

4PROJECTS LTD
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

Company Registration Number 03948233

Baker Tilly Tax and Accounting Limited

Chartered Accountants
Tenon House
Ferryboat Lane
Sunderland
SR5 3JN

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4PROJECTS LTD
FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2013

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4PROJECTS LTD
OFFICERS AND PROFESSIONAL ADVISERS
YEAR ENDED 31 DECEMBER 2013

The board of directors

C Baty
J Haladay
M Harris
J Paulson
B Ertischek

Company secretary

Mr B Ertischek

Business address

4th Floor
Central Square
Forth Street
Newcastle upon Tyne
NE1 3PJ

Registered office

4th Floor
Central Square
Forth Street
Newcastle upon Tyne
NE1 3PJ

Auditor

Baker Tilly UK Audit LLP
Chartered Accountants
Tenon House
Ferryboat Lane
Sunderland
SR5 3JN

Accountants

Baker Tilly Tax and Accounting Limited
Chartered Accountants
Tenon House
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4PROJECTS LTD
STRATEGIC REPORT
YEAR ENDED 31 DECEMBER 2013

Business review, key performance indicators and future developments

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

On the 1st February 2013 the ultimate parent company of 4Projects Ltd was acquired by Viewpoint Inc. The acquisition has led to further significant investment in all areas of the business and the move to a new European HQ in Newcastle-Upon-Tyne to allow for further expansion

4Projects performed very well during the financial year recording double digit revenue growth, strong profit margins and excellent customer retention and acquisition rates

Major milestones in the period include the launch of our innovative Building Information Modelling product 4BIM and the award of 'Product of the Year' and 'Collaboration Product of the Year' at the 2013 Construction Computing Awards

The business continues to perform well in 2014 to date with a strong and growing pipeline of business

Financial risk management objectives and policies

The company finances its operations through a mixture of retained profits and where necessary intergroup and intercompany borrowings. The management objectives are to

- retain sufficient liquid funds to enable the company to meet its day to day obligations as they fall due whilst maximising returns on surplus funds, and
- match the schedule of any external borrowings with the expected future cash flows expected to arise from the company's trading activities

Signed on behalf of the directors



C Baty

Director

Approved by the directors on

25/9/14

4PROJECTS LTD
DIRECTORS' REPORT
YEAR ENDED 31 DECEMBER 2013

The directors present their report and the financial statements of the company for the year ended 31 December 2013

Future developments

Please refer to the information given in the Strategic Report

Results and dividends

The profit for the year, after taxation, amounted to £1,550,325. Particulars of dividends paid are detailed in note 9 to the financial statements.

Financial risk management objectives and policies

Please refer to the information given in the strategic report

Directors

The directors who served the company during the year were as follows

S Nelson
R A Vertigan
J Warde
C Baty
J Haladay
M Harris
J Paulson
B Ertischek

J Haladay was appointed as a director on 1 February 2013
M Harris was appointed as a director on 1 February 2013
J Paulson was appointed as a director on 1 February 2013
B Ertischek was appointed as a director on 1 February 2013

S Nelson resigned as a director on 1 February 2013
R A Vertigan resigned as a director on 30 September 2013
J Warde resigned as a director on 1 February 2013

Directors' responsibilities

The directors are responsible for preparing the Strategic Report, 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). 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 year.

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, and

4PROJECTS LTD

DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2013

- 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.

In so far as the directors are, individually, aware

- there is no relevant audit information of which the company's auditor is unaware, and
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Donations

During the year the company made the following contributions

	Year to 31 December 2013 £	Period from 1 April 2012 to 31 December 2012 £
Other	853	-

Strategic report

The directors have prepared a Strategic Report in accordance with section 414C(11) of the Companies Act 2006. This is shown on page 2 of the financial statements.

Auditor

Baker Tilly Audit Limited ceased trading on 31st March 2014. The directors, having been notified of the cessation of trade of Baker Tilly Audit Limited, appointed Baker Tilly UK Audit LLP as Auditor on 1 April 2014 to fill the casual vacancy. In accordance with the Companies Act 2006 a resolution proposing the appointment of Baker Tilly UK Audit LLP as Auditor will be put to the members.

Signed on behalf of the directors



C Baty

Director

Approved by the directors on

25/9/14

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF 4PROJECTS LTD

We have audited the financial statements of 4Projects Ltd for the year ended 31 December 2013 on pages 7 to 20. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on pages 3 to 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2013 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
4PROJECTS LTD (CONTINUED)**

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

Kevin Rooney, Senior Statutory Auditor
For and on behalf of

Baker Tilly UK Audit LLP

Baker Tilly UK Audit LLP, Statutory Auditor
Chartered Accountants
Tenon House
Ferryboat Lane
Sunderland
SR5 3JN

28 September 2014

4PROJECTS LTD
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 2013

		Year to 31 Dec 13 £	<i>Period from 1 Apr 12 to 31 Dec 12 £</i>
Turnover	Note 2	6,350,603	4,238,629
Cost of sales		(196,511)	(140,256)
Gross profit		<u>6,154,092</u>	<u>4,098,373</u>
Administrative expenses		(4,788,975)	(3,016,361)
Other operating income	3	231,492	55,000
Operating profit	4	<u>1,596,609</u>	<u>1,137,012</u>
Attributable to			
Operating profit before exceptional items		1,596,609	1,753,495
Exceptional items	4	–	(616,483)
		<u>1,596,609</u>	<u>1,137,012</u>
Interest receivable		773	9,300
Interest payable and similar charges	7	(676)	(29,664)
Profit on ordinary activities before taxation		<u>1,596,706</u>	<u>1,116,648</u>
Tax on profit on ordinary activities	8	(46,381)	40,325
Profit for the financial year		<u>1,550,325</u>	<u>1,156,973</u>

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the year as set out above

The notes on pages 9 to 20 form part of these financial statements

4PROJECTS LTD
Registered Number 03948233

BALANCE SHEET

31 DECEMBER 2013

	Note	2013 £	£	2012 £	£
Fixed assets					
Intangible assets	10		3,779		2,879
Tangible assets	11		441,712		268,782
			<u>445,491</u>		<u>271,661</u>
Current assets					
Debtors	12	4,073,102		2,314,017	
Cash at bank and in hand		1,351,014		1,416,056	
			<u>5,424,116</u>	<u>3,730,073</u>	
Creditors: Amounts falling due within one year	14	(2,086,749)		(1,570,022)	
Net current assets			3,337,367		2,160,051
Total assets less current liabilities			<u>3,782,858</u>		<u>2,431,712</u>
Creditors: Amounts falling due after more than one year	15		(40,390)		(74,569)
			<u>3,742,468</u>		<u>2,357,143</u>
Capital and reserves					
Called-up share capital	20		1,021		1,021
Share premium account	21		423,660		423,660
Profit and loss account	22		3,317,787		1,932,462
Shareholders' funds	23		<u>3,742,468</u>		<u>2,357,143</u>

These accounts were approved by the directors and authorised for issue on 25/9/14, and are signed on their behalf by

C Baty
Director



The notes on pages 9 to 20 form part of these financial statements

4PROJECTS LTD
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2013

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement

Turnover

Turnover represents 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

Research and development

Research and development expenditure is written off in the profit and loss account in the period in which it is incurred

Intangible assets

Intangible fixed assets are stated at cost less amortisation. Cost represents purchase price together with any incidental costs of acquisition

No amortisation is charged in the period of acquisition

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Cost represents purchase price together with any incidental costs of acquisition

Depreciation

Depreciation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows

Leasehold Property Improvements	- over 10 years on a straight line basis
Fixtures & Fittings	- over 3 years on a straight line basis
Computer Equipment	- over 3 years on a straight line basis
Software	- over 3 years on a straight line basis

4PROJECTS LTD
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2013

1 Accounting policies (continued)

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value, and are depreciated in accordance with the above depreciation policies

Future instalments payable under such agreements, net of finance charges, are included within creditors. Rentals payable are apportioned between the capital element, which reduces the outstanding obligation included within creditors, and the finance element, which is charged to the profit and loss account on a straight line basis

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

Pension costs

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year. The assets of the scheme are held separately from those of the company in an independently administered fund

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 or events have occurred at that date that will result in an obligation to pay more tax, or a right to pay less tax, or a right to receive repayments of tax

Deferred tax assets are recognised only to the extent that the directors consider it more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax assets and liabilities recognised have not been discounted

Deferred tax is measured on an undiscounted basis at the average tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Foreign currencies

Transactions denominated in foreign currencies are recorded at the rates of exchange ruling at the dates of the transactions, or at an average rate for the period if the rates do not fluctuate significantly. Monetary assets and liabilities are translated at year end exchange rates or, where appropriate, at rates of exchange fixed under the terms of the relevant transaction. The resulting exchange rate differences are charged to the profit and loss account

4PROJECTS LTD
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2013

1. Accounting policies (continued)

Financial instruments

Financial instruments are classified and accounted for as financial assets, financial liabilities or equity instruments, according to the substance of the contractual arrangement

Financial instruments which are assets are stated at cost less any provision for impairment. Financial liabilities are stated at principal capital amounts outstanding at the period end. Issue costs relating to financial liabilities are deducted from the outstanding balance and are amortised over the period to the due date for repayment of the financial liability.

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. A financial liability is any contractual arrangement for an entity to deliver cash to the holder of the associated financial instrument.

If a financial instrument contains both an equity and a liability element, then the liability element is first established with any residual value being disclosed within equity shareholders' funds. The liability element is the present value of the future payments guaranteed to be made to the holders of the financial instrument.

Share based payments

The company issues equity-settled and cash-settled share-based payments, in respect of share options in the ultimate parent company, to certain employees. Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, together with a corresponding increase in equity, based upon the company's estimate of the shares that will eventually vest.

Fair value is measured using independent valuations engaged by the ultimate parent entity. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

2. Turnover

The turnover and profit before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

	Year to 31 Dec 13 £	Period from 1 Apr 12 to 31 Dec 12 £
United Kingdom	5,077,999	3,852,612
Overseas	1,272,604	386,017
	<u>6,350,603</u>	<u>4,238,629</u>

3 Other operating income

	Year to 31 Dec 13 £	Period from 1 Apr 12 to 31 Dec 12 £
Management charges receivable	56,000	55,000
Other operating income	175,492	-
	<u>231,492</u>	<u>55,000</u>

4PROJECTS LTD
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2013

4 Operating profit

Operating profit is stated after charging/(crediting)

	Year to 31 Dec 13 £	<i>Period from 1 Apr 12 to 31 Dec 12 £</i>
Depreciation of owned fixed assets	89,214	80,604
Depreciation of assets held under hire purchase agreements	55,208	33,384
Loss on disposal of fixed assets	62,701	–
Auditors remuneration	4,250	4,000
Operating lease costs		
-Other	141,633	111,883
Net (profit)/loss on foreign currency translation	(35,969)	9,991
Exceptional expenses	–	<u>616,483</u>

The prior year exceptional item is made up of employee incentive payments and professional fees relating to the acquisition by Viewpoint Inc on 1 February 2013 and other non-recurring costs

5 Particulars of employees

The average number of staff employed by the company during the financial year amounted to

	Year to 31 Dec 13 No	<i>Period from 1 Apr 12 to 31 Dec 12 No</i>
Technical	25	21
Other	32	32
	<u>57</u>	<u>53</u>

The aggregate payroll costs of the above were

	Year to 31 Dec 13 £	<i>Period from 1 Apr 12 to 31 Dec 12 £</i>
Wages and salaries	2,434,364	1,479,724
Social security costs	248,774	168,684
Other pension costs	54,406	43,958
	<u>2,737,544</u>	<u>1,692,366</u>

4PROJECTS LTD
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2013

6. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services were

	Year to 31 Dec 13 £	Period from 1 Apr 12 to 31 Dec 12 £
Remuneration receivable	127,564	314,749
Value of company pension contributions to money purchase schemes	7,887	6,505
	<u>135,451</u>	<u>321,254</u>

Remuneration of highest paid director

	Year to 31 Dec 13 £	Period from 1 Apr 12 to 31 Dec 12 £
Total remuneration (excluding pension contributions)	82,910	242,266
Value of company pension contributions to money purchase schemes	4,062	2,922
	<u>86,972</u>	<u>245,188</u>

Included within directors remuneration in the prior period was £156,224 in relation to management incentive bonuses , which was shown within exceptional items as disclosed in note 4

The number of directors on whose behalf the company made pension contributions was as follows

	Year to 31 Dec 13 No	Period from 1 Apr 12 to 31 Dec 12 No
Money purchase schemes	<u>2</u>	<u>2</u>

7. Interest payable and similar charges

	Year to 31 Dec 13 £	Period from 1 Apr 12 to 31 Dec 12 £
Interest payable on bank borrowing	-	111
Finance charges	676	29,553
	<u>676</u>	<u>29,664</u>

4PROJECTS LTD
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2013

8 Taxation on ordinary activities

(a) Analysis of charge in the year

	Year to 31 Dec 13 £	£	Period from 1 Apr 12 to 31 Dec 12 £	£
UK taxation				
In respect of the year				
UK Corporation tax		11,213		-
Over/under provision in prior year		10,981		(10,981)
		<u>22,194</u>		<u>(10,981)</u>
Foreign tax				
Current tax on income for the year		1,468		3,001
		<u>23,662</u>		<u>(7,980)</u>
Deferred tax				
Origination and reversal of timing differences	22,719		(32,345)	
Total deferred tax (note 13)		22,719		(32,345)
Tax on profit on ordinary activities		<u>46,381</u>		<u>(40,325)</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 23.25% (2012 - 24%)

	Year to 31 Dec 13 £	Period from 1 Apr 12 to 31 Dec 12 £
Profit on ordinary activities before taxation	1,596,706	1,116,648
Profit on ordinary activities by rate of tax	371,234	267,996
Effects of		
Expenses not deductible for tax purposes	1,406	12,947
Capital allowances for period in excess of depreciation	(33,730)	(2,180)
Adjustments to tax charge in respect of previous periods	(6,620)	(10,981)
Benefit of enhanced research and development expenditure	(44,168)	-
Group relief (claimed)/surrendered	(283,474)	(281,478)
Other timing differences	19,014	5,716
Total current tax (note 8(a))	<u>23,662</u>	<u>(7,980)</u>

4PROJECTS LTD
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2013

9 Dividends

Equity dividends

	Year to 31 Dec 13 £	<i>Period from 1 Apr 12 to 31 Dec 12 £</i>
Paid during the year		
Equity dividends paid to 4Projects Holdings Limited	<u>165,000</u>	<u>1,177,000</u>

10 Intangible fixed assets

	Intangible asset £
Cost	
At 1 January 2013	2,879
Additions	<u>900</u>
At 31 December 2013	<u>3,779</u>
Amortisation	
At 1 January 2013 and 31 December 2013	<u>—</u>
Net book value	
At 31 December 2013	<u>3,779</u>
At 31 December 2012	<u>2,879</u>

4PROJECTS LTD
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2013

11 Tangible fixed assets

	Leasehold Property £	Fixtures & Fittings £	Computer Equipment £	Software £	Total £
Cost					
At 1 January 2013	–	72,585	796,834	–	869,419
Additions	158,033	14,721	131,775	75,526	380,055
Disposals	–	(21,090)	(460,021)	(5,730)	(486,841)
Transfers	–	(32,847)	(24,661)	57,508	–
At 31 December 2013	<u>158,033</u>	<u>33,369</u>	<u>443,927</u>	<u>127,304</u>	<u>762,633</u>
Depreciation					
At 1 January 2013	–	60,999	539,638	–	600,637
Charge for the year	247	9,791	111,688	22,696	144,422
On disposals	–	(19,397)	(404,741)	–	(424,138)
Transfers	–	(30,552)	2,527	28,025	–
At 31 December 2013	<u>247</u>	<u>20,841</u>	<u>249,112</u>	<u>50,721</u>	<u>320,921</u>
Net book value					
At 31 December 2013	<u>157,786</u>	<u>12,528</u>	<u>194,815</u>	<u>76,583</u>	<u>441,712</u>
At 31 December 2012	<u>–</u>	<u>11,586</u>	<u>257,196</u>	<u>–</u>	<u>268,782</u>

Hire purchase agreements

Included within the net book value of £441,712 is £107,059 (2012 - £165,625) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £55,208 (2012 - £33,384).

12. Debtors

	2013 £	2012 £
Trade debtors	1,074,081	846,739
Amounts owed by group undertakings	2,536,662	977,051
Other debtors	13,748	42,686
Prepayments and accrued income	390,428	366,639
Deferred taxation (note 13)	58,183	80,902
	<u>4,073,102</u>	<u>2,314,017</u>

The debtors above include the following amounts falling due after more than one year

	2013 £	2012 £
Amounts owed by group undertakings	<u>2,536,662</u>	<u>–</u>

4PROJECTS LTD
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2013

13. Deferred taxation

The deferred tax included in the Balance sheet is as follows

	Year to 31 Dec 13 £	<i>Period from 1 Apr 12 to 31 Dec 12 £</i>
Included in debtors (note 12)	<u>58,183</u>	<u>80,902</u>

The movement in the deferred taxation account during the year was

	Year to 31 Dec 13 £	<i>Period from 1 Apr 12 to 31 Dec 12 £</i>
At 1 January 2013	80,902	48,557
Profit and loss account movement arising during the year	<u>(22,719)</u>	<u>32,345</u>
At 31 December 2013	<u>58,183</u>	<u>80,902</u>

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of

	2013 £	2012 £
Excess of depreciation over taxation allowances	44,932	66,799
Other timing differences	<u>13,251</u>	<u>14,103</u>
	<u>58,183</u>	<u>80,902</u>

14. Creditors. Amounts falling due within one year

	2013 £	2012 £
Trade creditors	308,623	80,468
Amounts owed to group undertakings	473,356	–
Corporation tax	11,213	–
PAYE and social security	80,552	67,111
VAT	208,762	234,045
Hire purchase agreements	62,473	50,964
Other creditors	9,292	10,469
Accruals and deferred income	932,478	1,126,965
	<u>2,086,749</u>	<u>1,570,022</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company

	2013 £	2012 £
Hire purchase and finance lease agreements	<u>62,473</u>	<u>50,964</u>

4PROJECTS LTD
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2013

15. Creditors Amounts falling due after more than one year

	2013	2012
	£	£
Hire purchase agreements	40,390	64,969
Accruals and deferred income	—	9,600
	<u>40,390</u>	<u>74,569</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the company

	2013	2012
	£	£
Hire purchase and finance lease agreements	<u>40,390</u>	<u>64,969</u>

16. Commitments under hire purchase agreements

Future commitments under hire purchase agreements are as follows

	2013	2012
	£	£
Amounts payable within 1 year	62,473	50,964
Amounts payable between 2 to 5 years	40,390	64,969
	<u>102,863</u>	<u>115,933</u>
Hire purchase agreements are analysed as follows		
Current obligations	62,473	50,964
Non-current obligations	40,390	64,969
	<u>102,863</u>	<u>115,933</u>

17 Commitments under operating leases

At 31 December 2013 the company had annual commitments under non-cancellable operating leases as set out below

	Land and buildings	Land and buildings
	2013	2012
	£	£
Operating leases which expire		
Within 2 to 5 years	—	95,250
After more than 5 years	122,292	—
	<u>122,292</u>	<u>95,250</u>

4PROJECTS LTD
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2013

18. Equity settled share based payments

The company has a share option scheme for all employees (including directors) which was created during the year. Options are granted in respect of the shares of the ultimate parent company and are exercisable at a price equal to the fair value of the ultimate parent company's shares on the date of grant, being 26 July 2013.

If the options remain unexercised after a period of 10 years from the date of grant, the options expire. Options are forfeited if the employee leaves the company before the options vest.

The fair value of share options has been based on an independent valuation performed on 31 March 2013. As there were no major share transactions or other changes in the business operations between the valuation date and the grant date, the directors consider this to be the most appropriate fair value of the options at the grant date.

The weighted average fair value of options granted during the year was £0.45 (2012: £nil).

385,000 share options were granted in the ultimate parent company during the year 31 December 2013 (2012: nil). None of the options have vested as at 31 December 2013.

A summary of the status and activity of the share options is presented below.

	2013		2012	
	No	WAEP £	No	WAEP £
Outstanding at 1 January 2013	–	–	–	–
Granted	385,000	0.45	–	–
Exercised	–	–	–	–
Forfeited	(61,500)	0.45	–	–
Outstanding at 31 December 2013	<u>323,500</u>	<u>0.45</u>	<u>–</u>	<u>–</u>
Exercisable at 31 December 2013	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>

The share options outstanding at the year-end have a weighted average remaining contractual life of 9.1 years (2012: nil) and have the following exercise prices:

	Exercise Price £	2013 £	2012 £
30 January 2013	0.45	320,500	–
2 February 2013	0.45	500	–
23 February 2013	0.45	500	–
16 March 2013	0.45	1,000	–
6 July 2013	0.45	1,000	–
		<u>323,500</u>	<u>–</u>

The company recognised total expenses of £nil (2012: £nil) during the year in relation to equity settled share based payment transactions.

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19. Related party transactions

Exemption has been taken under FRS8 from disclosing transactions with wholly owned entities of the group

20. Share capital

Allotted, called up and fully paid:

	2013		2012	
	No	£	No	£
Ordinary shares of £0.01 each	<u>102,050</u>	<u>1,021</u>	<u>102,050</u>	<u>1,021</u>

21 Share premium account

There was no movement on the share premium account during the financial year

22 Profit and loss account

	Year to 31 Dec 13 £	Period from 1 Apr 12 to 31 Dec 12 £
Balance brought forward	1,932,462	1,952,489
Profit for the financial year	1,550,325	1,156,973
Equity dividends	(165,000)	(1,177,000)
Balance carried forward	<u>3,317,787</u>	<u>1,932,462</u>

23. Reconciliation of movements in shareholders' funds

	2013 £	2012 £
Profit for the financial year	1,550,325	1,156,973
Equity dividends	(165,000)	(1,177,000)
Net addition/(reduction) to shareholders' funds	1,385,325	(20,027)
Opening shareholders' funds	<u>2,357,143</u>	<u>2,377,170</u>
Closing shareholders' funds	<u>3,742,468</u>	<u>2,357,143</u>

24. Ultimate parent company

At 31 December 2013, the company's immediate parent company was 4Projects Holdings Limited and the ultimate parent company was Viewpoint Inc

25. Ultimate controlling party

At 31 December 2013, the company's immediate parent company was 4Projects Holdings Limited and the ultimate parent company was Viewpoint Inc

In the opinion of the directors, at 31 December 2013 there was no ultimate controlling party of the company as no individual had control of more than 50% of the share capital of Viewpoint Inc