

**VME Retail Systems Limited**

**Directors' report and financial statements**

**For the year ended 31 December 2017**

# **VME Retail Systems Limited**

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## **VME Retail Systems Limited**

### **Company information**

<b>Directors</b>	Mr Richard Coyle Mr Stephen Gill
<b>Company secretary</b>	Mr Richard Coyle
<b>Registered number</b>	NI021908
<b>Registered office</b>	Waterfront Plaza 8 Laganbank Road Belfast BT1 3LR
<b>Independent auditors</b>	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors Waterfront Plaza 8 Laganbank Road Belfast BT1 3LR
<b>Bankers</b>	Royal Bank of Scotland 42 St Andrew Square Edinburgh EH2 2YE
<b>Solicitors</b>	Anderson Strathern 1 Rutland Court Edinburgh EH3 8EY

## **VME Retail Systems Limited**

### **Directors' report For the year ended 31 December 2017**

The directors present their report and the audited financial statements of the company for the year ended 31 December 2017.

#### **Principal activities**

The company's principal activities during the financial year was the design, marketing and installation of specialised computer systems.

#### **Directors**

The directors who served during the year and up to the date of signing the financial statements were:

Mr Richard Coyle  
Mr Stephen Gill

#### **Statement of directors' responsibilities in respect of the financial statements**

The directors are responsible for preparing the Directors' report and financial statements in accordance with applicable law and regulation.

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, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, 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;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 Section 1A, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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.

The directors 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.

#### **Statement of disclosure of information to auditors**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

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

## **VME Retail Systems Limited**

### **Directors' report (continued) For the year ended 31 December 2017**

#### **Small companies' exemption**

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

#### **Independent auditors**

The auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 24 May 2018 and signed on its behalf.

**Mr Richard Coyle**  
Director

## **Report on the audit of the financial statements**

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### **Opinion**

In our opinion, VME Retail Systems Limited's 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 (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Directors' report and financial statements (the "Annual report"), which comprise: the Statement of financial position as at 31 December 2017; the Statement of profit and loss, the Statement of comprehensive income, the Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

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### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Independence*

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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### **Conclusions relating to going concern**

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

- 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.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

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### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

**Independent auditors' report to the members of VME Retail Systems Limited (continued)**

**Reporting on other information (continued)**

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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

*Directors' report*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' report.

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**Responsibilities for the financial statements and the audit**

*Responsibilities of the directors for the financial statements*

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements set out on page 2, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

*Auditors' 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 auditors' 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 FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

*Use of this report*

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.

## **Other required reporting**

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### **Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

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### **Entitlement to exemptions**

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime; take advantage of the small companies exemption in preparing the Directors' report; and take advantage of the small companies exemption from preparing a Strategic report. We have no exceptions to report arising from this responsibility.

Orla MacAllister (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Belfast  
Date:

## VME Retail Systems Limited

### Statement of profit and loss For the year ended 31 December 2017

	2017 £	2016 £
Turnover	1,827,087	1,542,572
Cost of sales	(481,757)	(427,995)
<b>Gross profit</b>	<b>1,345,330</b>	<b>1,114,577</b>
Distribution costs	(180,901)	(82,580)
Administrative expenses	(1,077,018)	(748,399)
<b>Operating profit</b>	<b>87,411</b>	<b>283,598</b>
Interest payable and similar expenses	(3,445)	(1,342)
<b>Profit before tax</b>	<b>83,966</b>	<b>282,256</b>
Tax on profit	4,040	(60,865)
<b>Profit for the financial year</b>	<b>88,006</b>	<b>221,391</b>

### Statement of comprehensive income For the year ended 31 December 2017

	2017 £	2016 £
Profit for the financial year	88,006	221,391
<b>Other comprehensive expense</b>		
Deferred tax on revaluation of tangible assets	1,789	(7,925)
<b>Other comprehensive expense for the financial year</b>	<b>1,789</b>	<b>(7,925)</b>
<b>Total comprehensive income for the financial year</b>	<b>89,795</b>	<b>213,466</b>

The notes on pages 10 to 15 form part of these financial statements.

**VME Retail Systems Limited**  
**Registered number: NI021908**

**Statement of financial position**  
**As at 31 December 2017**

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Tangible assets	4	<b>444,880</b>	421,250
		<b>444,880</b>	421,250
<b>Current assets</b>			
Debtors: amounts falling due within one year	5	<b>3,381,320</b>	3,394,049
Cash at bank and in hand		<b>368,846</b>	369,383
		<b>3,750,166</b>	3,763,432
Creditors: amounts falling due within one year	6	<b>(445,840)</b>	(453,518)
<b>Net current assets</b>		<b>3,304,326</b>	3,309,914
<b>Total assets less current liabilities</b>		<b>3,749,206</b>	3,731,164
Creditors: amounts falling due after more than one year	7	<b>(48,624)</b>	(15,308)
<b>Provisions for liabilities</b>			
Deferred tax		<b>(12,200)</b>	(38,397)
<b>Net assets</b>		<b>3,688,382</b>	3,677,459
<b>Capital and reserves</b>			
Called up share capital	8	<b>20,000</b>	20,000
Revaluation reserve		<b>257,948</b>	256,159
Retained earnings		<b>3,410,434</b>	3,401,300
<b>Total shareholders' funds</b>		<b>3,688,382</b>	3,677,459

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 on pages 7 to 15 were approved and authorised for issue by the board and were signed on its behalf on 24 May 2018.

**Mr Richard Coyle**  
 Director

VME Retail Systems Limited

Statement of changes in equity  
For the year ended 31 December 2017

	Called up share capital	Revaluation reserve	Retained earnings	Total shareholders' funds
	£	£	£	£
At 1 January 2017	20,000	256,159	3,401,300	3,677,459
<b>Comprehensive (expense)/income for the financial year</b>				
Profit for the year	-	-	88,006	88,006
Deferred tax on revaluation of tangible assets	-	1,789	-	1,789
<b>Total comprehensive (expense)/income for the financial year</b>	-	1,789	88,006	89,795
Dividends	-	-	(78,872)	(78,872)
<b>At 31 December 2017</b>	<b>20,000</b>	<b>257,948</b>	<b>3,410,434</b>	<b>3,688,382</b>

Statement of changes in equity  
For the year ended 31 December 2016

	Called up share capital	Revaluation reserve	Retained earnings	Total shareholders' funds
	£	£	£	£
At 1 January 2016	20,000	353,397	3,175,580	3,548,977
<b>Comprehensive (expense)/ income for the financial year</b>				
Profit for the year	-	-	221,391	221,391
Deferred tax on revaluation of tangible assets	-	(7,925)	-	(7,925)
<b>Total comprehensive (expense)/ income for the financial year</b>	-	(7,925)	221,391	213,466
Dividends	-	-	(84,984)	(84,984)
Transfer on disposal of tangible assets	-	(89,313)	89,313	-
<b>At 31 December 2016</b>	<b>20,000</b>	<b>256,159</b>	<b>3,401,300</b>	<b>3,677,459</b>

The notes on pages 10 to 15 form part of these financial statements.

## VME Retail Systems Limited

### Notes to the financial statements For the year ended 31 December 2017

#### 1. General information

The company's principal activities during the financial year was the design, marketing and installation of specialised computer systems.

VME Retail Systems Limited is a private company, limited by shares, incorporated and domiciled in Northern Ireland. The address of its registered office is Waterfront Plaza, 8 Laganbank Road, Belfast, BT1 3LR.

#### 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 preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies. No critical judgements or critical accounting estimates have been applied to these financial statements.

The following principal accounting policies have been applied:

##### 2.2 Turnover

Turnover represents the invoiced value of goods supplied during the year excluding value added tax and is net of sales returns, trade discounts and rebates. Maintenance sales are recognised on an accruals basis. Installation sales are recognised upon installation of the product, which is when title to the product is transferred to the customer.

##### 2.3 Tangible assets

Tangible 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.

Land is not depreciated. Depreciation on other assets 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:

Freehold property	-	2% straight line
Motor vehicles	-	25% reducing balance
Fixtures and fittings	-	15% reducing balance
Computer equipment	-	25% straight line/reducing balance

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 profit and loss.

**Notes to the financial statements  
For the year ended 31 December 2017**

**2. Accounting policies (continued)**

**2.4 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.

**2.5 Financial instruments**

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like intercompany debtors, trade and other debtors, and trade creditors.

Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an outright short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of profit and loss.

**2.6 Finance costs**

Finance costs are charged to the Statement of profit and loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2.7 Dividends**

Dividends are recognised when they become legally payable. Interim dividends are recognised when paid. Final dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

**2.8 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 profit and loss in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position 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 Statement of financial position

Notes to the financial statements  
For the year ended 31 December 2017

2. Accounting policies (continued)

2.9 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of profit and loss, 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 reporting 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 Statement of financial position 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 reporting date.

2.10 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from proceeds.

3. Employees

The average number of persons employed by the company (including executive directors) during the year by activity:

	2017 £	2016 £
Administrative	22	16
Selling and distribution	3	3
	<u>25</u>	<u>19</u>

Notes to the financial statements  
For the year ended 31 December 2017

4. Tangible assets

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost or valuation</b>					
At 1 January 2017	350,000	96,908	118,844	86,627	652,379
Additions	-	62,080	-	-	62,080
Disposals	-	(11,995)	-	-	(11,995)
At 31 December 2017	<u>350,000</u>	<u>146,993</u>	<u>118,844</u>	<u>86,627</u>	<u>702,464</u>
<b>Accumulated depreciation</b>					
At 1 January 2017	14,007	21,856	110,792	84,474	231,129
Charge for the year	4,669	26,411	1,208	539	32,827
Disposals	-	(6,372)	-	-	(6,372)
At 31 December 2017	<u>18,676</u>	<u>41,895</u>	<u>112,000</u>	<u>85,013</u>	<u>257,584</u>
<b>Net book value</b>					
At 31 December 2017	<u><u>331,324</u></u>	<u><u>105,098</u></u>	<u><u>6,844</u></u>	<u><u>1,614</u></u>	<u><u>444,880</u></u>
At 31 December 2016	<u><u>335,993</u></u>	<u><u>75,052</u></u>	<u><u>8,052</u></u>	<u><u>2,153</u></u>	<u><u>421,250</u></u>

## VME Retail Systems Limited

### Notes to the financial statements For the year ended 31 December 2017

#### 5. Debtors

	2017 £	2016 £
Trade debtors	288,481	310,683
Amounts owed by group undertakings	3,065,250	3,065,250
Other debtors	6,569	11,353
Prepayments and accrued income	21,020	6,763
	<u>3,381,320</u>	<u>3,394,049</u>

The amounts owed by group undertakings are unsecured, interest free and repayable on demand.

#### 6. Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	89,157	57,702
Corporation tax	20,368	63,217
Other tax and social security	80,202	101,474
Obligations under finance lease and hire purchase agreements (note 7)	22,544	3,165
Other creditors	25,352	27,063
Accruals and deferred income	208,217	200,897
	<u>445,840</u>	<u>453,518</u>

#### 7. Creditors: amounts falling due after more than one year

	2017 £	2016 £
Obligations under finance leases and hire purchase agreements	48,624	15,308
	<u>48,624</u>	<u>15,308</u>

Obligations under finance leases and hire purchase agreements include in these financial statements, are payable as follows:

	2017 £	2016 £
Within one year	22,544	3,165
Between 1-5 years	48,624	15,308
	<u>71,168</u>	<u>18,473</u>

## VME Retail Systems Limited

### Notes to the financial statements For the year ended 31 December 2017

#### 8. Called up share capital

	2017 £	2016 £
<b>Allotted, called up and fully paid</b>		
80,000 (2016: 80,000) ordinary shares of £0.25 each	<u>20,000</u>	<u>20,000</u>

#### 9. Dividends

	2017 £	2016 £
Dividends paid	<u>78,873</u>	<u>84,984</u>

#### 10. Related party transactions

The company has availed of the exemption under FRS 102 section 33, paragraph 33.1A in relation to the disclosure of transactions with group companies as all of the voting rights are controlled within the group.

Directors' emoluments in the year totalled to £27,670 (2016: £62,840).

#### 11. Ultimate controlling party

The ultimate parent undertaking and controlling party is VME Systems Limited whose registered address is Crook of Devon House, Main Street, Crook of Devon, Perth and Kinross, KY13 OUQ. VME Systems Limited have taken advantage of exemptions available to small groups not to prepare consolidated financial statements.