

Unaudited Financial Statements 42 Technology Limited

For the Year Ended 31 December 2016



Registered number: 04341237

Company Information

Directors	Mr H Biddle Dr D Wilson Mr A Chapman (resigned 19 April 2017) Mr J Carey Dr J Spratley Mrs S Smith
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Registered number	04341237
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Registered office	Meadow Lane St Ives Cambridgeshire PE27 4LG
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Balance Sheet

As at 31 December 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	4	32,893	82,420
		<u>32,893</u>	<u>82,420</u>
Current assets			
Stocks	5	166,212	433,708
Debtors	6	3,749,083	4,093,033
Cash at bank and in hand	7	919,027	501,799
		<u>4,834,322</u>	<u>5,028,540</u>
Creditors: amounts falling due within one year	8	(882,404)	(1,613,121)
Net current assets		<u>3,951,918</u>	<u>3,415,419</u>
Total assets less current liabilities		<u>3,984,811</u>	<u>3,497,839</u>
Provisions for liabilities			
Deferred tax	9	-	(9,590)
		<u>-</u>	<u>(9,590)</u>
Net assets		<u><u>3,984,811</u></u>	<u><u>3,488,249</u></u>
Capital and reserves			
Called up share capital		100	100
Profit and loss account		3,984,711	3,488,149
		<u><u>3,984,811</u></u>	<u><u>3,488,249</u></u>

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

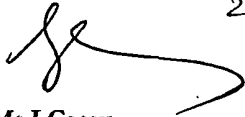
42 Technology Limited
Registered number:04341237

Balance Sheet (continued)

As at 31 December 2016

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

20 SEPTEMBER 2017



Mr J Carey
Director

The notes on pages 3 to 10 form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 December 2016

1. General information

The company is a private company limited by shares and is registered in England and Wales, registered number 04341237.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.3 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed five years.

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Notes to the Financial Statements

For the Year Ended 31 December 2016

2. Accounting policies (continued)

2.4 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

L/Term Leasehold Property	- Across the term of the lease
Office equipment	- Over a 2 year period

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

2.5 Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. An element of profit is included, due to closing work in progress being recognised on a time spent basis, valued at selling price.

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.8 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Notes to the Financial Statements

For the Year Ended 31 December 2016

2. Accounting policies (continued)

2.9 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

2.10 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

2.11 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

2.12 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of comprehensive income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

Notes to the Financial Statements

For the Year Ended 31 December 2016

2. Accounting policies (continued)

2.13 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

3. Intangible assets

	Trademarks £
Cost	
At 1 January 2016	2,125
At 31 December 2016	2,125
Amortisation	
At 1 January 2016	2,125
At 31 December 2016	2,125
Net book value	
At 31 December 2016	-
At 31 December 2015	-

Notes to the Financial Statements

For the Year Ended 31 December 2016

4. Tangible fixed assets

	Long Term Leasehold Property £	Office equipment £	Total £
Cost or valuation			
At 1 January 2016	175,874	387,309	563,183
Additions	2,328	19,805	22,133
At 31 December 2016	178,202	407,114	585,316
Depreciation			
At 1 January 2016	161,824	318,939	480,763
Charge for the period on owned assets	14,865	56,795	71,660
At 31 December 2016	176,689	375,734	552,423
Net book value			
At 31 December 2016	1,513	31,380	32,893
At 31 December 2015	14,050	68,370	82,420

The net book value of land and buildings may be further analysed as follows:

	2016 £	2015 £
Long leasehold	1,513	14,049
	<u>1,513</u>	<u>14,049</u>

5. Stocks

	2016 £	2015 £
Long term contract balances	166,212	433,708
	<u>166,212</u>	<u>433,708</u>

Long term contract balances consist of:

Notes to the Financial Statements

For the Year Ended 31 December 2016

5. Stocks (continued)

	2016 £	2015 £
Costs to date less provision for losses	166,212	433,708
	<u>166,212</u>	<u>433,708</u>

6. Debtors

	2016 £	2015 £
Due after more than one year		
Amounts owed by group undertakings	2,639,687	2,299,214
	<u>2,639,687</u>	<u>2,299,214</u>
Due within one year		
Trade debtors	1,016,911	1,727,122
Prepayments and accrued income	92,418	66,697
Deferred taxation	67	-
	<u>3,749,083</u>	<u>4,093,033</u>

7. Cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	919,027	501,799
	<u>919,027</u>	<u>501,799</u>

8. Creditors: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	109,811	153,727
Corporation tax	98,474	226,264
Other taxation and social security	244,485	316,510
Accruals and deferred income	429,634	916,620
	<u>882,404</u>	<u>1,613,121</u>

Notes to the Financial Statements

For the Year Ended 31 December 2016

9. Deferred taxation

	2016 £
At beginning of year	(9,590)
Charged to profit or loss	9,657
At end of year	67

The deferred taxation balance is made up as follows:

	2016 £
Accelerated capital allowances	(3,710)
Short term timing differences	3,777
	67

10. Commitments under operating leases

At 31 December 2016 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2016 £	2015 £
Not later than 1 year	85,000	42,916
Later than 1 year and not later than 5 years	218,729	135,493
	303,729	178,409

11. Related party transactions

Key management personnel remuneration was £384,469 (2015: £353,894).

An interest free loan of £1,261,300 was made by 42 Technology Limited to the parent company 42 Technology Holdings Limited during the year ended 31 December 2014. The full balance is interest free and has no fixed repayment date. Additional funds were advanced during the year and £2,639,687 is outstanding as at 31 December 2016.

12. Controlling party

The parent entity and ultimate controlling party is 42 Technology Holdings Limited.

Notes to the Financial Statements

For the Year Ended 31 December 2016

13. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.