

Intertek Testing Services Caleb Brett Egypt Limited

Directors' report and financial statements

Registered number 00542087

31 December 2013



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Strategic report for the year ended 31 December 2013**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 2013 are shown in the financial statements and the notes on pages 6 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, Academy Place, 1-9 Brook Street, Brentwood, Essex, CM14 5NQ.

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



S Harrington
Director

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

11 August 2014

Directors' report for the year ended 31 December 2013

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 2013.

Dividends

No dividends were paid in the current or prior year.

Donations

There were no political or charitable donations made in the year (2012: £nil).

Directors

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

I E Galloway
S A Harrington
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



S Harrington
Director

11 August 2014

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

The Directors are responsible for preparing the Directors' report, the Strategic 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 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 2013 set out in pages 6 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 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, 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.

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 2013 and of its profit 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.

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

12 August 2014

Profit and loss account

for the year ended 31 December 2013

	Note	2013 £000	2012 £000
Turnover	2	1,782	1,864
Cost of sales		(1,088)	(1,265)
Gross profit		694	599
Administrative expenses		(450)	(422)
Profit on ordinary activities before taxation	3	244	177
Tax on profit on ordinary activities	6	(93)	(183)
Profit/(loss) for the financial year	12	151	(6)

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

The notes on pages 9 to 14 form an integral part of these financial statements.

Statement of total recognised gains and losses

for the year ended 31 December 2013

	<i>Note</i>	2013 £000	2012 £000
Profit/(loss) for the financial year	12	151	(6)
Currency translation differences	12	(77)	(20)
Total gains/(losses) recognised since last annual report		<u>74</u>	<u>(26)</u>

Balance sheet

at 31 December 2013

	Note	2013 £000	2013 £000	2012 £000	2012 £000
Fixed assets					
Tangible assets	7		<u>287</u>		<u>273</u>
Current assets					
Debtors	8	755		650	
Cash at bank and in hand		<u>176</u>		<u>269</u>	
			931		919
Creditors: amounts falling due within one year	9		<u>(624)</u>		<u>(672)</u>
Net current assets			307		247
Net assets			<u>594</u>		<u>520</u>
Capital and reserves					
Called up share capital	11		-		-
Profit and loss account	12		594		520
Shareholders' funds			<u>594</u>		<u>520</u>

The notes on pages 9 to 14 form an integral part of these financial statements.

These financial statements were approved by the Board of Directors on 11 August 2014 and were signed on its behalf by:



S Harrington
Director

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, Academy Place, 1-9 Brook Street, Brentwood, Essex, CM14 5NQ.

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 is expected to continue to generate positive cash flows on its own account for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the 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 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%
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.

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

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

	2013	2012
	Turnover	Turnover
	£000	£000
<i>By geographic market</i>		
Africa	1,646	1,765
Other	136	99
	<u>1,782</u>	<u>1,864</u>

3. Notes to the profit and loss account

	2013	2012
	£000	£000
<i>Profit on ordinary activities before tax is stated after charging:</i>		
Depreciation of owned fixed assets	70	67
Rentals payable under operating leases:		
Property	43	38
Motor vehicles	9	9
Auditors' 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. Remuneration of Directors

	2013	2012
	£000	£000
Directors' emoluments	<u>88</u>	<u>73</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. Three Directors exercised share options or received shares in respect of services under long-term incentive schemes in 2013.

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:

	Number of employees	
	2013	2012
Inspection	<u>49</u>	<u>51</u>

The aggregate payroll costs of these persons were as follows:

	2013	2012
	£000	£000
Wages and salaries	526	479
Social security costs	<u>27</u>	<u>29</u>
	<u>553</u>	<u>508</u>

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

	2013	2013	2012	2012
	£000	£000	£000	£000
UK corporation tax				
Current tax on profits for the year	<u>-</u>	-	<u>-</u>	-
Foreign tax				
Current tax on profits for the year		95		67
Adjustment in respect of prior years		<u>-</u>		<u>(2)</u>
Total current tax		<u>95</u>		<u>65</u>
Deferred tax (see note 8)				
Origination/ reversal of timing difference	<u>(2)</u>		<u>118</u>	
Total deferred tax		(2)		118
Tax on profit on ordinary activities		<u>93</u>		<u>183</u>

b) Factors affecting the tax charge for the current year

The current tax charge for the year is higher (2012: higher) than the standard rate of corporation tax in the UK of 23.25% (2012: 24.5%). The differences are explained below:

	2013	2012
	£000	£000
Current tax reconciliation		
Profit on ordinary activities before tax	<u>244</u>	<u>177</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 23.25% (2012: 24.5%)	57	43
Effects of:		
Overseas tax	95	65
Impact of branch exemption	<u>(57)</u>	<u>(43)</u>
Total current tax charge/(credit) (see above)	<u>95</u>	<u>65</u>

Notes to the financial statements (continued)**6. Taxation (continued)****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 rates to 21% from 1 April 2014 and to 20% from 1 April 2015 were substantively enacted in July 2013.

Deferred tax assets and liabilities are measured at 21% (2012: 23%). The change in rate reflects the change in the corporation tax rate to 21% with effect from 1 April 2014. 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 2013, deferred tax assets and liabilities have been calculated based on a rate of 21%, where the temporary difference is expected to reverse after 1 April 2014. The effect of the re-measurement has had no material impact on the loss for the year.

7. Tangible fixed assets

	Motor vehicles £000	Equipment £000	Total £000
Cost			
At beginning of year	46	900	946
Additions	19	104	123
Disposals	(13)	(13)	(26)
Exchange differences	(10)	(120)	(130)
At end of year	42	871	913
Depreciation			
At beginning of year	27	646	673
Charge for the year	4	66	70
Disposals	(13)	(13)	(26)
Exchange differences	(4)	(87)	(91)
At end of year	14	612	626
Net book value			
At 31 December 2013	28	259	287
At 31 December 2012	19	254	273

8. Debtors: amounts falling due within one year

	2013 £000	2012 £000
Trade debtors	467	360
Amounts owed by Group undertakings	177	146
Prepayments and accrued income	6	11
Other debtors	105	133
	755	650

Notes to the financial statements (continued)**8. Debtors (continued)****Deferred Tax**

	2013 £000	2012 £000
(Liability)/asset at beginning of year	(19)	99
Credit/(charge) to the profit and loss account	<u>2</u>	<u>(118)</u>
Liability at end of year	<u>(17)</u>	<u>(19)</u>

The elements of deferred taxation are:

Other short term timing differences	<u>(17)</u>	<u>(19)</u>
Total deferred tax liability at end of year (see below)	<u>(17)</u>	<u>(19)</u>

9. Creditors: amounts falling due within one year

	2013 £000	2012 £000
Amounts owed to Group undertakings	233	290
Other taxation and social security	7	7
Accruals and deferred income	164	158
Corporation tax	203	198
Deferred tax	<u>17</u>	<u>19</u>
	<u>624</u>	<u>672</u>

10. Commitments

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

	2013 Land and buildings £000	2013 Vehicles and equipment £000	2012 Land and buildings £000	2012 Vehicles and equipment £000
Operating leases which expire:				
Within one year	<u>43</u>	<u>9</u>	<u>38</u>	<u>9</u>

11. Called up share capital

	2013 £	2012 £
Issued and fully paid:		
Two ordinary shares of £1 each	<u>2</u>	<u>2</u>

Notes to the financial statements (continued)**12. Reconciliation of movements in equity shareholders' funds**

	Share capital £000	Profit and loss account £000	2013 Total share- holders' funds £000
At beginning of year	-	520	520
Profit for the year	-	151	151
Currency translation differences	-	(77)	(77)
At end of year	-	594	594

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 2013 were as follows:

	2013 £000	2012 £000
Office	18	15
Laboratory	25	23
Motor vehicles	-	9
	<u>43</u>	<u>47</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 Group Company Secretary at Academy Place, 1-9 Brook Street, Brentwood, Essex, CM14 5NQ.