Company Registration No. 5405516

40SEVEN LIMITED

Report and Financial Statements

31 December 2010

REPORT AND FINANCIAL STATEMENTS 2010

CONTENTS

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

S McKendrick
M Newell

SECRETARY

M Newell

REGISTERED OFFICE

Hapco House
Cross Green Way
Cross Green Industrial Estate
Leeds
LS9 OSE

BANKERS

HSBC plc
33 Park Row
Leeds
LS1 1LD

SOLICITORS

Lupton Fawcett LLP
Yorkshire House
East Parade
Leeds
LS1 5BD

AUDITOR

Deloitte LLP
Chartered Accountants and Statutory Auditor
Leeds
United Kingdom

40SEVEN LIMITED

DIRECTORS' REPORT

The directors present their annual report on the affairs of the company together with the financial statements and auditors' report for the year ended 31 December 2010

This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption

BUSINESS REVIEW AND PRINCIPAL ACTIVITIES

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

The directors are satisfied with the company's results for the year given the challenging nature of trading during the global credit crunch Whilst the directors expect 2011 to continue to be a challenging year, they believe the company is well placed in the market to obtain greater market share

GOING CONCERN

The company maintains close links with its customers and is confident of forecast turnover levels for the foreseeable future despite the uncertain economic outlook

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, based on its current forecasts

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 year ended 31 December 2010 after taxation amounted to £39,173 (2009 £99,076) No dividends have been paid or proposed in respect of the current year The profit for the year has been transferred to reserves

DIRECTORS AND THEIR INTERESTS

The present directors are shown on page 1 The following directors served during the financial year

- S L Learmonth (resigned 30 June 2011)
- M W Newell
- S McKendrick (appointed 1 April 2011)

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 auditors are 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 auditors are 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 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

M Newell

Mark Newell
Director
30/9/ 2011

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) 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,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF 40SEVEN LIMITED

We have audited the financial statements of 40Seven Limited for the period ended 31 December 2010 which comprise the profit and loss account, the balance sheet, and the related notes to the accounts 1 to 14 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)

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 (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 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 31 December 2010 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 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
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime or take advantage of the small companies exemption in preparing the directors' report

Simon Manning

Simon Manning (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Leeds, United Kingdom

30 September 2011

PROFIT AND LOSS ACCOUNT
Year ended 31 December 2010

	Note	2010 £	2009 £
TURNOVER	1	3,264,633	3,767,178
Cost of sales		(2,452,105)	(2,821,621)
GROSS PROFIT		812,528	945,557
Administrative expenses		(778,622)	(803,064)
OPERATING PROFIT	2	33,906	142,493
Interest receivable and similar income	3	554	58
Interest payable and similar charges	4	(211)	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		34,249	142,551
Tax on profit on ordinary activities	5	4,924	(43,475)
RETAINED PROFIT FOR THE YEAR	12	39,173	99,076

All activities derive from continuing operations

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

BALANCE SHEET
31 December 2010

	Note	2010 £	2009 £
FIXED ASSETS			
Tangible assets	6	173,738	215,729
Investment	7	1,539,954	1,539,954
		1,713,692	1,755,683
CURRENT ASSETS			
Debtors	8	1,038,910	629,107
Cash at bank and in hand		40,372	198,482
		1,079,282	827,589
CREDITORS: amounts falling due within one year	9	(1,595,969)	(1,417,836)
NET CURRENT LIABILITIES		(516,687)	(590,247)
TOTAL ASSETS LESS CURRENT LIABILITIES		1,197,005	1,165,436
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	10	(10,968)	(18,572)
NET ASSETS		1,186,037	1,146,864
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	1,086,037	1,046,864
TOTAL SHAREHOLDERS' FUNDS		1,186,037	1,146,864

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime

The financial statements of 40Seven Limited registered number 5405516 were approved by the Board of Directors on 30/9/ 2011

Signed on behalf of the Board of Directors

MNewell

Mark Newell

Director

NOTES TO THE ACCOUNTS
For the year ended 31 December 2010

1. ACCOUNTING POLICIES

The pnncipal accountmg policies adopted are summansed below They have been applied consistently throughout the current year and precedmg penod

Basis of accounting

The financial statements are prepared under the histoncal cost convention and in accordance with the provisions applicable to companies subject to the small companies regime

Group Accounts

The company is exempt from preparing group accounts under S401 of the Companies Act 2006

Basis of Preparation – Going Concern

The company maintains close links with its customers and is confident of forecast turnover levels for the foreseeable future despite the uncertain economic outlook

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, based on its current forecasts

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 under FRS 1 (revised)

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 contact 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	8 years straight line basis
Fixtures and fittings	5 years straight line basis
Computer equipment	3 years straight line basis

Fixed Asset Investments

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

NOTES TO THE ACCOUNTS
For the year ended 31 December 2010

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

	2010 £	2009 £
Operating profit is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	61,389	62,880
Fees payable to the Company's auditors for the audit of the Company's annual accounts	7,500	7,500
Fees payble to the Company's auditors for non-audit services	2,000	2,000
Profit on sale of fixed asset	(7,391)	(5,500)
Operating lease rentals – vehicles	155,244	182,221
Directors remuneration	-	-
Staff costs during the year		
Wages and salaries	236,888	227,023
Social security costs	24,619	23,141
Pension costs	17,713	22,965
	279,220	273,129

3. INTEREST RECEIVABLE AND SIMILAR INCOME

	2010 £	2009 £
Bank interest receivable	554	58

NOTES TO THE ACCOUNTS
For the year ended 31 December 2010

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2010 £	2009 £
Interest on Corporation Tax	211	-

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2010 £	2009 £
United Kingdom corporation tax at 28% based on the profit for the year	2,680	48,955
Deferred taxation - origination of timing difference	(7,604)	(5,480)
	(4,924)	43,475

The standard rate of tax for the year based on the UK standard rate of corporation tax is 28% (2009 – 28%) The actual tax charge for the current year and previous period is different than the standard rate for reasons set out in the following reconciliation

	2010 £	2009 £
Profit on ordinary activities before tax	34,249	142,599
Tax on profit on ordinary activities at the standard rate of 28%	9,590	39,928
Expenses not deductible for tax purposes	2,497	80
Depreciation in excess of capital allowances	8,038	7,354
Gain on disposal of asset	(2,069)	(1,540)
Adjustment relating to prior period	2,680	3,133
Group relief	(18,056)	-
Current tax charge for the year	2,680	48,955

The Finance Act 2010, which was substantively enacted on 21 July 2010, provided for a reduction in the main rate of corporation tax from 28% to 27% effective from 1 April 2011 Accordingly any deferred tax balances at 31 December 2010 would be calculated in these accounts at 27% Subsequent to the balance sheet date, on 29 March 2011 under the Provisional Collection of Taxes Act, the corporation tax rate was reduced to 26% with effect from 1 April 2011 As this additional 1% amendment had not been substantially enacted at the balance sheet date the change would not be reflected in the company's effective tax rate The Government has also indicated that it intends to enact future reductions in the main tax rate of 1% each year down to 23% by 1 April 2014 The future 1% main tax rate reductions are expected to have a similar impact on the company's financial statements as outlined above, subject to the impact of other developments in the company's tax position which may reduce the beneficial effect of this in the company's tax rate As the further reductions in UK corporate tax rates have not been substantially enacted at the balance sheet date, this is considered a non-adjusting event in accordance with FRS 21 and no adjustments have been made The impact of any further reduction will be taken into account at subsequent reporting dates, once the change has been substantively enacted

NOTES TO THE ACCOUNTS
For the year ended 31 December 2010

6. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 January 2010	504,466	1,692	25,872	532,030
Additions	25,200	2,675	3,098	30,973
Disposals	(32,250)	(2,675)	-	(34,925)
At 31 December 2010	497,416	1,692	28,970	528,078
Accumulated depreciation				
At 1 January 2010	300,452	864	14,986	316,302
Charge for the year	54,969	295	6,125	61,389
Disposals	(23,351)	-	-	(23,351)
At 31 December 2010	332,070	1,159	21,111	354,340
Net book value				
At 31 December 2010	165,346	533	7,859	173,738
At 31 December 2009	204,014	828	10,887	215,729

7. FIXED ASSET INVESTMENTS

	Group shares £
Cost and net book as at 31 December 2009 and 2010	1,539,954

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 2010 were £463,833 (2009 £534,953) and its loss for the year ended 31 December 2010 was £71,120 (2009 profit of £37,821)

8. DEBTORS

	2010 £	2009 £
Trade debtors	413,223	408,903
Amounts owed by other group companies	410,261	-
Amounts recoverable on long term contracts	204,865	207,984
Prepayments and accrued income	9,116	7,198
Employee receivables	1,445	5,022
	1,038,910	629,107

NOTES TO THE ACCOUNTS
For the year ended 31 December 2010

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010 £	2009 £
Trade creditors	43,502	46,412
Amount owed to other group companies	1,344,449	1,176,209
Other taxation and social security	156,112	145,020
Corporation tax	-	6,511
Other creditors	2,906	3,176
Accruals and deferred income	49,000	40,508
	1,595,969	1,417,836

10. DEFERRED TAXATION

	£
Balance at 1 January 2010	18,572
Current year credit (note 5)	(7,604)
Balance at 31 December 2010	10,968

Deferred tax is provided at 28% The amounts of deferred taxation provided in the accounts and the amounts unprovided are as follows

	Provided 31 December 2010 £	Provided 31 December 2009 £	Unprovided 31 December 2010 £	Unprovided 31 December 2009 £
Capital allowances in excess of depreciation	11,615	19,396	-	-
Short term timing differences	(647)	(824)	-	-
	10,968	18,572	-	-

11. CALLED UP SHARE CAPITAL

	31 December 2010 £	31 December 2009 £
Allotted, called up and fully paid:		
500 Ordinary 'A' shares of £1 each	500	500
500 Ordinary 'B' shares of £1 each	500	500
	1,000	1,000

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

NOTES TO THE ACCOUNTS
For the year ended 31 December 2010

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

	Share capital £	Share premium reserve £	Profit and loss account £	31 December 2010 Total £	31 December 2009 Total £
Openıng balance	1,000	99,000	1,046,864	1,146,864	1,047,788
Profit for the year	-	-	39,173	39,173	99,076
Closıng balance	1,000	99,000	1,086,037	1,186,037	1,146,864

13. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemptıon granted by Fınancıal Reportıng Standard Number 8, not to dısclose related party transactıons wıth IDEX group companıes

14. PENSIONS

The company makes contrıbutıons to a money purchase scheme The assets of the scheme are held separately from those of the company ın an ındependently admınıstered fund The pensıon cost charge for the year represents contrıbutıons payable by the company to the fund and amounted to £17,713 (2009 - £22,965)

Contrıbutıons totallıng £2,397 (2009 - £2,943) were payable to the scheme at the end of the perıod and are ıncluded ın credıtors

15. ULTIMATE PARENT COMPANY

The company's ımmedıate parent company ıs IETG Lımıted whıch ıs regıstered and ıncorporated ın England and Wales The company's ultımate parent company and ultımate controllıng party ıs IDEX Corporatıon whıch ıs regıstered and ıncorporated ın the Unıted States of Amerıca

Copıes of the group fınancıal statements of IDEX Corporatıon are avaılable from 1925 West Fıeld Court, Suıte 200, Lake Forest, Illınoıs 60045 USA