

# VISTA RETAIL SUPPORT LIMITED

## ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017



# VISTA RETAIL SUPPORT LIMITED

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## **VISTA RETAIL SUPPORT LIMITED**

### **COMPANY INFORMATION**

<b>Directors</b>	R J Cottrell L H V Humphreys J A Pepper E C Pullham
<b>Company secretary</b>	K A Kerr
<b>Registered number</b>	03009356
<b>Registered office</b>	Unit 1b Pentwyn Business Centre Wharfedale Road Pentwyn Cardiff CF23 7HB
<b>Independent auditors</b>	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors One Kingsway Cardiff CF10 3PW

## **VISTA RETAIL SUPPORT LIMITED**

### **STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2017**

The directors present their Strategic Report for Vista Retail Support Limited ("the company") for the year ended 31 August 2017.

#### **Business review**

The financial statements for the year show an excellent result in terms of operating profit (2017: £2,975,000 2016: £2,987,000). This is the result of increased revenues from maintenance contracts as well as continued efficiencies in the operating cost base.

Maintenance revenue growth was experienced as a result of winning new maintenance and helpdesk contracts together with growth from existing customer contracts. Customer contract retention was exceptional, with no contracts which came up for renewal during the year being lost. This is the result of maintaining continued high service levels and focusing on customer relationships. Project services revenue decreased in the year due to a large one off project in the prior year and delays in projects into the next financial year. Significant growth in project services is anticipated in the next financial year as a result of projects already scheduled with customers as well as those projects delayed from the prior year.

Cost efficiencies continued to be generated from investing in IT systems and the implementation of new operational initiatives as well as new management processes and reporting.

During the year, the business invested in a number of new senior management positions within Business Development and Operations. This has resulted in an increase in new business opportunities and contracts won, continued service improvements and operational efficiencies. The business also achieved ISO27001 accreditation in early 2017. In addition, the company continued to invest in developing its staff via training and other development initiatives, achieving IIP accreditation in the year against the new 6th generation standard.

The head office property in Cardiff underwent a £450,000 refurbishment which was completed in September 2016. This has both modernised and increased capacity in its office space, warehouses and repair centre. The improvements made have led to operational efficiency improvements as well as providing increased space for future growth and a significantly improved working environment for employees. The head offices leases were renewed on a long term basis during the year and an additional property lease was entered into shortly after year end which is required for expansion.

There were exceptional costs relating to compensation for loss of office, professional fees in relation to corporate restructuring, and temporary relocation costs associated with the refurbishment of the head office. A breakdown of these can be found in note 5 on page 18 of these financial statements.

Net assets increased by £2,623,000 to £8,416,000 at the end of the financial year (2016: £5,793,000), with an increase in cash of £416,000 to £3,635,000 (13%).

The directors regularly review the strategic objectives of the business including potential future developments. The long-term strategic objectives of the business continue to be to provide excellent service for customers, a first rate working environment for its staff, as well as long-term shareholder value enhancement through sustained incremental profitable growth. There are a number of key initiatives underway to underpin this strategy, including the recent and planned investment in business development, the assessment of potential strategic alliances with a number of partners, including new services and overseas, as well as the continued investment in our people, processes and systems.

#### **Post balance sheet event**

On 25th October 2017, the entire share capital of the ultimate parent Vista Technology Support Group Limited was acquired by Scenic Topco Limited in a management buy-out backed by LDC, supported by senior debt facilities provided by HSBC. The investment from LDC will support the business in the next phase of growth and the additional resources to underpin the development of the business.

## **VISTA RETAIL SUPPORT LIMITED**

### **STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017**

#### **Principal risks and uncertainties**

The biggest risk to the business continues to be that of significant customer contract loss. The directors consider that this risk is mitigated by the contractual arrangements in place, maintaining high service levels, investing in customer relationships and internal monitoring and reporting procedures.

#### **Financial key performance indicators**

The main financial KPI is underlying EBITDA. Underlying EBITDA, which excludes the effect of investor and Chairman related costs has increased by 5% year on year.

Cash generation from operating activities (excluding non-operating costs and exceptional items) was 84% of underlying EBITDA in 2017 (2016: 110%). The primary reason behind the reduction in this KPI is a positive working capital movement in August 2016 due to a one-off customer prepayment which then had an adverse effect in 2017 as the prepayment unwound. When this is stripped out, cash generation from operating activities is 91% in 2017 (2016: 102%).

The directors believe that the key to the retention of existing customers and the winning of new customers is the delivery of excellent customer service. The key measure of this is the business' performance against its contracted service level agreements ("SLAs"). During 2017, Vista Retail Support Limited achieved 104.2% (2016: 103.9%) performance against customer SLAs.

This report was approved by the board on 29 January 2018 and signed on its behalf by:



**R J Cottrell**  
Director

## **VISTA RETAIL SUPPORT LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2017**

The directors present their annual report and the audited financial statements for Vista Retail Support Limited (the "company") for the year ended 31 August 2017.

#### **Results and dividends**

The profit for the financial year amounted to £2,623,000 (2016: £2,641,000).

Interim dividends of £Nil (2016: £2,257,123) have been paid during the year. No final dividends have been paid or proposed at 31 August 2017 (2016: £Nil).

#### **Directors**

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

K M Brooks (resigned 25 October 2017)  
R J Cottrell  
L H V Humphreys  
J A Pepper  
E C Pullham

#### **Qualifying third party indemnity provisions**

As permitted by the Articles of Association, 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 also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its directors.

#### **Financial risk management**

The main financial risks arising from the company's activities are credit risk, liquidity risk and cash flow risk.

##### **Credit risk**

The company is mainly exposed to credit risk from credit sales and cash on deposit with financial institutions. It is company policy to assess the credit risk of all customers and banking relationships and to factor the information from these assessments into future dealings with customers. The credit risk to the company is also controlled and minimised, by ensuring that customers' contractual revenues are paid in advance for maintenance services. At the balance sheet date there were no significant issues with regard to credit risk.

##### **Liquidity risk**

The operations of the company are financed by a mixture of retained profits and cash. The company's policy to manage liquidity risk is to ensure that adequate funds are held in readily accessible current accounts, to meet the working capital requirements of the company. The directors of the company monitor these risks carefully and, when appropriate, steps are taken to ensure liquidity risk is reduced. At the balance sheet date there were no issues with liquidity risk.

##### **Cash flow risk**

The company is part of a wider group of companies that operates within a group banking facility. The directors of the company monitor these risks carefully and, when appropriate, steps are taken to ensure cash flow risk is reduced. At the balance sheet date there were no issues with cash flow risk.

#### **Future developments**

Details of future developments have been included in the Strategic Report.

## **VISTA RETAIL SUPPORT LIMITED**

### **DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017**

#### **Directors' responsibilities statement**

The directors are responsible for preparing the Strategic Report, 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 elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the company's financial statements and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, 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 to 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.

#### **Disclosure of information to auditors**


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

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

#### **Independent auditors**

Under section 487(2) of the Companies Act 2006, PricewaterhouseCoopers LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the financial statements with the registrar, whichever is earlier.

This report was approved by the board on 29 January 2018 and signed on its behalf by:



**R J Cottrell**  
Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF VISTA RETAIL SUPPORT LIMITED

## Report on the audit of the financial statements

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### Opinion

In our opinion, Vista Retail Support Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 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", 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 Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 August 2017; 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

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.

### 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 Strategic Report and 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.



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF VISTA RETAIL SUPPORT LIMITED  
(CONTINUED)**

*Strategic Report and Directors' Report*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 August 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 Strategic Report and Directors' Report.

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

*Responsibilities of the directors for the financial statements*

As explained more fully in the Directors' Responsibilities Statement set out on page 5, 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.

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## **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.



Jason Clarke (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Cardiff  
29 January 2018

# VISTA RETAIL SUPPORT LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 AUGUST 2017

	Note	2017	2016 £000
Turnover	4	17,118	17,473
Cost of sales		(11,496)	(11,953)
Exceptional cost of sales		-	(26)
<b>Gross profit</b>		<b>5,622</b>	<b>5,494</b>
Distribution costs		(161)	(143)
Administrative expenses		(2,384)	(2,432)
Exceptional administrative expenses	5	(102)	68
<b>Operating profit</b>	6	<b>2,975</b>	<b>2,987</b>
<b>Profit before tax</b>		<b>2,975</b>	<b>2,987</b>
Tax on profit	10	(352)	(346)
<b>Profit for the financial year</b>		<b>2,623</b>	<b>2,641</b>

There was no other comprehensive income for 2017 (2016: £NIL).

**VISTA RETAIL SUPPORT LIMITED**  
**REGISTERED NUMBER: 03009356**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2017**

	<b>Note</b>	<b>2017 £000</b>	<b>2016 £000</b>
<b>Fixed assets</b>			
Tangible assets	13	963	818
<b>Current assets</b>			
Stocks	14	857	817
Debtors	15	8,065	5,939
Cash at bank and in hand	16	3,635	3,219
		<u>12,557</u>	<u>9,975</u>
Creditors: amounts falling due within one year	17	(5,076)	(4,968)
<b>Net current assets</b>		<u>7,481</u>	<u>5,007</u>
<b>Total assets less current liabilities</b>		<u>8,444</u>	<u>5,825</u>
<b>Provisions for liabilities</b>			
Deferred taxation	18	(28)	(32)
<b>Net assets</b>		<u>8,416</u>	<u>5,793</u>
<b>Capital and reserves</b>			
Called up share capital	19	72	72
Share premium account	20	20	20
Profit and loss account	20	8,324	5,701
<b>Total shareholders' funds</b>		<u>8,416</u>	<u>5,793</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 January 2018 by:



**E C Pullham**  
Director

The notes on pages 11 to 26 form part of these financial statements.

VISTA RETAIL SUPPORT LIMITED

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

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total shareholders' funds £000
At 1 September 2015	72	20	5,317	5,409
<b>Comprehensive income for the financial year</b>				
Profit for the financial year	-	-	2,641	2,641
<b>Total comprehensive income for the financial year</b>	-	-	2,641	2,641
<b>Contributions by and distributions to owners</b>				
Dividends: Equity capital	-	-	(2,257)	(2,257)
<b>Total transactions with owners</b>	-	-	(2,257)	(2,257)
At 1 September 2016	72	20	5,701	5,793
<b>Comprehensive income for the financial year</b>				
Profit for the financial year	-	-	2,623	2,623
<b>Total comprehensive income for the financial year</b>	-	-	2,623	2,623
<b>At 31 August 2017</b>	<b>72</b>	<b>20</b>	<b>8,324</b>	<b>8,416</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**1. General information**

Vista Retail Support Limited (the "company") is involved in the provision of maintenance of EPOS and related equipment and ancillary services to the retail, leisure and hospitality sectors.

The company is a private company limited by shares and is incorporated and domiciled in England and Wales. The address of its registered office is: Unit 1b Wharfedale Road, Cardiff, CF23 7HB.

**2. Accounting policies**

**2.1 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 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 (see note 3).

The following principal accounting policies have been applied consistently throughout the year:

**2.2 Financial reporting standard 102 - reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Vista Technology Support Group Limited as at 31 August 2017 and these financial statements may be obtained from Unit 1B, Wharfedale Road, Cardiff, CF23 7HB.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**2. Accounting policies (continued)**

**2.3 Turnover**

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

**Sale of goods**

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**Rendering of services**

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

**2.4 Intangible assets**

**Goodwill**

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated Statement of Comprehensive Income over its useful economic life of 10 years.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**2. Accounting policies (continued)**

**2.5 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.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Long term Leasehold Property	- Over the terms of the lease
Plant and machinery	- 33% on a straight line basis
Fixtures and fittings	- 17% on a straight line basis
Computer equipment	- 33% on a straight line or reducing balance basis

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

**2.6 Stocks**

The cost of maintenance spares less residual value is spread over the length of the contract for which the spares have been purchased.

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

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

**2.7 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.

**2.8 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 AUGUST 2017**

**2. Accounting policies (continued)**

**2.9 Financial instruments**

The company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. 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 Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**2.10 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 AUGUST 2017

2. Accounting policies (continued)

2.11 Foreign currency translation

**Functional and presentation currency**

The company's functional and presentational currency is GBP.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

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

2.12 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity 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.

2.13 Operating leases

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

2.14 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 Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the company in independently administered funds.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**2. Accounting policies (continued)**

**2.15 Provisions for liabilities**

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

**2.16 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**2.17 Exceptional items**

Exceptional items are transactions that fall within the ordinary activities of the company but are presented separately due to their size or incidence.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**3. Judgements in applying accounting policies and key sources of estimation uncertainty**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

**Maintenance stock**

The cost of maintenance spares less residual value is spread over the length of the individual contract for which the spares have been purchased. The appropriateness of this model is assessed annually and deemed by management to be the most appropriate method.

**4. Turnover**

An analysis of turnover by class of business is as follows:

	<b>2017</b>	2016
	<b>£000</b>	£000
Sale of goods	<b>1,398</b>	880
Supply of services	<b>15,720</b>	16,593
	<b>17,118</b>	17,473

Analysis of turnover by country of destination:

	<b>2017</b>	2016
	<b>£000</b>	£000
United Kingdom	<b>16,739</b>	17,150
Rest of Europe	<b>379</b>	323
	<b>17,118</b>	17,473

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**5. Exceptional items**

	<b>2017</b>	2016
	<b>£000</b>	£000
Compensation for loss of office and related fees	<b>81</b>	35
Other employment matters	-	4
Relocation costs	<b>21</b>	22
Restructuring costs	-	20
Compensation for loss of earnings	-	(123)
	<b>102</b>	(42)

Exceptional costs/(income) of £67,000 (2016: £26,000) and £35,000 (2016: (£68,000)) have been included within cost of sales and administrative expenses respectively. Exceptional income of £123,000 was included in administrative expenses in the prior year. These have arisen as follows:

The company incurred costs relating to compensation for loss of office and related fees totalling £82,000 (2016: £35,000).

Costs relating to other employment matters of £Nil (2016: £4,000).

Costs relating to the relocation during the renovation of the head office building of £21,000 (2016: £22,000).

Professional fees relating to corporate restructuring of £Nil (2016: £20,000).

Settlement received following an early contract termination, offset by associated costs, of £Nil (2016: £123,000).

**6. Operating profit**

The operating profit is stated after charging/(crediting):

	<b>2017</b>	2016
	<b>£000</b>	£000
Depreciation of tangible assets	<b>324</b>	270
Exchange differences	<b>(14)</b>	(48)
Operating lease rentals	<b>448</b>	455
Inventory recognised as an expense	<b>1,440</b>	1,421

# VISTA RETAIL SUPPORT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

### 7. Auditors' remuneration

	2017 £000	2016 £000
Fees payable to the company's auditors for the audit of the company's annual financial statements	25	25
<b>Fees payable to the company's auditors in respect of:</b>		
Taxation compliance services	8	8
All other services	3	14

### 8. Employees

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

	2017 £000	2016 £000
Wages and salaries	5,915	6,038
Social security costs	585	601
Other pension costs	114	86
	<b>6,614</b>	<b>6,725</b>

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

	2017 Number	2016 Number
Administration	15	14
Sales	14	14
Technical	163	163
Warehouse	11	11
	<b>203</b>	<b>202</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**
**9. Directors' remuneration**

	2017 £000	2016 £000
Aggregate directors' emoluments	541	425
Company contributions to defined contribution pension schemes	61	40
	<u>602</u>	<u>465</u>

During the year retirement benefits were accruing to 4 directors (2016: 4) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £125,000 (2016: £144,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £52,000 (2016: £18,000).

**10. Tax on profit**

	2017 £000	2016 £000
<b>Corporation tax</b>		
Current tax on profits for the financial year	388	343
Adjustments in respect of prior years	(31)	1
<b>Total current tax</b>	<u>357</u>	<u>344</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	10	6
Changes to tax rates	(2)	(4)
Adjustments in respect of prior years	(13)	-
<b>Total deferred tax</b>	<u>(5)</u>	<u>2</u>
<b>Tax on profit</b>	<u>352</u>	<u>346</u>

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

## 10. Tax on profit (continued)

## Factors affecting tax charge for the year

The tax assessed for the year is lower than (2016: lower than) the standard rate of corporation tax in the UK of 19.58% (2016: 20.00%). The differences are explained below:

	2017 £000	2016 £000
Profit before tax	<u>2,975</u>	<u>2,987</u>
Profit multiplied by standard rate of corporation tax in the UK of 19.58% (2016: 20.00%)	583	597
<b>Effects of:</b>		
Expenses not deductible for tax purposes	14	10
Adjustment from previous periods	(44)	1
Effects of other tax rates/credits	(2)	(4)
Group relief	(199)	(258)
<b>Total tax charge for the financial year</b>	<u><u>352</u></u>	<u><u>346</u></u>

## Factors that may affect future tax charges

The July 2015 Budget Statement announced changes to the UK Corporation tax regime which will reduce the main rate of corporation tax to 19% from 1 April 2017 and to 18% from 1 April 2020 and further change was announced in the March 2016 budget to further reduce the rate to 17% from 1 April 2020. These changes have been substantively enacted at the year end date and the deferred tax has therefore been calculated using a rate of 17%.

## 11. Dividends

	2017 £000	2016 £000
<b>Ordinary</b>		
Dividends paid equivalent to £Nil (2016: £0.31) per £0.01 share	<u>-</u>	<u>2,257</u>

**VISTA RETAIL SUPPORT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**12. Intangible assets**

	<b>Goodwill £000</b>
<b>Cost</b>	
At 1 September 2016	<b>1,862</b>
At 31 August 2017	<b>1,862</b>
<b>Accumulated amortisation</b>	
At 1 September 2016	<b>1,862</b>
At 31 August 2017	<b>1,862</b>
<b>Net book value</b>	
At 31 August 2017	<b>-</b>
At 31 August 2016	<b>-</b>



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**13. Tangible assets**

	Long term Leasehold Property £000	Plant and machinery £000	Fixtures and fittings £000	Computer equipment £000	Total £000
<b>Cost</b>					
At 1 September 2016	740	25	258	976	1,999
Additions	206	-	142	121	469
At 31 August 2017	<u>946</u>	<u>25</u>	<u>400</u>	<u>1,097</u>	<u>2,468</u>
<b>Accumulated depreciation</b>					
At 1 September 2016	336	25	87	733	1,181
Charge for the year	126	-	52	146	324
At 31 August 2017	<u>462</u>	<u>25</u>	<u>139</u>	<u>879</u>	<u>1,505</u>
<b>Net book value</b>					
At 31 August 2017	<u>484</u>	<u>-</u>	<u>261</u>	<u>218</u>	<u>963</u>
At 31 August 2016	<u>404</u>	<u>-</u>	<u>171</u>	<u>243</u>	<u>818</u>

**14. Stocks**

	2017 £000	2016 £000
Maintenance spares	564	606
Consumables for repair	293	211
	<u>857</u>	<u>817</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**15. Debtors**

	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>
Trade debtors	<b>1,772</b>	1,617
Amounts owed by group undertakings	<b>5,177</b>	3,569
Other debtors	<b>9</b>	27
Prepayments and accrued income	<b>1,107</b>	726
	<b>8,065</b>	5,939

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

**16. Cash at bank and in hand**

	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>
Cash at bank and in hand	<b>3,635</b>	3,219

**17. Creditors: Amounts falling due within one year**

	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>
Trade creditors	<b>939</b>	606
Amounts owed to group undertakings	<b>36</b>	36
Corporation tax	<b>158</b>	215
Other taxation and social security	<b>408</b>	338
Other creditors	<b>10</b>	11
Accruals and deferred income	<b>3,525</b>	3,762
	<b>5,076</b>	4,968

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

# VISTA RETAIL SUPPORT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

### 18. Deferred taxation

	2017 £000
At beginning of year	32
Charged to profit or loss	(4)
<b>At end of year</b>	<b>28</b>

The provision for deferred taxation is made up as follows:

	2017 £000	2016 £000
Accelerated capital allowances	31	34
Short term timing differences	(3)	(2)
	<b>28</b>	<b>32</b>

### 19. Called up share capital

	2017 £000	2016 £000
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
7,239,130 (2016: 7,239,130) Ordinary shares of £0.01 each	<b>72</b>	<b>72</b>

### 20. Reserves

#### Share premium account

Share premium account represents the amount subscribed for share capital in excess of the nominal value.

#### Profit and loss account

The profit and loss account represents the accumulated profits, losses and distributions of the company.

### 21. Contingent liabilities

The company entered into joint and several guarantees on 23 May 2014 with certain fellow group companies in relation to amounts owed to Clydesdale Bank PLC and Octopus Apollo VCT PLC. At 31 August 2017 the liabilities covered by these guarantees totalled £7,804,849 (2016: £8,143,591). However, this guarantee was replaced on 25th October 2017 with HSBC.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**22. Pension commitments**

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £114,000 (2016: £86,000).

**23. Commitments under operating leases**

At 31 August the company had future minimum lease payments under non-cancellable operating leases as follows:

	<b>2017</b>	2016
	<b>£000</b>	£000
Not later than 1 year	<b>463</b>	500
Later than 1 year and not later than 5 years	<b>833</b>	346
	<b>1,296</b>	846

**24. Ultimate parent undertaking and controlling party**

The immediate parent company is Vista Retail Support Holdings Limited.

At year end, the ultimate parent company and controlling party is Vista Technology Support Group Limited, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of Vista Technology Support Group Limited consolidated financial statements can be obtained from the Company Secretary at Unit 1b, Pentwyn Business Park, Wharfedale Road, Pentwyn, Cardiff, CF23 7HB.

Upon completion of the management buy-out in October 2017, 100% of the issued share capital of Vista Technology Support Group Limited was acquired by Scenic Topco Limited who are now the ultimate parent company.

Due to the shareholding in place at Scenic Topco Limited, the directors consider there to be no ultimate controlling party.