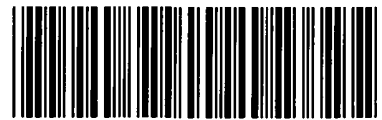


40SEVEN LIMITED

Annual report and financial statements

for the year ended 31 December 2016

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40SEVEN LIMITED

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40SEVEN LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

I Edwards
R Bond
M Bentley

SECRETARY

R Bond

REGISTERED OFFICE

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

BANKERS

Barclays Bank plc
1 Churchill Place
London
E14 5HP

SOLICITORS

Lupton Fawcett LLP
Yorkshire House
East Parade
Leeds
LS1 5BD

AUDITOR

Grant Thornton UK LLP
No.1 Whitehall Riverside
Leeds
LS1 4BN

DIRECTORS' REPORT

The directors present their annual report on the affairs of the company together with the audited financial statements for the year ended 31 December 2016.

This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption and accordingly no strategic report has been prepared.

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 and believe the company is well placed in the market to obtain greater market share in the future.

GOING CONCERN

The company is well established in the market place and the directors feel that the company is well positioned to face the competitive pressure that exists within the market place.

The company is forecast to be cash generative during the next financial year. After making enquires, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future taking into consideration the uncertain economic outlook following the UK vote to leave the EU. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

DIVIDENDS AND TRANSFERS TO RESERVES

The profit for the year ended 31 December 2016 after taxation amounted to £1,153,356 (2015: £521,250). No dividends have been paid or declared in respect of the current year (2015: dividends of £400,000 paid).

DIRECTORS, SECRETARIES AND THEIR INTERESTS

The present directors are shown on page 1.

S Blakeman resigned as director on 18 May 2016.

R Bond was appointed as director on 10 October 2016.

M Bentley was appointed as director on 10 October 2016.

J Corso resigned as director on 10 October 2016.

F Pfefferle resigned as director on 10 October 2016.

B Hanigan resigned as secretary on 10 October 2016.

AUDITOR

Each of the persons who are a director at the date of approval of this report confirms that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- 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 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.

Grant Thornton UK LLP were appointed in the year and have expressed their willingness to continue in office as auditors. A resolution to reappoint them will be proposed at the forthcoming Annual General Meeting

FUTURE DEVELOPMENTS AND POST BALANCE SHEET EVENTS

The company is expected to continue operations centred around its principal activity for the foreseeable future. In the opinion of the directors, there are no post balance sheet events that require disclosure in these financial statements.

DIRECTORS' REPORT (continued)

APPROVAL OF REDUCED DISCLOSURES

The Company, as a qualifying entity, has taken advantage of the disclosure exemptions in FRS 102 paragraph 1.12. The Company's shareholder has been notified in writing about the intention to take advantage of the disclosure exemptions and no objections have been received.

The Company also intends to take advantage of these exemptions in the financial statements to be issued in the following year. Objections may be served on the Company by IETG Limited, as the immediate parent of the entity and holder of 100% of the issued share capital.

DIRECTORS' RESPONSIBILITIES STATEMENT

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 laws) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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 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 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.

Approved by the Board and signed on its behalf by:



Ian Edwards
Director
27 April 2017

40SEVEN LIMITED

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

We have audited the financial statements of 40 Seven Limited for the year ended 31 December 2016 which comprise the profit and loss account, the balance sheet, the statement of changes in equity and the related notes. 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), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 2016 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 matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken during the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

40SEVEN LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF 40SEVEN 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 the information and explanations we require for our audit.
- The directors were not entitled to take advantage of the small companies exemption in preparing the directors' report and take advantage of the small companies exemption from the requirements to prepare a strategic report.



Andrew Wood
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Leeds
27 April 2017

40SEVEN LIMITED

PROFIT AND LOSS ACCOUNT For the year ended 31 December 2016

	Note	2016 £	2015 £
TURNOVER	3	3,117,863	3,089,966
Cost of sales		(2,109,013)	(1,852,147)
GROSS PROFIT		1,008,850	1,237,819
Administrative expenses		(728,675)	(679,569)
OPERATING PROFIT		280,175	558,250
Interest receivable and similar income	5	-	6
Gain on waiver of loan	2	957,000	-
Interest payable and similar charges	6	(23,075)	(31,656)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	1,214,100	526,600
Tax on profit on ordinary activities	7	(60,744)	(5,350)
PROFIT FOR THE FINANCIAL YEAR		1,153,356	521,250

All activities derive from continuing operations.

There is no comprehensive income other than the profit for the year (2015: same). Accordingly, no separate statement of comprehensive income is presented.

The notes on pages 9 to 18 form an integral part of these financial statements.

40SEVEN LIMITED

BALANCE SHEET As at 31 December 2016

	Note	2016 £	2015 £
FIXED ASSETS			
Intangible assets	8	957,504	997,933
Tangible assets	9	387,003	366,553
		<u>1,344,507</u>	<u>1,364,486</u>
CURRENT ASSETS			
Debtors	10	737,548	963,813
Cash at Bank and in hand		332,625	-
		<u>1,070,173</u>	<u>963,813</u>
CREDITORS: amounts falling due within one year	11	<u>(747,842)</u>	<u>(1,820,880)</u>
NET CURRENT ASSETS / (LIABILITIES)		322,331	(857,067)
TOTAL ASSETS LESS CURRENT LIABILITIES		1,666,838	507,419
PROVISIONS FOR LIABILITIES			
Deferred Taxation	12	<u>(6,063)</u>	<u>-</u>
NET ASSETS		<u>1,660,775</u>	<u>507,419</u>
CAPITAL AND RESERVES			
Called up share capital	13	1,000	1,000
Share premium reserve	13	99,000	99,000
Profit and loss account	13	1,560,775	407,419
TOTAL SHAREHOLDERS' FUNDS		<u>1,660,775</u>	<u>507,419</u>

The financial statements of 40Seven Limited registered number 05405516 were approved by the Board of Directors and authorised for issue on 27 April 2017. They were signed on its behalf by:



Richard Bond
Director

40SEVEN LIMITED**STATEMENT OF CHANGES IN EQUITY**
For the year ended 31 December 2016

	Called-up share capital £	Share premium account £	Profit and loss account £	Total £
At 1 January 2016	1,000	99,000	407,419	507,419
Profit for the financial year	-	-	1,153,356	1,153,356
At 31 December 2016	1,000	99,000	1,560,775	1,660,775

For the year ended 31 December 2015

	Called-up share capital £	Share premium account £	Profit and loss account £	Total £
At 1 January 2015	1,000	99,000	286,169	386,169
Profit for the financial year	-	-	521,250	521,250
Dividends paid	-	-	(400,000)	(400,000)
At 31 December 2015	1,000	99,000	407,419	507,419

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2016

1. ACCOUNTING POLICIES

General information and basis of accounting

40Seven Limited is a limited company registered in England and Wales. The registered office is Hapco House, Cross Green Way, Leeds, West Yorkshire, LS9 0SE.

The nature of the Company's operations and its principal activities are set out in the directors' report on pages 2 to 3.

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

The financial statements have been prepared under the historical cost convention, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of 40Seven Limited is pounds sterling because that is the currency of the primary economic environment in which the Company operates.

40Seven Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. 40Seven Limited is consolidated in the financial statements of its parent, IETG Holdings Limited, which may be obtained Companies House. Exemptions have been taken in these separate Company financial statements in relation to financial instruments, related party transactions, presentation of a cash flow statement, and remuneration of key management personnel.

Basis of preparation – Going Concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the directors' report. The directors' report further describes the financial position of the Company; its liquidity position and borrowing facilities.

After considering all relevant uncertainties, 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 of accounting in preparing the annual financial statements.

Intangible fixed assets – Goodwill

Goodwill arising on the acquisition of trade and assets, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight-line basis over its useful economic life which is 20 years. Provision is made for any impairment.

Intangible fixed assets

Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation is charged so as to allocate the cost of intangibles less their residual values over their estimated useful lives, using the straight-line method. The intangible assets are amortised over the following useful economic lives:

Software costs	3 years straight-line basis
----------------	-----------------------------

If there is an indication that there has been a significant change in amortisation rate of residual value of an asset, the amortisation of that asset is revised prospectively to reflect the new expectations.

If the net fair value of the identifiable assets and liabilities acquired exceeds the cost of a business combination, the excess up to the fair value of non-monetary assets acquired is recognised in profit or loss in the periods in which the non-monetary assets are recovered. Any excess exceeding the fair value of non-monetary assets acquired is recognised in profit or loss in the periods expected to be benefitted.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2016

1. ACCOUNTING POLICIES (CONTINUED)

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

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

Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in the profit or loss account as described below.

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) 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 profits 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.

Unrelieved tax losses and other deferred tax assets are 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.

When the amount that can be deducted for tax for an asset that is recognised in a business combination is less than the value at which it is recognised, a deferred tax asset is recognised for the additional tax that will be avoided in respect of that difference. Similarly, a deferred tax liability is recognised for the additional tax that will be paid because of a difference between the value at which a liability is recognised and the amount that will be assessed for tax.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the Company is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2016

1. ACCOUNTING POLICIES (CONTINUED)

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Turnover

Turnover is stated net of VAT and trade discounts and is recognised when the significant risks and rewards are considered to have been transferred to the buyer. Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the fair value of the consideration received or receivable. Where a contract has only been partially completed at the balance sheet date turnover represents the fair value of the service provided to date based on the stage of completion of the contract activity at the balance sheet date. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year. All turnover arises from the company's principal activity in the United Kingdom (2015: same).

Employee benefits

40Seven Limited operates a defined contribution pension scheme, for which the amount charged to the profit and loss account in respect of pension costs and other retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

Exchange differences are recognised in profit or loss in the period in which they arise.

Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

(i) Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2016

1. ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

- (a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.
- (b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.
- (c) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.
- (d) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

(i) Equity instruments

Equity instruments issued by the Company are recorded at the fair value of cash or other resources received or receivable, net of direct issue costs.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key source of estimation uncertainty –provision for debtors

Determining whether debtor balances are recoverable requires up to date trading information. The directors use their knowledge of the business, the trading environment and future projections to assess whether provision is necessary in these areas.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**For the year ended 31 December 2016***Key source of estimation uncertainty – impairment of intangible assets*

Determining whether intangible assets are impaired requires an estimation of their value in use to the Company. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the intangible asset and a suitable discount rate in order to calculate present value.

2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2016 £	2015 £
Profit on ordinary activities before taxation is stated after charging /(crediting):		
Depreciation of owned tangible fixed assets (note 9)	99,310	68,539
Amortisation of intangible assets (note 8)	75,520	62,371
Fees payable to the Company's auditors for the audit of the Company's annual financial statements	6,000	6,000
Fees payable to the Company's auditors for non-audit services – tax compliance	2,931	2,877
Operating lease rentals – vehicles	182,617	153,520
Foreign exchange gain	(599)	(4,730)
	<u> </u>	<u> </u>

There is no cost of stock recognised as an expense and no expenses were recognised or reversed in regards to the impairment of stock (2015: same).

During the year and prior to the change in ownership on 10 October 2016, a loan due to the company's previous parent company IDEX UK Limited was waived. The waived loan resulted in a one-off gain of £957,000 which has been reported in the profit and loss account.

3. TURNOVER

	2016 £	2015 £
Rendering of services	<u>3,117,863</u>	<u>3,089,966</u>

4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2016 £	2015 £
Staff costs during the year		
Wages and salaries	1,343,564	1,180,487
Social security costs	129,632	112,728
Pension costs	37,624	26,132
	<u>1,510,820</u>	<u>1,319,347</u>

The Directors of the company received no remuneration from the company during the current or prior year. Directors remunerations are borne by a fellow group company and it is not practicable to make an apportionment between companies (2015:same).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2016

Average number of persons employed (including directors)	2016	2015
	No.	No.
Sales and Production	45	34
Administration	4	7
	<u>49</u>	<u>41</u>
	<u><u>49</u></u>	<u><u>41</u></u>
 5. INTEREST RECEIVABLE AND SIMILAR INCOME		
	2016	2015
	£	£
Bank interest receivable	-	6
	<u>-</u>	<u>6</u>
	<u><u>-</u></u>	<u><u>6</u></u>
 6. INTEREST PAYABLE AND SIMILAR CHARGES		
	2016	2015
	£	£
Bank interest payable	23,075	31,656
	<u>23,075</u>	<u>31,656</u>
	<u><u>23,075</u></u>	<u><u>31,656</u></u>
 7. TAX ON PROFIT ON ORDINARY ACTIVITIES		
	2016	2015
	£	£
United Kingdom corporation tax at 20% (2015: 20.25%)	48,684	-
Deferred taxation – origination and reversal of timing differences	12,060	5,350
	<u>48,684</u>	<u>5,350</u>
	<u><u>60,744</u></u>	<u><u>5,350</u></u>

The standard rate of tax for the year based on the UK standard rate of corporation tax is 20% (2015: 20.25%).
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:

	2016	2015
	£	£
Profit on ordinary activities before tax	1,214,100	526,600
	<u>1,214,100</u>	<u>526,600</u>
Tax on profit on ordinary activities at the standard rate 20% (2015: 20.25%)	242,820	106,636
Expenses not deductible for tax purposes	12,519	12,153
Income not taxable	(191,400)	-
Rate change	(764)	-
Adjustment in respect of prior periods	(2,431)	-
Depreciation in excess of capital allowances	-	(4,124)
Origination and reversal of timing differences	-	5,350
Group losses (received)/surrendered	-	(114,665)
	<u>242,820</u>	<u>106,636</u>
Total tax charge for the year	<u><u>60,744</u></u>	<u><u>5,350</u></u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2016

Factors that may affect future tax charges

In the July 2015 Budget, it was announced that the main rate of corporation tax will reduce to 19% with effect from 1 April 2017 and to 18% from 1 April 2020. Deferred tax assets and liabilities are accordingly valued using a projected tax rate of 19% at 31 December 2016.

A further change to 17% was subsequently announced but was not substantively enacted by 31 December 2016 and is not therefore included in these financial statements. The directors expect to include an assessment of the impact of these changes on the company's deferred tax assets and liabilities in our financial statements for the year ending 31 December 2017.

There is no expiry date on timing differences, unused tax losses or tax credits.

8. INTANGIBLE FIXED ASSETS

		Goodwill	Software	Total
		£	£	£
Cost				
At 1 January 2016		1,231,954	-	1,231,954
Transfers from tangible assets	(note 9)	-	51,503	51,503
Additions		-	7,610	7,610
Disposals		-	-	-
		<u>1,231,954</u>	<u>59,113</u>	<u>1,291,067</u>
At 31 December 2016				
Accumulated amortisation				
At 1 January 2016		234,021	-	234,021
Transfers from tangible assets	(note 9)	-	24,022	24,022
Charge for the year		62,371	13,149	75,520
Disposals		-	-	-
		<u>296,392</u>	<u>37,171</u>	<u>333,563</u>
At 31 December 2016				
Net book value				
At 31 December 2016		<u>935,562</u>	<u>21,942</u>	<u>957,504</u>
At 31 December 2015		<u>997,933</u>	<u>-</u>	<u>997,933</u>

The transfer relates to software costs that were previously held under tangible assets and have been reclassified to intangible in the year.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2016

9. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 January 2016	853,308	1,692	97,032	952,032
Transfer to intangible assets (note 8)	-	-	(51,503)	(51,503)
Additions	151,614	-	3,419	155,033
Disposals	(10,389)	-	-	(10,389)
At 31 December 2016	994,533	1,692	48,948	1,045,173
Accumulated depreciation				
At 1 January 2016	533,217	1,692	50,570	585,479
Transfer to intangible assets (note 8)	-	-	(24,022)	(24,022)
Charge for the year	88,734	-	10,576	99,310
Disposals	(2,597)	-	-	(2,597)
At 31 December 2016	619,354	1,692	37,124	658,170
Net book value				
At 31 December 2016	375,179	-	11,824	387,003
At 31 December 2015	320,091	-	46,462	366,553

No assets were held under finance lease at 31 December 2016 (2015: same)

10. DEBTORS

	2016 £	2015 £
Trade debtors	551,379	718,745
Prepayments and accrued income	182,978	234,649
Other debtors	3,191	4,422
Deferred tax asset (note 12)	-	5,997
	<u>737,548</u>	<u>963,813</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Trade creditors	33,873	128,428
Amounts owed to other group companies	400,000	1,386,502
Other taxation and social security	125,890	188,692
Other creditors	5,052	4,368
Accruals and deferred income	134,342	112,890
Corporation Tax	48,685	-
	<u>747,842</u>	<u>1,820,880</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2016

Amounts owed to group companies represent trading balances, are repayable on demand, and do not include interest.

12. DEFERRED TAXATION

	£
Balance at 1 January 2016	5,997
Charged to the profit and loss account (note 7)	(12,060)
	<hr/>
Balance at 31 December 2016	(6,063)
	<hr/>

Deferred tax asset at 31 December 2016 is shown in debtors (note 10).

Deferred tax is provided at 19%. The amounts of deferred taxation provided in the accounts and the amounts unprovided are as follows:

	Provided 31 December 2016 £	Provided 31 December 2015 £
Capital allowances in excess of depreciation	(7,071)	5,997
Other short term timing differences	1,008	-
	<hr/>	<hr/>
	(6,063)	5,997
	<hr/>	<hr/>

13. CALLED UP SHARE CAPITAL AND RESERVES

	31 December 2016 £	31 December 2015 £
Allotted, authorised, called up and fully paid:		
500 Ordinary 'A' shares of £1 each	500	500
500 Ordinary 'B' shares of £1 each	500	500
	<hr/>	<hr/>
	1,000	1,000
	<hr/>	<hr/>

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

The company's other reserves are as follows:

The share premium reserve contains the premium arising on issue of equity shares, net of issue expenses.

The profit and loss reserve represents cumulative profits and losses, net of dividends paid and other adjustments.

14. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption granted by FRS 102 [33.1A], not to disclose related party transactions with wholly owned members of the IETG Holdings Limited.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2016

15. FINANCIAL COMMITMENTS

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2016		2015	
	Land & buildings £	Other £	Land & buildings £	Other £
Due within:				
Within one year	4,188	81,904	16,750	56,702
Between two and five years	-	72,508	4,188	72,955
	<u>4,188</u>	<u>154,412</u>	<u>20,938</u>	<u>129,657</u>

16. EMPLOYEE BENEFITS

Defined contribution schemes

The Company operates defined contribution retirement benefit schemes for all qualifying employees. The total expense charged to profit or loss in the period ended 31 December 2016 was £37,624 (2015: £26,132). Unpaid contributions included within other creditors at the balance sheet date were £3,150 (2015: £2,705).

17. CONTROLLING PARTY

The company is a subsidiary of IETG Limited, a company incorporated in the United Kingdom. Until 10 October 2016, the ultimate controlling party was IDEX Corporation. From 10 October 2016 and at year end the ultimate parent and ultimate controlling company is Bentley O-S Limited, a company incorporated in the Isle of Man. IETG Holdings Limited is the smallest & largest group that prepares consolidated group financial statements which include the results of 40Seven Limited, copies of which may be obtained at Companies House.

18. CAPITAL COMMITMENTS

At 31 December 2016, the company had total capital commitments of £61,050 (2015: nil).