

Intertek Testing Services Caleb Brett Egypt Limited

Annual report and financial statements

Registered number 00542087

31 December 2016

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Strategic report for the year ended 31 December 2016

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 Company show a profit after tax of £197,000 (2015: loss £175,000) and the net asset position of £340,000 (2015: £305,000). The results for the year and the state of affairs of the Company at 31 December 2016 are shown in the financial statements and the notes on pages 7 to 16.

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, or on the Group's website at <http://www.intertek.com/investors/reports/>.

Employees

The average monthly number of people employed by Intertek Testing Services Caleb Brett Egypt Limited during the year was 54 (2015: 45).

Business outlook

The Company will continue to operate its services via its Egyptian branch for the foreseeable future. The entity continues to operate as a going concern as discussed within the notes on pages 10 to 11.

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.

On behalf of the Board



I E Galloway
Director

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

14 February 2018

Directors' report for the year ended 31 December 2016

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 2016.

Dividends

The Company paid no dividends during the year (2015: £nil). The Directors do not propose the payment of any further dividends in respect of the year.

Future developments and financial risks

The Strategic report, presented on page 2, provides information on future developments and financial risks for the business.

Charitable and political contributions

There were no political or charitable donations made in the year (2015: £nil).

Directors

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

I E Galloway
S A Harrington
K Wahid Kassem

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.

Independent auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and PricewaterhouseCoopers LLP ("PwC") will therefore continue in office.

On behalf of the Board



I E Galloway
Director

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

14 February 2018

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 and 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 the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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.

The directors 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.

The directors of the ultimate parent company are responsible for the maintenance and integrity of the of the ultimate parent company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Independent auditors' report to the members of Intertek Testing Services
Caleb Brett Egypt Limited****Report on the financial statements***Our opinion*

In our opinion, Intertek Testing Services Caleb Brett Egypt Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit for the year 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.

What we have audited

The financial statements, included within the Annual report and financial statements (the "Annual Report"), comprise:

- the Balance sheet as at 31 December 2016;
- the Statement of profit and loss and other comprehensive income for the year then ended;
- the Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the Strategic Report and the Directors' report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors' report. We have nothing to report in this respect.

Other matters on which we are required to report by exception*Adequacy of accounting records and information and explanations received*

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

**Independent auditors' report to the members of I Intertek Testing Services
Caleb Brett Egypt Limited (continued)****Responsibilities for the financial statements and the audit***Our responsibilities and those of the directors*

As explained more fully in the Statement of Directors' responsibilities in respect of the Strategic report, the Directors' report and the financial statements 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 and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

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. With respect to the Strategic Report and Directors' report, we consider whether those reports include the disclosures required by applicable legal requirements.



Andrew Hodgekins (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
St Albans

14 February 2018

Statement of profit and loss and other comprehensive income
for the year ended 31 December 2016

	Note	2016 £'000	2015 £'000
Turnover	2	2,161	1,551
Cost of sales		(1,564)	(1,176)
Gross profit		597	375
Administrative expenses		(449)	(434)
Other operating income		7	2
Other operating expense		-	(85)
Operating profit/(loss)		155	(142)
Interest receivable and similar income	4	217	-
Interest payable and similar charges	5	-	(3)
Net financing income/(costs)		217	(3)
Profit/(loss) on ordinary activities before taxation	3	372	(145)
Tax on profit/(loss) on ordinary activities	8	(175)	(30)
Profit/(loss) for the financial year		197	(175)
Other comprehensive income/(expense)			
Items that will not be reclassified to profit or loss		-	-
Items that may be subsequently reclassified to profit or loss			
Currency translation differences		(162)	(30)
Total other comprehensive expense		(162)	(30)
Total comprehensive income/(expense) for the year		35	(205)

The notes on pages 10 to 16 form an integral part of these financial statements.

Balance sheet

as at 31 December 2016

	Note	2016 £'000	2015 £'000
Fixed assets			
Tangible fixed assets	9	192	314
		<u>192</u>	<u>314</u>
Current assets			
Debtors	10	617	525
Cash at bank and in hand		286	139
		<u>903</u>	<u>664</u>
Creditors: amounts falling due within one year	11	(607)	(673)
Net current assets/(liabilities)		<u>296</u>	<u>(9)</u>
Total assets less current liabilities		488	305
Creditors: amounts falling due after more than one year	11	(148)	-
Net assets		<u>340</u>	<u>305</u>
Capital and reserves			
Called up share capital	13	-	-
Profit and loss account		340	305
Shareholders' funds		<u>340</u>	<u>305</u>

The notes on pages 10 to 16 form an integral part of these financial statements.

These financial statements were approved by the Board of Directors on 14 February 2018 and were signed on its behalf by:



I E Galloway
Director

Statement of Changes in Equity
for the year ended 31 December 2016

	Called up Share capital £'000	Profit and loss account £'000	Total shareholders funds £'000
Balance at 1 January 2015	-	510	510
Total comprehensive expense for the year			
Loss for the financial year	-	(175)	(175)
Translation of foreign currency	-	(30)	(30)
Total comprehensive expense for the year	-	(205)	(205)
Transactions with owners, recorded directly in equity			
Dividends	-	-	-
Total contributions by, and distributions to, owners	-	-	-
Balance at 31 December 2015	-	305	305
Balance at 1 January 2016	-	305	305
Total comprehensive expense for the year			
Profit for the financial year	-	197	197
Translation of foreign currency	-	(162)	(162)
Total comprehensive income for the year	-	35	35
Transactions with owners, recorded directly in equity			
Dividends	-	-	-
Total contributions by, and distributions to, owners	-	-	-
Balance at 31 December 2016	-	340	340

The notes on pages 10 to 16 form an integral part of these financial statements.

Notes to the financial statements

1. Accounting policies

Statement of compliance

Intertek Testing Services Caleb Brett Egypt Limited is a private company, limited by shares and incorporated and domiciled in England and Wales. The Company's financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£000) except when otherwise indicated.

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').

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 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. As the consolidated financial statements include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of IFRS 2 Share Based Payments in respect of group settled share-based payments.

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

The company is a wholly-owned subsidiary of Intertek Group plc and is included in the consolidated financial statements which are publicly available. Consequently, the company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 400 of the Companies Act 2006.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

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 profit of £197,000 (2015: loss of £175,000) in the year and has net current assets of £148,000 (2015: net current liabilities of £9,000) as at 31 December 2016. The Company participates in the Intertek Group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries.

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

The Directors 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.

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.

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

	2016 Turnover £'000	2015 Turnover £'000
By geographic market		
Africa	2,085	1,476
Other	76	75
	<u>2,161</u>	<u>1,551</u>

3. Notes to the profit and loss account

	2016 £'000	2015 £'000
Profit on ordinary activities before tax is stated after charging:		
Depreciation of owned fixed assets	47	66
Rentals payable under operating leases:		
Property	35	39
Motor vehicles	12	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.

4. Interest receivable and similar income

	2016 £'000	2015 £'000
Net exchange gains	<u>217</u>	<u>-</u>

5. Interest payable and similar charges

	2016 £'000	2015 £'000
Net exchange losses	<u>-</u>	<u>3</u>

Notes to the financial statements (continued)**6. Remuneration of Directors**

	2016 £'000	2015 £'000
Directors' emoluments	<u>118</u>	<u>96</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.

7. 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	
	2016	2015
Inspection	<u>54</u>	<u>45</u>

The aggregate payroll costs of these persons were as follows:

	2016 £'000	2015 £'000
Wages and salaries	935	542
Social security costs	<u>32</u>	<u>31</u>
	<u>967</u>	<u>573</u>

8. Taxation**a) Recognised in the profit and loss account**

	2016 £'000	2015 £'000
UK corporation tax		
Current tax on profits for the year	<u>-</u>	<u>-</u>
Foreign tax		
Current tax on profits for the year	167	30
Adjustment in respect of prior years	<u>-</u>	<u>-</u>
Total current tax	<u>167</u>	<u>30</u>
Deferred tax (see note 11)		
Origination/ reversal of timing difference	8	-
Total deferred tax	<u>8</u>	<u>-</u>
Tax on profit on ordinary activities	<u>175</u>	<u>30</u>

Notes to the financial statements (continued)**8. Taxation (continued)****b) Reconciliation of effective tax rate**

	2016 £'000	2015 £'000
<i>Current tax reconciliation</i>		
Profit/(loss) for the year	197	(175)
Total tax expense	175	30
Profit/(loss) excluding taxation	372	(145)
 Tax at UK corporation tax rate of 20.00% (2015: 20.25%)	74	(29)
 <i>Effects of:</i>		
Overseas tax	167	30
Impact of branch exemption	(74)	29
Total current tax charge (see above)	167	30

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 September 2016, a further reduction in the UK corporation tax rate to 17% from 1 April 2020 was substantively enacted.

9. Tangible fixed assets

	Motor Vehicles £'000	Equipment £'000	Total £'000
Cost			
At beginning of the year	33	969	1,002
Additions	-	80	80
Exchange differences	(16)	(500)	(516)
At end of the year	17	549	566
 Depreciation			
At beginning of the year	22	666	688
Charge	4	43	47
Exchange differences	(13)	(348)	(361)
At end of the year	13	361	374
 Net book value			
At 31 December 2016	4	188	192
 At 31 December 2015	11	303	314

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

	2016 £'000	2015 £'000
Trade debtors	547	400
Amounts owed by Group undertakings	26	-
Prepayments and accrued income	3	3
Other debtors	41	122
	<u>617</u>	<u>525</u>

11. Creditors: amounts falling due within one year

	2016 £'000	2015 £'000
Amounts owed to Group undertakings	317	441
Other taxation and social security	91	9
Accruals and deferred income	162	20
Corporation tax	-	139
Deferred tax	15	23
Other creditors	22	41
	<u>607</u>	<u>673</u>

Deferred Tax

	2016 £'000	2015 £'000
Liability at beginning of year	(23)	(23)
Credit/(charge) to the profit and loss account	8	-
Liability at end of year	<u>(15)</u>	<u>(23)</u>

The elements of deferred taxation are:

Other short-term timing differences	<u>(15)</u>	<u>(23)</u>
Total deferred tax liability at end of year	<u>(15)</u>	<u>(23)</u>

Creditors: amounts falling due after more than one year

	2016 £'000	2015 £'000
Provision for long service award	148	-
	<u>148</u>	<u>-</u>

Notes to the financial statements (continued)**12. Commitments**

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

	2016 Land and buildings £'000	2016 Vehicles and equipment £'000	2015 Land and buildings £'000	2015 Vehicles and equipment £'000
Operating leases which expire: within one year	35	12	39	8

13. Called up share capital

	2016 £	2015 £
Issued and fully paid: Two ordinary shares of £1 each	2	2

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 and an office to Intertek Testing Services Caleb Brett Egypt Limited. The rental costs for the twelve months ended 31 December 2016 were as follows:

	2016 £'000	2015 £'000
Office	15	16
Laboratory	21	23
	36	39

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