

# Inspectorate Worldwide Services Limited

Annual report

for the year ended 31 December 2007

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**Inspectorate Worldwide Services Limited**  
**Annual report**  
**for the year ended 31 December 2007**

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# **Inspectorate Worldwide Services Limited**

## **Directors' report**

### **for the year ended 31 December 2007**

The directors present their report and the audited financial statements of the company for the year ended 31 December 2007

#### **Principal activities**

The principal activity of the company is inspection and testing services, specifically pre-shipment inspection of manufactured and consumer goods for export

#### **Review of business and future developments**

The directors consider both the year-end position and the result for the year to be satisfactory

It is not anticipated that the business will trade in the foreseeable future

#### **Principal risks and uncertainties**

Given that the company's operations are being wound down the directors do not consider there to be specific risks and uncertainties affecting the company. The company is dependent on the operations of fellow group companies to support the recoverability of the various intergroup balances

#### **Directors**

The directors of the company who served during the year ended 31 December 2007 are listed below

R Bryan  
J Luesley (resigned 18<sup>th</sup> May 2007)  
D Lappage (appointed 18<sup>th</sup> May 2007)

#### **Dividends**

No dividend has been paid in the year, and no final dividend is proposed (2006 £Nil)

#### **Insurance of Directors**

The group maintains insurance for the directors in respect of their duties as directors of the group

# **Inspectorate Worldwide Services Limited**

## **Financial risk management**

Financial risk management, including the use of financial instruments and the related currency, liquidity, credit and interest rate risks, is dealt with by the central functions of the Inspicio Limited group on behalf of the company. Many of the company's balances are with other members of the Inspicio group, and assessments are made by management as to the recoverability of these balances in the overall context of the group.

## **Directors' responsibilities**

Company law requires the directors to prepare financial statements for each financial year that 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. The directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 December 2007. The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The directors are responsible for keeping proper accounting records that 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 1985. 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.

Each of the directors have confirmed that there is no relevant audit information of which the company's auditors are unaware, and that they have taken all the steps (such as making enquiries of other directors and the auditors and any other steps required by the director's duty to exercise due care, skill and diligence) that they ought to have taken in their duty as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

## **Auditors**

An elective resolution has been passed to dispense with the annual reappointment of auditors. The company's auditors are PricewaterhouseCoopers LLP.

**By order of the board**



**Company secretary**

*29 October 2008*

# **Inspectorate Worldwide Services Limited**

## **Independent auditors' report to the members of**

# **Inspectorate Worldwide Services Limited**

We have audited the financial statements of Inspectorate Worldwide Services Limited for the year ended 31 December 2007 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.

*PricewaterhouseCoopers*  
**PricewaterhouseCoopers LLP**

Chartered Accountants and Registered Auditors

Cambridge 30 Oct 2008

# Inspectorate Worldwide Services Limited

## Profit and loss account for the year ended 31 December 2007

	Note	2007 £	2006 £
Turnover	1	-	-
Cost of sales		38,767	(534)
<b>Gross profit/(loss)</b>		<b>38,767</b>	<b>(534)</b>
Administrative gains / expenses		112,301	821,454
<b>Operating profit / (loss)</b>		<b>151,068</b>	<b>820,920</b>
Interest expense		(19)	-
<b>Profit on ordinary activities before taxation</b>	4	<b>151,049</b>	<b>820,920</b>
Tax on profit on ordinary activities	5	-	-
<b>Retained profit for the financial year</b>	10,11	<b>151,049</b>	<b>820,920</b>

All activities relate to discontinued operations

The Company has no recognised gains and losses other than the losses above and therefore no separate statement of total recognised gains and losses has been presented

**Inspectorate Worldwide Services Limited**  
**Balance sheet**  
**at 31 December 2007**

	Note	2007 £	2006 £
<b>Current assets</b>			
Debtors	6	7,216,641	7,194,408
Cash at bank and in hand		1,711	-
		<b>7,218,352</b>	<b>7,194,408</b>
<b>Creditors: amounts falling due within one year</b>			
	7	<b>(1,124,029)</b>	<b>(1,251,134)</b>
<b>Net current assets</b>		<b>6,094,323</b>	<b>5,943,274</b>
<b>Total assets less current liabilities</b>		<b>6,094,323</b>	<b>5,943,274</b>
<b>Net assets</b>		<b>6,094,323</b>	<b>5,943,274</b>
<b>Capital and reserves</b>			
Called up share capital	9	2	2
Profit and loss account	10	6,094,321	5,943,272
<b>Shareholders' funds</b>	11	<b>6,094,323</b>	<b>5,943,274</b>

The financial statements on pages 5 to 13 were approved by the board of directors on *29 October 2008* and were signed on its behalf by



**Director**

# **Inspectorate Worldwide Services Limited**

## **Notes to the financial statements**

### **for the year ended 31 December 2007**

#### **1 Principal accounting policies**

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

In accordance with Financial Reporting Standard ("FRS") 18, "Accounting Policies", the directors confirm that the accounting policies used by the company are the most appropriate, consistently applied and adequately disclosed.

#### **Basis of accounting**

The financial statements are prepared in accordance with the historical cost convention.

The company has taken advantage of the exemption available to it under Financial Reporting Standard 1, which provides that where a company is a member of a group and the ultimate parent company produces financial statements that are publicly available, the company does not have to prepare a cash flow statement.

#### **Related party transactions**

The company has taken advantage of the exemption available under Financial Reporting Standard 8 ("Related Party Transactions") not to provide details of transactions with other group companies.

#### **Foreign currencies**

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

#### **Deferred taxation**

Provision is made for deferred taxation, using the liability method, on all material timing differences to the extent that it is probable that a liability or asset will crystallise.

#### **Operating leases**

Costs in respect of operating leases are charged on a straight line basis over the lease term.



# Inspectorate Worldwide Services Limited

## 1 Principal accounting policies (continued)

### Tangible fixed assets

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition. The company does not capitalise finance costs.

Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are

Computer equipment	33
Office furniture & equipment	20
Motor vehicles	33

### Turnover

Turnover, which all arose from the company's principal activity of offering inspection and testing services, represents the invoice value of services provided and goods sold excluding value added tax.

These accounts do not contain an analysis of turnover by geographical area, as the directors believe that this information would be seriously prejudicial to the interests of the company.

### Pension scheme arrangements

The company operates a defined contribution pension scheme. Contributions payable by the company on behalf of employees are charged to the profit and loss account.

### Provisions

Provision is made for liabilities of uncertain amount or timing based on the directors' knowledge of individual claims and associated probabilities.

# Inspectorate Worldwide Services Limited

## 2 Employee information

The average monthly number of persons employed by the company (including directors) during the year, was as follows

	Number of employees	
	2007	2006
Administrative	-	-
Directors	2	2
	2	2

## 3 Directors' emoluments

Directors' emoluments are borne by other group companies without specific recharge (2006 £Nil) No director has received any remuneration for their services to the Company in the year (2006 £nil)

## 4 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging

	2007	2006
	£	£
Exchange (gains) / losses	(87,705)	(793,200)

The credit included in cost of sales and administration expenses arose on the release of accruals made in previous years

The fees paid to the company's auditor, PricewaterhouseCoopers LLP, and its associates by the Inspicio Limited group for the audit of the company were £12,000 (2006 £12,000) Fees paid to PricewaterhouseCoopers LLP and its associates for services other than the statutory audit of the company are not disclosed since the consolidated financial statements of the company's parent, Inspicio Limited, are required to disclose non-audit fees on a consolidated basis

# Inspectorate Worldwide Services Limited

## 5 Tax on profit on ordinary activities

	2007	2006
	£	£
Current tax		
UK corporation tax – under-provision in respect of prior years	-	-
Overseas taxation (including withholding tax) – adjustment in respect of prior years	-	-
<b>Total current tax charge</b>	<b>-</b>	<b>-</b>
<b>Tax charge on profit / (loss) on ordinary activities</b>	<b>-</b>	<b>-</b>

The tax assessed for the period differs from the standard rate of UK Corporation tax of 30% (2006 30%) The differences are explained below

	2007	2006
	£	£
Profit / (loss) on ordinary activities before tax	151,049	820,920
Profit / (loss) on ordinary activities multiplied by the standard rate in the UK (30%)	45,315	246,276
Effect of		
Losses brought forward	-	(246,276)
Group relief claims for no payment	(45,315)	-
<b>Current tax charge /(credit) for the period</b>	<b>-</b>	<b>-</b>

## 6 Debtors

	2007	2006
	£	£
Trade debtors	-	-
Amounts owed by group undertakings	7,216,641	7,194,408
Other debtors	-	-
<b>Total</b>	<b>7,216,641</b>	<b>7,194,408</b>

# Inspectorate Worldwide Services Limited

## 7 Creditors: amounts falling due within one year

	2007	2006
	£	£
Trade creditors	-	94
Amounts owed to group undertakings	1,007,373	1,071,718
Accruals and deferred income	116,656	179,322
	<b>1,124,029</b>	<b>1,251,134</b>

The amounts owed to group undertakings are unsecured and interest free

## 8 Provisions for liabilities and charges

No deferred tax assets or liabilities are unprovided (2006 £nil)

## 9 Called up share capital

	2007	2006
	£	£
<b>Authorised</b>		
50,000 ordinary shares of £1 each	<b>50,000</b>	<b>50,000</b>
<b>Allotted, called up and fully paid</b>		
2 ordinary shares of £1 each	<b>2</b>	<b>2</b>

# Inspectorate Worldwide Services Limited

## 10 Reserves

	Profit and Loss account £
At 1 January 2007	5,943,272
Retained profit for the financial year	151,049
<b>At 31 December 2007</b>	<b>6,094,321</b>

## 11 Reconciliation of movements in shareholders' funds

	2007 £	2006 £
Opening shareholders' funds	5,943,274	5,122,354
Profit/(loss) for the financial year	151,049	820,920
<b>Closing shareholders' funds</b>	<b>6,094,323</b>	<b>5,943,274</b>

## 12 Financial commitments

At 31 December 2007 and 31 December 2006, the company had no annual commitments under non-cancellable operating leases

Along with other group undertakings, the company has guaranteed certain loans of Inspicio Holdings Limited, which at 31 December 2007 amounted to £58,700,000 (2006 £48,372,000). The loans are secured by fixed and floating charges over the assets of the company. The Directors believe that there will be no material impact on the company's financial position as a result of these guarantees

## 13 Contingent liabilities and post balance sheet events

At 31 December 2007, the company was contesting the decision of a government agency in respect of the rate of sales tax on certain overseas sales made by the company. Since the balance sheet date, the court case relating to sales tax has been determined. The decision went against the company and therefore all of the disputed sales tax became payable. This tax was settled by the company and shortly thereafter reimbursed by the previous owner, under the terms of an indemnity put in place at the time of the sale.

# **Inspectorate Worldwide Services Limited**

## **14 Immediate and ultimate parent undertaking**

The company is a wholly-owned subsidiary of Daniel C Griffith Holdings Limited, a company registered in England and Wales

The largest and smallest group in which the results of the company are consolidated is that headed by Inspicio Limited. The consolidated accounts of this group are available to the public and may be obtained from 10 Buckingham Street, London, WC2N 6DF

In February 2008, the Inspicio Limited group was acquired by Inspicio Sarl, a company incorporated in Luxembourg. The directors consider Inspicio Sarl to be the ultimate controlling party