

Intertek Testing Services Caleb Brett Egypt Limited

Annual report and financial statements

Registered number 00542087

31 December 2015



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Strategic report for the year ended 31 December 2015

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 2015 are shown in the financial statements and the notes on pages 6 to 15.

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, 33 Cavendish Square, London, W1G 0PS.

Environment

The Company is committed to complying with relevant environmental legislation and preventing any adverse impact on the environment as a result of its operations. Where an adverse environmental impact is identified, a practicable, timely and environmentally sympathetic solution will be implemented. If a serious risk to the environment is identified, that activity will be halted and appropriate remedial action taken to eliminate the risk.

By Order of the Board



I E Galloway
Director

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

29 September 2016

Directors' report for the year ended 31 December 2015

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 2015.

Dividends

The Company paid no dividends during the year (2014: £nil). The Directors do not propose the payment of any further dividends in respect of the year.

Charitable and political contributions

There were no political or charitable donations made in the year (2014: £nil).

Directors

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

I E Galloway
S A Harrington
K Wahid Kassem

Disclosure of information to auditor

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 auditor is 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 auditor is aware of that information.

Auditor

Following the completion of the audit of these financial statements, KPMG Audit plc has not been reappointed as auditor. PricewaterhouseCoopers plc ("PwC") has been appointed as the Company's auditor for the year ending 31 December 2016 following a formal tender of the Group's external auditor.

By Order of the Board



I E Galloway
Director

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

29 September 2016

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

The Directors are responsible for preparing the Strategic report, 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), including FRS 101 *Reduced Disclosure Framework*.

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 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 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 auditor's 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 2015 set out on pages 6 to 15. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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 Statement of Directors responsibilities set out on page 4, 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 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 FRC's website at 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 2015 and of its loss 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.

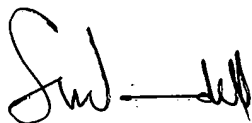
Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Strategic Report and 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.



Stephen Wardell (Senior Statutory Auditor)
For and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants
Registered Auditors
15 Canada Square, London, E14 5GL

29 September 2016

Profit and loss account

for the year ended 31 December 2015

	<i>Note</i>	2015 £'000	2014 £'000
Turnover	2	1,551	1,686
Cost of sales		(1,176)	(1,047)
Gross profit		375	639
Administrative expenses		(434)	(547)
Other operating income		2	-
Other operating expense		(85)	-
Operating (loss)/profit		(142)	92
Interest payable	4	(3)	-
(Loss)/profit on ordinary activities before taxation	3	(145)	92
Tax on profit on ordinary activities	7	(30)	(68)
(Loss)/profit for the financial year		(175)	24

The notes on pages 9 to 15 form an integral part of these financial statements.

Balance sheet

at 31 December 2015

	Note	2015 £'000	2014 £'000
Fixed assets			
Tangible fixed assets	8	314	310
		<u>314</u>	<u>310</u>
Current assets			
Debtors	9	525	552
Cash at bank and in hand		139	310
		<u>664</u>	<u>862</u>
Creditors: amounts falling due within one year	10	(673)	(662)
Net current (liabilities)/assets		<u>(9)</u>	<u>200</u>
Net assets		<u>305</u>	<u>510</u>
Capital and reserves			
Called up share capital		-	-
Profit and loss account		305	510
Shareholders' funds		<u>305</u>	<u>510</u>

The notes on pages 9 to 15 form an integral part of these financial statements.

These financial statements were approved by the Board of Directors on 29 September 2016 and were signed on its behalf by:



I E Galloway
Director

Statement of Changes in Equity

	<i>Note</i>		
	Share capital	Profit and loss account	Total shareholders' funds
	£'000	£'000	£'000
Balance at 1 January 2014	-	594	594
Total comprehensive income for the year			
Profit for the year	-	24	24
Translation of foreign currency	-	14	14
Total comprehensive income for the year	-	38	38
Dividends	-	(122)	(122)
Total contributions by, and distributions to, owners	-	(122)	(122)
Balance at 31 December 2014	-	510	510
Balance at 1 January 2015	-	510	510
Total comprehensive income for the year			
Loss for the year	-	(175)	(175)
Translation of foreign currency	-	(30)	(30)
Total comprehensive income for the year	-	(205)	(205)
Dividends	-	-	-
Total contributions by, and distributions to, owners	-	-	-
Balance at 31 December 2015	-	305	305

The notes on pages 9 to 15 form an integral part of these financial statements.

Notes to the financial statements

1. Accounting policies

Intertek Testing Services Caleb Brett Egypt Limited is a company incorporated and domiciled in the UK.

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

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ('FRS 101'). The amendments to FRS 101 (2014/15 Cycle) issued in July 2015 and effective immediately have been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ('Adopted IFRSs'), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken. In these financial statements, the company has adopted FRS 101 for the first time.

In the transition to FRS 101, the Company has applied IFRS 1 whilst ensuring that its assets and liabilities are measured in compliance with FRS 101. The transition to FRS 101 has not affected the reported financial position and financial performance of the Company.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- the effects of new but not yet effective IFRSs;
- an additional balance sheet for the beginning of the earliest comparative period following the retrospective change in accounting policy;
- Disclosures in respect of the compensation of Key Management Personnel; and
- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures on the basis that the consolidated financial statements include the equivalent disclosures.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements and in preparing an opening FRS 101 IFRS balance sheet at 1 January 2014 for the purposes of the transition to FRS 101.

The Company is exempt by virtue of section 400 of the Companies Act 2006 from the requirements to prepare Group financial statements. These financial statements present information about the Company as an individual undertaking and not about its Group.

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

The consolidated financial statements of Intertek Group plc, within which this Company is included, can be obtained from the Group Company Secretary, 33 Cavendish Square, London, W1G 0PS.

Notes to the financial statements (continued)

1. Accounting policies (continued)

The Company's ultimate parent undertaking, Intertek Group plc includes the Company in its consolidated financial statements. The consolidated financial statements of Intertek Group plc are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from 33 Cavendish Square, London, W1G 0PS.

Going concern

The Company's business activities, together with the factors likely to affect its future development and position, are set out in the Business Review section of the Strategic Report on page 2. The Company generated a loss of £175,000 (2014: profit of £24,000) in the year and has net current liabilities of £9,000 (2014: assets of £200,000) as at 31 December 2015. The Company participates in the Intertek Group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries.

The Directors, having assessed the response of the Directors of the Company's ultimate parent, Intertek Group plc, to their enquiries, have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Company to continue as a going concern or its ability to continue as part of Intertek Group plc's current banking arrangements.

On the basis of their assessment of the Company's financial position and of the enquiries made of the Directors of Intertek Group plc, the Company's Directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

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 assets and liabilities of its Egyptian branch have been taken directly to the profit and loss account.

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.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Notes to the financial statements (continued)**1. Accounting policies (continued)*****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%
Motor Vehicles	-	20% - 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.

Dividends on shares presented within shareholders' funds

Dividend income is recognised in profit or loss on the date that the Company's right to receive payment is established.

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. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

2. Segmental analysis

	2015 Turnover £'000	2014 Turnover £'000
<i>By geographic market</i>		
Africa	1,476	1,541
Other	75	145
	<u>1,551</u>	<u>1,686</u>

3. Notes to the profit and loss account

	2015 £'000	2014 £'000
<i>Profit on ordinary activities before tax is stated after charging:</i>		
Depreciation of owned fixed assets	66	69
Rentals payable under operating leases:		
Property	39	40
Motor vehicles	8	8
Auditor's remuneration:		
Audit of these financial statements	<u>4</u>	<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.

Notes to the financial statements (continued)**4. Interest payable and similar charges**

	2015	2014
	£'000	£'000
Net exchange losses	<u>3</u>	<u>-</u>

5. Remuneration of Directors

	2015	2014
	£'000	£'000
Directors' emoluments	<u>96</u>	<u>86</u>

Only one Director was paid by the Company in the year. The other Directors of the Company are remunerated by Group Companies, due to no qualifying services being provided to Intertek Testing Services Caleb Brett Egypt Limited during the year.

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.

6. Staff numbers and costs

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

	Number of employees	
	2015	2014
Inspection	<u>45</u>	<u>49</u>

The aggregate payroll costs of these persons were as follows:

	2015	2014
	£'000	£'000
Wages and salaries	542	538
Social security costs	<u>31</u>	<u>25</u>
	<u>573</u>	<u>563</u>

Notes to the financial statements (continued)**7. Taxation****a) Recognised in the profit and loss account**

	2015 £'000	2014 £'000
UK corporation tax		
Current tax on profits for the year	-	-
Foreign tax		
Current tax on profits for the year	30	62
Adjustment in respect of prior years	-	-
Total current tax	30	62
Deferred tax (see note 10)		
Origination/ reversal of timing difference	-	6
Total deferred tax	-	6
Tax on profit on ordinary activities	30	68

b) Reconciliation of effective tax rate

	2015 £'000	2014 £'000
Current tax reconciliation		
(Loss)/profit for the year	(175)	24
Total tax expense	30	68
(Loss)/profit excluding taxation	(145)	92
Tax at UK corporation tax rate of 20.25% (2014: 21.50%)	(29)	20
Effects of:		
Overseas tax	30	62
Impact of branch exemption	29	(20)
Total current tax charge (see above)	30	62

c) Factors affecting current and future tax charges

During 2015, the UK Government announced a phased reduction in the main rate of corporation tax from 20% to 18% over a period of three years from 1 April 2017. The reduction in the UK corporation tax rate to 19% from 1 April 2017 and to 18% from 1 April 2020 was substantively enacted in October 2015. In 2016, a further reduction in the UK corporation tax rate to 17% by 1 April 2020 was announced.

Deferred tax assets and liabilities are measured at 20% (2014: 20%). The change in rate reflects the change in the corporation tax rate to 20% with effect from 1 April 2016. 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 2015, deferred tax assets and liabilities have been calculated based on a rate of 20%, where the temporary difference is expected to reverse after 1 April 2016. The effect of the re-measurement has had no material impact on the loss for the year.

Notes to the financial statements (continued)**8. Tangible fixed assets**

	Motor Vehicles	Equipment	Total
	£'000	£'000	£'000
Cost			
At beginning of the year	39	932	971
Additions	-	88	88
Disposals	(4)	-	(4)
Exchange differences	(2)	(51)	(53)
At end of the year	33	969	1,002
Depreciation			
At beginning of the year	20	641	661
Charge	6	60	66
Disposals	(4)	-	(4)
Exchange differences	-	(35)	(35)
At end of the year	22	666	688
Net book value			
At 31 December 2015	11	303	314
At 31 December 2014	19	291	310

9. Debtors

	2015	2014
	£'000	£'000
Trade debtors	400	335
Amounts owed by Group undertakings	-	83
Prepayments and accrued income	3	3
Other debtors	122	131
	525	552

10. Creditors: amounts falling due within one year

	2015	2014
	£'000	£'000
Amounts owed to Group undertakings	441	384
Other taxation and social security	9	7
Accruals and deferred income	20	69
Corporation tax	139	179
Deferred tax	23	23
Other creditors	41	-
	673	662

Notes to the financial statements (continued)**10. Creditors: amounts falling due within one year (continued)****Deferred Tax**

	2015 £'000	2014 £'000
Liability at beginning of year	(23)	(17)
Credit/(charge) to the profit and loss account	-	(6)
Liability at end of year	<u>(23)</u>	<u>(23)</u>

The elements of deferred taxation are:

Other short term timing differences	(23)	(23)
Total deferred tax liability at end of year	<u>(23)</u>	<u>(23)</u>

11. Commitments

Annual commitments under non-cancellable operating leases are as follows:

	2015 Land and buildings £'000	2015 Vehicles and equipment £'000	2014 Land and buildings £'000	2014 Vehicles and equipment £'000
Operating leases which expire: within one year	<u>39</u>	<u>8</u>	<u>39</u>	<u>8</u>

12. Called up share capital

	2015 £	2014 £
Issued and fully paid:		
Two ordinary shares of £1 each	<u>2</u>	<u>2</u>

13. 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 and an office to Intertek Testing Services Caleb Brett Egypt Limited. The rental costs for the twelve months ended 31 December 2015 were as follows:

	2015 £'000	2014 £'000
Office	16	16
Laboratory	<u>23</u>	<u>23</u>
	<u>39</u>	<u>39</u>

14. 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 Company Secretary, 33 Cavendish Square, London, W1G 0PS, or on the website www.intertek.com.