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Registered number: 04341237

42 TECHNOLOGY LIMITED

UNAUDITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 DECEMBER 2017

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42 TECHNOLOGY LIMITED

COMPANY INFORMATION

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

42 TECHNOLOGY LIMITED

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Grant Thornton

Report to the directors on the preparation of the unaudited statutory financial statements of 42 Technology Limited for the year ended 31 December 2017

We have compiled the accompanying financial statements of 42 Technology Limited based on the information you have provided. These financial statements comprise the Balance Sheet of 42 Technology Limited as at 31 December 2017, the Statement of Comprehensive Income for the year then ended, the Statement of Changes in Equity, and a summary of significant accounting policies and other explanatory information.

This report is made solely to the Board of Directors of 42 Technology Limited, as a body, in accordance with the terms of our engagement letter dated 31 March 2017. Our work has been undertaken solely to prepare for your approval the financial statements of 42 Technology Limited and state those matters that we have agreed to state to the Board of Directors of 42 Technology Limited, as a body, in this report in accordance with our engagement letter dated 31 March 2017. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than 42 Technology Limited and its Board of Directors, as a body, for our work or for this report.

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). As a member firm of the Institute of Chartered Accountants in England and Wales, we are subject to its ethical and other professional requirements which are detailed at www.icaew.com.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

Grant Thornton UK LLP

Grant Thornton UK LLP

Chartered Accountants

Cambridge

Date: 30 May 2018

42 TECHNOLOGY LIMITED
REGISTERED NUMBER:04341237

BALANCE SHEET
AS AT 31 DECEMBER 2017

	Note		2017 £		*2016 £*
Fixed assets					
Tangible assets	5		**1,906**		*32,893*
Current assets					
Stocks	6	**135,984**		*166,212*	
Debtors	7	**4,249,044**		*3,749,083*	
Cash at bank and in hand	8	**647,492**		*919,027*	
		5,032,520		*4,834,322*	
Creditors: amounts falling due within one year	9	**(683,167)**		*(882,404)*	
Net current assets			**4,349,353**		*3,951,918*
Net assets			**4,351,259**		*3,984,811*
Capital and reserves					
Called up share capital			**100**		*100*
Profit and loss account			**4,351,159**		*3,984,711*
			4,351,259		*3,984,811*

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 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.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 23 MAY 2018

Mr J Carey
Director
The notes on pages 4 to 11 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2016	**100**	**3,488,149**	**3,488,249**
Comprehensive income for the year			
Profit for the year	-	**496,562**	**496,562**
At 1 January 2017	**100**	**3,984,711**	**3,984,811**
Comprehensive income for the year			
Profit for the year	-	**366,448**	**366,448**
At 31 December 2017	**100**	**4,351,159**	**4,351,259**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1. General information

42 Technology Limited is a company limited by shares, registered in England and Wales. Its registered office is Meadow Lane, St Ives, Cambridge, PE27 4LG and it is registered under number 04341237.

Its principal activity is that of technology consultancy.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies 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 ten years.

2. Accounting policies (continued)

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.

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

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.6 Debtors

Short term debtors are measured at transaction price, 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.

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.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of comprehensive income within 'other operating income'.

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.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 January 2016 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.11 Interest income

Interest income is recognised in the Statement of comprehensive income.

2. Accounting policies (continued)

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.

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. Employees

Staff costs, including directors' remuneration, were as follows:

The average monthly number of employees, including directors, during the year was 43 *(2016 - 45)*.

4. Intangible assets

	Trademarks £
At 1 January 2017	**2,125**
Disposals	**(2,125)**
At 31 December 2017	**-**
At 1 January 2017	**2,125**
On disposals	**(2,125)**
At 31 December 2017	**-**
Net book value	
At 31 December 2017	**-**
At 31 December 2016	-

5. Tangible fixed assets

	Long Term Leasehold Property £	Office equipment £	Total £
Cost or valuation			
At 1 January 2017	**178,202**	**407,114**	**585,316**
Additions	**-**	**1,283**	**1,283**
Disposals	**-**	**(3,305)**	**(3,305)**
At 31 December 2017	**178,202**	**405,092**	**583,294**
Depreciation			
At 1 January 2017	**176,689**	**375,734**	**552,423**
Charge for the year on owned assets	**1,396**	**30,525**	**31,921**
Disposals	**-**	**(2,956)**	**(2,956)**
At 31 December 2017	**178,085**	**403,303**	**581,388**
Net book value			
At 31 December 2017	**117**	**1,789**	**1,906**
At 31 December 2016	*1,513*	*31,380*	*32,893*

6. Stocks

	2017 £	*2016 £*
Long term contract balances	**135,984**	*166,212*

Long term contract balances consist of:

	2017 £	*2016 £*
Costs to date less provision for losses	**135,984**	*166,212*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

7. Debtors

	2017 £	2016 £
Due after more than one year		
Amounts owed by group undertakings	**2,825,472**	*2,639,687*
Due within one year		
Trade debtors	**1,183,396**	*1,016,911*
Other debtors	**142,809**	-
Prepayments and accrued income	**94,597**	*92,418*
Deferred taxation	**2,770**	*67*
	4,249,044	*3,749,083*

8. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	**647,492**	*919,027*

9. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	**71,752**	*109,811*
Corporation tax	**-**	*98,474*
Other taxation and social security	**155,338**	*244,485*
Accruals and deferred income	**456,077**	*429,634*
	683,167	*882,404*

10. Deferred taxation

	2017 £
At beginning of year	**67**
Charged to profit or loss	**2,703**
At end of year	**2,770**

The deferred tax asset is made up as follows:

	2017 £	*2016* *£*
Accelerated capital allowances	**888**	*(3,710)*
Short term timing differences	**1,882**	*3,777*
	2,770	*67*

11. Controlling party

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