Velosi Certification Bureau Limited

Annual report and financial statements

for the year ended 31 December 2015

Registered number: 03696143

Velosi Certification Bureau Limited

Contents

Velosi Certification Bureau Limited

Officers and professional advisers

DIRECTORS

R Fernandez Armas
P Aguilo Barcelo
M Coles

REGISTERED OFFICE

4 Bennet Road
Bennet Court
Reading
Berkshire
RG2 0QX
England

BANKERS

Citibank
Canada Square
London

SOLICITORS

Field Seymour Parkes LLP
1 London Street
Reading
RG1 4QW

AUDITOR

Deloitte LLP
Reading
United Kingdom

Velosi Certification Bureau Limited

Directors' report

The directors present their report and the 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. Accordingly, the directors have elected to take advantage of the exemption from preparing a Strategic report.

Principal activities

The principal activities of the company during the year were that of supplying technical, engineering and industrial services.

Going concern

Due to the financial position of the company, and because the current volatility in the financial markets has created economic uncertainty, the company is reliant upon the continued support of the ultimate parent undertaking, Velosi S.a.r.l

The directors of the company have received assurances from Velosi S.a.r.l that it will continue to support the company to enable it to meet its liabilities as they fall due for at least 12 months from the date of approval of these financial statements. Therefore the financial statements have been prepared on a going concern basis.

Directors

The directors, who served throughout the year and to the date of signing except as noted, were as follows:

R Fernandez Armas
J Vincent (resigned 13 February 2015)
P Aguilo Barcelo (appointed 17 November 2015)
M Coles

Auditors

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself 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.

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Impact of FRS 101 on the financial statements

The financial statements for the year ended 31 December 2015 are the first to be produced under Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101"). Detail of the impact to the financial statements is presented within note 15.

Approved by the Board and signed on its behalf by:

Ramon Fernandez Armas
Director

Date: December 19, 2016

Velosi Certification Bureau Limited

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), 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 judgments and accounting estimates that are reasonable and prudent;
- 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 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 Velosi Certification Bureau Limited

We have audited the financial statements of Velosi Certification Bureau Limited for the year ended 31 December 2015 which comprise the Income Statement, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 15. 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 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 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.

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 Velosi Certification Bureau 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from preparing a Strategic Report or in preparing the Directors' Report.

Andrew Hornby

Andrew Hornby (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Reading, UK
19 December 2016

Velosi Certification Bureau Limited

Income Statement
For the year ended 31 December 2015

	Note	2015 £	2014 £
Turnover	2	1,632,431	1,418,076
Cost of sales		(741,289)	(479,356)
Gross profit		891,142	938,720
Administrative expenses		(828,739)	(1,007,774)
Operating profit / (loss)	3	62,402	(69,054)
Interest payable	5	(17,838)	(10,522)
Profit / (loss) on ordinary activities before taxation		44,564	(79,576)
Tax on profit / (loss) on ordinary activities	6	-	-
Profit / (loss) for the financial year attributable to owners of the Company		44,564	(79,576)

Revenue and operating profit / (loss) are all derived from continuing operations.

There were no other recognised gains or losses for 2015 and 2014 other than those included in the income statement. Accordingly, a statement of other comprehensive income has not been presented.

The notes on pages 9 to 18 form part of these financial statements.

Velosi Certification Bureau Limited

Balance sheet
as at ended 31 December 2015

	Note	20145 £	2014 (as restated) £
Fixed assets			
Intangible assets	7	18,916	24,075
Tangible assets	8	25,222	43,699
Investments in subsidiaries and associates	9	1,462	24,458
		45,600	92,232
Current assets			
Debtors	10	318,511	409,356
Cash at bank and in hand		226,923	-
		545,434	409,356
Creditors: amounts falling due within one year	11	(1,129,452)	(1,084,359)
Net current liabilities		(583,808)	(675,003)
Total assets less current liabilities		(538,208)	(582,771)
Net liabilities		(538,208)	(582,771)
Capital and reserves			
Called-up share capital	12	100	100
Profit and loss account deficit		(538,307)	(582,871)
Shareholders' deficit		(538,208)	(582,771)

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements of Velosi Certification Bureau Limited (registered number 03696143) were approved by the board of directors and authorised for issue on 19 December 2016.

Ramon Fernandez Armas
Director

Velosi Certification Bureau Limited

Statement of Changes in Equity
as at ended 31 December 2015

	Share Capital £	Profit and loss account deficit £	Total £
At 1 January 2014	100	(503,292)	(503,192)
Loss for the financial year	-	(79,576)	(79,579)
At 1 January 2015	100	(582,791)	(582,871)
Profit for the financial year	-	44,564	44,564
At 31 December 2015	100	(538,307)	(538,207)

Notes to the financial statements
For the year ended 31 December 2015

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

Basis of accounting

The Company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the FRC. Accordingly, in the year ended 31 December 2015 the Company has undergone transition from reporting under IFRSs adopted by the European Union to FRS 101'Reduced Disclosure Framework' . The financial statements have therefore been prepared in accordance with FRS 101. This transition is not considered to have had a material effect on the financial statements. Software has been reclassified from tangible fixed assets to intangible assets. This has had no impact on retained earnings.

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, capital management, presentation of a cash-flow statement and certain related party transactions.

Where relevant, equivalent disclosures have been given in the group accounts of Applus Services S.A.

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

New standards and interpretations not yet applied
At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective (and in some cases had not yet been adopted by the EU):

- IFRS 7 Financial Instruments: Disclosures (effective 1 January 2018)
- IFRS 9 Financial Instruments (effective 1 January 2018)
- Amendments to IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception (effective 1 January 2016)
- Amendments to IFRS 11 Accounting for Acquisitions of Interests in Joint Operations, IAS 27 Equity Method in Separate Financial Statements, IAS 1 Disclosure Initiative, IAS 12 Recognition of Deferred Tax Assets for Unrealised Losses (effective 1 January 2016)
- IFRS 14 'Regulatory Deferral Accounts (effective 1 January 2016)
- IFRS 15 Revenue from Contracts with Customers (effective 1 January 2018)
- Amendments to IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation
- IFRS 16 Leases (effective 1 January 2019)
- Clarification of Acceptable Methods of Depreciation and Amortisation: Amendments to IAS 16 and IAS 38 (effective 1 January 2016)
- Equity Method in Separate Financial Statements (Amendments to IAS 27) (effective 1 January 2016)
- Disclosure Initiative: Amendments to IAS 1 (effective 1 January 2016)
- Disclosure Initiative: Amendments to IAS 7 (effective 1 January 2017)
- Annual improvements to IFRSs

At the date of authorisation of these financial statements, the directors have considered the standards and interpretations which have not been applied in these financial statements, were in issue but not yet effective (and in some cases had not yet been adopted by the EU) and only IFRS 15 "Revenue from Contracts with Customers" and IFRS 16 'Leases' were considered to be relevant. The directors are still assessing whether the application of both standards, once effective, will have a material impact on the results of the company. Adoption of the other standards and interpretations referred to above is not expected to have a material impact on the results of the company. Application of these standards may result in some changes in presentation of information within the company's financial statements.

Notes to the financial statements (continued)
For the year ended 31 December 2015

1. Accounting policies (continued)

Going concern

Due to the financial position of the company, and because the current volatility in the financial markets has created economic uncertainty, the company is reliant upon the continued support of its ultimate parent undertaking, Velosi S.a.r.l.

The directors of the company have received assurances from Velosi S.a.r.l that it will continue to support the company to enable it to meet its liabilities as they fall due for at least 12 months from the date of approval of these financial statements. Therefore the financial statements have been prepared on a going concern basis.

Expenses

The company undertook a cost allocation exercise directed by the Applus group which has had the effect of reclassifying costs between those that are affected by activities relating to revenue and those that do not relate to revenue activities. The new guidelines will enable more accurate cost and comparative gross margin reviews and bring all group companies in line. The new allocation reporting provides a more precise reflection of costs between direct and indirect costs.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and any recognised impairment loss. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant and machinery	-	25% straight-line
Motor vehicles	-	25% straight-line
Fixtures & fittings and equipment	-	15% straight-line

Intangible assets

Intangibles assets representing software are stated at cost less amortization and any recognised impairment loss. Amortization is provided at rates calculated to write off the cost of asset.

Software	-	25% straight-line

Impairment of property, plant and equipment and intangible assets

At each balance sheet date, the Company reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

An intangible asset with an indefinite useful life is tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

1. Accounting policies (continued)

Financial Instruments

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 financing 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.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

With the exception of some hedging instruments, other debt instruments not meeting these conditions 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, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

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

Investments

Investments held as fixed assets are shown at cost less provision for impairment.

Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets of the Company at their fair value or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss.

Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

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 substantially enacted by the balance sheet date.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets

Notes to the financial statements (continued)
For the year ended 31 December 2015

1. Accounting policies (continued)

Taxation (continued)

are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse.

Foreign currency

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirement to do so by section 400 of the Companies Act 2006 as it is a subsidiary undertaking of Applus Services S.A., a company incorporated in Spain, and is included in the consolidated accounts of that company that are publically available.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, 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 these 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.

Critical judgements in applying the Company's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), 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 financial statements.

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.

Key sources of estimation uncertainty

Impairment of investments in subsidiaries

Determining whether the Company's investments in subsidiaries have been impaired requires estimations of the investments' values in use. The value in use calculations require the entity to estimate the future cash flows expected to arise from the investments and suitable discount rates in order to calculate present values. The carrying amount of investments in subsidiaries at the balance sheet date was £1,462 with an impairment loss recognised of £22,996.

Notes to the financial statements (continued)
For the year ended 31 December 2015

2. Turnover

100% of the company's turnover (2014: 99%) is attributable to sales in the United Kingdom.

3. Profit / (loss) on ordinary activities before taxation

Profit / (loss) on ordinary activities before taxation is stated after charging:

	20145 £	2014 £
Net foreign exchange losses / (gains)	17,696	(3,945)
Impairment loss on investments in subsidiaires	22,996	-
Loss on disposal of fixed assets	84	-
Amortization of intangible assets	5,159	16,569
Depreciation of owned tangible fixed assets	17,587	15,426
Depreciation of leased tangible fixed assets	5,797	24,016
Staff costs (note 4)	500,424	791,663
Intercompany operating lease rental	6,180	32,833

During the year, no director received any emoluments (2014: £nil).

Auditor's remuneration

Fees payable to Deloitte LLP for the audit of the Company's annual accounts were £9,900 (2014: £9,900).

Fees payable to Deloitte LLP and their associates for non-audit services to the Company are not required to be disclosed because the consolidated financial statements of the parent Company are required to disclose such fees on a consolidated basis.

4. *Staff costs*

The average monthly number of employees (including executive directors) was:

	2015 Number	2014 Number
Administration	13	20
	13	20

Their aggregate remuneration comprised:

	Year ended 2015 £	Year ended 2014 £
Wages and salaries	449,372	708,783
Social security costs	47,464	75,531
Other pension costs (see note 13)	3,588	7,349
	500,424	791,663

Notes to the financial statements (continued)
For the year ended 31 December 2015

5. Interest payable

	20145 £	2014 £
Interest payable to group companies	17,153	9,214
Interest on obligations under finance leases	686	1,309
	17,838	10,522

6. Tax on profit / (loss) on ordinary activities

The tax charge comprises:

	20145 £	2014 £
Current tax		
UK corporation tax	-	-
Deferred tax		
Origination and reversal of timing differences	-	-
Total deferred tax	-	-
Total tax on profit on ordinary activities	-	-

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	20145 £	2014 £
Profit / (loss) on ordinary activities before tax	44,564	(79,576)
Profit / (loss) on ordinary activities at standard UK corporation tax rate of 20.25% (2014: 21.49%)	9,023	(17,103)
Effects of:		
Expenses not deductible for tax purposes	4,654	21
Capital allowances in excess of depreciation	1,507	4,336
Movement in short term timing differences	-	9,318
Unrelieved tax losses carried forward	(15,184)	3,469
Total tax for the year	-	-

The company has tax losses carried forward of £436,681 (2013: £511,775) on which a deferred tax asset has not been recognised because no tax benefit is expected from these losses in the foreseeable future.

Notes to the financial statements (continued)
For the year ended 31 December 2015

7. Intangible assets

	Software £	Total £
Cost		
At 31 December 2014	-	-
FRS 101 reclassification from tangible fixed assets	25,795	25,795
At 1 January 2015 (restated)	25,795	25,795
At 31 December 2015	25,795	25,795
Depreciation		
At 31 December 2014	-	-
FRS 101 reclassification from tangible fixed assets	1,720	1,720
At 1 January 2015 (restated)	1,720	1,720
Charge for the year	5,159	5,159
At 31 December 2015	6,879	6,879
Net book value		
At 31 December 2015	18,916	18,916
At 31 December 2014 (restated)	24,075	24,075

Notes to the financial statements (continued)
For the year ended 31 December 2015

8. Tangible fixed assets

	Plant and machinery £	Motor vehicles £	Furniture, fitting and equipment £	Total £
Cost				
At 31 December 2014	163,306	64,256	7,927	235,489
FRS 101 reclassification to intangible assets	(25,795)	-	-	(25,795)
At 1 January 2015 (restated)	137,511	64,256	7,927	209,694
Additions	4,992	-	-	4,992
Disposals	(4,206)	-	-	(4,206)
At 31 December 2015	138,297	64,256	7,927	210,480
Depreciation				
At 31 December 2014	111,009	52,663	4,044	167,716
FRS 101 reclassification to intangible assets	(1,720)	-	-	(1,720)
At 1 January 2015 (restated)	109,289	52,663	4,044	165,996
Charge for the year	16,162	5,797	1,425	23,384
Disposals	(4,122)	-	-	(4,122)
At 31 December 2015	121,329	58,460	5,469	185,258
Net book value				
At 31 December 2015	16,968	5,796	2,458	25,222
At 31 December 2014 (restated)	28,222	11,594	3,883	43,699

The Company's obligations under finance leases (see note 11) are secured by the lessors' title to the leased assets, which have a carrying amount of £5,796 (2014: £11,594).

Notes to the financial statements (continued)
For the year ended 31 December 2015

9. Fixed asset investments

	20145 £	2014 £
Cost		
As at 1 January and 31 December	24,458	24,458
Provisions for impairment		
At 1 January	-	-
Written off	(22,996)	-
At 31 December	(22,996)	-
Carrying amount at 31 December	1,462	24,458

Investments constitute holdings in the following unlisted entities direct and indirect:

Velosi Quality Management International L.L.C
Country of Incorporation – United Arab Emirates
Registered office – 205, Block B Abu Dhabi Business Hub, ICAD-1, Mussafah, P.O. Box 114182, Abu Dhabi, U.A.E
Nature of business – Provision of certification, engineering and inspection services
Ordinary shares – 49% holding

Velosi CBL (M) SDN, BHD
Country of Incorporation – Malaysia
Registered office – No. 2119, 1st Floor, Jalan Yakin, 98000 Miri, Sarawak
Nature of business – Provision of equipment inspection services
Ordinary shares – 100% holding

10. *Debtors*

	20145 £	2014 £
Trade debtors	220,011	138,420
Amounts owed by Group undertakings	12,685	171,433
Other debtors	12,876	9,916
Accrued income	72,939	89,587
	318,511	409,356

Notes to the financial statements (continued)
For the year ended 31 December 2015

11. Creditors: amounts falling due within one year

	20145 £	2014 £
Obligations under finance leases and hire purchase contracts	6,073	12,929
Trade creditors	74,685	52,670
Amounts owed to Group undertakings	963,019	919,597
Other taxation and social security	13,544	17,433
Accruals and deferred income	42,480	49,353
Other creditors	29,430	32,377
	1,129,242	1,084,359

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

12. Called up share capital

	20145 £	2014 £
Allotted, called up and fully paid		
100 ordinary shares of £1 each	100	100

13. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and the amounts outstanding at the year end amounted to £1,167 (2013: £3,014).

Defined contribution

	20145 £	2014 £
Contributions by the company for the year	3,588	7,349

14. Ultimate parent undertaking

The company's immediate parent company is Velosi Europe Limited. The ultimate controlling party is Applus Services S.A, a company incorporated in Spain.

The group of which Applus Services S.A. is the parent organisation forms the largest and smallest group preparing consolidated accounts which include Velosi Certification Bureau Limited.

Copies of these consolidated financial statements can be downloaded from the corporate website.

Notes to the financial statements (continued)
For the year ended 31 December 2015

15. Explanation of transition to FRS 101

This is the first year that the Company has presented its financial statements under FRS 101. The following disclosures are required in the year of transition. The last financial statements under a previous GAAP (FRSSE) were for the year ended 31 December 2014 and the date of transition to FRS 101 was therefore 1 January 2014.

As noted within note 1 to the financial statements, this transition is not considered to have had a material effect on the financial statements. Software has been reclassified from tangible fixed assets to intangible assets. This has had no impact on retained earnings.