

40SEVEN LIMITED

Report and Financial Statements

31 December 2008



40SEVEN LIMITED

REPORT AND FINANCIAL STATEMENTS 2008

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40SEVEN LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

S L Learmonth
M J Hornshaw
M Newell

SECRETARY

M Newell

REGISTERED OFFICE

Hapco House
Cross Green Way
Cross Green Industrial Estate
Leeds
LS9 0SE

BANKERS

HSBC plc
33 Park Row
Leeds
LS1 1LD

SOLICITORS

Lupton Fawcett LLP
Yorkshire House
East Parade
Leeds
LS1 5BD

AUDITORS

Deloitte LLP
Chartered Accountants and Registered Auditors
Leeds
United Kingdom

DIRECTORS' REPORT

The directors present their annual report on the affairs of the company together with the financial statements and auditors' report for the nine month period ended 31 December 2008.

The directors' report has been prepared in accordance with the special provisions relating to small companies under section 246(4) of the Companies Act 1985.

BUSINESS REVIEW AND PRINCIPAL ACTIVITIES

The principal activity of the company is that of multi disciplined surveying business servicing the utilities and infrastructure sectors.

On the 23 June 2008 the company acquired the entire share capital of Cartographical Surveys Limited a company registered in England and Wales. The acquisition enabled the company to increase its geographical footprint for its land surveying business as well as acquire a training facility which provides industry recognised courses.

On 16 October 2008 the entire share capital of the company's parent company IETG Limited was acquired by IDEX UK Limited.

The surveying employees within Cartographical Surveys Limited were transferred to 40Seven Limited on 1 September 2008 to reflect the operational management of the surveying activity. There have been no other significant changes in the company's principal activities in the period under review.

The directors are satisfied with the company's results for the period given the challenging nature of trading during the global credit crunch. Whilst the directors expect 2009 to continue to be a challenging year they believe the company is well placed in the market to obtain greater market share.

The financial period end has changed to December to coincide with that of the company's new immediate holding company IETG Limited. Therefore, direct comparison of the current period's financials with the prior year is not relevant.

GOING CONCERN

The company maintains close links with its customers and is confident of maintaining turnover levels for the next twelve months.

The directors are constantly reviewing the cost base of the company to maintain profitability levels.

The company has no external debt and has sufficient cash to enable it to continue trading for the foreseeable future.

After making enquires, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

DIVIDENDS AND TRANSFERS TO RESERVES

The profit for the nine month period ended 31 December 2008 after taxation amounted to £177,773 (Year ended 31 March 2008: £1,035,371). No dividends have been paid or proposed in respect of the current period. The profit for the period has been transferred to reserves.

DIRECTORS AND THEIR INTERESTS

The present directors are shown on page 1. The following directors served during the financial period:

- S L Learmonth
- M J Hornshaw

DIRECTORS' REPORT

AUDITORS

The directors, at the date of approval of this report, confirm that:

- (1) so far as each director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- (2) the directors 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.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

During the year RSM Bentley Jennison resigned as auditors and Deloitte LLP were appointed in their place.

Deloitte LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting

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



Director

31 July 2009

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 such financial statements for each financial period. 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). The financial statements are required by law to 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 proper accounting records which 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 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF 40SEVEN LIMITED

We have audited the financial statements of 40Seven Limited for the period ended 31 December 2008 which comprise the profit and loss account, the balance sheet, and the related notes to the accounts 1 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors' 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 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 United Kingdom legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, in accordance with the relevant financial reporting framework, and are properly prepared in accordance with the Companies Act 1985. We report to you whether, in our opinion, the information given in the directors' report is consistent with the financial statements. We also 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 for the above period and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

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 judgements 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 2008 and of its profit for the period from 1 April to 31 December 2008;
- 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.

Debbie W

Deloitte LLP
Chartered Accountants and Registered Auditors
Leeds, United Kingdom

9 September 2009

40SEVEN LIMITED

PROFIT AND LOSS ACCOUNT

Period ended 31 December 2008

	Note	Nine months ended 31 December 2008 £	Year ended 31 March 2008 £
TURNOVER	1	3,406,004	5,230,929
Cost of sales		(2,429,033)	(3,114,969)
GROSS PROFIT		976,971	2,115,960
Administrative expenses		(731,618)	(631,142)
OPERATING PROFIT	2	245,353	1,484,818
Interest receivable and similar income	3	3,943	12,566
Interest payable and similar charges	4	-	(1,434)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		249,296	1,495,950
Tax on profit on ordinary activities	5	(71,523)	(460,579)
RETAINED PROFIT FOR THE PERIOD/YEAR	12	177,773	1,035,371

All activities derive from continuing operations.

There are no recognised gains and losses other than as stated above for the current period and preceding financial year. Accordingly, no statement of total recognised gains and losses is given.

40SEVEN LIMITED

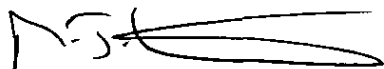
BALANCE SHEET 31 December 2008

	Note	31 December 2008 £	31 March 2008 £
FIXED ASSETS			
Tangible assets	6	260,399	290,816
Investment	7	1,539,954	-
		<u>1,800,353</u>	<u>290,816</u>
CURRENT ASSETS			
Debtors	8	827,521	1,219,829
Cash at bank and in hand		179,596	268,486
		<u>1,007,117</u>	<u>1,488,315</u>
CREDITORS: amounts falling due within one year	9	<u>(1,735,630)</u>	<u>(891,131)</u>
NET CURRENT (LIABILITIES)/ASSETS		<u>(728,513)</u>	<u>597,184</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,071,840</u>	<u>888,000</u>
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	10	<u>(24,052)</u>	<u>(17,985)</u>
NET ASSETS		<u>1,047,788</u>	<u>870,015</u>
CAPITAL AND RESERVES			
Called up share capital	11	1,000	1,000
Share premium reserve	12	99,000	99,000
Profit and loss account	12	947,788	770,015
TOTAL SHAREHOLDERS' FUNDS		<u>1,047,788</u>	<u>870,015</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2007).

These financial statements were approved by the Board of Directors on 31 June 2009

Signed on behalf of the Board of Directors



Director

NOTES TO THE ACCOUNTS

For the nine months to 31 December 2008

1. ACCOUNTING POLICIES

The principal accounting policies adopted are summarised below. They have been applied consistently throughout the current and preceding period.

Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

Basis of Preparation – Going Concern

The company maintains close links with its customers and is confident of maintaining turnover levels for the next twelve months.

The directors are constantly reviewing the cost base of the company to maintain profitability levels.

The company has no external debt and has sufficient cash to enable it to continue trading for the foreseeable future.

After making enquires, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Cash flow statement

The accounts do not include a cash flow statement because the company as a small reporting entity is exempt from the requirements to prepare such a statement.

Turnover

Turnover represents amounts receivable for goods and services provided in the normal course of business, net of value added tax. Amounts recoverable on contracts, which are included in debtors, are stated at the net sales value of the work done less amounts received as progress payments on account.

Profit is recognised on long-term contracts if the final outcome can be assessed with reasonable certainty by including in the profit and loss account turnover and related costs as contract activity progresses.

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provisions for impairment. Depreciation is provided on tangible fixed assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows:

Plant and machinery	7 years straight line basis
Fixtures and fittings	5 years straight line basis
Computer equipment	3 years straight line basis

Other Fixed Asset Investments

Fixed asset investments are stated at historical cost less provision for any impairment in value.

NOTES TO THE ACCOUNTS

For the nine months to 31 December 2008

1. ACCOUNTING POLICIES (continued)

Taxation

Current tax is provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable results and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Operating leases

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Pension costs

The company operates a defined contribution pension scheme. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme.

2. OPERATING PROFIT

	Nine months ended 31 December 2008 £	Year ended 30 June 2008 £
Operating profit is stated after charging:		
Depreciation of owned tangible fixed assets	56,594	80,512
Auditors' remuneration	7,675	5,000
	<hr/>	<hr/>
Staff costs during the year (including directors)		
Wages and salaries	217,463	253,412
Social security costs	5,958	8,018
Pension costs	13,531	28,082
	<hr/>	<hr/>
	236,952	289,512
	<hr/>	<hr/>

3. INTEREST RECEIVABLE AND SIMILAR INCOME

	Nine months ended 31 December 2008 £	Year ended 30 June 2008 £
Bank interest receivable	3,943	12,566
	<hr/>	<hr/>

NOTES TO THE ACCOUNTS

For the nine months to 31 December 2008

4. INTEREST PAYABLE AND SIMILAR CHARGES

	Nine months ended 31 December 2008 £	Year ended 30 June 2008 £
Bank interest	-	1,434

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	Nine months ended 31 December 2008 £	Year ended 31 March 2008 £
United Kingdom corporation tax at 28% (31 March 2008 - 30%) based on the profit for the year	65,456	455,770
Under provision in previous year	-	392
Deferred taxation - origination of timing difference	6,067	4,417
	<u>71,523</u>	<u>460,579</u>

The standard rate of tax for the year based on the UK standard rate of corporation tax is 28% (31 March 2008 - 30%). The actual tax charge for the current period and previous year is different than the standard rate for reasons set out in the following reconciliation:

	Nine months ended 31 December 2008 £	Year ended 31 March 2008 £
Profit on ordinary activities before tax	<u>249,296</u>	<u>1,495,950</u>
Tax on profit on ordinary activities at the standard rate of 28% (31 March 2008 30%)	69,803	448,785
Expenses not deductible for tax purposes	560	11,402
Deferred tax as provided	(2,553)	(4,417)
Marginal relief	(2,354)	-
Adjustment in respect of prior years	-	392
Current tax charge for the year	<u>65,456</u>	<u>456,162</u>

NOTES TO THE ACCOUNTS

For the nine months to 31 December 2008

6. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 April 2008	399,730	2,102	23,571	425,403
Additions	17,282	570	8,325	26,177
At 31 December 2008	417,012	2,672	31,896	451,580
Accumulated depreciation				
At 1 April 2008	115,138	729	18,720	134,587
Charge for the year	50,837	368	5,389	56,594
At 31 December 2008	165,975	1,097	24,109	191,181
Net book value				
At 31 December 2008	251,037	1,575	7,787	260,399
At 31 March 2008	284,592	1,373	4,851	290,816

7. FIXED ASSET INVESTMENTS

	Group shares £
Cost	
As at 1 April 2008	-
Additions	1,539,954
At 31 December 2008	1,539,954
Net book value	
As at 31 December 2008	1,539,954
As at 31 March 2008	-

The company acquired the whole of the share capital of Cartographical Surveys Limited, a surveying company registered in England and Wales on 23 June 2008. The share capital and reserves of Cartographical Surveys Limited at 31 December 2008 was £497,132 and its profit for the six month period ended 31 December 2008 was £34,417.

Group accounts have not been prepared as the group is medium sized and exempt from doing so under S248 of the Companies Act 1985.

NOTES TO THE ACCOUNTS

For the nine months to 31 December 2008

8. DEBTORS

	31 December 2008 £	31 March 2008 £
Trade debtors	459,079	843,727
Amounts owed by other group companies	54,091	-
Amounts recoverable on long term contracts	305,223	374,288
Corporation tax	4,556	-
Prepayments and accrued income	4,572	1,814
	<u>827,521</u>	<u>1,219,829</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 December 2008 £	31 March 2008 £
Trade creditors	55,032	76,615
Amount owed to other group companies	1,269,880	43,087
Corporation tax	-	455,770
Other taxation and social security	276,413	249,498
Other creditors	3,705	4,122
Accruals and deferred income	130,600	62,039
	<u>1,735,630</u>	<u>891,131</u>

10. DEFERRED TAXATION

	£
Balance at 1 April 2008	17,985
Current year charge (note 5)	<u>6,067</u>
Balance at 31 December 2008	<u>24,052</u>

Deferred tax is provided at 28% (31 March 2008 - 30%).

The amounts of deferred taxation provided in the accounts and the amounts unprovided are as follows:

	Provided 31 December 2008 £	Provided 31 March 2008 £	Unprovided 31 December 2008 £	Unprovided 31 March 2008 £
Capital allowances in excess of depreciation	24,052	29,309	-	-
Movement on short term timing differences	<u>-</u>	<u>(11,324)</u>	<u>-</u>	<u>-</u>
	<u>24,052</u>	<u>17,985</u>	<u>-</u>	<u>-</u>

NOTES TO THE ACCOUNTS

For the nine months to 31 December 2008

11. CALLED UP SHARE CAPITAL

	31 December 2008 £	31 March 2008 £
Authorised:		
500 Ordinary 'A' shares of £1 each	500	500
500 Ordinary 'B' shares of £1 each	500	500
	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid:		
500 Ordinary 'A' shares of £1 each	500	500
500 Ordinary 'B' shares of £1 each	500	500
	<u>1,000</u>	<u>1,000</u>

The ordinary 'A' and ordinary 'B' shares rank pari passu in all respects.

12. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS FUNDS AND STATEMENT OF MOVEMENTS ON RESERVES

	Share capital £	Share premium reserve £	Profit and loss account £	31 December 2008 Total £	31 March 2008 Total £
Opening balance	1,000	99,000	770,015	870,015	558,931
Dividends	-	-	-	-	(724,287)
Profit for the year	-	-	177,773	177,773	1,035,371
Closing balance	<u>1,000</u>	<u>99,000</u>	<u>947,788</u>	<u>1,047,788</u>	<u>870,015</u>

13. RELATED PARTIES

The company has taken advantage of the exemption granted by Financial Reporting Standard Number 8, not to disclose related party transactions with IDEX group companies.

14. PENSIONS

The company makes contributions to a money purchase scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge for the period represents contributions payable by the company to the fund and amounted to £13,531 (31 March 2008 - £28,082).

Contributions totalling £3,705 (31 March 2008 - £4,122) were payable to the scheme at the end of the period and are included in creditors.

40SEVEN LIMITED

NOTES TO THE ACCOUNTS

For the nine months to 31 December 2008

15. ULTIMATE PARENT COMPANY

The company's immediate parent company is IETG Limited which is registered and incorporated in England and Wales. The company's ultimate parent company is IDEX Corporation which is registered and incorporated in the United States of America.

Copies of the group financial statements of IDEX Corporation are available from 630 Dundee Road, Northbrook, Illinois.