Total deferred tax	(34)	52
Total tax per statement of comprehensive income	381	806

The charge for the period can be reconciled to the profit per the Statement of comprehensive income as follows:

	8 month period ended 31 December 2015 £000	Year ended 30 April 2015 £000
Profit for the period – continuing operations	1,744	3,776
Tax on profit at standard UK tax rate of 20% (year ended 30 April 2015: 20%)	349	755
Effects of:		
Expenses not deductible	42	21
Adjustment from previous periods	(4)	(3)
Tax rate changes	(6)	33
Tax charge for the period	381	806

The Finance Act 2013 reduced the main rate of corporation tax to 20% effective from 1 April 2015. Finance No 2 Act which was substantively enacted on 26 October 2015 includes provisions to further reduce the corporation tax rate to 19% effective from 1 April 2017 and to 18% effective from 1 April 2020. Accordingly deferred tax assets and liabilities have been calculated at the rates which will be in force when the timing differences are projected to reverse.

NOTES TO THE FINANCIAL STATEMENTS
Period ended 31 December 2015

9. INTANGIBLE FIXED ASSETS

	Licences £000
Cost	
At 1 May 2015	76
Disposals	(76)
	<hr/>
As at 31 December 2015	-
	<hr/>
Amortisation	
At 1 May 2015	33
Eliminated on disposal	(33)
	<hr/>
At 31 December 2015	-
	<hr/>
Net book value	
At 31 December 2015	-
	<hr/>
At 30 April 2015	43
	<hr/>

10. TANGIBLE FIXED ASSETS

	Short term leasehold improve- ments £000	Plant & machinery £000	Fixtures and fittings £000	Office equipment £000	Total £000
Cost					
At 1 May 2015	306	911	153	134	1,504
Additions	-	66	6	-	71
Disposals	-	(47)	(71)	(20)	(138)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2015	306	930	88	114	1,437
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation					
At 1 May 2015	148	468	83	68	767
Charge for period	27	81	12	12	132
Eliminated on disposal	-	(47)	(71)	(20)	(138)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2015	175	502	24	60	761
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book value					
At 31 December 2015	131	428	64	54	677
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 April 2015	158	443	70	66	737
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Leased assets included above:					
Net book value					
At 31 December 2015	-	72	-	-	72
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 April 2015	-	84	-	-	84
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

SGS ASHBY LIMITED (formerly SVA LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

Period ended 31 December 2015

11. STOCKS

	31 December 2015 £000	30 April 2015 £000
Raw materials and consumables	98	76

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

12. DEBTORS

	31 December 2015 £000	30 April 2015 £000
Trade debtors	2,034	3,527
Other debtors	1,003	331
Gross amount due from customers for contract work	1,194	1,173
	4,231	5,031

13. CREDITORS: amounts falling due within one year

	31 December 2015 £000	30 April 2015 £000
Trade creditors	499	464
Net obligations under finance leases and hire purchase contracts	27	27
Corporation tax	248	373
Other taxes and social security	1,207	1,334
Other creditors	2	58
Accruals and deferred income	450	346
Amounts due to group undertakings	20	-
	2,453	2,602

Amounts due to group undertakings are repayable on demand. No interest is charged on these balances.

14. CREDITORS: amounts falling after more than one year

	31 December 2015 £000	30 April 2015 £000
Net obligations under finance leases and hire purchase contracts	31	49

SGS ASHBY LIMITED (formerly SVA LIMITED)

NOTES TO THE FINANCIAL STATEMENTS
Period ended 31 December 2015

14. CREDITORS: amounts falling after more than one year (continued)

	31	30
	December	April
	2015	2015
	£000	£000
Finance leases due in more than one year are repayable as follows:		
Between 1 and 2 years	27	27
Between 2 and 5 years	4	22
	<u>31</u>	<u>49</u>

15. FINANCIAL COMMITMENTS

Total future minimum lease payments under non-cancellable operating leases are as follows:

	31	30
	December	April
	2015	2015
	£000	£000
Land and buildings		
Within one year	251	251
Between one and five years	1,004	1,004
After five years	669	920
	<u>1,924</u>	<u>2,175</u>

16. PROVISIONS FOR LIABILITIES

The movement in deferred tax in the period is as follows:

	31	30
	December	April
	2015	2015
	£000	£000
Provision at start of period	94	42
(Credit)/charge for the period	(34)	52
	<u>60</u>	<u>94</u>
Provision at end of period		
	<u>31</u>	<u>30</u>
	December	April
	2015	2015
	£000	£000
Accelerated capital allowances	66	100
Short-term timing differences	(6)	(6)
	<u>60</u>	<u>94</u>

NOTES TO THE FINANCIAL STATEMENTS
Period ended 31 December 2015

17. SHARE CAPITAL AND RESERVES

	31 December 2015 £000	30 April 2015 £000
Authorised, allotted, called-up and fully paid		
611,600 ordinary shares of £1 each	612	612

Called-up share capital – represents the nominal value of shares that have been issued.

Share premium account – represents the payments for shares in excess of the nominal issue value.

Profit and Loss account – Includes all current and prior period retained profits and losses.

18. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemptions provided by FRS 102 section 33 'Related Party Disclosures' and has not disclosed details of transactions with members of the SGS SA group of companies, as all transactions are with members of the group who are 100% owned subsidiaries of SGS SA.

19. DEFINED CONTRIBUTION RETIREMENT BENEFIT SCHEME

The company operates a defined contribution pension scheme for its employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The total expense charged to profit or loss in the period ended 31 December 2015 was £295,000 (year ended 30 April 2015: £399,000).

20. ULTIMATE AND IMMEDIATE PARENT COMPANY

The immediate parent undertaking of SVA Limited is SGS United Kingdom Limited. The ultimate parent company and controlling party of SVA Limited is SGS SA, a company incorporated in Switzerland. The parent undertaking of the smallest group which contains the company is SGS United Kingdom Limited, a company incorporated in England, copies of the accounts are available at Companies House, Cardiff. The parent undertaking of the largest group which includes the company for which group accounts are prepared is SGS SA. Copies of the financial statements of SGS SA are available from 1 Place des Alpes, B.P.2152, CH-1211 Genève 1, Switzerland.

21. EXPLANATION OF TRANSITION TO FRS 102

This is the first period that the company has presented its financial statements in under financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The following disclosures are required in the period of transition. The last financial statements under previous UK GAAP were for the year ended 30 April 2015 and the date of transition to FRS 102 was therefore 1 May 2014. As a consequence of adopting FRS 102, a number of accounting policies have changed to comply with that standard.

The conversion to FRS 102 has not resulted in any restatements being made to the prior year balances as shown below.

Reconciliation of equity

	1 May 2014 £000	30 April 2015 £000
Capital and reserves (as previously stated)	921	2,459
Adjustments to reserves	-	-
Capital and reserves as restated	921	2,459

SGS ASHBY LIMITED (formerly SVA LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

Period ended 31 December 2015

21. EXPLANATION OF TRANSITION TO FRS 102 (CONTINUED)

Reconciliation of profit and loss

	Year ended 30 April 2015 £000
Profit for the year (as previously stated)	2,970
Adjustments to profit and loss	-
Profit for the year as restated	<u>2,970</u>