

40SEVEN LIMITED**Report and Financial Statements****31 December 2009**

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40SEVEN LIMITED

REPORT AND FINANCIAL STATEMENTS 2009

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40SEVEN LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

S L Learmonth
M Newell

SECRETARY

M Newell (appointed 3 August 2009)

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 Statutory 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 year ended 31 December 2009

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 2010 to continue to be a challenging year, they believe the company is well placed in the market to obtain greater market share

In 2008 the financial period end has changed to December to coincide with that of the company's immediate holding company IETG Limited. Therefore, the current year's financial statements are not directly comparable with the prior periods results

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 year ended 31 December 2009 after taxation amounted to £99,076 (period ended 31 December 2008 £177,773). 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
- M J Hornshaw (resigned 1 March 2010)
- M W Newell

DIRECTORS' REPORT

AUDITORS

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



S L Learmonth

Director

12 May 2010

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 AUDITORS' REPORT TO THE MEMBERS OF 40SEVEN LIMITED

We have audited the financial statements of 40Seven Limited for the period ended 31 December 2009 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 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

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 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.

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 2009 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.

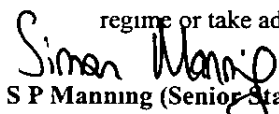
Opinion on other matter prescribed by the Companies Act 2006

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.


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

12 May 2010

40SEVEN LIMITED

PROFIT AND LOSS ACCOUNT Year ended 31 December 2009

	Note	Year ended 31 December 2009 £	Nine months ended 31 December 2008 £
TURNOVER	1	3,767,178	3,406,004
Cost of sales		(2,821,621)	(2,429,033)
GROSS PROFIT		945,557	976,971
Administrative expenses		(803,064)	(731,618)
OPERATING PROFIT	2	142,493	245,353
Interest receivable and similar income	3	58	3,943
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		142,551	249,296
Tax on profit on ordinary activities	4	(43,475)	(71,523)
RETAINED PROFIT FOR THE YEAR/PERIOD	11	99,076	177,773

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 period. Accordingly, no statement of total recognised gains and losses is given.

40SEVEN LIMITED

BALANCE SHEET 31 December 2009

	Note	31 December 2009 £	31 December 2008 £
FIXED ASSETS			
Tangible assets	5	215,729	260,399
Investment	6	1,539,954	1,539,954
		<u>1,755,683</u>	<u>1,800,353</u>
CURRENT ASSETS			
Debtors	7	629,107	827,521
Cash at bank and in hand		198,482	179,596
		<u>827,589</u>	<u>1,007,117</u>
CREDITORS: amounts falling due within one year	8	<u>(1,417,836)</u>	<u>(1,735,630)</u>
NET CURRENT LIABILITIES		<u>(590,247)</u>	<u>(728,513)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,165,436	1,071,840
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	9	(18,572)	(24,052)
NET ASSETS		<u>1,146,864</u>	<u>1,047,788</u>
CAPITAL AND RESERVES			
Called up share capital	10	1,000	1,000
Share premium reserve	11	99,000	99,000
Profit and loss account	11	1,046,864	947,788
TOTAL SHAREHOLDERS' FUNDS		<u>1,146,864</u>	<u>1,047,788</u>

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 12 May 2010

Signed on behalf of the Board of Directors



M W Newell
Director

NOTES TO THE ACCOUNTS
For the year ended 31 December 2009

1. ACCOUNTING POLICIES

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

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 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 enquiries, 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 year ended 31 December 2009

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

	Year ended 31 December 2009 £	Nine months ended 31 December 2008 £
Operating profit is stated after charging:		
Depreciation of owned tangible fixed assets	62,880	56,594
Fees payable to the Company's auditors for the audit of the Company's annual accounts	(830)	7,675
(Profit) on sale of fixed asset	(5,500)	-
Operating lease rentals - vehicles	182,221	213,533
Directors remuneration	-	-
Staff costs during the year		
Wages and salaries	227,023	217,463
Social security costs	23,141	5,958
Pension costs	22,965	13,531
	<u>273,129</u>	<u>236,952</u>

NOTES TO THE ACCOUNTS
For the year ended 31 December 2009

3. INTEREST RECEIVABLE AND SIMILAR INCOME

	Year ended 31 December 2009 £	Nine months ended 31 December 2008 £
Bank interest receivable	58	3,943

4. TAX ON PROFIT ON ORDINARY ACTIVITIES

	Year ended 31 December 2009 £	Nine months ended 31 December 2008 £
United Kingdom corporation tax at 28% based on the profit for the year/period	48,955	65,456
Deferred taxation - origination of timing difference	(5,480)	6,067
	<u>43,475</u>	<u>71,523</u>

The standard rate of tax for the year based on the UK standard rate of corporation tax is 28% (nine months ended 31 December 2008 – 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

	Year ended 31 December 2009 £	Nine months ended 31 December 2008 £
Profit on ordinary activities before tax	<u>142,599</u>	<u>249,296</u>
Tax on profit on ordinary activities at the standard rate of 28%	39,928	69,803
Expenses not deductible for tax purposes	80	560
Depreciation in excess of capital allowances	7,354	(2,553)
Marginal relief	-	(2,354)
Gain on disposal of asset	(1,540)	-
Adjustment relating to prior period	3,133	-
Current tax charge for the year/period	<u>48,955</u>	<u>65,456</u>

NOTES TO THE ACCOUNTS
For the year ended 31 December 2009

5 TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 January 2009	417,012	2,672	31,896	451,580
Additions	9,997	-	8,213	18,210
Transfers	77,457	(980)	(14,236)	62,241
At 31 December 2009	<u>504,466</u>	<u>1,692</u>	<u>25,873</u>	<u>532,031</u>
Accumulated depreciation				
At 1 January 2009	165,975	1,097	24,109	191,181
Charge for the year	57,020	238	5,622	62,880
Transfers	77,457	(471)	(14,745)	62,241
At 31 December 2009	<u>300,452</u>	<u>864</u>	<u>14,986</u>	<u>316,302</u>
Net book value				
At 31 December 2009	<u>204,014</u>	<u>828</u>	<u>10,887</u>	<u>215,729</u>
At 31 December 2008	<u>251,037</u>	<u>1,575</u>	<u>7,787</u>	<u>260,399</u>

6. FIXED ASSET INVESTMENTS

	Group shares £
Cost and net book as at 31 December 2008 and 2009	<u>1,539,954</u>

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 2009 were £534,953 and its profit for the period ended 31 December 2009 was £37,821.

7. DEBTORS

	31 December 2009 £	31 December 2008 £
Trade debtors	408,903	459,079
Amounts owed by other group companies	-	54,091
Amounts recoverable on long term contracts	207,984	305,223
Corporation tax	-	4,556
Prepayments and accrued income	7,198	4,572
Employee receivables	5,022	-
	<u>629,107</u>	<u>827,521</u>

NOTES TO THE ACCOUNTS
For the year ended 31 December 2009

8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 December 2009	31 December 2008
	£	£
Trade creditors	46,412	55,032
Amount owed to other group companies	1,176,209	1,269,880
Other taxation and social security	145,020	276,413
Corporation tax	6,511	-
Other creditors	3,176	3,705
Accruals and deferred income	40,508	130,600
	<u>1,417,836</u>	<u>1,735,630</u>

9. DEFERRED TAXATION

	£
Balance at 1 January 2009	24,052
Current year charge (note 4)	(5,480)
Balance at 31 December 2009	<u>18,572</u>

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 2009	Provided 31 December 2008	Unprovided 31 December 2009	Unprovided 31 December 2008
	£	£	£	£
Capital allowances in excess of depreciation	19,396	24,052	-	-
Short term timing differences	(824)	-	-	-
	<u>18,572</u>	<u>24,052</u>	<u>-</u>	<u>-</u>

10 CALLED UP SHARE CAPITAL

	31 December 2009	31 December 2008
	£	£
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

NOTES TO THE ACCOUNTS
For the year ended 31 December 2009

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

	Share capital £	Share premium reserve £	Profit and loss account £	31 December 2009 Total £	31 December 2008 Total £
Opening balance	1,000	99,000	947,788	1,047,788	870,015
Profit for the year/period	-	-	99,076	99,076	177,773
Closing balance	<u>1,000</u>	<u>99,000</u>	<u>1,046,864</u>	<u>1,146,864</u>	<u>1,047,788</u>

12. RELATED PARTY TRANSACTIONS

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

13. 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 year represents contributions payable by the company to the fund and amounted to £22,965 (period ended 31 December 2008 - £13,531).

Contributions totalling £2,943 (period ended 31 December 2008 - £3,705) were payable to the scheme at the end of the period and are included in creditors.

14. 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 and ultimate controlling party 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.