

4Projects Ltd

Annual report and financial statements
for the year ended 31 March 2010

Registered number 03948233



4Projects Ltd

Annual report and financial statements for the year ended 31 March 2010

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Directors' report for the year ended 31 March 2010

The directors present their report and the audited financial statements of the company for the year ended 31 March 2010

Principal activities

The principal activity of the company was that of software development and distribution

Review of business and future developments

Both the level of the business and the year end financial position were satisfactory and the directors view the future with cautious optimism. The company has made good progress within its core UK market during the year in spite of unprecedented macro-economic conditions and has expanded into new overseas and vertical markets. The directors are confident that the company is performing relatively stronger than its traditional competitors and is well placed to take advantage of any economic upturn.

At the year end the company was well positioned to take advantage of suitable expansion opportunities that may arise.

Directors

The directors who held office during the year and up to the date of signing the financial statements are given below.

S P Edwards	appointed 31 March 2010
N Jarvis	resigned 21 January 2010
D Mactear	resigned 31 March 2010
S Nelson	
R A Vertigan	
J Warde	

Directors' indemnities

The company maintains liability insurance for its directors and officers. Following shareholder approval the company has also provided an indemnity for its directors and the company secretary, which is a qualifying third party indemnity provision for the purposes of the Companies Act 2006. The indemnity was in place during the financial year and at the date of approval of the financial statements.

Research and development

While the current suite of products has helped the company attain a market-leading position and has many years of revenue-generating potential to come, the directors believe that the company needs to constantly innovate, to attract new customers in new markets. Accordingly, the company is currently undertaking significant research and development into new products and services and will continue to do so in the coming years.

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Statement of directors' responsibilities

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 prepared 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 judgements and accounting estimates that are reasonable and prudent,
- 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.

Disclosure of information to auditors

So far as each director is aware, there is no relevant audit information of which the company's auditors are unaware. Relevant information is defined as "information needed by the company's auditors in connection with preparing their report".

Each director has taken all the steps (such as making enquiries of other directors and the auditors and any other steps required by the director's duty to exercise due care, skill and diligence) that he ought to have taken in his duty as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the board



R A Vertigan

Director

21 December 2010

4Projects Ltd

Independent auditors' report to the members of 4Projects Ltd

We have audited the financial statements of 4Projects Limited for the year ended 31 March 2010 which comprise the profit and loss account, the balance sheet, the statement of accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities 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 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.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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.

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 March 2010 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 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.

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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, or
- the directors were not entitled to prepare the directors' report in accordance with the small company regime



Richard Bunter (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Newcastle upon Tyne
21 December 2010

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Profit and loss account for the year ended 31 March 2010

	Note	2010 £	2009 £
Turnover	1	5,083,492	5,501,711
Cost of sales		(285,565)	(243,054)
Gross profit		4,797,927	5,258,657
Distribution costs		(234,826)	(331,946)
Administrative expenses		(2,479,768)	(3,116,233)
Operating profit	2	2,083,333	1,810,478
Net interest payable	3	(15,965)	(9,628)
Profit on ordinary activities before taxation		2,067,368	1,800,850
Tax on profit on ordinary activities	4	13,259	378
Profit for the financial year	14	2,080,627	1,801,228

All amounts relate to continuing activities

The company has no gains and losses other than the profits above and therefore no separate statement of total recognised gains and losses has been presented


There is no difference between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical cost equivalents

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Balance sheet as at 31 March 2010

	Note	2010 £	2010 £	2009 £	2009 £
Fixed assets					
Tangible assets	8		329,331		267,122
Current assets					
Debtors	9	1,575,539		1,925,727	
Cash at bank and in hand		855,645		572,959	
		2,431,184		2,498,686	
Creditors: amounts falling due within one year	10	(447,611)		(563,802)	
Net current assets			1,983,573		1,934,884
Total assets less current liabilities			2,312,904		2,202,006
Creditors: amounts falling due after more than one year	11		(25,005)		(44,734)
Net assets			2,287,899		2,157,272
Capital and reserves					
Called up share capital	13		1,021		1,021
Share premium account	14		423,660		423,660
Profit and loss account	14		1,863,218		1,732,591
Total shareholders' funds	15		2,287,899		2,157,272

The financial statements on pages 5 to 17 were approved by the board of directors on 21 December 2010 and were signed on its behalf by



S Nelson
Director
4Projects Ltd
Registered number 03948233

4Projects Ltd

Statement of accounting policies

Accounting convention

These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

Turnover

Turnover represents the total invoice value, excluding value added tax, of sales of software as a service made during the year. Turnover is recognised on a monthly basis as the service is provided.

Deferred income

When invoices are raised in advance of service delivery, the element relating to future periods is credited to deferred income.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is calculated to write off the cost of tangible fixed assets, less their residual values, over their expected useful lives using the straight line basis. The expected useful lives of the assets to the business are reassessed periodically in the light of experience.

- | | | |
|-----------------------|---|--|
| Fixtures and fittings | - | over a period of 2 to 3 years on a straight line basis |
| Computer equipment | - | over a period of 2 to 3 years on a straight line basis |

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions 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.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted. An asset is not recognised to the extent that the transfer of economic benefits in the future is uncertain.

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 substantively enacted by the balance sheet date. Deferred tax assets and liabilities which have been recognised have not been discounted.

Foreign currency

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

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Pensions

The company contributes to externally administered Stakeholder Pension Schemes. Contributions to the pension schemes are charged to the profit and loss account as they become payable.

Leases

Assets held under finance leases, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets and are depreciated over the shorter of the lease term and their useful economic lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant rate of charge on the balance of capital repayments outstanding. Hire purchase transactions are dealt with similarly, except that assets are depreciated over their useful economic lives.

Rentals under operating leases are charged on a straight-line basis over the lease term.

Cash flow statement

The company has taken advantage of the exemption in FRS 1 "Cash flow statements (revised 1996)" from the requirement to present a cash flow statement on the grounds that it is a small company.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

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Notes to the financial statements for the year ended 31 March 2010

1 Turnover

The total turnover of the company for the year has been derived from its principal activity as noted in the directors' report. The directors consider the United Kingdom to be the company's sole reporting segment.

2 Operating profit

	2010	2009
	£	£
<hr/>		
Operating profit is stated after charging/(crediting)		
Depreciation of tangible fixed assets		
- owned assets	48,297	45,392
- leased assets	68,274	81,531
Operating lease		
- land and buildings	92,000	85,000
Audit fee	5,925	5,750
Exceptional items	(76,830)	121,412
<hr/>		

Exceptional costs in 2009 predominantly related to the set-up costs of the 4Retail business prior to the incorporation of that business as a separate legal entity, 4Retail Limited, in April 2009. In 2010, these costs were recharged to 4Retail Limited, accounting for most of the exceptional item in 2010.

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3 Net interest payable

	2010	2009
	£	£
Interest payable and similar charges		
Bank charges	3,764	3,062
Finance charges - finance lease and hire purchase contracts	12,910	14,478
Total interest payable and similar charges	16,674	17,540
Interest receivable and similar income		
Interest receivable	(709)	(7,912)
Total interest receivable and similar income	(709)	(7,912)
	15,965	9,628

4 Tax on profit on ordinary activities

(a) Analysis of tax charge in year.

	2010	2009
	£	£
Current tax:		
UK corporation tax on profits of the year	-	-
Adjustment in respect of prior years	-	35,521
Total current tax charge	-	35,521
Deferred tax		
Origination and reversal of timing differences	(13,259)	(35,538)
Prior year rate change	-	(361)
Total deferred tax credit (note 12)	(13,259)	(35,899)
Tax on profit on ordinary activities	(13,259)	(378)

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4 Tax on profit on ordinary activities (continued)

(b) Factors affecting tax charge for the year:

	2010	2009
	£	£
Profit on ordinary activities before taxation	2,067,368	1,800,850
Profit on ordinary activities at the standard rate of corporation tax in the UK of 28% (2009 28%)	578,863	504,238
Expenses not deductible for tax purposes	(11,512)	-
Capital allowances less than depreciation	13,259	35,538
Other timing differences	(448)	-
Benefit of enhanced research and development expenditure	(122,000)	(106,009)
Group relief (claimed)/surrendered	(458,162)	(433,767)
Adjustments in respect of prior years	-	35,521
Current tax charge for year	-	35,521

(c) Factors that may affect future tax charges

A number of changes to the UK Corporation tax system were announced in the June 2010 Budget Statement The Finance (No 2) Act 2010, which was substantively enacted on 20 July 2010, includes legislation reducing the main rate of corporation tax from 28 per cent to 27 per cent from 1 April 2011 Further reductions to the main rate are proposed to reduce the rate by 1 per cent per annum to 24 per cent by 1 April 2014 The changes had not been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements

5 Directors' emoluments

	2010	2009
	£	£
Aggregate emoluments	356,029	451,846
Compensation for loss of office	22,500	-
	378,529	451,846

The total pension contributions paid by the company to a money purchase pension scheme on behalf of the directors was £12,575 (2009 £19,850) Benefits are accruing on behalf of 2 (2009 5) directors under money purchase pension schemes

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Highest paid director	2010	2009
	£	£
Total emoluments	98,661	90,324
Company contributions to money purchase scheme	2,138	2,850
	100,799	93,174

6 Employee information

The average monthly number of persons employed by the company (including directors) during the year, analysed by activity, was as follows

	2010	2009
	Number	Number
Technical	20	23
Sales, marketing and account management	33	40
	53	63

	2010	2009
	£	£
Staff costs for the above persons		
Wages and salaries	1,904,393	2,220,700
Social security costs	199,778	242,178
Other pension costs	48,061	46,557
	2,152,232	2,509,435

Amount outstanding at the year end in respect of money purchase schemes was £nil (2009 £7,000)

7 Dividends

	2010	2009
	£	£
Interim paid 1,910p per ordinary share (2009 1,273p)	1,950,000	1,300,000

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8 Tangible assets

	Computer equipment £	Fixtures and fittings £	Total £
Cost			
At 1 April 2009	840,743	20,237	860,980
Additions	129,595	49,185	178,780
Disposals	(155,030)	(9,814)	(164,844)
At 31 March 2010	815,308	59,608	874,916
Accumulated depreciation			
At 1 April 2009	582,561	11,297	593,858
Charge for the year	110,931	5,640	116,571
Disposals	(155,030)	(9,814)	(164,844)
At 31 March 2010	538,462	7,123	545,585
Net book values			
At 31 March 2010	276,846	52,485	329,331
At 31 March 2009	258,182	8,940	267,122

The net book value of tangible fixed assets includes an amount of £196,267 (2009 £169,836) in respect of assets held under finance lease and hire purchase contracts

9 Debtors

	2010 £	2009 £
Trade debtors	681,373	1,088,658
Amount owed by group companies	723,962	746,681
Other debtors	17,135	15,418
Deferred tax (note 12)	43,743	30,484
Prepayments	109,326	44,486
	1,575,539	1,925,727

Amounts owed by group companies are unsecured, interest free and with no fixed repayment date

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10 Creditors: amounts falling due within one year

	2010	2009
	£	£
Trade creditors	75,845	153,218
HP and finance lease	73,520	74,100
Corporation tax	-	51,818
Other taxation and social security	233,969	221,925
Other creditors	6,970	5,473
Accruals and deferred income	57,307	57,268
	447,611	563,802

11 Creditors: amounts falling due after more than one year

	2010	2009
	£	£
HP and finance lease	25,005	44,734

All amounts are due in more than one year, but not more than five years

12 Deferred taxation

	Deferred taxation
	£
As at 1 April 2009	(30,484)
Credit for the financial year (note 4)	(13,259)
As at 31 March 2010	(43,743)

Deferred taxation recognised in the financial statements comprises

	2010	2009
	£	£
Excess of depreciation over capital allowances	(43,743)	(30,484)

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13 Called up share capital

	2010	2009
	£	£
Authorised		
102,500 ordinary shares of 1 pence each	1,025	1,025
Allotted and fully paid		
102,100 ordinary shares of 1 pence each	1,021	1,021

14 Reserves

	Share premium account	Profit and loss account
	£	£
1 April 2009	423,660	1,732,591
Profit for the financial year	-	2,080,627
Dividend paid (note 7)	-	(1,950,000)
31 March 2010	423,660	1,863,218

15 Reconciliation of movements in shareholders' funds

	2010	2009
	£	£
Profit for the financial year	2,080,627	1,801,228
Dividends (note 7)	(1,950,000)	(1,300,000)
Net addition to shareholders' funds	130,627	501,228
Opening shareholders' funds	2,157,272	1,656,044
Closing shareholders' funds	2,287,899	2,157,272

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16 Financial commitments

The company's annual commitments under non-cancellable operating leases are as follows

	2010	2009
	Land and buildings	Land and buildings
	£	£
Expiry date		
- within one year	-	-
- between one and five years	92,000	92,000
- over five years	-	-
	92,000	92,000

17 Related party transactions

4Projects Holdings Limited, the company's immediate parent company, received a dividend of £1,950,000 (2009 £1,300,000) during the year from 4Projects Ltd. There is an outstanding balance due from 4Projects Holdings Limited at the year end of £550,000 (2009 £550,000).

Riverside Acquisitions Limited, the immediate parent of 4Projects Holdings Limited, made loan repayments to the company of £21,452 during the year. The balance outstanding at the year end is £170,393 (2009 £191,845).

4Projects Management Limited, a dormant, related party by virtue of common ownership with the company's ultimate parent company, made loan repayments to the company of £1,267 during the year. The balance outstanding at the year end is £3,569 (2009 £4,836).

Group relief was surrendered by Riverside Acquisitions, an intermediate parent company (£354,386) and 4Retail (£103,776) a fellow subsidiary company.

No other transactions have been undertaken with related parties in the year.

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18 Contingent liabilities

Bank loans in Riverside Acquisitions Limited (a group company) are secured against the assets of all group companies (Riverside Topco Limited, Riverside Acquisitions Limited, 4Projects Holdings Limited, 4Projects Management Limited, 4Retail Limited and 4Projects Ltd)

19 Ultimate controlling party

The company's ultimate parent company at 31 March 2010 was Riverside Topco Limited

In the opinion of the directors there is no ultimate controlling party of the company as no individual has control of more than 50% of the share capital of Riverside Topco Limited