

VME Retail Systems Limited

Directors' report and financial statements

For the year ended 31 December 2018

VME Retail Systems Limited

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VME Retail Systems Limited

Company information

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

VME Retail Systems Limited

Directors' report For the year ended 31 December 2018

The directors present their report and the audited financial statements of the company for the year ended 31 December 2018.

Principal activities

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

Directors

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

Mr Richard Coyle
Mr Stephen Gill

Branches

The company operates a branch from Malta.

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Directors' report and the 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 the 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;
- 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 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.

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.

Statement of disclosure of information to auditors

In the case of each director in office at the date the Directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- they have 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 2018

Directors' indemnities

The Directors have the benefit of an indemnity, which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The company has purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

Small companies' exemption

This report has been prepared in accordance with the 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 12 September 2019 and signed on its behalf.

Mr Richard Coyle
Director

Report on the audit of the financial statements

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 2018 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 2018; the Profit and loss account, 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.

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.

Conclusions relating to going concern

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.

We have nothing to report in respect of the above matters.

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. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

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

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.

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 2018 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.

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. This description forms part of our auditors' report.

VME Retail Systems Limited

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

Responsibilities for the financial statements and the audit (continued)

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

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.

Entitlements to exemptions

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

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

VME Retail Systems Limited

Profit and loss account For the year ended 31 December 2018

| | Note | 2018 £ | 2017 £ |
|---------------------------------------|------|------------------|------------------|
| Turnover | | 2,237,603 | 1,827,087 |
| Cost of sales | | (591,586) | (481,757) |
| Gross profit | | 1,646,017 | 1,345,330 |
| Distribution costs | | (180,184) | (180,901) |
| Administrative expenses | | (1,260,353) | (1,077,018) |
| Operating profit | | 205,480 | 87,411 |
| Interest payable and similar expenses | | (2,026) | (3,445) |
| Profit before taxation | | 203,454 | 83,966 |
| Tax on profit | 6 | 253,520 | 4,040 |
| Profit for the financial year | | 456,974 | 88,006 |

Statement of comprehensive income For the year ended 31 December 2018

| | 2018 £ | 2017 £ |
|--|----------------|---------------|
| Profit for the financial year | 456,974 | 88,006 |
| Other comprehensive income | | |
| Deferred tax on revaluation of tangible assets | - | 1,789 |
| Other comprehensive income for the year | - | 1,789 |
| Total comprehensive income for the year | 456,974 | 89,795 |

The notes on pages 10 to 18 form part of these financial statements.

VME Retail Systems Limited
Registered number: NI021908

Statement of financial position
As at 31 December 2018

| | Note | 2018 £ | 2018 £ | 2017 £ | 2017 £ |
|---|------|-------------------------|--------------------------------|------------------|-------------------------|
| Fixed assets | | | | | |
| Tangible assets | 7 | | 416,055 | | 444,880 |
| Investments | 8 | | 4,000 | | - |
| | | | <u>420,055</u> | | <u>444,880</u> |
| Current assets | | | | | |
| Debtors | 9 | 3,695,656 | | 3,381,320 | |
| Cash at bank and in hand | | 623,896 | | 368,846 | |
| | | <u>4,319,552</u> | | <u>3,750,166</u> | |
| Creditors: amounts falling due within one year | 10 | (598,476) | | (445,840) | |
| | | | <u>3,721,076</u> | | <u>3,304,326</u> |
| Total assets less current liabilities | | | <u>4,141,131</u> | | <u>3,749,206</u> |
| Creditors: amounts falling due after more than one year | 11 | | (58,845) | | (48,624) |
| Provisions for liabilities | | | | | |
| Deferred tax | 12 | | (15,341) | | (12,200) |
| Net assets | | | <u><u>4,066,945</u></u> | | <u><u>3,688,382</u></u> |
| Capital and reserves | | | | | |
| Called up share capital | 13 | | 20,000 | | 20,000 |
| Revaluation reserve | | | 257,948 | | 257,948 |
| Retained earnings | | | 3,788,997 | | 3,410,434 |
| Total shareholder's funds | | | <u><u>4,066,945</u></u> | | <u><u>3,688,382</u></u> |

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 18 were approved and authorised for issue by the board and were signed on its behalf on 12 September 2019.

Mr Richard Coyle
 Director

The notes on pages 10 to 18 form part of the financial statements.

VME Retail Systems Limited

**Statement of changes in equity
For the year ended 31 December 2018**

| | Called up share capital | Revaluation reserve | Retained earnings | Total shareholder's funds |
|--|----------------------------|------------------------|----------------------|---------------------------------|
| | £ | £ | £ | £ |
| At 1 January 2018 | 20,000 | 257,948 | 3,410,434 | 3,688,382 |
| Comprehensive income for the financial year | | | | |
| Profit for the financial year | - | - | 456,974 | 456,974 |
| Total comprehensive income for the financial year | - | - | 456,974 | 456,974 |
| Dividends paid (note 5) | - | - | (78,411) | (78,411) |
| At 31 December 2018 | 20,000 | 257,948 | 3,788,997 | 4,066,945 |

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

| | Called up share capital | Revaluation reserve | Retained earnings | Total shareholder's funds |
|--|----------------------------|------------------------|----------------------|---------------------------------|
| | £ | £ | £ | £ |
| At 1 January 2017 | 20,000 | 256,159 | 3,401,300 | 3,677,459 |
| Comprehensive income for the financial year | | | | |
| Profit for the financial year | - | - | 88,006 | 88,006 |
| Deferred tax on revaluation of tangible assets | - | 1,789 | - | 1,789 |
| Total comprehensive income for the financial year | - | 1,789 | 88,006 | 89,795 |
| Dividends paid (note 5) | - | - | (78,872) | (78,872) |
| At 31 December 2017 | 20,000 | 257,948 | 3,410,434 | 3,688,382 |

The notes on pages 10 to 18 form part of these financial statements.

VME Retail Systems Limited

Notes to the financial statements

For the year ended 31 December 2018

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 and is incorporated and domiciled in Northern Ireland, within the United Kingdom. The address of its registered office is Waterfront Plaza, 8 Laganbank Road, Belfast, BT1 3LR.

2. Statement of compliance

The financial statements of VME Retail Systems Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, Section 1A, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3. Accounting policies

3.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis 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 consistently throughout:

3.2 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.

**Notes to the financial statements
For the year ended 31 December 2018**

3. Accounting policies (continued)

3.3 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.

Land and buildings include freehold land and buildings. Land and buildings are stated at cost (or deemed cost for land and buildings held at valuation at the date of transition to FRS 102) less accumulated depreciation and accumulated impairment losses.

The Company previously adopted a policy of revaluing freehold land and buildings and they were stated at their revalued amount less any subsequent depreciation and accumulated impairment losses. The Company has adopted the transition exemption under FRS 102 paragraph 35.10(d) and has elected to use the previous revaluation as deemed cost.

3.4 Investments

Fixed asset investments are stated at their purchase cost less any provision for impairment. Investment income is included in the Profit and loss account on an accruals basis.

3.5 Debtors

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

3.6 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.

**Notes to the financial statements
For the year ended 31 December 2018**

3. Accounting policies (continued)

3.7 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 out-right 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 Profit and loss account.

3.8 Finance costs

Finance costs are charged to the Profit and loss account 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.

3.9 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.

3.10 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 Profit and loss account 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.

3.11 Creditors

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

Notes to the financial statements
For the year ended 31 December 2018

3. Accounting policies (continued)

3.12 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the Profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

3.13 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Profit and loss account, 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.

3.14 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.

4. Employees

The average monthly number of employees, including the directors, during the year was as follows:

| | 2018 | 2017 |
|--------------------------|---------------|--------|
| | Number | Number |
| Selling and distribution | 3 | 3 |
| Administrative | 25 | 22 |
| | 28 | 25 |

VME Retail Systems Limited

**Notes to the financial statements
For the year ended 31 December 2018**

5. Dividends

| | 2018 £ | 2017 £ |
|---|---------------|---------------|
| Dividends of £0.98 (2017: £0.99) per Ordinary share | <u>78,411</u> | <u>78,872</u> |

6. Tax on profit

| | 2018 £ | 2017 £ |
|--|------------------|-----------------|
| Corporation tax | | |
| Current tax on profits for the year | (69,619) | 20,366 |
| Adjustments in respect of previous periods | (187,042) | 2 |
| | <u>(256,661)</u> | <u>20,368</u> |
| Total current tax | <u>(256,661)</u> | <u>20,368</u> |
| Deferred tax | | |
| Origination and reversal of timing differences | (6,161) | (4,330) |
| Adjustment in respect of previous periods | 8,654 | (20,583) |
| Effect of changes in tax rate | 648 | 505 |
| Total deferred tax | <u>3,141</u> | <u>(24,408)</u> |
| Total tax credit for the year | <u>(253,520)</u> | <u>(4,040)</u> |

VME Retail Systems Limited

Notes to the financial statements For the year ended 31 December 2018

6. Tax on profit (continued)

Factors affecting tax credit for the year

The tax assessed for the year is lower than (2017 - lower than) the standard rate of corporation tax in the UK of 19% (2017: 19.25%). The differences are explained below:

| | 2018 £ | 2017 £ |
|---|------------------|-----------|
| Profit before taxation | 203,454 | 83,966 |
| Profit before taxation multiplied by standard rate of corporation tax in the UK of 19% (2017: 19.25%) | 38,656 | 16,163 |
| Effects of: | | |
| Expenses not deductible | 108,240 | 493 |
| Income not taxable | (244,283) | (620) |
| Adjustment in respect of previous periods | (178,388) | (20,581) |
| Tax rate changes | 648 | 505 |
| Losses | 91,226 | - |
| Effects of group/other relief | (69,619) | - |
| Total tax credit for the year | (253,520) | (4,040) |

Factors that may affect future tax charges

The prevailing UK corporation tax rate was substantively enacted as part of the Finance Act 2019 on 12 February 2019. This reduces the main rate of tax to 17% from April 2020. The deferred tax assets and liabilities reflect these rates

VME Retail Systems Limited

Notes to the financial statements For the year ended 31 December 2018

7. Tangible assets

| | Freehold property £ | Motor vehicles £ | Fixtures and fittings £ | Computer equipment £ | Total £ |
|---------------------------------|---------------------------|------------------------|-------------------------------|----------------------------|-----------------------|
| Cost or valuation | | | | | |
| At 1 January 2018 | 350,000 | 146,993 | 118,844 | 86,627 | 702,464 |
| Additions | - | 25,546 | - | 1,895 | 27,441 |
| Disposals | - | (49,762) | - | - | (49,762) |
| At 31 December 2018 | <u>350,000</u> | <u>122,777</u> | <u>118,844</u> | <u>88,522</u> | <u>680,143</u> |
| Accumulated depreciation | | | | | |
| At 1 January 2018 | 18,676 | 41,895 | 112,000 | 85,013 | 257,584 |
| Charge for the year | 4,669 | 23,435 | 1,026 | 878 | 30,008 |
| Disposals | - | (23,504) | - | - | (23,504) |
| At 31 December 2018 | <u>23,345</u> | <u>41,826</u> | <u>113,026</u> | <u>85,891</u> | <u>264,088</u> |
| Net book value | | | | | |
| At 31 December 2018 | <u><u>326,655</u></u> | <u><u>80,951</u></u> | <u><u>5,818</u></u> | <u><u>2,631</u></u> | <u><u>416,055</u></u> |
| 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> |

The net carrying amount of assets held under hire purchase included in motor vehicles is £61,591 (2017: £66,913).

8. Investments

| | Unlisted investment £ |
|--------------------------|-----------------------------|
| Cost or valuation | |
| At 1 January 2018 | - |
| Additions | 4,000 |
| At 31 December 2018 | <u><u>4,000</u></u> |

VME Retail Systems Limited

Notes to the financial statements For the year ended 31 December 2018

9. Debtors

| | 2018 £ | 2017 £ |
|------------------------------------|------------------|------------------|
| Trade debtors | 362,137 | 288,481 |
| Amounts owed by group undertakings | 3,065,250 | 3,065,250 |
| Corporation tax repayable | 247,587 | - |
| Other debtors | 2,190 | 6,569 |
| Prepayments and accrued income | 18,492 | 21,020 |
| | <u>3,695,656</u> | <u>3,381,320</u> |

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

10. Creditors: amounts falling due within one year

| | 2018 £ | 2017 £ |
|--|----------------|----------------|
| Trade creditors | 128,574 | 89,157 |
| Obligations under finance lease and hire purchase agreements (note 11) | 12,344 | 22,544 |
| Corporation tax | - | 20,368 |
| Other tax and social security | 137,701 | 80,202 |
| Other creditors | 25,826 | 25,352 |
| Accruals and deferred income | 294,031 | 208,217 |
| | <u>598,476</u> | <u>445,840</u> |

11. Creditors: amounts falling due after more than one year

| | 2018 £ | 2017 £ |
|--|---------------|---------------|
| Obligations under finance lease and hire purchase agreements | <u>58,845</u> | <u>48,624</u> |

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

| | 2018 £ | 2017 £ |
|---------------------------------|---------------|---------------|
| Within one year | 12,344 | 22,544 |
| Between one year and five years | 58,845 | 48,624 |
| | <u>71,189</u> | <u>71,168</u> |

VME Retail Systems Limited

Notes to the financial statements For the year ended 31 December 2018

12. Deferred taxation

| | 2018 £ | 2017 £ |
|--|-----------------|-----------------|
| At beginning of year | (12,200) | (38,397) |
| (Charged)/credited to Statement of profit and loss | (3,141) | 24,408 |
| Credited to other comprehensive income | - | 1,789 |
| At end of year | (15,341) | (12,200) |

The provision for deferred taxation is made up as follows:

| | 2018 £ | 2017 £ |
|--------------------------------|-----------|-----------|
| Accelerated capital allowances | (15,341) | (12,200) |

13. Called up share capital

| | 2018 £ | 2017 £ |
|---|---------------|-----------|
| Allotted and fully paid | | |
| 80,000 (2017: 80,000) Ordinary shares of £0.25 each | 20,000 | 20,000 |

14. 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.

15. Ultimate controlling party

The ultimate parent undertaking 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.

The ultimate controlling party is Stephen Gill.