Company Registration No. 05405516

40SEVEN LIMITED

Annual report and financial statements

for the year ended 31 December 2017

CONTENTS

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
West Yorkshire
LS9 OSE

BANKERS
Barclays Bank plc
1 Churchill Place
London
E14 5HP

SOLICITORS
Lupton Fawcett LLP
Yorkshire House
East Parade
Leeds
West Yorkshire
LS1 5BD

AUDITOR
Grant Thornton UK LLP
No.1 Whitehall Riverside
Leeds
West Yorkshire
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 2017.
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.
On 26th April 2017 40Seven Limited was transferred from IETG Limited to IETG Holdings Limited as part of a group re-organisation.

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 2017 after taxation amounted to £64,787 (2016: £1,153,356). No dividends have been paid or declared in respect of the current year (2016: none).

DIRECTORS, SECRETARIES AND THEIR INTERESTS

Directors who served during the year were:
I Edwards
R Bond
M Bentley

AUDITOR

The directors confirm 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 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 Holdings 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 law 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 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;
- 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:

I Edwards
Director
3 May 2018

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

Opinion

We have audited the financial statements of 40Seven Limited (the 'company') for the year ended 31 December 2017 which comprise the profit and loss account, the balance sheet, the statement of changes in equity and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102; The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).
In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Who we are reporting to

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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report set out on pages 2-3 other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.
We have nothing to report in this regard.

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

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in 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 material misstatements in the directors' report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Grant Thornton UK LLP

Andrew Wood
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Leeds
3 May 2018

PROFIT AND LOSS ACCOUNT
For the year ended 31 December 2017

	Note	2017 £	2016 £
TURNOVER	2	**3,253,521**	3,117,863
Cost of sales		**(2,379,735)**	(2,109,013)
GROSS PROFIT		**873,786**	1,008,850
Administrative expenses		**(835,901)**	(728,675)
OPERATING PROFIT		**37,885**	280,175
Gain on waiver of loan		**-**	957,000
Interest payable and similar charges	5	**(5,393)**	(23,075)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	**32,492**	1,214,100
Tax on profit on ordinary activities	6	**32,295**	(60,744)
PROFIT FOR THE FINANCIAL YEAR		**64,787**	1,153,356

All activities derive from continuing operations.

There is no comprehensive income other than the profit for the year (2016: 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 2017

	Note	2017	2016
		£	£
FIXED ASSETS			
Intangible assets	7	**912,275**	957,504
Tangible assets	8	**423,396**	387,003
		1,335,671	1,344,507
CURRENT ASSETS			
Debtors	9	**861,532**	737,548
Cash at Bank and in hand		**310,892**	332,625
		1,172,424	1,070,173
CREDITORS: amounts falling due within one year	10	**(673,695)**	(747,842)
NET CURRENT ASSETS		**498,729**	322,331
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,834,400**	1,666,838
Creditors: amounts falling due after one year	11	**(86,817)**	-
PROVISIONS FOR LIABILITIES	12	**(22,021)**	(6,063)
Deferred Taxation			
NET ASSETS		**1,725,562**	1,660,775
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	**1,625,562**	1,560,775
TOTAL SHAREHOLDERS' FUNDS		**1,725,562**	1,660,775

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

The financial statements of 40Seven Limited registered number 05405516 were approved by the Board of Directors and authorised for issue on 3 May 2018. They were signed on its behalf by:

R Bond
Director

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2017

	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 and total comprehensive income for the year	-	-	1,153,356	1,153,356
At 31 December 2016	**1,000**	**99,000**	**1,560,775**	**1,660,775**
Profit and total comprehensive income for the year	-	-	64,787	64,787
At 31 December 2017	**1,000**	**99,000**	**1,625,562**	**1,725,562**

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2017

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, Cross Green Industrial Estate, 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 2017

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2017

1. ACCOUNTING POLICIES (CONTINUED)

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 (2016: 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.

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 simultaneous

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2017

1. ACCOUNTING POLICIES (CONTINUED)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2017

2. TURNOVER

	2017 £	2016 £
Rendering of services	**3,253,521**	3,117,863

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2017 £	2016 £
Profit on ordinary activities before taxation is stated after:		
Depreciation of owned tangible fixed assets (note 8)	**130,439**	99,310
Amortisation of intangible assets (note 7)	**80,428**	75,520
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	**2,931**	2,931
Operating lease rentals – vehicles	**215,017**	182,617
Foreign exchange gain	**62**	(599)

4. DIRECTORS AND EMPLOYEES

	2017 £	2016 £
Staff costs during the year		
Wages and salaries	**1,468,988**	1,343,564
Social security costs	**145,777**	129,632
Pension costs	**42,410**	37,624
	1,657,175	1,510,820

The Directors of the company received no remuneration from the company during the current or prior year. Directors' remuneration are borne by a fellow group company and it is not practicable to make an apportionment between companies (2016: same).

The average number of employees of the company during the year was:

	2017 No.	2016 No.
Sales and Production	**47**	45
Administration	**2**	4
	49	49

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2017

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2017	2016
	£	£
Bank interest receivable	-	23,075
Hire purchase interest	5,393	-
Total	5,393	23,075

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2017	2016
	£	£
UK Corporation tax	(48,253)	48,684
Deferred taxation – origination and reversal of timing differences (note 12)	15,958	12,060
Tax (credit)/charge for the year	(32,295)	60,744
Profit on ordinary activities before tax	32,492	1,214,100

The standard rate of tax for the year based on the UK standard rate of corporation tax is 19.25% (2016: 20%). 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:

	2017	2016
	£	£
Profit on ordinary activities before tax	32,492	1,214,100
Tax on profit on ordinary activities at the standard rate of corporate tax in the United Kingdom of 19.25% (2016: 20%)	6,254	242,820
Expenses not deductible for tax purposes	12,141	12,519
Income not taxable	-	(191,400)
Rate change	(2,956)	(764)
Adjustment in respect of prior periods	(59,485)	(2,431)
Adjustment in respect of pv bfwd main pool	11,751	-
Total tax (credit)/charge for the year	(32,295)	60,744

The UK corporation tax rate fell from 20% to 19% on 1 April 2017 and a further reduction to 17%, which will apply from 1 April 2020, was substantively enacted in September 2016. Deferred tax assets and liabilities are accordingly valued using a projected tax rate of 17% at 31 December 2017.

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 2018.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2017

7. INTANGIBLE FIXED ASSETS

	Goodwill £	Software £	Total £
Cost			
At 1 January 2017	1,231,954	59,113	1,291,067
Additions	-	35,199	35,199
Disposals	-	-	-
At 31 December 2017	**1,231,954**	**94,312**	**1,326,266**
Depreciation and impairment			
At 1 January 2017	296,392	37,171	333,563
Charge for the year	62,371	18,057	80,428
Impairment loss	-	-	-
Disposals	-	-	-
At 31 December 2017	**358,763**	**55,228**	**413,991**
Net book value			
At 31 December 2017	**873,191**	**39,084**	**912,275**
At 31 December 2016	935,562	21,942	957,504

8. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 January 2017	994,533	1,692	48,948	1,045,173
Additions	189,022	1,997	11,740	202,759
Disposals	(73,916)	-	-	(73,916)
Exchange adjustments	-	-	-	-
At 31 December 2017	**1,109,639**	**3,689**	**60,688**	**1,174,016**
Depreciation				
At 1 January 2017	619,354	1,692	37,124	658,170
Provided in the year	118,634	233	11,572	130,439
Disposals	(37,989)	-	-	(37,989)
Exchange adjustments	-	-	-	-
At 31 December 2017	**699,999**	**1,925**	**48,696**	**750,620**
Net book value				
At 31 December 2017	**409,640**	**1,764**	**11,992**	**423,396**
At 31 December 2016	375,179	-	11,824	387,003

The net book value of tangible fixed assets under hire purchase at the year end was £145,313 (2016: £-).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2017

9. DEBTORS

	2017 £	2016 £
Trade debtors	**516,522**	551,379
Other debtors	**10,838**	3,191
Amounts owed by group undertakings	**78,911**	-
Prepayments and accrued income	**255,261**	182,978
	861,532	737,548

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Trade creditors	**26,350**	33,873
Amounts owed to other group undertakings	**301,720**	400,000
Other taxation and social security	**147,278**	125,890
Other creditors	**5,941**	5,052
Accruals and deferred income	**136,419**	134,342
Hire purchase obligations	**55,987**	-
Corporation Tax	**-**	48,685
	673,695	747,842

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

11. CREDITORS: AMOUNTS FALLING AFTER MORE THAN ONE YEAR

	2017 £	2016 £
Hire Purchase obligations	**86,817**	-

12. DEFERRED TAXATION

	£
Balance at 31 December 2016	**(6,063)**
Charged to the profit and loss	**(15,958)**
Balance at 31 December 2017	**(22,021)**

Deferred tax is provided at 17%. The amounts of deferred taxation provided in the accounts and the amounts unprovided are as follows:

	Provided 31 December 2017 £	Provided 31 December 2016 £
Depreciation in excess of capital allowances	**(22,644)**	(7,071)
Charged to the profit and loss	**623**	1,008
Balance at 31 December 2017	**(22,021)**	(6,063)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2017

13. CALLED UP SHARE CAPITAL AND RESERVES

	31 December 2017 £	31 December 2016 £
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
	1,000	1,000

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

During the year the company entered into hire purchase agreements on normal commercial terms with J N Bentley Properties Limited, a company which M Bentley is also a director of. The amounts outstanding on these agreements at 31 December 2017 are disclosed in notes 10 & 11 of the financial statements. The total amount paid in the year in relation to the agreements was £31,051.

15. FINANCIAL COMMITMENTS

The company's future minimum operating lease payments are as follows:

	2017		2016	
	Land & buildings £	Other £	Land & buildings £	Other £
Due within:				
Within one year	**31,200**	**80,321**	4,188	81,904
Between two and five years	**39,000**	**49,650**	-	72,508
	70,200	**129,971**	4,188	154,412

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 2017 was £42,410 (2016: £37,624). Unpaid contributions included within other creditors at the balance sheet date were £3,665 (2016: £3,150).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2017

17. CONTROLLING PARTY

From 26 April 2017 the company is a subsidiary of IETG Holdings Limited, a company incorporated in the United Kingdom. Prior to this date the company was a subsidiary of IETG Limited which is also a direct subsidiary of IETG Holdings Limited.

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 2017, the company had total capital commitments of £0 (2016: £61,050).