

Registration Number . 3415375

Solution 7 Limited

Directors' Report and Financial Statements

for the year ended

31st August 2012

FRIDAY



A25ODFSW

A36

05/04/2013

#313

COMPANIES HOUSE

Solution 7 Limited

Company Information

| | |
|-------------------|--|
| Directors | Simon Miles Lorraine Lockhart FCCA |
| Secretary | Lorraine Lockhart FCCA |
| Business Address | Oxford Science Park Oxford OX4 4GA |
| Registered Number | 3415375 |
| Auditors | Wenn Townsend 30 St Giles Oxford OX1 3LE |
| Solicitors | NorthwoodReid Oxford Centre for Innovation New street Oxford OX1 1BY |

Solution 7 Limited

Contents

| | Page |
|-----------------------------------|--------------|
| Directors' Report | 1 |
| Auditor's Report | 3 |
| Profit and Loss Account | 5 |
| Balance Sheet | 6 |
| Notes to the Financial Statements | 7 - 9 |

Solution 7 Limited
Directors' Report
for the year ended 31st August 2012

The directors present their report and the financial statements for the year ended 31st August 2012

Principal Activity

The principal activity of the company is that of bespoke programming and consultancy services. The revenues for the year continued to reflect the uncertainty experienced by the economy at large. As a result revenue fell over 50% on 2011 due to a scarcity in funding for development projects. However, our support and maintenance revenues have held firm, which has provided the basis for the company to focus its efforts in building new products and markets.

Directors and their Interests

The directors who served during the year and their interests in the company are as stated below

| | Ordinary shares | |
|-----------------------------------|-----------------|--------------|
| | 2011 | 2012 |
| | 10p Ordinary | 10p Ordinary |
| Simon Miles | 20 | 20 |
| Lorraine Lockhart FCCA | 20 | 20 |
| David Cleaver resigned 01/09/2011 | 20 | Nil |

Directors' Responsibilities

The directors are responsible for preparing the Directors' 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 the profit and loss of the company for that period.

In preparing the financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements 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 to 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.

Statement of disclosure of information to auditors

The directors of the company who held office at the date of approval of these Financial Statements as set out above each confirm, so far as they are aware, that

- there is no relevant audit information of which the company's auditors are unaware, and
- They have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Solution 7 Limited

**Directors' Report
for the year ended 31st August 2012**

This report is prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies

This report was approved by the Board on ²⁷ March 2013 and signed on its behalf by

A handwritten signature in black ink, appearing to read 'L. Lockhart', with a long horizontal line extending to the right.

**Lorraine Lockhart FCCA
Company Secretary**

Solution 7 Limited

Independent auditor's report to the shareholders of Solution 7 Limited

We have audited the financial statements of Solution 7 Limited for the year ended 31st August 2012 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 opinion we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 1, 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 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 (APB's) Ethical Standards for Auditors.

Scope of the audit

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. 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 31st August 2012, and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, 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.

Solution 7 Limited

Independent auditor's report to the shareholders of Solution 7 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 of the information and explanations we require for our audit or
- The directors were not entitled to prepare the financial statements and the directors' report in accordance with the smaller companies' regime

Mr Anthony Haines FCA (Senior Statutory Auditor)
Wenn Townsend Chartered Accountants, Statutory Auditor
Oxford

. 2013

The notes on pages 7 to 10 form an integral part of these financial statements.

Solution 7 Limited

**Profit and Loss Account
for the year ended 31st August 2012**

| | | | 2011 |
|--|--------------|------------------------|-------------------------|
| | Notes | | |
| Turnover | | | |
| Bespoke programming and consultancy | | 435,454 | 674,862 |
| Cost of sales | | (37,379) | (31,806) |
| Gross profit | | <u>398,075</u> | <u>643,056</u> |
| Administrative expenses | | (385,978) | (363,762) |
| Operating profit | 3 | <u>12,097</u> | <u>279,294</u> |
| Interest receivable and similar income | | <u>8,873</u> | <u>19,084</u> |
| Profit on ordinary activities before taxation | | 20,970 | 298,378 |
| Tax on profit on ordinary activities | 4 | 1,166 | (61,390) |
| Profit for the year | 9 | <u><u>£ 22,136</u></u> | <u><u>£ 236,988</u></u> |

Solution 7 Limited

Balance Sheet 31st August 2012

| | | | | 2011 |
|--|-------|------------------|------------------|--------------------|
| | Notes | | | |
| Fixed Assets | | | | |
| Tangible assets | 5 | 953 | | 4,657 |
| Current Assets | | | | |
| Debtors | 6 | 40,275 | 25 498 | |
| Cash at bank and in hand | | 548,225 | 1,171,209 | |
| | | <u>588,500</u> | <u>1,196,707</u> | |
| Creditors amounts falling due within one year | 7 | <u>(116,782)</u> | <u>(183,723)</u> | |
| Net Current assets | | <u>471,718</u> | | <u>1,012,984</u> |
| Total Assets Less Current Liabilities | | <u>£ 472,671</u> | | <u>£ 1,017,641</u> |
| Capital and Reserves | | | | |
| Called up share capital | 8 | 4 | | 6 |
| Capital Redemption Reserve | 10 | 2 | | Nil |
| Profit and loss account | | <u>472,665</u> | | <u>1,017,635</u> |
| Shareholders' Funds | | <u>£ 472,671</u> | | <u>£ 1,017,641</u> |

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



Simon Miles
Director

27 March 2013

The notes on pages 7 to 10 form an integral part of these financial statements

Solution 7 Limited

**Notes to the Financial Statements
for the year ended 31st August 2012**

1. Accounting Policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

1.2 Turnover

Turnover represents the total value, excluding value added tax, of sales made during the year

1.3 Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows

| | | |
|-----------------------|---|----------|
| Computer equipment | - | 12months |
| Office equipment | - | 3years |
| Fixtures and fittings | - | 3years |
| Vehicles | - | 4years |

1.4. Pension schemes

The company operates a Stakeholder scheme and an Executive Pension scheme for its employees. Contributions are determined according to HMRC rules and charged to the profit and loss account as the liability for payment is incurred

| | 2012 | 2011 |
|--|-------------|-------------|
| | £ | £ |
| Total pension contributions payable | 131,733 | 61,728 |
| | No | No |
| Directors to whom retirement benefits accruing | 2 | 3 |

1.5. Leased or Contract Hire Assets

Rentals payable under operating leases are charged to the profit and loss as incurred

1.6 Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to materialise

Solution 7 Limited

Notes to the Financial Statements for the year ended 31st August 2012

continued

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK

3. Operating profit

| | 2011 £ | 2011 £ |
|--|----------------|----------------|
| Operating profit is stated after charging | | |
| Depreciation and other amounts written off tangible assets | 4,942 | 18,024 |
| Auditor's remuneration – audit fees | 1,678 | 1,600 |
| Rent of premises | 37,240 | 37,240 |
| Directors' remuneration | 28,151 | 43,373 |
| Directors' pension costs | 129,765 | 59,760 |
| | <u>171,776</u> | <u>159,997</u> |

4 Taxation

| | 2011 £ | 2011 £ |
|--------------------------------------|----------------|---------------|
| UK current year taxation | | |
| UK Corporation Tax | (1,166) | 61,390 |
| Adjustment in respect of prior years | | |
| | <u>(1,166)</u> | <u>61,390</u> |

5 Tangible fixed assets

| | Motor Vehicles | Fixtures & Fittings | Office Equipment | Computer Equipment | Total |
|------------------------------|-------------------|------------------------|---------------------|-----------------------|-----------------|
| Cost | | | | | |
| At 1st September 2011 | 32,294 | 5,117 | 1,926 | 79,521 | 118,858 |
| Additions | - | - | 908 | 330 | 1,238 |
| Disposals | (20,400) | | | | (20,400) |
| At 31st August 2012 | <u>£ 11,894</u> | <u>£ 5,117</u> | <u>£ 2,834</u> | <u>£ 79,851</u> | <u>£ 99,696</u> |
| At 1st September 2011 | 28,848 | 5,117 | 1,926 | 78,310 | 114,201 |
| Charge for the year | 3,446 | - | 285 | 1,211 | 4,942 |
| Disposals | (20,400) | | | | (20,400) |
| At 31st August 2012 | <u>£ 11,894</u> | <u>£ 5,117</u> | <u>£ 2,211</u> | <u>£ 79,521</u> | <u>£ 98,743</u> |
| Net book values | | | | | |
| At 31st August 2012 | <u>£ -</u> | <u>£ -</u> | <u>£ 623</u> | <u>£ 330</u> | <u>£ 953</u> |
| At 31st August 2011 | <u>£ 3,446</u> | <u>£ -</u> | <u>£ -</u> | <u>£ 1,211</u> | <u>£ 4,657</u> |

Solution 7 Limited

**Notes to the Financial Statements
for the year ended 31st August 2011**

continued

6. Debtors

2011

| | | |
|--------------------------------|-----------------|-----------------|
| Trade debtors | 28,483 | 17,754 |
| Other debtors | - | - |
| Prepayments and accrued income | 10,626 | 7,744 |
| Corporation tax | 1,166 | - |
| | <u>£ 40,275</u> | <u>£ 25,498</u> |

**7 Creditors' amounts falling due
within one year**

2011

| | | |
|---------------------------------------|------------------|------------------|
| Trade creditors | 6,370 | 3,021 |
| Deferred income | 82,303 | 94,521 |
| Corporation tax | - | 61,390 |
| Other taxes and social security costs | 25,359 | 23,191 |
| Accruals | 2,750 | 1,600 |
| | <u>£ 116,782</u> | <u>£ 183,723</u> |

8. Share capital

2012

2011

Authorised

| Number | Class | Nominal Value | | |
|--------|-----------------|---------------|----------------|----------------|
| 10,000 | Ordinary shares | 10p | <u>£ 1,000</u> | <u>£ 1,000</u> |

Allotted, issues and fully paid

| Number | Class | Nominal Value | | |
|--------|-----------------|---------------|------------|------------|
| 40 | Ordinary shares | 10p | <u>£ 4</u> | <u>£ 6</u> |

9 Reserves

Profit and Loss

| | |
|----------------------------|------------------|
| At 1 September 2011 | 1,017,635 |
| Off-market Share Purchase | (509,104) |
| Capital Redemption Reserve | (2) |
| Profit for the year | 22,136 |
| Dividends paid | (58,000) |
| | <u>£ 472,665</u> |

Solution 7 Limited

**Notes to the Financial Statements
for the year ended 31st August 2011**

continued

10 Share Repurchase

The Company repurchased 20 (33.3%) of its Share Capital with a Nominal Value of £2 for a consideration of £506,574 as a result of the retirement of a Director