

# **Intertek Testing Services Caleb Brett Egypt Limited**

Directors' report and financial statements

Registered number 542087

31 December 2012



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**Directors' report for the year ended 31 December 2012**

The Directors of Intertek Testing Services Caleb Brett Egypt Limited (the "Company") present their report and the audited financial statements for the year ended 31 December 2012

**Principal activities**

The principal activities of the Company are cargo superintending and inspection services which are conducted through the Company's Egyptian branch. No significant changes in the Company's activities are expected.

**Business review**

The results for the year and the state of affairs of the Company at 31 December 2012 are shown in the financial statements and the notes on pages 8 to 14.

**Principal risks and uncertainties**

The principal risks and uncertainties affecting the Company are closely aligned with those discussed in the Group's annual report, which is publicly available from the Group Company Secretary, Intertek Group plc, 25 Savile Row, London, W1S 2ES.

**Dividends**

Dividends of £nil were paid in the year (2011: £126,814). The Directors do not propose the payment of any further dividend in respect of the year.

**Directors**

The Directors who held office during the year are given below:

I E Galloway – appointed 9 July 2012

J A Gutierrez – resigned 9 July 2012

S A Harrington – appointed 21 December 2012

K Wahid

**Disclosure of information to auditors**

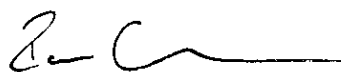
The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each Director has taken all the steps that he or she ought to have taken as a Director to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**Auditors**

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG Audit Plc will therefore continue in office.

By order of the Board

Registered Office  
Academy Place  
1-9 Brook Street  
Brentwood  
Essex  
CM14 5NQ



I E Galloway  
Director

16<sup>th</sup> October 2013

**Statement of Directors' responsibilities in respect of the Directors' report and the financial statements**

The Directors are responsible for preparing the Directors' 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

Under company law, the Directors must not approve the financial statements until 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 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 its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities



## **Independent auditors' report to the members of Intertek Testing Services Caleb Brett Egypt Limited**

We have audited the financial statements of Intertek Testing Services Caleb Brett Egypt Limited for the year ended 31 December 2012 set out in pages 5 to 14. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice)

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 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**

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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**

A description of the scope of an audit of financial statements is provided in the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **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 2012 and of its result for the year then ended,
- have been properly prepared in accordance with UK 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 Directors' Report for the financial year 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 or 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.

**S J Wardell (Senior Statutory Auditor)**  
**for and on behalf of KPMG Audit Plc, Statutory Auditor**  
Chartered Accountants  
Registered Auditor  
15 Canada Square, London, E14 5GL

24 October 2013

**Profit and loss account**

for the year ended 31 December 2012

	Note	2012 £000	2011 £000
Turnover	2	1,864	1,731
Cost of sales		(1,265)	(1,125)
Gross profit		599	606
Administrative expenses		(422)	(412)
Profit on ordinary activities before taxation	3	177	194
Tax on profit on ordinary activities	6	(183)	(144)
(Loss) / profit for the financial year	13	(6)	50

The results shown above arise from continuing activities and are presented on an historical cost basis

**Balance sheet**

at 31 December 2012

	<i>Note</i>	<b>2012</b>	<b>2012</b>	<b>2011</b>	<b>2011</b>
		<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Fixed assets</b>					
Tangible assets	7		<u>273</u>		<u>243</u>
<b>Current assets</b>					
Debtors	8	650		640	
Cash at bank and in hand		<u>269</u>		<u>130</u>	
			919		770
<b>Creditors: amounts falling due within one year</b>	9		<u>(672)</u>		<u>(467)</u>
<b>Net current assets</b>			247		303
<b>Net assets</b>			<u>520</u>		<u>546</u>
<b>Capital and reserves</b>					
Called up share capital	12		-		-
Profit and loss account	13		520		546
<b>Shareholders' funds</b>			<u>520</u>		<u>546</u>

The notes on pages 8 to 14 form part of these financial statements

These financial statements were approved by the Board of Directors on 16<sup>th</sup> October 2013 and were signed on its behalf by



**I E Galloway**  
Director

**Statement of total recognised gains and losses**  
for the year ended 31 December 2012

	<i>Note</i>	<b>2012</b>	<b>2011</b>
		<b>£000</b>	<b>£000</b>
(Loss) / profit for the financial year	13	<b>(6)</b>	50
Currency translation differences	13	<b>(20)</b>	<b>(14)</b>
Total gains and losses recognised since last annual report		<b><u>(26)</u></b>	<b><u>36</u></b>



## Notes to the financial statements

### 1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements

#### ***Basis of preparation***

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules

Under FRS 1 the Company is exempt from the requirement to prepare a cashflow statement on the grounds that a parent undertaking includes the Company in its published consolidated financial statements

As the Company is a wholly owned subsidiary of Intertek Group plc, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties) The consolidated financial statements of Intertek Group plc, within which this Company is included, can be obtained from the Group Company Secretary, 25 Savile Row, London W1S 2ES

#### ***Foreign currencies***

Assets and liabilities in foreign currencies have been expressed in Sterling at the rate of exchange ruling at the close of business on 31 December of each year Exchange differences arising on the re-translation of the Company's net investment in its Egyptian branch have been taken directly to reserves

The profit and loss account of the Egyptian branch has been translated at the cumulative average rate (CAR) for the twelve months to 31 December each year The difference between the net profit expressed at CAR and year end rates has been transferred to reserves

#### ***Tangible fixed assets and depreciation***

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over the estimated useful lives of the assets, at the following annual rates

Plant and machinery	-	10% - 33 3%
Computer hardware	-	33 3%

#### ***Leases***

Operating lease rentals are charged to the profit and loss account on a straight line basis over the term of the lease

#### ***Turnover***

Turnover represents the total amount receivable for services provided and goods sold, excluding sales related taxes Turnover is recognised when the relevant service is completed or goods delivered

#### ***Taxation***

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19 Deferred tax assets in respect of timing differences are only recognised to the extent that it is more likely than not that there will be suitable taxable profits to offset the future reversal of these timing differences

**Notes to the financial statements (continued)****1. Accounting policies (continued)****Dividends**

In accordance with FRS 21, dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company

**2. Segmental analysis**

	<b>2012</b>	2011
	<b>Turnover</b>	Turnover
	<b>£000</b>	£000
<b><i>By geographic market</i></b>		
Africa	<b>1,765</b>	1,611
Other	<b>99</b>	120
	<b><u>1,864</u></b>	<u>1,731</u>

**3 Notes to the profit and loss account**

	<b>2012</b>	2011
	<b>£000</b>	£000
<b><i>Profit on ordinary activities before tax is stated after charging:</i></b>		
Depreciation of owned fixed assets	<b>67</b>	69
Rentals payable under operating leases		
Property	<b>38</b>	36
Motor vehicles	<b>9</b>	9
Auditors' remuneration		
Audit of these financial statements	<b><u>4</u></b>	<u>4</u>

Amounts receivable by the Company's auditor in respect of services to the Company, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's ultimate parent, Intertek Group plc

**4. Remuneration of Directors**

	<b>2012</b>	2011
	<b>£000</b>	£000
Directors' emoluments	<b><u>73</u></b>	<u>80</u>

No retirement benefits are accruing for any of the Directors under a money purchase or defined benefit scheme, in respect of their services to the Company. Two Directors exercised share options or received shares in respect of services under long-term incentive schemes in 2012

**Notes to the financial statements (continued)****5. Staff numbers and costs**

The average number of persons employed by the Company (including Directors) during the year, analysed by category, was as follows

	<b>Number of employees</b>	
	<b>2012</b>	<b>2011</b>
Inspection	<b>51</b>	<b>45</b>

The aggregate payroll costs of these persons were as follows

	<b>2012</b>	<b>2011</b>
	<b>£000</b>	<b>£000</b>
Wages and salaries	<b>479</b>	<b>457</b>
Social security costs	<b>29</b>	<b>26</b>
	<b>508</b>	<b>483</b>

**6 Taxation****a) Analysis of charge/(credit) in year**

	<b>2012</b>	<b>2012</b>	<b>2011</b>	<b>2011</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>UK corporation tax</b>				
Current tax on profits for the year	-		26	
Adjustment in respect of prior years	-		-	
		-		26
Double taxation relief				(26)
<b>Foreign tax</b>				
Current tax on profits for the year		<b>67</b>		<b>41</b>
Adjustment in respect of prior years		<b>(2)</b>		<b>61</b>
Total current tax		<b>65</b>		<b>102</b>
<b>Deferred tax (see note 8)</b>				
Origination/ reversal of timing difference	<b>118</b>		30	
Effect of decreased rate on closing liability	-		9	
Adjustments in respect of prior years	-		3	
Total deferred tax		<b>118</b>		<b>42</b>
Tax on profit on ordinary activities		<b>183</b>		<b>144</b>

**Notes to the financial statements (continued)****6 Taxation (continued)****b) Factors affecting the tax charge for the current year**

The current tax charge for the year is higher (2011 higher) than the standard rate of corporation tax in the UK of 24.5% (2011 26.5%). The differences are explained below

	<b>2012</b>	2011
	<b>£000</b>	£000
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	<u>177</u>	<u>194</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 24.5% (2011 26.5%)	<b>43</b>	51
<i>Effects of</i>		
Difference between depreciation and capital allowances for the year	-	18
Other short term timing differences	-	(48)
Overseas tax	<b>65</b>	77
Expenses not deductible for tax purposes	-	4
Impact of branch exemption	<u>(43)</u>	-
Total current tax charge/(credit) (see above)	<u><b>65</b></u>	<u>102</u>

**c) Factors affecting current and future tax charges**

During 2010, the UK Government announced a phased reduction in the main UK corporation tax rate from 28% to 24% over a period of 4 years from 1 April 2011. Further reductions to the UK corporation tax rate were announced in subsequent years, to reduce the corporation tax rate to 20% from 1 April 2015. The reduction in the UK corporation tax rate to 24% from 1 April 2012 and to 23% from 1 April 2013 was substantively enacted on 3 July 2012.

Deferred tax assets and liabilities are measured at 23% (2011 25%). The change in rate reflects the change in the corporation tax rate to 23% with effect from 1 April 2013. Deferred tax assets and liabilities are measured at the tax rate that is expected to apply to the period when the asset is realised or the liability is settled, based on the rates that have been enacted or substantively enacted at the balance sheet date. Therefore, at 31 December 2012, deferred tax assets and liabilities have been calculated based on a rate of 23%, where the temporary difference is expected to reverse after 1 April 2013. The effect of the re-measurement has had no material impact on the profit for the year. No account will be taken of the further 3% reduction in tax rates until substantive enactment of these changes, however it is estimated that this will not have a material impact on the Company.

**Notes to the financial statements (continued)****7. Tangible fixed assets**

	<b>Motor vehicles £000</b>	<b>Equipment £000</b>	<b>Total £000</b>
<b>Cost</b>			
At beginning of year	46	845	891
Additions	-	112	112
Disposals	-	-	-
Exchange differences	-	(57)	(57)
At end of year	<u>46</u>	<u>900</u>	<u>946</u>
<b>Depreciation</b>			
At beginning of year	21	627	648
Charge for the year	6	61	67
Disposals	-	-	-
Exchange differences	-	(42)	(42)
At end of year	<u>27</u>	<u>646</u>	<u>673</u>
<b>Net book value</b>			
At 31 December 2012	<u>19</u>	<u>254</u>	<u>273</u>
At 31 December 2011	<u>25</u>	<u>218</u>	<u>243</u>

**8. Debtors**

	<b>2012 £000</b>	<b>2011 £000</b>
Trade debtors	360	279
Amounts owed by Group undertakings	146	92
Prepayments and accrued income	11	23
Other debtors	133	147
Deferred tax asset	-	99
	<u>650</u>	<u>640</u>

**Deferred Tax**

Asset at beginning of year	99	141
(Charge) / credit to the profit and loss account	(118)	(42)
Asset / (liability) at end of year	<u>(19)</u>	<u>99</u>

**The elements of deferred taxation are:**

Difference between accumulated depreciation and capital Allowances	(19)	61
Other short term timing differences	-	38
Total deferred tax asset at end of year (see above)	<u>(19)</u>	<u>99</u>

**9 Creditors: amounts falling due within one year**

	<b>2012 £000</b>	<b>2011 £000</b>
Amounts owed to Group undertakings	290	252
Other taxation and social security	7	8
Accruals and deferred income	158	88
Corporation tax	198	119
Deferred tax	19	-
	<u>672</u>	<u>467</u>

**Notes to the financial statements (continued)****10. Commitments**

Annual commitments under non-cancellable operating leases are as follows

	<b>2012 Land and buildings £000</b>	<b>2012 Vehicles and equipment £000</b>	<b>2011 Land and buildings £000</b>	<b>2011 Vehicles and equipment £000</b>
Operating leases which expire				
Within one year	<u>38</u>	<u>9</u>	<u>36</u>	<u>9</u>

**11. Dividends**

	<b>2012 £000</b>	<b>2011 £000</b>
The aggregate amount of dividends comprises		
Dividends paid in respect of the current year	-	127
Aggregate amount of dividends paid in the financial year	<u>-</u>	<u>127</u>

The aggregate amount of dividends proposed and recognised as liabilities as at the year end is £nil  
(2011 £nil)

**12 Called up share capital**

	<b>2012 £</b>	<b>2011 £</b>
<b>Issued and fully paid:</b>		
Two Ordinary shares of £1 each	<u>2</u>	<u>2</u>

**13 Reconciliation of movements in equity shareholders' funds**

	<b>Share capital £000</b>	<b>Profit and loss account £000</b>	<b>2012 Total share- holders' funds £000</b>
At beginning of year	-	546	546
Loss for the year	-	(6)	(6)
Dividend	-	-	-
Currency translation differences	-	(20)	(20)
At end of year	<u>-</u>	<u>520</u>	<u>520</u>

**Notes to the financial statements (continued)****14 Related party transactions**

Kassem Wahid, a Director of Intertek Testing Services Caleb Brett Egypt Limited, is a shareholder of the Egyptian Company for Special Services and Al-Borak Company for Industrial and Commercial Investments. Both these companies, which are incorporated in Egypt, lease assets including a laboratory, an office and motor vehicles to Intertek Testing Services Caleb Brett Egypt Limited. The rental costs for the twelve months ended 31 December 2012 were as follows:

	<b>2012</b> <b>£000</b>	<b>2011</b> <b>£000</b>
Office	<b>15</b>	15
Laboratory	<b>23</b>	21
Motor vehicles	<b>9</b>	9
	<b><u>47</u></b>	<b><u>45</u></b>

**15 Ultimate parent undertaking**

The immediate parent undertakings are Intertek Overseas Holdings Limited and Intertek International Limited, both owning 50% of the issued share capital.

The ultimate parent undertaking and controlling party is Intertek Group plc, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of Intertek Group plc consolidated financial statements can be obtained from the Group Company Secretary at 25 Savile Row, London, W15 2ES.