

Company Registration No. 04034961

7digital Trading Limited

Report and Financial Statements

31 December 2015

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7digital Trading Limited

Report and Financial Statements 2015

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7digital Trading Limited

Report and Financial Statements 2015

Officers and Professional Advisers

Directors

Mr S A Cole
Mr J C S Dent
Mr P R I Langworthy

Secretary

Mr J C S Dent

Registered Office

69 Wilson Street
London
EC2A 5DF

Bankers

Barclays Bank Plc
180 Oxford Street
London
W1D 1EA

Auditor

Hazlewoods LLP
Chartered Accountants and Statutory Auditor
Cheltenham
GL50 3AT

7digital Trading Limited

Directors' Report

The directors have pleasure in presenting their report and the audited financial statements of the company for the year ended 31 December 2015. The Directors' Report has been prepared in accordance with the special provisions relating to small companies under s415(A) of the Companies Act 2006.

The company began trading in 2015 supplying employee services to other Group companies. The company was dormant in 2014.

Going concern

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in the Statement of accounting policies in Note 1 to the financial statements.

Results and dividends

The profit for the year amounted to £578,812 (2014: £nil). The directors have paid no dividend (2014: £nil).

Directors

The directors who served the Company during the year, unless otherwise noted, were as follows:

Mr J C S Dent

Mr S A Cole

Mr P R I Langworthy (appointed 9 March 2016)

Auditor

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.

Hazlewoods LLP are deemed to be re-appointed under s487(2) of the Companies Act 2006.

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



Mr J C S Dent
Company Secretary

29 March 2016

7digital Trading Limited

Statement of 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 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 judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping 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.

7digital Trading Limited

Independent Auditor's Report to the members of 7digital Trading Limited

We have audited the financial statements of 7digital Trading Limited for the period ended 31 December 2015, set out on pages 5 to 11. 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 opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities (set out on page 3), 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 (APB'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 Directors' 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 the 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 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

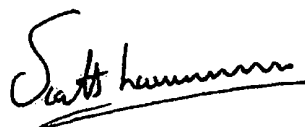
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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 and the Directors' Report in accordance with the small companies regime.

Scott Lawrence (Senior Statutory Auditor)
for and on behalf of Hazlewoods LLP
Chartered Accountants and Statutory Auditor
Cheltenham, United Kingdom
29 March 2016



7digital Trading Limited

Income Statement Year ended 31 December 2015

		12 months to 31 December 2015	9 months to 31 December 2014
	Notes	£	£
Turnover	2	6,303,289	-
Cost of sales		(5,715,431)	-
Gross profit		587,857	-
Administrative expenses	3	(8,921)	-
Profit on ordinary activities before finance charges		578,936	-
Interest payable and similar charges		(125)	-
Loss on ordinary activities before taxation		578,812	-
Tax on loss on ordinary activities	6	-	-
Loss on ordinary activities after taxation		578,812	-

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the current and prior year as set out above, and accordingly no statement of total recognised gains or losses is presented.

7digital Trading Limited

Balance Sheet As at 31 December 2015

	Notes	At 31 Dec 2015 £	At 31 Dec 2014 £
Current assets			
Debtors	7	5,797,421	-
Cash at bank and in hand		9,891	-
		<u>5,807,312</u>	<u>-</u>
Creditors: amounts falling due within one year	8	(5,228,500)	-
Net current liabilities		<u>578,812</u>	<u>-</u>
Total assets less current liabilities		<u>578,812</u>	<u>-</u>
Net assets		<u>578,812</u>	<u>-</u>
 Capital and reserves			
Called up share capital		100,000	100,000
Share premium		510,487	510,487
Profit and loss account		(31,675)	(610,487)
Shareholders' funds		<u>578,812</u>	<u>-</u>

The financial statements of 7digital Trading Limited, registered number 04034961 were approved by the Board of Directors and authorised for issue on 29 March 2016 and signed on their behalf by:



Mr J C S Dent

Director

7digital Trading Limited

Statement of Changes in Equity As at 31 December 2015

	Share capital £	Share premium account £	Retained earnings £	Total £
At 1 April 2014	100,000	510,487	(610,487)	-
Loss for the period	-	-	-	-
At 1 January 2015	<u>100,000</u>	<u>510,487</u>	<u>(610,487)</u>	<u>-</u>
Loss for the year	-	-	578,812	578,812
At 31 December 2015	<u>100,000</u>	<u>510,487</u>	<u>(31,675)</u>	<u>578,812</u>

7digital Trading Limited

Notes to the Financial Statements Year ended 31 December 2015

1. Accounting policies

Basis of accounting

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards. The Company transitioned from UK GAAP to FRS 101 for all periods presented. There were no material amendments on the adoption of FRS 101.

Disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- (a) the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share based Payment, because:
 - (i) the share based payment arrangement concerns the instruments of another group entity;
- (b) the requirements of IFRS 7 Financial Instruments: Disclosures,
- (c) the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- (d) the requirements of paragraphs 10(d), 10(f), 39(c) and 134-136 of IAS 1 Presentation of Financial Statements;
- (e) the requirements of IAS 7 Statement of Cash Flows;
- (f) the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- (g) the requirements of paragraph 17 of IAS 24 Related Party Disclosures; and
- (h) the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member ; and

Going concern

The Company's forecasts and projections, taking account of the reasonably possible changes in trading performance, show that the Company will have adequate resources to continue in existence for the foreseeable future. The directors believe that the Company is adequately placed to manage its business risks successfully despite the current uncertain economic outlook. In addition the directors are in receipt of a letter of support from its parent company, 7digital Group plc, confirming that the parent will provide financial support as necessary to enable the Company to pay its debts as and when they become due for a period of not less than 12 months from the date of the signing of these accounts. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Consolidation

The Company has taken advantage of the exemption under s400 of the Companies Act 2006 not to prepare group accounts as it is a wholly owned subsidiary of 7digital Group plc. The results of the company are included in the consolidated financial statements of 7digital Group plc which are available from 69 Wilson Street, London, EC2A 2BB.

Revenue

Revenue represents amounts receivable for the provision of staff excluding Value Added Tax and trade discounts.

Foreign currency

At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit and loss for the year.

7digital Trading Limited

Notes to the Financial Statements Year ended 31 December 2015

1. Accounting policies (continued)

Cash and cash equivalent

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term, highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Critical accounting judgements and key areas of estimation uncertainty

Forecasting

The Company prepares medium-term forecasts based on Board approved budgets and 3-year financial models. These are used to support judgements in the preparation of the Company's financial statements including the decision on whether to recognise deferred tax assets and for the Company's going concern assessment.

Revenue recognition

Management considers the detailed criteria for the recognition of revenue from the sale of goods and services set out in IAS 18 Revenue, in particular whether the Group had transferred to the buyer the significant risks and rewards of ownership of the goods.

Taxation

Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies.

2. Turnover

	2015	2014
	£	£
Intercompany recharge of costs	<u>6,303,289</u>	<u>-</u>

3. Operating profit

	2015	2014
	£	£
Auditor's remuneration:		
- as auditor	<u>3,000</u>	<u>-</u>

7digital Trading Limited

Notes to the Financial Statements Year ended 31 December 2015

4. Particulars of employees

The average number of staff employed by the company during the financial year amounted to:

	2015 No.	2014 No.
Management and administration	14	-
Production, editorial and sales	91	-
	<u>105</u>	<u>-</u>
	2015 £	2014 £
Wages and salaries	4,988,555	-
Social security costs	570,693	-
Other pension costs	156,184	-
	<u>5,715,431</u>	<u>-</u>

5. Directors' remuneration

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

6. Taxation on ordinary activities

(a) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 20.25% (2014: 21%).

	12 months to 31 Dec 2015	9 months to 31 Dec 2014
	£	£
Profit on ordinary activities before tax	578,812	-
Tax on above (loss)/profit at UK corporation tax rate of 20.25% (2014: 21%)	117,190	-
Group relief claimed	(122,552)	-
Unrelieved tax losses	5,362	-
Total current tax	<u>-</u>	<u>-</u>

(b) Factors that may affect future tax charges

A deferred tax asset for losses available for carry forward against future UK taxable profits of £5,261 (2014: £nil) has not been recognised on the basis that the deferred tax asset is only recognised to the extent that the transfer of economic benefits in future is more likely than not. The deferred tax asset not recognised is an asset calculated at 18% (31 March 2014: 20%) of the deferred tax losses, being the rate at which the directors expect the losses will be utilised against future profits.

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Notes to the Financial Statements Year ended 31 December 2015

7. Debtors

	2015	2014
	£	£
Amounts owed by group undertakings	5,781,820	-
Other debtors	15,203	-
Tax recoverable	398	-
	<u>5,797,421</u>	<u>-</u>

8. Creditors: amounts falling due within one year

	2015	2014
	£	£
Amounts owed by group undertakings	5,048,599	-
Taxation and social security	179,901	-
	<u>5,228,500</u>	<u>-</u>

9. Share capital

	2015	2014
	£	£
Allotted, called up and fully paid		
99,900 ordinary 'A' shares of £1 each	99,900	99,900
100 ordinary 'B' shares of £1 each	100	100
	<u>100,000</u>	<u>100,000</u>

10. Guarantees

The Company, together with its parent and fellow subsidiaries, is party to a Composite Accounting Agreement with Barclays Bank Plc.

11. Related party transactions

The Company is exempt under the terms of FRS101 from disclosing related party transactions with entities that are part of the 7digital Group plc group or investees of the same group. There were no other related party transactions in the current or prior year.

12. Ultimate parent company

The Company's immediate parent company is 7digital Group plc, a company registered in England and Wales. The directors also consider 7digital Group plc to be the ultimate parent undertaking and controlling party. 7digital Group plc is the parent of the smallest and the largest group for which group accounts are prepared and of which the Company is a member. A copy of the Group financial statements can be obtained from its registered office, 69 Wilson Street, London, EC2A 2BB.