

COMPANIES HOUSE

31 JAN 2018

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**Velosi Certification Bureau Limited**  
**Annual report and financial statements**  
**for the year ended 31 December 2016**

Registered number: 03696143

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COMPANIES HOUSE

# **Velosi Certification Bureau Limited**

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# **Velosi Certification Bureau Limited**

## **Officers and professional advisers**

### **DIRECTORS**

R Fernandez Armas  
P Aguiló Barcelo  
M Coles (resigned Mar 2016)

### **REGISTERED OFFICE**

Unit 1 Woodside Business Park  
Whitley Wood Lane  
Reading  
BerkshireRG2 8LW

### **BANKERS**

Citibank  
Canada Square  
London

### **SOLICITORS**

Field Seymour Parkes LLP  
1 London Street  
Reading  
RG1 4QW

### **AUDITOR**

Deloitte LLP  
Statutory Auditor  
Glasgow  
United Kingdom

# **Velosi Certification Bureau Limited**

## **Directors' report**

The directors present their report and the financial statements for the year ended 31 December 2016.

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.

After internal reorganisation of the Applus companies it has been decided to combine the operations of the business within another part of the organisation and make the company dormant from 31<sup>st</sup> December 2017.

### **Directors**

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

R Fernandez Armas  
P Aguilo Barcelo  
M Cole resigned (Mar 2016)

### **Auditors**

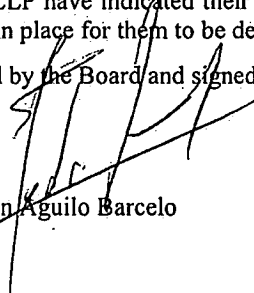
Each of the persons who is a director at the date of approval of this report confirms that:

- 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.

Approved by the Board and signed on its behalf by:

  
Pedro Juan Aguilo Barcelo  
Director

Date: 15<sup>th</sup> December 2017

## **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 2016 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 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.

### **Opinion on other matter 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 the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report have been prepared in accordance with applicable legal requirements.

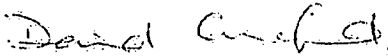
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report

## **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 exemption from preparing a Strategic Report or in preparing the Directors' Report.



**David Crawford CA (Senior Statutory Auditor)**  
for and on behalf of Deloitte LLP  
Statutory Auditor  
Glasgow, United Kingdom  
30 January 2018

## **Velosi Certification Bureau Limited**

### **Income Statement For the year ended 31 December 2016**

	Note	2016 £	2015 £
Turnover	2	1,858,206	1,632,431
Cost of sales		(984,277)	(741,289)
<b>Gross profit</b>		<u>873,929</u>	<u>891,142</u>
Administrative expenses		(941,329)	(828,739)
<b>Operating (loss) / profit</b>	3	(67,400)	62,402
Interest payable	5	(15,042)	(17,838)
<b>(Loss) / profit on ordinary activities before taxation</b>		<u>(82,442)</u>	<u>44,564</u>
Tax on (loss) / profit on ordinary activities	6	-	-
<b>(Loss) / profit for the financial year attributable to owners of the Company</b>		<u>(82,442)</u>	<u>44,564</u>

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

There were no other recognised gains or losses for 2016 and 2015 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.

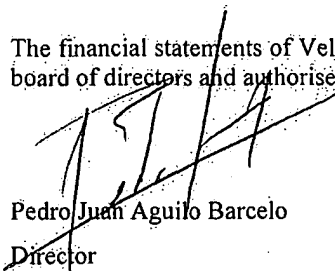


## Velosi Certification Bureau Limited

### Balance sheet as at 31 December 2016

	Note	2016 £	2015 £
<b>Fixed assets</b>			
Intangible assets	7	13,758	18,916
Tangible assets	8	5,432	25,222
Investments in subsidiaries and associates	9	1,462	1,462
		<u>20,652</u>	<u>45,600</u>
<b>Current assets</b>			
Debtors	10	413,903	318,511
Cash at bank and in hand		226,257	226,923
		<u>640,160</u>	<u>545,434</u>
<b>Creditors: amounts falling due within one year</b>	11	<u>(1,281,461)</u>	<u>(1,129,242)</u>
<b>Net current liabilities</b>		<u>(641,301)</u>	<u>(583,808)</u>
<b>Total assets less current liabilities</b>		<u>(620,649)</u>	<u>(538,208)</u>
<b>Net liabilities</b>		<u>(620,649)</u>	<u>(538,208)</u>
<b>Capital and reserves</b>			
Called-up share capital	12	100	100
Profit and loss account deficit		<u>(620,749)</u>	<u>(538,308)</u>
<b>Shareholders' deficit</b>		<u>(620,649)</u>	<u>(538,208)</u>

The financial statements of Velosi Certification Bureau Limited (registered number 03696143) were approved by the board of directors and authorised for issue on 15 December 2017.

  
Pedro Juan Aguilo Barcelo  
Director

## **Velosi Certification Bureau Limited**

### **Statement of Changes in Equity as at 31 December 2016**

	<b>Share Capital £</b>	<b>Profit and loss account deficit £</b>	<b>Total £</b>
At 1 January 2015	100	(582,791)	(582,691)
Profit for the financial year		44,564	44,564
At 1 January 2016	<u>100</u>	<u>(538,307)</u>	<u>(538,207)</u>
Loss for the financial year		(82,442)	(82,442)
At 31 December 2016	<u>100</u>	<u>(620,749)</u>	<u>(620,649)</u>

## **Velosi Certification Bureau Limited**

### **Notes to the financial statements (continued) For the year ended 31 December 2016**

#### **1. Accounting policies**

Velosi certification Bureau Limited is a private company limited by shares which is incorporated in the United Kingdom under the Companies Act 2006 and registered in England and Wales. The address of the registered office is given on page 1

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the company operates.

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.

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)
- 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)
- 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.

## **Velosi Certification Bureau Limited**

### **Notes to the financial statements (continued) For the year ended 31 December 2016**

#### **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.

##### **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
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##### **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.

# **Velosi Certification Bureau Limited**

## **Notes to the financial statements (continued) For the year ended 31 December 2016**

### **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

# **Velosi Certification Bureau Limited**

## **Notes to the financial statements (continued) For the year ended 31 December 2016**

### **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.

## Velosi Certification Bureau Limited

### Notes to the financial statements (continued) For the year ended 31 December 2016

#### 2. Turnover

The whole of turnover is attributable to that of supplying technical, engineering and industrial services.

A geographical analysis of turnover is as follows:

	2016	2015
	£	£
United Kingdom	1,581,333	1,632,431
Saudi Arabia	276,873	-
	<u>1,858,206</u>	<u>1,632,431</u>

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

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

	2016	2015
	£	£
Net foreign exchange losses / (gains)	26,703	17,696
Impairment loss on investments in subsidiaries		22,996
Loss on disposal of fixed assets		84
Amortization of intangible assets	5,159	5,159
Depreciation of owned tangible fixed assets	13,992	17,587
Depreciation of leased tangible fixed assets	5,797	5,797
Staff costs (note 4)	635,296	500,424
Intercompany operating lease rental	-	6,180

During the year, no director received any emoluments (2015: £nil).

#### Auditor's remuneration

Fees payable to Deloitte LLP for the audit of the Company's annual accounts were £ 11,045 (2015: £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.

## **Velosi Certification Bureau Limited**

### **Notes to the financial statements (continued) For the year ended 31 December 2016**

#### **4. Staff costs**

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

	2016 Number	2015 Number
Administration	16	13
	<u>16</u>	<u>13</u>

Their aggregate remuneration comprised:

	Year ended 2016 £	Year ended 2015 £
Wages and salaries	572,370	449,372
Social security costs	61,034	47,464
Other pension costs (see note 13)	1,892	3,588
	<u>635,296</u>	<u>500,424</u>

#### **5. Interest payable**

	2016 £	2015 £
Interest payable to group companies	14,418	17,153
Interest on obligations under finance leases	623	686
	<u>15,041</u>	<u>17,838</u>



## Velosi Certification Bureau Limited

### Notes to the financial statements (continued) For the year ended 31 December 2016

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

The tax charge comprises:

	2016 £	2015 £
<b>Current tax</b>		
UK corporation tax	-	-
<b>Deferred tax</b>		
Origination and reversal of timing differences	-	-
<b>Total deferred tax</b>	-	-
<b>Total tax on profit on ordinary activities</b>	-	-

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:

	2016 £	2015 £
<b>Profit / (loss) on ordinary activities before tax</b>	<u>(82,442)</u>	<u>44,564</u>
Profit / (loss) on ordinary activities at standard UK corporation tax rate of 20% (2015: 20.25%)	16,488	9,023
Effects of:		
Expenses not deductible for tax purposes	279	4,654
Capital allowances in excess of depreciation	2,349	1,507
Movement in short term timing differences	-	-
Unrelieved tax losses carried forward	<u>(13,860)</u>	<u>(15,184)</u>
<b>Total tax for the year</b>	-	-

The company has tax losses carried forward of £505,981 (2015: £436,681) on which a deferred tax asset has not been recognised because no tax benefit is expected from these losses in the foreseeable future.

## Velosi Certification Bureau Limited

### Notes to the financial statements (continued) For the year ended 31 December 2016

#### 7. Intangible assets

	Software £	Total £
<b>Cost</b>		
At 31 December 2015	25,795	25,795
At 1 January 2016	25,795	25,795
At 31 December 2016	<u>25,795</u>	<u>25,795</u>
<b>Depreciation</b>		
At 31 December 2015	6,879	6,879
At 1 January 2016	6,879	6,879
Charge for the year	5,159	5,159
At 31 December 2016	<u>12,038</u>	<u>12,038</u>
<b>Net book value</b>		
At 31 December 2016	<u>13,758</u>	<u>13,758</u>
At 31 December 2015	<u>18,916</u>	<u>18,916</u>

#### 8. Tangible fixed assets

	Plant and machinery £	Motor vehicles £	Furniture, fitting and equipment £	Total £
<b>Cost</b>				
At 1 January 2016	138,297	64,256	7,927	210,480
Additions				
Disposals		(6,814)		(6,814)
At 31 December 2016	<u>138,297</u>	<u>57,442</u>	<u>7,927</u>	<u>203,666</u>
<b>Depreciation</b>				
At 1 January 2016	121,329	58,460	5,469	185,258
Charge for the year	12,567	5,797	1,425	19,789
Disposals		(6,814)		(6,814)
At 31 December 2016	<u>133,896</u>	<u>57,442</u>	<u>6,894</u>	<u>198,233</u>
<b>Net book value</b>				
At 31 December 2016	<u>4,401</u>	<u>-</u>	<u>1,031</u>	<u>5,432</u>
At 31 December 2015	<u>16,968</u>	<u>5,797</u>	<u>2,458</u>	<u>25,222</u>

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 £Nil (2015: £5,796).

## Velosi Certification Bureau Limited

### Notes to the financial statements (continued) For the year ended 31 December 2016

#### 9. Fixed asset investments

	2016 £	2015 £
<b>Cost</b>		
As at 1 January and 31 December	1,462	24,458
<b>Provisions for impairment</b>		
At 1 January	-	(22,996)
Written off		-
At 31 December	-	(22,996)
Carrying amount at 31 December	<u>1,462</u>	<u>1,462</u>

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, 1<sup>st</sup> Floor, Jalan Yakin, 98000 Miri, Sarawak

Nature of business – Provision of equipment inspection services

Ordinary shares – 100% holding

#### 10. Debtors

	2016 £	2015 £
Trade debtors	384,590	220,011
Amounts owed by Group undertakings	5,133	12,685
Other Debtors	7,930	12,876
Accrued income	16,250	72,939
	<u>413,903</u>	<u>318,511</u>

# Velosi Certification Bureau Limited

## Notes to the financial statements (continued) For the year ended 31 December 2016

### 11. Creditors: amounts falling due within one year

	2016 £	2015 £
Obligations under finance leases and hire purchase contracts	-	6,073
Trade creditors	67,271	74,685
Amounts owed to Group undertakings	1,081,419	963,019
Other taxation and social security	48,469	13,544
Accruals and deferred income	15,820	42,480
Other creditors	68,481	29,441
	<u>1,281,461</u>	<u>1,129,242</u>

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

### 12. Called up share capital

	2016 £	2015 £
<b>Allotted, called up and fully paid</b>		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

### 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 £145 (2015: £1,167).

#### Defined contribution

	2016 £	2015 £
Contributions by the company for the year	<u>1,892</u>	<u>3,588</u>

### 14. Events after the balance sheet date

After internal reorganisation of the Group, management has decided to combine operations of the business with another group entity and make the Company dormant in 2018.

### 15. 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; registered office at Campus UAB – Ronda de la Font del Carme, s/n 08193 Bellaterra – Barcelona 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.