

Registration number: 06387995

View Logistics Limited
Annual Report and Financial Statements
for the period from 1 April 2018 to 30 March 2019



View Logistics Limited

Contents

| | |
|-----------------------------------|----------|
| Company Information | 1 |
| Strategic Report | 2 to 3 |
| Directors' Report | 4 to 5 |
| Independent Auditor's Report | 6 to 8 |
| Statement of Comprehensive Income | 9 |
| Statement of Financial Position | 10 |
| Statement of Changes in Equity | 11 |
| Notes to the Financial Statements | 12 to 26 |

View Logistics Limited

Company Information

Directors Mr C N Beckett
Mr S M M Byrne
Mr S Donlan
Mr N M Finlay
Mr P M Hamers
Mr V E Holden
Mr G B Wilding
Mr P Yates

Company secretary Mrs T Kelly

Registered office View Logistics
Park View Road East
Hartlepool
Cleveland
TS25 1HT

Solicitors Archers Law LLP
Lakeside House
Kingfisher Way
Stockton-on-Tees
TS18 3NB

Auditor Grant Thornton UK LLP
No 1 Whitehall Riverside
Leeds
LS1 4BN

View Logistics Limited

Strategic Report for the Period from 1 April 2018 to 30 March 2019

The directors present their strategic report for the period from 1 April 2018 to 30 March 2019.

Fair review of the business

On 3 June 2017 the Whitestone group went through a restructuring programme where the trade, assets and liabilities of other fellow subsidiaries of Whitestone Carpets Holdings Limited were transferred to View Logistics Limited with the immediate benefit of realising synergies within the group.

The company operates predominantly in the UK and Republic of Ireland markets and increased its turnover in the year from £37.77m (includes 10 months of consolidated turnover) to £50.59m in a market place that is both difficult and competitive.

The company recorded a profit before tax in the period of £359K (2018: £1.1m). During the year we initiated a programme of investment in new product ranges and streamlining of our overall product offer to increase focus on higher margin faster moving ranges. This initiative required further investment in operational efficiencies and system support which we are confident will positively impact the business moving forward.

The Board monitors a number of suitable KPIs which cover the company's trading position (turnover, gross margin, PBIT) and stock turns.

Principal risks and uncertainties

The carpet market in the UK is highly competitive and margins continue to be tight. We are of course also subject to consumer spending patterns and are conscious of the pressure on consumers' overall level of disposal income. With these risks and uncertainties in mind, we are aware that any plans for the future development of the business may be subject to unforeseen future events outside of our control. This risk is being mitigated by keeping the product range fresh with high a standard of point of sale materials and the continued expansion of the customer base. The company maintains a spectrum of product types to satisfy demand from various sectors of the market, both retail and contract.

View Logistics Limited

Strategic Report for the Period from 1 April 2018 to 30 March 2019 (continued)

Financial risk management

Credit Risk

The company's main financial assets are bank balances and trade and other receivables.

Credit risk is primarily targeted at trade receivables. Prior to giving credit terms to new customers, credit checks are obtained from reputable external sources. Credit terms and payment history are reviewed constantly and action taken early to minimise risk of default. The amounts presented in the accounts are net of a provision for doubtful debt.

Liquidity Risk

Liquidity risk arises from the company's management of working capital. It is the risk that the company will encounter difficulty in meeting its financial obligations as they fall due.

To achieve this, the company constantly monitors its cash position to ensure obligations can be met within its agreed bank facilities.

Interest Rate Risk

The company has a pooled overdraft facility with the other companies in the Whitestone Carpets Holdings Limited group. As a result, the credit balance in the current account can benefit from the payment of interest at the full overdraft rate payable to the bank by reallocation of the costs over the whole group.

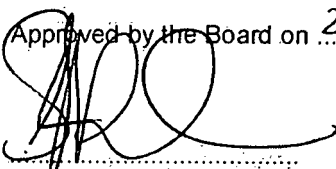
All hire purchase borrowing is at fixed rate.

Future developments

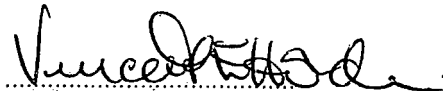
The company continues to aim for year on year growth in both sales and margins while keeping a tight control on overhead spend.

The company will continue to search for and introduce new ranges and point of sale materials to increase market share.

Approved by the Board on 24/9/19 and signed on its behalf by:



Mr S Donlan
Director



Mr V E Holden
Director

View Logistics Limited

Directors' Report for the period from 1 April 2018 to 30 March 2019

The directors present their report and the financial statements for the period from 1 April 2018 to 30 March 2019.

Principal activity

The principal activity of the company is the distribution of carpet and carpet accessories.

Directors of the company

The directors, who held office during the period and since, were as follows:

Mr C N Beckett

Mr S M M Byrne

Mr S Donlan

Mr N M Finlay

Mr P M Hamers

Mr V E Holden

Mr G B Wilding

Mr P Yates

Mr P M Hamers was appointed as a director on 20 December 2018

Mr G B Wilding resigned as a director on 20 December 2018 and was re-appointed on 19 July 2019

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 101 'Reduced Disclosure Framework'). 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 and profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

View Logistics Limited

Directors' Report for the period from 1 April 2018 to 30 March 2019 (continued)

The directors confirm that:

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

The directors are responsible for preparing the annual report in accordance with applicable law and regulations. The directors consider the annual report and the financial statements, taken as a whole, provides the information necessary to assess the company's performance, business model and strategy and is fair, balanced and understandable.

Financial risk management

See details within the Strategic Report for financial risk management policies and objectives.

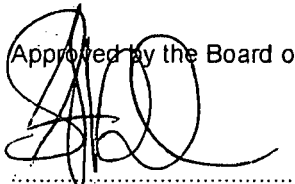
Future developments

See disclosures within the Strategic Report for details of likely future developments affecting the company.

Reappointment of auditor

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Grant Thornton UK LLP as auditor of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board on 24/9/19 and signed on its behalf by:



Mr S Donlan
Director



Mr V E Holden
Director

View Logistics Limited

Independent Auditor's Report to the Members of View Logistics Limited

Opinion

We have audited the financial statements of View Logistics Limited (the 'Company') for the period ended 30 March 2019, which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 March 2019 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- 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.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

View Logistics Limited

Independent Auditor's Report to the Members of View Logistics Limited (continued)

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors for the financial statements

As explained more fully in the Directors' Report on pages 4 and 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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.

Auditor's 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 auditor's 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 Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

View Logistics Limited

Independent Auditor's Report to the Members of View Logistics Limited (continued)

Use of our report

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

Grant Thornton UK LLP

Andrew Wood
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Leeds

Date: **24/9/19**

View Logistics Limited

Statement of Comprehensive Income for the period from 1 April 2018 to 30 March 2019

| | Note | Period from 1 Apr 18 to 30 Mar 19 | Period from 2 Apr 17 to 31 Mar 18 |
|--------------------------------------|------|---|---|
| Turnover | 4 | 50,593,553 | 37,773,843 |
| Cost of sales | | <u>(37,447,493)</u> | <u>(27,777,782)</u> |
| Gross profit | | 13,146,060 | 9,996,061 |
| Administrative expenses | | (12,793,478) | (8,868,058) |
| Other operating income | 5 | <u>51,924</u> | <u>34,113</u> |
| Operating profit | 6 | 404,506 | 1,162,116 |
| Interest payable and similar charges | 7 | <u>(45,385)</u> | <u>(42,586)</u> |
| Profit before tax | | 359,121 | 1,119,530 |
| Tax on profit on ordinary activities | 11 | <u>51,223</u> | <u>(240,039)</u> |
| Profit for the period | | <u><u>410,344</u></u> | <u><u>879,491</u></u> |

The above results were derived from continuing operations.

The company has no other comprehensive income for the current or prior year.

The notes on pages 12 to 26 form an integral part of these financial statements.

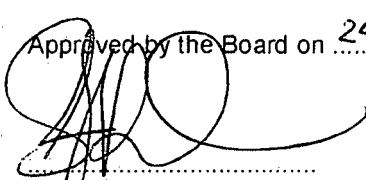
View Logistics Limited

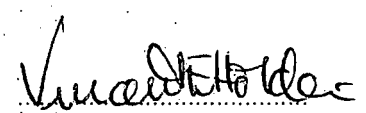
(Registration number: 06387995)

Statement of Financial Position as at 30 March 2019

| | Note | 2019 £ | 2018 £ |
|--|------|---------------------|---------------------|
| Fixed assets | | | |
| Tangible assets | 12 | 4,385,817 | 4,514,269 |
| Current assets | | | |
| Stocks | 13 | 10,161,723 | 12,438,061 |
| Debtors | 14 | 9,377,064 | 7,086,748 |
| Cash at bank and in hand | | 2,170,683 | 1,871,466 |
| | | <u>21,709,470</u> | <u>21,396,275</u> |
| Creditors: Amounts falling due within one year | 15 | <u>(23,949,589)</u> | <u>(23,947,193)</u> |
| Net current liabilities | | <u>(2,240,119)</u> | <u>(2,550,918)</u> |
| Total assets less current liabilities | | 2,145,698 | 1,963,351 |
| Creditors: Amounts falling due after more than one year | 16 | (413,185) | (626,554) |
| Provisions for liabilities | 11 | - | (14,628) |
| Net assets | | <u>1,732,513</u> | <u>1,322,169</u> |
| Capital and reserves | | | |
| Called up share capital | 17 | 1,000 | 1,000 |
| Profit and loss account | | <u>1,731,513</u> | <u>1,321,169</u> |
| Shareholders' funds | | <u>1,732,513</u> | <u>1,322,169</u> |

Approved by the Board on 24/9/19 and signed on its behalf by:


Mr S Donlan
Director


Mr V E Holden
Director

The notes on pages 12 to 26 form an integral part of these financial statements.

View Logistics Limited

Statement of Changes in Equity for the period from 1 April 2018 to 30 March 2019

| | Share capital £ | Profit and loss account £ | Total £ |
|----------------------------|--------------------|---------------------------------|------------|
| At 2 April 2017 | 1,000 | 441,678 | 442,678 |
| Profit for the period | - | 879,491 | 879,491 |
| Total comprehensive income | - | 879,491 | 879,491 |
| At 31 March 2018 | 1,000 | 1,321,169 | 1,322,169 |

| | Share capital £ | Profit and loss account £ | Total £ |
|----------------------------|--------------------|---------------------------------|------------|
| At 1 April 2018 | 1,000 | 1,321,169 | 1,322,169 |
| Profit for the period | - | 410,344 | 410,344 |
| Total comprehensive income | - | 410,344 | 410,344 |
| At 30 March 2019 | 1,000 | 1,731,513 | 1,732,513 |

The notes on pages 12 to 26 form an integral part of these financial statements.

View Logistics Limited

Notes to the Financial Statements for the period from 1 April 2018 to 30 March 2019

1 General information

The company is a private company limited by share capital, incorporated, registered and domiciled in England and Wales.

The address of its registered office is View Logistics, Park View Road East, Hartlepool, Cleveland, TS25 1HT, England.

2 Accounting policies

Statement of compliance

These financial statements have been prepared in accordance with applicable accounting standards and in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101). The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have all been applied consistently throughout the year unless otherwise stated.

The company's financial statements have been prepared on a historical cost basis.

The financial statements are presented in Sterling (£), which is also the company's functional currency.

Summary of disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 101. Its financial statements are consolidated into the financial statements of Victoria P.L.C. which can be obtained from its registered office, Worcester Road, Kidderminster, Worcester, DY10 UR. As such, advantage has been taken of the following disclosure exemptions available under FRS 101:

- (a) the requirements of paragraphs 10(d), 10(f), 39(c) and 134-136 of IAS 1 Presentation of Financial Statements;
- (b) the requirements of IAS 7 Statement of Cash Flows;
- (c) the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- (d) the requirement of paragraph 17 of IAS 24 Related Party Disclosures;
- (e) the requirements of IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member; and
- (f) the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.
- (g) the requirements of IFRS 9 Financial Instruments Disclosures.
- (h) the effect of future accounting standards not adopted.

View Logistics Limited

Notes to the Financial Statements for the period from 1 April 2018 to 30 March 2019 (continued)

2 Accounting policies (continued)

Going concern

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Parent company

The company is a wholly owned subsidiary of Whitestone Carpets Holdings Limited which is a wholly owned subsidiary of Victoria PLC which prepares publicly available consolidated financial statements in accordance with IFRS. This company is included in the consolidated financial statements of Victoria PLC for the period ended 30 March 2019. These accounts are available from Victoria PLC, Worcester Road, Kidderminster, Worcestershire, DY10 1JR.

Revenue recognition

Revenue is measured by reference to the fair value of the consideration receivable by the company for goods supplied, excluding VAT and trade discount. Revenue is recognised at a point in time upon the sale of goods or transfer of risk to the customer in accordance with IFRS 15. Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the Company has transferred to the buyer the significant risk and rewards of ownership of the good;
- the Company retains neither the continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- the cost incurred or to be incurred in respect of the transaction can be measured reliably.

The standalone selling price of the product sold to a customer is clearly determined from the contract entered into. The total transaction price is estimated as the amount of consideration to which the Company expects to be entitled in exchange for transferring the promised goods after deducting trade discounts and volume rebates.

Trade discounts and volume rebates are estimated based on the terms of the contractually agreed arrangements.

Payment terms are between 30 and 60 days so the time value of money is minimal.

There was no material impact on the Company's results as a consequence of the transition to IFRS 15 as the Company's activities are primarily the sale of flooring products, the revenue for which was previously recognised at a point in time when the transfer of risks and rewards occurs which is consistent with IFRS 15. The comparative figures in these financial statements have not been restated as a consequence of adopting IFRS 15 for the first time this period.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

View Logistics Limited

Notes to the Financial Statements for the period from 1 April 2018 to 30 March 2019 (continued)

2 Accounting policies (continued)

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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 taxable income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Tangible assets

Property, plant and equipment is stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of property, plant and equipment includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

| Asset class | Depreciation method and rate |
|-----------------------|--|
| Land and buildings | 10 years straight line |
| Plant and machinery | 5-20 years straight line |
| Fixtures and fittings | 5-20% reducing balance and 50% straight line |
| Motor vehicles | 25% straight line |

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

Cash and cash equivalents

Cash comprise cash on hand and demand deposits which is presented as cash at bank and in hand in the statement of financial position.

Bank overdrafts are presented as part of current liabilities in the statement of financial position.

View Logistics Limited

Notes to the Financial Statements for the period from 1 April 2018 to 30 March 2019 (continued)

2 Accounting policies (continued)

Stock

Stocks are measured at the lower of cost and net realisable value. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition as follows:

Consumables are recognised at purchase cost on a first in, first out basis.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

All borrowings are initially recorded at the amount of proceeds received, net of transaction costs. Borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the income statement over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in finance costs.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

View Logistics Limited

Notes to the Financial Statements for the period from 1 April 2018 to 30 March 2019 (continued)

2 Accounting policies (continued)

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense. Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised as non-current assets of the company at the lower of their fair value at the date of commencement of the lease, and at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance costs in the statement of comprehensive income and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined contribution pension obligation

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discount present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

View Logistics Limited

Notes to the Financial Statements for the period from 1 April 2018 to 30 March 2019 (continued)

2 Accounting policies (continued)

Financial assets and liabilities

Recognition and measurement

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within administrative expenses.

The company's financial assets include trade debtors and other debtors.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised costs using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The company's cash and cash equivalents, trade debtors and other debtors fall into this category of financial instrument.

Financial liabilities are measured subsequently at amortised cost using the effective interest method.

For group loans which are due on demand or where there is no significant difference between the amount due/payable and fair value on initial recognition the such loans are carried at the amount due/payable on an amortised cost basis.

Impairment

All financial assets are reviewed for impairment using the expected credit loss model as required by IFRS 9. The Company considers a broad range of information credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instruments.

Financial liabilities

Classification

The company's financial liabilities include borrowings, trade creditors and other creditors.

Recognition and measurement

Financial liabilities are measured subsequently at amortised cost using the effective interest method.

For group loans which are due on demand or where there is no significant difference between the amount due/payable and fair value on initial recognition the such loans are carried at the amount due/payable on an amortised cost basis.

View Logistics Limited

Notes to the Financial Statements for the period from 1 April 2018 to 30 March 2019 (continued)

International Financial Reporting Standards (IFRS) adopted for the first time in the year

There were no new standards or amendments to standards adopted for the first time this year that had a material impact on the results for the Company. The prior year comparatives have not been restated for any changes in accounting policies that were required due to the adoption of new standards this year. IFRS 15 'Revenue from Contracts with Customers' and the related 'Clarifications to IFRS 15 revenue from Contracts with Customers' (hereinafter referred to as 'IFRS 15') replace IAS 18 'Revenue', and several revenue-related interpretations this year. The Company has adopted IFRS 15 through the 'modified expected approach' and determined that there was no material impact on the financial statements of the Company hence no cumulative catch up adjustment has been booked to the opening balance sheet at 31 March 2018. The Company's revenue is derived from the sale of goods which is treated in a consistent manner under IFRS 15 with revenue continuing to be recognised at a point in time when the transfer of risks and rewards occurs.

IFRS 9 replaces IAS 39 'Financial Instruments: Recognition and Measurement'. It makes changes to the previous guidance on the classification and measurement of financial assets and introduces an 'expected credit loss' model for the impairment of financial assets. When adopting IFRS 9, the Company has applied transitional relief and opted not to restate prior periods. There were no material difference arising from the adoption of IFRS 9 in relation to the classification, measurement and impairment of financial assets and there have been no changes to the classification or measurement of financial liabilities as a result of the application of IFRS 9.

3 Critical accounting judgements and key sources of estimation uncertainty

In the preparation of the financial statements, it is necessary for the management of the company to make estimates and certain presumptions that can affect the valuation of the assets and liabilities and the outcome of the income statement. The actual outcome may differ from these estimates and presumptions. The most significant estimates made in these accounts relate to:

Stock

Management estimates the net realisable values of stock, taking into account the most reliable evidence available at each reporting date. The future realisation of these stocks may be affected by future technology or other market-driven changes that may reduce future selling prices.

Debtors provision

The company continuously reviews its debtors book for potential bad debt. Due to the small size and the nature of the debtors book the company is able to do it on individual basis without recourse to a standard procedure.

4 Turnover

The analysis of the company's turnover for the period from continuing operations is as follows:

| | 2019 £ | 2018 £ |
|-----------------------|-------------------|-------------------|
| Sale of goods | 49,982,958 | 36,602,091 |
| Rendering of services | 610,595 | 1,171,752 |
| | <u>50,593,553</u> | <u>37,773,843</u> |

View Logistics Limited

Notes to the Financial Statements for the period from 1 April 2018 to 30 March 2019 (continued)

4 Turnover (continued)

The analysis of the company's turnover for the period by market is as follows:

| | 2019 £ | 2018 £ |
|----------|-------------------|-------------------|
| UK | 48,891,344 | 36,377,314 |
| Overseas | 1,702,209 | 1,396,529 |
| | <u>50,593,553</u> | <u>37,773,843</u> |

5 Other operating income

The analysis of the company's other operating income for the period is as follows:

| | 2019 £ | 2018 £ |
|---------------|---------------|---------------|
| Other revenue | <u>51,924</u> | <u>34,113</u> |

Other revenue relates to income from the vending machine and waste recycling.

6 Operating profit

Arrived at after charging/(crediting)

| | 2019 £ | 2018 £ |
|--|---------------|----------------|
| Depreciation expense | 1,899,207 | 1,470,526 |
| Foreign exchange gains/(losses) | 19,993 | (9,521) |
| Loss/(profit) on disposal of property, plant and equipment | <u>13,778</u> | <u>(2,977)</u> |

7 Interest payable and similar charges

| | 2019 £ | 2018 £ |
|--|---------------|---------------|
| Interest on bank overdrafts and borrowings | 7,919 | 14,432 |
| Interest on obligations under finance leases and hire purchase contracts | 37,466 | 27,979 |
| Interest expense on other financing liabilities | - | 175 |
| | <u>45,385</u> | <u>42,586</u> |

8 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

| | 2019 £ | 2018 £ |
|--|------------------|------------------|
| Wages and salaries | 4,381,200 | 3,764,205 |
| Social security costs | 463,858 | 378,719 |
| Pension costs, defined contribution scheme | 103,950 | 112,085 |
| | <u>4,949,008</u> | <u>4,255,009</u> |

View Logistics Limited

Notes to the Financial Statements for the period from 1 April 2018 to 30 March 2019 (continued)

8 Staff costs (continued)

The average number of persons employed by the company (including directors) during the period, analysed by category was as follows:

| | 2019 No. | 2018 No. |
|---------------------|-------------|-------------|
| Production | 4 | 3 |
| Sales and marketing | 42 | 38 |
| Distribution | 95 | 86 |
| Administration | 13 | 13 |
| | <u>154</u> | <u>140</u> |

9 Directors' remuneration

The directors' remuneration for the period was as follows:

| | 2019 £ | 2018 £ |
|--|----------------|----------------|
| Remuneration | 643,057 | 740,087 |
| Contributions paid to money purchase schemes | 6,611 | 34,484 |
| | <u>649,668</u> | <u>774,571</u> |

During the period the number of directors who were receiving benefits and share incentives was as follows:

| | 2019 No. | 2018 No. |
|---|-------------|-------------|
| Accruing benefits under money purchase pension scheme | <u>5</u> | <u>5</u> |

In respect of the highest paid director:

| | 2019 £ | 2018 £ |
|---|----------------|----------------|
| Remuneration | 172,353 | 172,473 |
| Company contributions to money purchase pension schemes | 804 | 391 |
| | <u>173,157</u> | <u>172,864</u> |

10 Auditor's remuneration

| | 2019 £ | 2018 £ |
|-----------------------------------|---------------|---------------|
| Audit of the financial statements | <u>17,916</u> | <u>10,807</u> |
| Other fees to auditors | | |
| Taxation compliance services | <u>3,684</u> | <u>5,800</u> |

View Logistics Limited

Notes to the Financial Statements for the period from 1 April 2018 to 30 March 2019 (continued)

11 Tax expense

Tax charged/(credited) in the profit and loss account

| | 2019 £ | 2018 £ |
|--|-----------------|----------------|
| Current taxation | | |
| UK corporation tax | 142,189 | 197,082 |
| UK corporation tax adjustment to prior periods | (136,331) | - |
| | <u>5,858</u> | <u>197,082</u> |
| Deferred taxation | | |
| Arising from origination and reversal of temporary differences | (57,081) | 42,957 |
| Tax (credit)/expense in the profit and loss account | <u>(51,223)</u> | <u>240,039</u> |

The tax on profit before tax for the period is lower than (2018 - higher than) the standard rate of corporation tax in the UK of 19% (2018 - 19%).

The differences are reconciled below:

| | 2019 £ | 2018 £ |
|--|-----------------|------------------|
| Profit before tax | <u>359,121</u> | <u>1,119,530</u> |
| Corporation tax at standard rate | 68,233 | 212,711 |
| Decrease in current tax from adjustment for prior periods | (136,331) | - |
| Increase from effect of different UK tax rates on some earnings | 10,943 | 2,190 |
| Increase from effect of expenses not deductible in determining taxable profit | 5,932 | 13,585 |
| Decrease arising from group relief tax reconciliation | - | (21,352) |
| Other tax effects for reconciliation between accounting profit and tax expense | - | 32,905 |
| Total tax (credit)/charge | <u>(51,223)</u> | <u>240,039</u> |

Deferred tax

Deferred tax movement during the period:

| | At 1 April 2018 £ | Recognised in income £ | At 30 March 2019 £ |
|------------------------------|-------------------------|------------------------------|-----------------------------|
| Accelerated tax depreciation | (14,882) | 53,556 | 38,674 |
| Other items | 254 | 3,525 | 3,779 |
| Net tax assets/(liabilities) | <u>(14,628)</u> | <u>57,081</u> | <u>42,453</u> |

View Logistics Limited

Notes to the Financial Statements for the period from 1 April 2018 to 30 March 2019 (continued)

11 Tax expense (continued)

Deferred tax movement during the prior period:

| | At 2 April 2017 £ | Recognised in income £ | Recognised in equity £ | At 31 March 2018 £ |
|------------------------------|----------------------|------------------------------|------------------------------|--------------------------|
| Accelerated tax depreciation | (33,245) | (35,465) | 53,828 | (14,882) |
| Other items | 240 | (7,492) | 7,506 | 254 |
| Net tax assets/(liabilities) | <u>(33,005)</u> | <u>(42,957)</u> | <u>61,334</u> | <u>(14,628)</u> |

12 Tangible assets

| | Land and buildings £ | Fixtures and fittings £ | Motor vehicles £ | Plant and machinery £ | Total £ |
|------------------------|----------------------------|----------------------------------|------------------------|-----------------------------|------------------|
| Cost | | | | | |
| At 1 April 2018 | 167,238 | 3,095,623 | 1,709,057 | 3,248,921 | 8,220,839 |
| Additions | 33,380 | 1,201,646 | 451,460 | 148,910 | 1,835,396 |
| Disposals | - | (884,489) | (227,734) | (5,930) | (1,118,153) |
| At 30 March 2019 | <u>200,618</u> | <u>3,412,780</u> | <u>1,932,783</u> | <u>3,391,901</u> | <u>8,938,082</u> |
| Depreciation | | | | | |
| At 1 April 2018 | 17,530 | 1,387,707 | 783,906 | 1,517,427 | 3,706,570 |
| Charge for the period | 17,243 | 1,320,013 | 493,545 | 68,406 | 1,899,207 |
| Eliminated on disposal | - | (884,489) | (163,443) | (5,580) | (1,053,512) |
| At 30 March 2019 | <u>34,773</u> | <u>1,823,231</u> | <u>1,114,008</u> | <u>1,580,253</u> | <u>4,552,265</u> |
| Carrying amount | | | | | |
| At 30 March 2019 | <u>165,845</u> | <u>1,589,549</u> | <u>818,775</u> | <u>1,811,648</u> | <u>4,385,817</u> |
| At 31 March 2018 | <u>149,708</u> | <u>1,707,916</u> | <u>925,151</u> | <u>1,731,494</u> | <u>4,514,269</u> |

View Logistics Limited

Notes to the Financial Statements for the period from 1 April 2018 to 30 March 2019 (continued)

12 Tangible assets (continued)

Assets held under finance leases and hire purchase contracts

The net carrying amount of property, plant and equipment includes the following amounts in respect of assets held under finance leases and hire purchase contracts:

| | 2019 £ | 2018 £ |
|---------------------|------------------|------------------|
| Plant and machinery | 761,816 | 939,443 |
| Motor Vehicles | 683,900 | 771,732 |
| | <u>1,445,716</u> | <u>1,711,175</u> |

13 Stock

| | 2019 £ | 2018 £ |
|-------------------------------|-------------------|-------------------|
| Raw materials and consumables | <u>10,161,723</u> | <u>12,438,061</u> |

The cost of stock recognised as an expense in the period amounted to £37,298,344 (2018 - £27,569,057). This is included within cost of sales.

14 Trade and other debtors

| | 2019 £ | 2018 £ |
|------------------------------|------------------|------------------|
| Trade debtors | 5,565,807 | 6,453,946 |
| Debtors from related parties | 3,241,633 | 176,992 |
| Corporation tax asset | 103,186 | - |
| Prepayments | 423,886 | 437,675 |
| Other debtors | 42,552 | 18,135 |
| | <u>9,377,064</u> | <u>7,086,748</u> |

15 Creditors: amounts falling due within one year

| | 2019 £ | 2018 £ |
|--|-------------------|-------------------|
| Obligations under finance leases and hire purchase contracts | 503,197 | 645,641 |
| Trade creditors | 7,468,275 | 8,395,839 |
| Accruals and deferred income | 760,326 | 469,737 |
| Amounts owed to group undertakings | 13,957,900 | 13,521,241 |
| Social security and other taxes | 1,076,873 | 589,035 |
| Other creditors | 183,018 | 104,744 |
| Corporation tax | - | 220,956 |
| | <u>23,949,589</u> | <u>23,947,193</u> |

Hire purchase liabilities are secured over the asset to which they relate.

View Logistics Limited

Notes to the Financial Statements for the period from 1 April 2018 to 30 March 2019 (continued)

16 Creditors: amounts falling due after more than one year

| | 2019 £ | 2018 £ |
|--|----------------|----------------|
| Obligations under finance leases and hire purchase contracts | <u>413,185</u> | <u>626,554</u> |

Hire purchase liabilities are secured over the asset to which they relate.

17 Share capital

Allotted, called up and fully paid shares

| | No. | 2019 £ | No. | 2018 £ |
|-----------------------|--------------|--------------|--------------|--------------|
| "A" Shares of £1 each | <u>1,000</u> | <u>1,000</u> | <u>1,000</u> | <u>1,000</u> |

18 Reserves

Called-up share capital - represents the nominal value of shares that have been issued.

Profit and loss account - records retained earnings and accumulated losses.

19 Obligations under leases and hire purchase contracts

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

| | Minimum lease payments £ | Present value £ |
|----------------------|---|----------------------------|
| 2019 | | |
| Within one year | 536,889 | 536,889 |
| In two to five years | <u>437,429</u> | <u>437,429</u> |
| | <u>974,318</u> | <u>974,318</u> |
| | Minimum lease payments £ | Present value £ |
| 2018 | | |
| Within one year | 680,705 | 680,705 |
| In two to five years | 405,729 | 405,729 |
| In over five years | <u>258,337</u> | <u>258,337</u> |
| | <u>1,344,771</u> | <u>1,344,771</u> |

View Logistics Limited

Notes to the Financial Statements for the period from 1 April 2018 to 30 March 2019 (continued)

19 Obligations under leases and hire purchase contracts (continued)

Included in the minimum lease payments of £974,318 (2018: £1,344,771) is future finance charges of £53,937 (2018: £72,575).

Operating leases

The total future value of minimum lease payments is as follows:

| | 2019 £ | 2018 £ |
|----------------------|------------------|------------------|
| Within one year | 381,360 | 302,789 |
| In two to five years | 1,329,053 | 1,076,824 |
| In over five years | 259,508 | 438,881 |
| | <u>1,969,921</u> | <u>1,818,494</u> |

20 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £103,950 (2018 - £112,084).

21 Commitments

Pension commitments

Pension commitments provided for in the accounts amounted to £11,494 (2018 - £9,316).

22 Contingent liabilities

HSBC Bank PLC hold an Unlimited Multilateral Guarantee dated 20 August 2013 given by View Logistics Limited, Whitestone Weavers Limited, Thomas Witter Carpets limited, Gaskell Mackay Carpets Limited and Carpet Line Direct Limited.

23 Related party transactions

Key management personnel

During the year the company paid rent to SBS Partnership of £419,118 (2018: £309,844). At the period end the company owed £69,111 to SBS Partnership (2018: £95,025) by SBS Partnership). Mr S M M Byrne, a director of this company, is also a partner of SBS Partnership.

View Logistics Limited

Notes to the Financial Statements for the period from 1 April 2018 to 30 March 2019 (continued)

24 Parent and ultimate parent undertaking

The company's immediate parent is Whitestone Carpets Holdings Limited.

The ultimate parent is Victoria PLC.

The most senior parent entity producing publicly available financial statements is Victoria PLC. These financial statements are available upon request from Victoria PLC, Worcester Road, Kidderminster, Worcestershire, DY10 1JR.