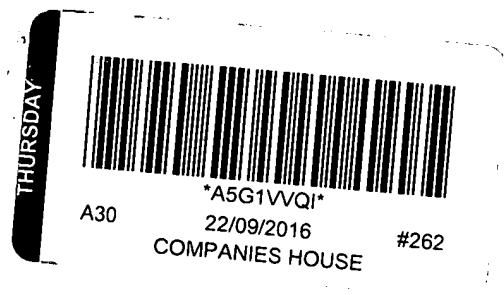


Company Registration No. 02999227

SGS EMICS LIMITED

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



ANNUAL REPORT AND FINANCIAL STATEMENTS 2015

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OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

P Earl
J Griffiths

SECRETARY

C Aldag

REGISTERED OFFICE

Rossmore Business Park
Ellesmere Port
Cheshire
CH65 3EN

BANKERS

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

AUDITOR

Deloitte LLP
Chartered Accountants and Statutory Auditor
Liverpool
United Kingdom

DIRECTORS' REPORT

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

The directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption. As such, the company is exempt from providing a strategic report.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review remained that of supplying equipment and providing services for calibration and inspection.

REVIEW OF BUSINESS AND FUTURE PROSPECTS

The statement of comprehensive income is set out on page 6. Both the level of business in the year and the year end financial position were satisfactory.

Following the decision since the year end to hive up the trade and assets of the company into SGS United Kingdom Limited with effect from 4 January 2016, these financial statements have been prepared on a basis other than going concern. For further details regarding the basis of preparation please see the disclosure made in Note 1 to the financial statements.

DIVIDENDS

Dividends of £180,000 were paid or proposed during for the year ended 31 December 2015 (2014: £nil).

DIRECTORS

The directors who served throughout the year and thereafter are shown below:

J Griffiths
P Earl

AUDITOR

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

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

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

A resolution to appoint Deloitte LLP will be proposed at the forthcoming Annual General Meeting.

APPROVAL OF REDUCED DISCLOSURES

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

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

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



J. Griffiths
Director
31 March 2016

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SGS EMICS LIMITED

We have audited the financial statements of SGS EMICS Limited for the year ended 31 December 2015 which comprise the Statement of comprehensive income, the Balance Sheet, the Statement of changes in equity and the related notes 1 to 20. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its profit for the 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.

Emphasis of matter - Financial statements prepared other than on a going concern basis

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SGS EMICS LIMITED (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report or strategic report.



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

STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 December 2015

	Note	2015 £000	2014 £000
TURNOVER	3	3,395	2,926
Cost of sales		(2,438)	(2,198)
		<u>957</u>	<u>728</u>
GROSS PROFIT			
Administrative expenses		(804)	(437)
		<u>153</u>	<u>291</u>
OPERATING PROFIT	6		
		153	291
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		153	291
Taxation on profit on ordinary activities	7	(19)	(57)
		<u>134</u>	<u>234</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION			
		134	234
Profit for the financial year		<u>134</u>	<u>234</u>
Total comprehensive income for the financial year		<u>134</u>	<u>234</u>

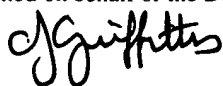
All of the activities relate to continuing activities.

BALANCE SHEET
As at 31 December 2015

	Note	2015 £000	2015 £000	2014 £000	2014 £000
FIXED ASSETS					
Tangible assets	9		363		352
CURRENT ASSETS					
Stocks	10	17		11	
Debtors	11	636		940	
Cash at bank and in hand		526		254	
		1,179		1,205	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR					
	12	(491)		(458)	
NET CURRENT ASSETS					
			688		747
TOTAL ASSETS LESS CURRENT LIABILITIES					
			1,051		1,099
Provisions for liabilities			-		(2)
NET ASSETS					
			1,051		1,097
CAPITAL AND RESERVES					
Called-up share capital	15		93		93
Share premium account	15		2		2
Profit and loss account	15		956		1,002
SHAREHOLDER'S FUNDS					
			1,051		1,097

These financial statements of SGS EMICS Limited, registered number 02999227, were approved by the Board of Directors on 31 March 2016.

Signed on behalf of the Board of Directors



J. Griffiths
 Director

STATEMENT OF CHANGES IN EQUITY
As at 31 December 2015

	Note	Called up share capital £000	Share premium £000	Profit and loss account £000	Total £000
At 31 December 2013		93	2	768	863
Changes on transition to FRS 102	20	-	-	-	-
At 1 January 2014 as restated		93	2	768	863
Profit and total comprehensive income for the year		-	-	234	234
At 31 December 2014		93	2	1,002	1,097
Profit and total comprehensive income for the year		-	-	134	134
Dividend	8	-	-	(180)	(180)
At 31 December 2015		93	2	956	1,051

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2015

1. ACCOUNTING POLICIES

Company information

SGS EMICS Limited is a company domiciled in England and Wales, registration number 02999227. The principal place of business is Rossmore Business Park, Inward Way, Ellesmere Port, Cheshire, CH65 3EN.

Basis of preparation

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

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

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

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

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

The nature of these changes and their impact on the opening equity and profit for the comparative period are explained in note 20.

Going concern

After the balance sheet date, the directors hived up the trade and assets of the company into its parent company, SGS United Kingdom Limited, with effect from 4 January 2016, as disclosed in note 19 to these financial statements. The company is not expected to trade after the hive up.

Therefore, in accordance with FRS 102, the financial statements have been prepared on a basis other than that of a going concern.

No adjustments arose as a result of ceasing to apply the going concern basis.

Turnover

Turnover is stated net of VAT and trade discounts. Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the value of the consideration due. Where a contract has only been partially completed at the balance sheet date, Turnover represents the value of the service provided to date based on a proportion of the total contract value. Where payments are received from customers in advance of services provided, the amounts are recorded as Deferred income and included as part of Creditors due within one year.

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

Cash flow statement

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

Property, plant and equipment

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

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2015

1. ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment (continued)

	%
Plant and machinery	15
Office equipment	15
Motor vehicles	25

Financial instruments

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

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

Financial assets and liabilities

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

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

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

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

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

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

Impairment of assets

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

Non-financial assets

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2015

1. ACCOUNTING POLICIES (CONTINUED)

Impairment of assets (continued)

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

Financial assets

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

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

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

Stock

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

Taxation

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

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

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

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

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

Foreign currencies

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

Retirement benefits

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2015

1. ACCOUNTING POLICIES (CONTINUED)

Leasing and hire purchase commitments

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

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

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

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

Recoverability of trade debtors and unbilled revenue

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

3. TURNOVER

Turnover and profit before tax are derived from the principal activity of supplying equipment and providing services for calibration and inspection, originating in the UK.

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

	2015 £000	2014 £000
United Kingdom	3,381	2,909
Other	14	17
	<u>3,395</u>	<u>2,926</u>

Turnover and profit before tax are derived from the principal activity of supplying equipment and providing services for calibration and inspection, originating in the UK.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2015

4. STAFF COSTS

	2015	2014
	£000	£000
Staff costs for the year		
Wages and salaries	1,122	1,161
Social security costs	98	103
Other pension costs	16	25
	<u>1,236</u>	<u>1,289</u>

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

	2015	2014
	No.	No.
Office and management	2	2
Inspection	41	41
	<u>43</u>	<u>43</u>

5. DIRECTORS' EMOLUMENTS

The emoluments of the directors who served during the year are recorded in the financial statements for SGS United Kingdom Limited (2014: same). The total emoluments are £360,000 (2014: £337,000), however it is not practical to split these costs between individual entities.

6. OPERATING PROFIT

	2015	2014
	£000	£000
The operating profit is stated after charging:		
Depreciation - owned assets	97	85
Operating leases	31	31
Auditor's remuneration	12	13
	<u>140</u>	<u>129</u>

There were no non-audit fees payable to the auditor (2014: same).

7. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	2015	2014
	£000	£000
Current tax		
UK corporation tax on profits for the period	36	64
Adjustment in respect of prior periods	(14)	(9)
Total current tax	<u>22</u>	<u>55</u>
Deferred tax		
Origination and reversal of timing differences	(3)	2
Total deferred tax	<u>(3)</u>	<u>2</u>
Total tax per statement of comprehensive income	<u>19</u>	<u>57</u>

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2015

7. TAXATION ON PROFIT ON ORDINARY ACTIVITIES (CONTINUED)

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

	2015 £000	2014 £000
Profit for the period	153	291
Tax on profit at standard UK tax rate of 20.25% (2014: 21.50%)	31	63
Effects of:		
Expenses not deductible	2	-
Adjustment from previous periods	(14)	1
Tax charge for the period	19	64

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

8. DIVIDENDS ON EQUITY SHARES

Amounts recognised as distributions to equity holders in the period

	2015 £000	2014 £000
Dividend paid in the year of £1.94 (2014: £nil) per ordinary share	180	-

9. TANGIBLE FIXED ASSETS

	Plant and machinery £000	Motor vehicles £000	Office equipment £000	Total £000
Cost or valuation				
At 1 January 2015	810	97	122	1,029
Additions	109	-	-	109
At 31 December 2015	919	97	122	1,138
Depreciation				
At 1 January 2015	504	71	102	677
Charge for the year	77	15	6	98
At 31 December 2015	581	86	108	775
Net book value				
At 31 December 2015	338	11	14	363
At 31 December 2014	306	26	20	352

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2015

10. STOCK

	2015 £000	2014 £000
Work in progress	17	11

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

11. DEBTORS

	2015 £000	2014 £000
Amounts falling due within one year:		
Trade debtors	438	657
Gross amount due from customers for contract work	136	232
Prepayments and accrued income	61	51
Deferred tax (note 13)	1	-
	<u>636</u>	<u>940</u>

All amounts are due within one year

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £000	2014 £000
Trade payables	119	141
Amounts due to group undertakings	98	145
Accruals and deferred income	128	40
Corporation tax	36	31
Deferred tax (note 13)	-	2
Other taxation and social security costs	110	99
	<u>491</u>	<u>458</u>

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

13. DEFERRED TAX

	2015 £000	2014 £000
Provision at start of period	(2)	-
Deferred tax credit/(charge) for the period	3	(2)
Asset at end of period	<u>1</u>	<u>(2)</u>
	2015 £000	2014 £000
Fixed asset timing differences	<u>1</u>	<u>(2)</u>

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2015

14. FINANCIAL COMMITMENTS

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

	2015 £000	2014 £000
Land and buildings		
Within one year	48	48
Between one and five years	182	190
After five years	-	40
	<u>230</u>	<u>278</u>

15. CALLED-UP SHARE CAPITAL AND RESERVES

	2015 £000	2014 £000
Authorised, allotted, called-up and fully paid		
92,825 ordinary shares of £1 each	93	93

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

Share premium account - includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Profit and loss account – includes all current and prior period retained profits and losses.

16. RELATED PARTY TRANSACTIONS

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

17. DEFINED CONTRIBUTION RETIREMENT BENEFIT SCHEME

The company operates a defined contribution pension scheme for its employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The total expense charged to profit or loss in the period ended 31 December 2015 was £16,167 (2014: £24,672).

18. ULTIMATE AND IMMEDIATE PARENT COMPANY

The ultimate parent company and controlling party of SGS EMICS Limited is SGS SA, a company incorporated in Switzerland. The parent undertaking of the smallest group which includes the company for which group accounts are prepared is SGS United Kingdom Limited, whose financial statements can be obtained from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ. The parent undertaking of the largest group which includes the company for which group accounts are prepared is SGS SA. Copies of the financial statements of SGS SA are available from 1 Place des Alpes, B.P.2152, CH-1211 Genève 1, Switzerland.

19. POST BALANCE SHEET EVENT

On the 4th January 2016 the assets and liabilities of the company were hived-up into SGS United Kingdom Limited.

20. EXPLANATION OF TRANSITION TO FRS 102

This is the first year that the company has presented its financial statements in under financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The following disclosures are required in the year of transition. The last financial statements under previous UK GAAP were for the year ended 31 December 2014 and the date of transition to FRS 102 was therefore 1 January 2014. As a consequence of adopting FRS 102, a number of accounting policies have changed to comply with that standard.

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

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2015

20. EXPLANATION OF TRANSITION TO FRS 102 (CONTINUED)

Reconciliation of equity

	1 January 2014 £000	31 December 2014 £000
Capital and reserves (as previously stated)	863	1,097
Adjustments to reserves	-	-
Capital and reserves as restated	<u>863</u>	<u>1,097</u>

Reconciliation of profit and loss

	31 December 2014 £000
Profit for the year (as previously stated)	234
Adjustments to profit and loss	-
Profit for the year as restated	<u>234</u>