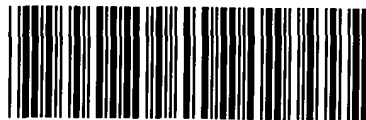


**40SEVEN LIMITED**

**Report and Financial Statements**

**31 December 2014**

WEDNESDAY



\*A4FKVRMB\*

A18

09/09/2015

#211

COMPANIES HOUSE

# **40SEVEN LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2014**

<b>CONTENTS</b>	<b>Page</b>
<b>Officers and professional advisers</b>	<b>1</b>
<b>Directors' report</b>	<b>2</b>
<b>Directors' Responsibilities Statement</b>	<b>3</b>
<b>Independent auditor's report</b>	<b>4</b>
<b>Profit and loss account</b>	<b>5</b>
<b>Balance sheet</b>	<b>6</b>
<b>Notes to the accounts</b>	<b>7</b>

# **40SEVEN LIMITED**

## **OFFICERS AND PROFESSIONAL ADVISERS**

### **DIRECTORS**

N Roebuck  
I Edwards  
F Pfefferle

### **SECRETARY**

N Roebuck

### **REGISTERED OFFICE**

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

### **BANKERS**

Barclays Bank plc  
1 Churchill Place  
London  
E14 5HP

### **SOLICITORS**

Lupton Fawcett LLP  
Yorkshire House  
East Parade  
Leeds  
LS1 5BD

### **AUDITOR**

Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Leeds  
United Kingdom

## **DIRECTORS' REPORT**

The directors present their annual report on the affairs of the company together with the financial statements and auditor's report for the year ended 31 December 2014.

This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption 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 given the challenging nature of trading during the year. Whilst the directors expect 2015 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 improve profitability levels.

The company has no external debt, access to the group cash pooling facilities and has sufficient liquid resources 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 2014 after taxation amounted to £385,581 (2013: loss of £46,454). A dividend of £600,000 was paid to the parent company IETG Limited during the year.

### **DIRECTORS AND THEIR INTERESTS**

The present directors are shown on page 1.

### **AUDITOR**

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

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

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



I Edwards  
Director

20 August 2015

## **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 year ended 31 December 2014 which comprise the profit and loss account, the balance sheet, and the related notes to the accounts 1 to 18. 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 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### Opinion on 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 2014 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 take advantage of the small companies exemption in preparing the directors' report or from preparing a strategic report.



**Matthew Hughes BSc (Hons) ACA (Senior Statutory Auditor)**  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Leeds, United Kingdom

7 September 2015

# 40SEVEN LIMITED

## PROFIT AND LOSS ACCOUNT Year ended 31 December 2014

	Note	2014 £	2013 £
<b>TURNOVER</b>	1	2,570,112	2,300,601
Cost of sales		(1,424,768)	(1,518,826)
<b>GROSS PROFIT</b>		1,145,344	781,775
Administrative expenses		(761,048)	(828,965)
<b>OPERATING PROFIT/ (LOSS)</b>	2	384,296	(47,190)
Interest receivable and similar income	4	161	372
Interest payable and similar charges	5	(541)	(1,309)
<b>PROFIT/ (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		383,916	(48,127)
Tax on profit/ (loss) on ordinary activities	6	1,665	1,673
<b>RETAINED PROFIT/ (LOSS) FOR THE YEAR</b>	12	385,581	(46,454)

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.

# 40SEVEN LIMITED

## BALANCE SHEET 31 December 2014

	Note	2014 £	2013 £
<b>FIXED ASSETS</b>			
Intangible assets	7	1,060,304	1,122,674
Tangible assets	8	163,246	75,080
		<u>1,223,550</u>	<u>1,197,754</u>
<b>CURRENT ASSETS</b>			
Debtors	9	797,244	677,869
Cash at bank and in hand		-	271
		<u>797,244</u>	<u>678,140</u>
<b>CREDITORS: amounts falling due within one year</b>	10	<u>(1,634,625)</u>	<u>(275,306)</u>
<b>NET CURRENT (LIABILITIES)/ASSETS</b>		<u>(837,381)</u>	<u>402,834</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>386,169</u>	<u>1,600,588</u>
<b>CREDITORS DUE AFTER ONE YEAR</b>	11	-	(1,000,000)
<b>NET ASSETS</b>		<u>386,169</u>	<u>600,588</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	13	1,000	1,000
Share premium reserve	14	99,000	99,000
Profit and loss account	14	286,169	500,588
<b>TOTAL SHAREHOLDERS' FUNDS</b>		<u>386,169</u>	<u>600,588</u>

The financial statements of 40Seven Limited registered number 5405516 were approved by the Board of Directors on 20 August 2015.

Signed on behalf of the Board of Directors



I Edwards  
Director

**NOTES TO THE ACCOUNTS**

**For the year ended 31 December 2014**

**1. ACCOUNTING POLICIES**

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

**Basis of accounting**

The financial statements are prepared under the historical cost convention.

**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 improve profitability levels.

The company has no external debt, access to the group cash pooling facilities and has sufficient liquid resources to enable it to continue trading for the foreseeable future, based on its current forecasts. The directors have obtained comfort that group creditors will only recall amounts which are outstanding as the liquidity position of 40Seven Limited reasonably permits at the time of transfer for a period of at least 12 months from signing of the financial statements.

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.

**Intangible assets - Goodwill**

Goodwill arising on an acquisition or a hive up of trade or assets within a group in line with FRS6 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.

**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

**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.

## NOTES TO THE ACCOUNTS

For the year ended 31 December 2014

## 1. ACCOUNTING POLICIES (continued)

## Taxation (continued)

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/(LOSS)

	2014 £	2013 £
<b>Operating profit/( loss) is stated after charging/(crediting):</b>		
Depreciation of owned tangible fixed assets	46,717	38,650
Fees payable to the Company's auditors for the audit of the Company's annual accounts	6,000	6,000
Fees payable to the Company's auditors for non-audit services – tax compliance	2,877	2,877
Profit on sale of fixed asset	-	-
Operating lease rentals – vehicles	101,882	108,565
	<hr/>	<hr/>

## 3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2014 £	2013 £
<b>Staff costs during the year</b>		
Wages and salaries	1,025,008	917,664
Social security costs	92,401	95,049
Pension costs	23,942	10,809
	<hr/>	<hr/>
	1,141,351	1,023,522
	<hr/>	<hr/>

The Directors of the company received no remuneration from the company during the current or prior year.

	2014 No.	2013 No.
<b>Average number of persons employed (including directors)</b>		
Sales and Production	27	33
Administration	7	7
	<hr/>	<hr/>
	34	40
	<hr/>	<hr/>

**NOTES TO THE ACCOUNTS**

**For the year ended 31 December 2014**

**4. INTEREST RECEIVABLE AND SIMILAR INCOME**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Bank interest receivable	161	372
	<u>161</u>	<u>372</u>

**5. INTEREST PAYABLE AND SIMILAR CHARGES**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Bank interest payable	541	1,309
	<u>541</u>	<u>1,309</u>

**6. TAX ON PROFIT ON ORDINARY ACTIVITIES**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
United Kingdom corporation tax at 21.5% (2013: 23.25%) based on the profit for the year	-	-
Deferred taxation – origination and reversal of timing differences	(1,665)	(1,673)
	<u>(1,665)</u>	<u>(1,673)</u>

The standard rate of tax for the year based on the UK standard rate of corporation tax is 21.5% (2013 – 23.25%). 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:

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Profit/ (loss) on ordinary activities before tax	383,916	(48,127)
	<u>383,916</u>	<u>(48,127)</u>
Tax on profit/(loss) on ordinary activities at the standard rate	82,542	(11,190)
Expenses not deductible for tax purposes	15,265	15,254
Depreciation in excess of capital allowances	(137)	2,840
Loss on disposal of asset	177	-
Imputed interest	(12,900)	(13,950)
Group losses (received)/surrendered	(84,947)	7,046
	<u>-</u>	<u>-</u>
Current tax charge for the year	-	-

The reduction in the main rate of corporation tax from 23% to 21% effective from 1 April 2014 was substantively enacted on 3 July 2013. Since that date, further legislation has been enacted which has reduced the corporation tax rate to 20% with effect from 1 April 2015,

This further reduction in the UK corporation tax rate was substantively enacted on 2 July 2013, and hence prior to the balance sheet date. Accordingly, deferred tax balances have been revalued to 20% in these accounts.

**NOTES TO THE ACCOUNTS**  
**For the year ended 31 December 2014**

**7. INTANGIBLE FIXED ASSETS**

	<b>Goodwill £</b>
<b>Cost</b>	
At 1 January 2014 and 31 December 2014	1,231,954
<b>Amortisation</b>	
As at 1 January 2014	(109,280)
Amortisation for the year	(62,370)
At 31 December 2014	(171,650)
<b>Net book value</b>	
As at 31 December 2014	1,060,304
As at 31 December 2013	1,122,674

**8. TANGIBLE FIXED ASSETS**

	<b>Plant and machinery £</b>	<b>Fixtures and fittings £</b>	<b>Computer equipment £</b>	<b>Total £</b>
<b>Cost</b>				
At 1 January 2014	504,954	11,948	32,693	549,595
Additions	105,000	-	46,246	151,246
Disposals	(10,399)	(10,256)	-	(20,655)
At 31 December 2014	599,555	1,692	78,939	680,186
<b>Accumulated depreciation</b>				
At 1 January 2014	439,412	4,065	31,038	474,515
Charge for the year	44,341	533	1,843	46,717
Disposals	(1,386)	(2,906)	-	(4,292)
At 31 December 2014	482,367	1,692	32,881	516,940
<b>Net book value</b>				
At 31 December 2014	117,188	-	46,058	163,246
At 31 December 2013	65,542	7,883	1,655	75,080

**NOTES TO THE ACCOUNTS**  
**For the year ended 31 December 2014**

**9. DEBTORS**

	2014 £	2013 £
Trade debtors	497,564	266,532
Amounts owed by other group companies	-	173,560
Prepayments and accrued income	286,547	227,618
Other debtors	1,786	477
Deferred tax asset (note 12)	11,347	9,682
	<u>797,244</u>	<u>677,869</u>

**10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2014 £	2013 £
Trade creditors	14,795	31,981
Amount owed to other group companies	1,410,445	52,197
Other taxation and social security	105,176	87,494
Bank overdraft	-	3,840
Other creditors	3,912	1,796
Accruals and deferred income	100,928	97,998
	<u>1,635,256</u>	<u>275,306</u>

**11. CREDITORS: AMOUNTS FALLING DUE WITHIN AFTER ONE YEAR**

	2014 £	2013 £
Amounts owed to group companies	<u>-</u>	<u>1,000,000</u>

**12. DEFERRED TAXATION**

	£
Balance at 1 January 2014	(9,682)
Current year credit (note 5)	(1,665)
Balance at 31 December 2014	<u>(11,347)</u>

Deferred tax asset at 31 December 2014 is shown in debtors (note 8)

Deferred tax is provided at 20%. The amounts of deferred taxation provided in the accounts and the amounts unprovided are as follows:

	Provided 31 December 2014 £	Provided 31 December 2013 £	Unprovided 31 December 2014 £	Unprovided 31 December 2013 £
Capital allowances in excess of depreciation	<u>(11,347)</u>	<u>(9,682)</u>	<u>-</u>	<u>-</u>

**NOTES TO THE ACCOUNTS**  
**For the year ended 31 December 2014**

**13. CALLED UP SHARE CAPITAL**

	31 December 2014 £	31 December 2013 £
<b>Allotted, called up and fully paid:</b>		
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 in pari passu in all respects.

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

	Share capital £	Share premium reserve £	Profit and loss account £	2014 Total £	2013 Total £
At 1 January	1,000	99,000	500,588	600,588	647,042
Profit/ (loss) for the year	-	-	385,581	385,581	(46,454)
Dividends paid	-	-	(600,000)	(600,000)	-
At 31 December	<u>1,000</u>	<u>99,000</u>	<u>286,169</u>	<u>386,169</u>	<u>600,588</u>

**15. 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.

**16. OPERATING LEASE COMMITMENTS**

At 31 December 2014 the company was committed to making the following payments during the next year in respect of operating leases.

	2014 Motor vehicles £	2013 Motor vehicles £
Leases which expire:		
Within one year	7,263	-
Between two and five years	<u>4,017</u>	<u>26,339</u>
	2014 Land & Buildings £	2013 Land & Buildings £
Leases which expire:		
Between two and five years	<u>16,750</u>	<u>16,750</u>

**NOTES TO THE ACCOUNTS**

**For the year ended 31 December 2014**

**17. 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 £23,942 (2013 - £10,809).

Contributions totalling £3,862 (2013 - £1,747) were payable to the scheme at the end of the period and are included in creditors.

**18. 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. The smallest and largest group that the results of the company are consolidated within is IDEX Corporation.

Copies of the group financial statements of IDEX Corporation are available from 1925 West Field Court Lake Forest, Illinois.