

Registration number: 06387995

**View Logistics Limited**  
**Annual Report and Financial Statements**  
**for the Period from 31 March 2019 to 28 March 2020**

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**View Logistics Limited**

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## **View Logistics Limited**

### **Company Information**

<b>Directors</b>	Mr G B Wilding Mr S Donlan Mr N M Finlay Mr P M Hamers Mr V E Holden Mr P Yates Mrs T Kelly
<b>Company secretary</b>	Mrs T Kelly
<b>Registered office</b>	View Logistics Park View Road East Hartlepool Cleveland TS25 1HT
<b>Solicitors</b>	Archers Law LLP Lakeside House Kingfisher Way Stockton-on-Tees TS18 3NB
<b>Auditor</b>	Grant Thornton UK LLP No 1 Whitehall Riverside Leeds LS1 4BN

## **View Logistics Limited**

### **Strategic Report for the Period from 31 March 2019 to 28 March 2020**

The directors present their strategic report for the period from 31 March 2019 to 28 March 2020.

#### **Fair review of the business**

The company operates predominantly in the UK and Republic of Ireland markets. Turnover recorded in 2020 - £49.3m shows a slight reduction from 2019 - £50.6m and is largely due to the loss of trading during lockdown in March 2020.

The company recorded a post exceptional loss before tax of £2.359m after exceptional costs of £2.382m (2019: profit before tax £359K).

During the year we continued with the programme of investment in new brand development and introduction of new product ranges as well as the streamlining of our overall product offer. The core aim is to improve margin performance and enhance the return on operational activities cutting and distributing flooring products nationally. These initiatives 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 come under pressure. We are of course also subject to consumer spending patterns and are conscious of the changes in overall levels of consumers 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, which are outside of our control.

These risks are mitigated by keeping our product offer relevant and in tune with current market trends for colour, design and construction. The product offer is supported by high quality sampling and point of sale materials aimed at driving continued expansion of our customer base.

The company maintains a spectrum of product types designed to satisfy demand from targeted market sectors and continually strives to improve its service offer to support a diverse customer base avoiding reliance on any one single sector of the market.

## **View Logistics Limited**

### **Strategic Report for the Period from 31 March 2019 to 28 March 2020 (continued)**

#### **Covid-19**

The business closed from 24 March 2020, and re-commenced operations gradually from 18 May 2020.

The global pandemic has brought with it the unprecedented challenges which have required a flexible and agile approach both operationally and in financial planning. Careful cash management has been a key area of focus to ensure financial stability aided by very clear goals and high levels of communication with both customers and suppliers.

Operationally, the management team have carefully planned every aspect of the company's activities to ensure that available resource has closely matched customer demands throughout the various stages of lockdown and recovery.

The health and safety of employees has been a key consideration and the 1st UK lockdown was used as an opportunity to reconfigure working space and practices to ensure that the business was Covid compliant well ahead of the resumption of operations on 18 May 2020.

Additionally, close attention has been paid to stock levels and improved stock profiling designed to ensure customer demands can be met within acceptable timescales against a backdrop of potential raw material shortages and manufacturing shutdowns around the globe.

The company has taken advantage of the Government's Furlough Grant in order to support the business during the downturn of operations.

To date the business planning has been effective and, in many cases, has strengthened relationships with customers, suppliers and employees.

After reviewing budgets and financial forecasts, and taking account of reasonably possible changes in trading performance and impact of the Covid-19 pandemic, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **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.

## View Logistics Limited

### Strategic Report for the Period from 31 March 2019 to 28 March 2020 (continued)

#### 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 develop and introduce new ranges and point of sale to increase market share and improve margin performance.

24/3/2021

Approved by the Board on ..... and signed on its behalf by:

*Steve Donlan*

.....  
Mr S Donlan  
Director

*VKH Holden*

.....  
Mr V E Holden  
Director

## **View Logistics Limited**

### **Directors' Report for the period from 31 March 2019 to 28 March 2020**

The directors present their report and the financial statements for the period from 31 March 2019 to 28 March 2020.

#### **Principal activity**

The principal activity of the company is the distribution of carpet and other floor covering products.

#### **Directors of the company**

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

Mr S M M Byrne (resigned 27 March 2020)

Mr G B Wilding (appointed 19 July 2019)

Mr S Donlan

Mr N M Finlay

Mr C N Beckett (resigned 14 August 2020)

Mr P M Hamers

Mr V E Holden

Mr P Yates

Mrs T Kelly - Company secretary and director (appointed 23 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 31 March 2019 to 28 March 2020 (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.

24/3/2021

Approved by the Board on ..... and signed on its behalf by:

*Steve Donlan*

.....  
Mr S Donlan  
Director

*V K H Holden*

.....  
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 28 March 2020, 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 28 March 2020 and of its loss 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.

#### **The impact of macro-economic uncertainties on our audit**

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company associated with these particular events.

## **View Logistics Limited**

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

#### **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.

In our evaluation of the directors' conclusions, we considered the risks associated with the company's business, including effects arising from macro-economic uncertainties such as Covid-19 and Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

#### **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.

#### **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.

## **View Logistics Limited**

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

#### **Matters on which we are required to report by exception**

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

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

#### **Responsibilities of directors for the financial statements**

As explained more fully in the Directors' Report on pages 5 and 6, 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](http://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

24/3/2021  
Date:.....

## View Logistics Limited

### Statement of Comprehensive Income for the period from 31 March 2019 to 28 March 2020

	Note	Period from 31 Mar 19 to 28 Mar 20	Period from 1 Apr 18 to 30 Mar 19
Turnover	4	49,304,494	50,593,553
Cost of sales		<u>(36,019,932)</u>	<u>(37,447,493)</u>
Gross profit		13,284,562	13,146,060
Administrative expenses		(15,547,739)	(12,793,478)
Other operating income	5	<u>13,670</u>	<u>51,924</u>
Operating (loss)/profit	6	(2,249,507)	404,506
Interest payable and similar charges	7	<u>(109,406)</u>	<u>(45,385)</u>
(Loss)/profit before tax		(2,358,913)	359,121
Tax on (loss)/profit on ordinary activities	11	<u>618,410</u>	<u>51,223</u>
(Loss)/profit for the period		<u><u>(1,740,503)</u></u>	<u><u>410,344</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 14 to 31 form an integral part of these financial statements.

# View Logistics Limited

(Registration number: 06387995)

## Statement of Financial Position as at 28 March 2020

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Right-of-use assets	12	2,853,300	-
Tangible assets	13	<u>2,795,201</u>	<u>4,385,817</u>
		<u>5,648,501</u>	<u>4,385,817</u>
<b>Current assets</b>			
Stocks	14	11,459,308	10,161,723
Debtors	15	8,034,954	9,377,064
Cash at bank and in hand		-	2,170,683
		<u>19,494,262</u>	<u>21,709,470</u>
<b>Creditors: Amounts falling due within one year</b>	16	<u>(23,612,876)</u>	<u>(23,949,589)</u>
<b>Net current liabilities</b>		<u>(4,118,614)</u>	<u>(2,240,119)</u>
<b>Total assets less current liabilities</b>		<u>1,529,887</u>	<u>2,145,698</u>
<b>Creditors: Amounts falling due after more than one year</b>	17	<u>(1,537,877)</u>	<u>(413,185)</u>
<b>Net (liabilities)/assets</b>		<u>(7,990)</u>	<u>1,732,513</u>
<b>Capital and reserves</b>			
Called up share capital	18	1,000	1,000
Profit and loss account		<u>(8,990)</u>	<u>1,731,513</u>
Shareholders' (deficit)/funds		<u>(7,990)</u>	<u>1,732,513</u>

24/3/2021

Approved by the Board on ..... and signed on its behalf by:

*Steve Donlan*

Mr S Donlan  
Director

*V K H Holden*

Mr V E Holden  
Director

The notes on pages 14 to 31 form an integral part of these financial statements.

## View Logistics Limited

### Statement of Changes in Equity for the period from 31 March 2019 to 28 March 2020

	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

	Share capital £	Profit and loss account £	Total £
At 31 March 2019	1,000	1,731,513	1,732,513
Loss for the period	-	(1,740,503)	(1,740,503)
Total comprehensive income	-	(1,740,503)	(1,740,503)
At 28 March 2020	1,000	(8,990)	(7,990)

The notes on pages 14 to 31 form an integral part of these financial statements.

## **View Logistics Limited**

### **Notes to the Financial Statements for the period from 31 March 2019 to 28 March 2020**

#### **1 General information**

The company is a private company limited by share capital, incorporated 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 Company's parent undertaking, Victoria PLC, includes the company in its consolidated financial statements. The consolidated financial statements of Victoria PLC are prepared in accordance with International Financial Reporting Standards and may be obtained from its registered office, Worcester Road, Kidderminster, Worcester, DY10 1JR.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A cash flow statement and related notes;
- Comparative period reconciliations for share capital, tangible fixed assets and intangible assets;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs.

As the consolidated financial statements of Limited include the equivalent disclosures, the company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- The disclosures required by IFRS 7 Financial Instrument Disclosures.



## View Logistics Limited

### Notes to the Financial Statements for the period from 31 March 2019 to 28 March 2020 (continued)

#### 2 Accounting policies (continued)

##### Going concern

At the time of approving the financial statements the directors are in receipt of a letter of support from their ultimate parent company, as such the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the 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 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.

##### 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 31 March 2019 to 28 March 2020 (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.

##### 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.

##### 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

##### 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 31 March 2019 to 28 March 2020 (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 31 March 2019 to 28 March 2020 (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**

Lease accounting under IFRS16 (applicable after 31 March 2019)

The Company recognises right-of-use assets at cost and lease liabilities at the lease commencement date based on the present value of future lease payments. The right of use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis in line with Group's accounting policy for property, plant and equipment. The lease liabilities are recognised at amortised cost using the effective interest rate method. The discount rates used reflect the incremental borrowing rate specific to the lease.

Lease accounting under IAS17 (applicable before 31 March 2019)

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

##### **Impairment of financial assets**

A loss allowance is recognised on initial recognition of financial assets held at amortised cost, based on expected credit losses, and is remeasured annually with changes appearing in the profit and loss account. Where there has been a significant increase in credit risk of the financial instrument since initial recognition, the loss allowance is measured based on lifetime expected losses. In all other cases the loss allowance is measured based on 12-month expected losses. For assets with a maturity of 12 months or less, including trade receivables, the 12-month expected loss allowance is equal to the lifetime expected loss allowance.

## View Logistics Limited

### Notes to the Financial Statements for the period from 31 March 2019 to 28 March 2020 (continued)

#### 2 Accounting policies (continued)

##### 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.

##### 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.

## View Logistics Limited

### Notes to the Financial Statements for the period from 31 March 2019 to 28 March 2020 (continued)

#### 2 Accounting policies (continued)

##### 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.

##### **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, with the exception of the adoption of IFRS 16 'Leases' - this impact is discussed further below:

##### **IFRS16 'LEASES'**

The Company adopted IFRS16 on 31 March 2019, applying the Standard's modified retrospective approach and therefore the prior year comparative figures in these financial statements have not been restated as a consequence of adopting IFRS 16 for the first time this period. The Company has also applied the practical expedient in IFRS16 to not reassess whether a contract is, or contains, a lease at the date of initial application.

The Company's results have been impacted by the adoption of IFRS 16, which introduces a single, on-balance sheet lease accounting model for lessees. Previously, the Company recognised operating lease expenses on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised. A lessee now recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

At the start of the current accounting period, on 31 March 2019, the Company recognised an initial right-of-use asset of £2.38m and liability of £2.38m. The lease liability on transition has been calculated based on the net present value of the future expected capital payments under the company's lease obligations discounted at the group's incremental borrowing rate as at 31 March 2019. The right of use asset has been calculated based on the lease liability adjusted for prepaid and accrued lease payments as at 31 March 2019. The weighted average lessee's incremental borrowing rate applied to lease liabilities recognised in the statement of financial position at the date of initial application is 3.8%.

As a result of adopting IFRS 16, PBT for the period was adversely impacted by £27.3k. Charges relating to operating leases (£396k), which previously were recognised on a straight-line basis have been replaced with a depreciation charge (£355k) to the right-of-use asset, plus an interest expense (£2.6m) representing the unwinding of discount on the lease liability. The interest follows a logarithmic profile resulting in a higher initial charge, and reduces over the period of the lease. This change in treatment has no impact on the cash flows of the business.

## View Logistics Limited

### Notes to the Financial Statements for the period from 31 March 2019 to 28 March 2020 (continued)

#### 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:

	2020 £	2019 £
Sale of goods	48,572,866	49,982,958
Rendering of services	731,628	610,595
	<u>49,304,494</u>	<u>50,593,553</u>

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

	2020 £	2019 £
UK	48,003,826	48,891,344
Overseas	1,300,668	1,702,209
	<u>49,304,494</u>	<u>50,593,553</u>

## View Logistics Limited

### Notes to the Financial Statements for the period from 31 March 2019 to 28 March 2020 (continued)

#### 5 Other operating income

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

	2020	2019
	£	£
Other revenue	<u>13,670</u>	<u>51,924</u>

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

#### 6 Operating profit

Arrived at after charging/(crediting)

	2020	2019
	£	£
Depreciation expense	2,439,429	1,899,207
Foreign exchange gains	70,685	19,993
(Profit)/loss on disposal of property, plant and equipment	<u>(1,122)</u>	<u>13,778</u>

#### 7 Interest payable and similar expenses

	2020	2019
	£	£
Interest on bank overdrafts and borrowings	9,180	7,919
Interest on right-of-use leases	<u>100,226</u>	<u>37,466</u>
	<u>109,406</u>	<u>45,385</u>



## View Logistics Limited

### Notes to the Financial Statements for the period from 31 March 2019 to 28 March 2020 (continued)

#### 8 Staff costs

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

	2020	2019
	£	£
Wages and salaries	4,449,962	4,381,200
Social security costs	461,867	463,858
Pension costs, defined contribution scheme	146,989	103,950
	<u>5,058,818</u>	<u>4,949,008</u>

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

	2020	2019
	No.	No.
Production	4	4
Sales and marketing	41	42
Distribution	97	95
Administration	13	13
	<u>155</u>	<u>154</u>

#### 9 Directors' remuneration

The directors' remuneration for the period was as follows:

	2020	2019
	£	£
Remuneration	664,838	643,057
Contributions paid to money purchase schemes	49,763	6,611
	<u>714,601</u>	<u>649,668</u>

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

	2020	2019
	No.	No.
Accruing benefits under money purchase pension scheme	<u>4</u>	<u>5</u>

## View Logistics Limited

### Notes to the Financial Statements for the period from 31 March 2019 to 28 March 2020 (continued)

#### 9 Directors' remuneration (continued)

In respect of the highest paid director:

	2020	2019
	£	£
Remuneration	201,590	172,353
Company contributions to money purchase pension schemes	109	804
	<u>201,699</u>	<u>173,157</u>

#### 10 Auditor's remuneration

	2020	2019
	£	£
Audit of the financial statements	<u>21,000</u>	<u>17,916</u>
<b>Other fees to auditors</b>		
Taxation compliance services	<u>5,000</u>	<u>3,684</u>

## View Logistics Limited

### Notes to the Financial Statements for the period from 31 March 2019 to 28 March 2020 (continued)

#### 11 Tax expense

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

	2020 £	2019 £
<b>Current taxation</b>		
UK corporation tax	-	142,189
UK corporation tax adjustment to prior periods	103,186	(136,331)
	<u>103,186</u>	<u>5,858</u>
<b>Deferred taxation</b>		
Arising from origination and reversal of temporary differences	(721,596)	(57,081)
Tax credit in the profit and loss account	<u>(618,410)</u>	<u>(51,223)</u>

The tax on profit before tax for the period is lower than (2019 - lower than) the standard rate of corporation tax in the UK of 19% (2019 - 19%).

The differences are reconciled below:

	2020 £	2019 £
(Loss)/profit before tax	<u>(2,358,913)</u>	<u>359,121</u>
Corporation tax at standard rate	(448,193)	68,233
Increase/(decrease) in current tax from adjustment for prior periods	103,186	(136,331)
Increase from effect of capital allowances depreciation	11,106	-
(Decrease)/increase from effect of different UK tax rates on some earnings	(6,743)	10,943
Increase from effect of expenses not deductible in determining taxable profit	4,516	5,932
Decrease from effect of adoption of IFRS16	(267,420)	-
Other tax effects for reconciliation between accounting profit and tax income	<u>(14,862)</u>	<u>-</u>
Total tax credit	<u>(618,410)</u>	<u>(51,223)</u>

## View Logistics Limited

### Notes to the Financial Statements for the period from 31 March 2019 to 28 March 2020 (continued)

#### 11 Tax expense (continued)

##### Deferred tax

Deferred tax movement during the period:

	At 31 March 2019 £	Recognised in income £	At 28 March 2020 £
Accelerated tax depreciation	38,674	240,163	278,837
Other items	3,779	(2,062)	1,717
Tax losses carry-forwards	-	483,495	483,495
Net tax assets/(liabilities)	<u>42,453</u>	<u>721,596</u>	<u>764,049</u>

Deferred tax movement during the prior 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
Tax losses carry-forwards	-	-	-
Net tax assets/(liabilities)	<u>(14,628)</u>	<u>57,081</u>	<u>42,453</u>

#### 12 Right of use assets

	Plant and machinery £	Leasehold property £	Total £
<b>Cost or valuation</b>			
At 31 March 2019	167,455	1,973,308	2,140,763
Transfers	<u>1,894,753</u>	<u>-</u>	<u>1,894,753</u>
At 28 March 2020	<u>2,062,208</u>	<u>1,973,308</u>	<u>4,035,516</u>
<b>Depreciation</b>			
Charge for the period	356,095	338,841	694,936
Transfers	<u>487,280</u>	<u>-</u>	<u>487,280</u>
At 28 March 2020	<u>843,375</u>	<u>338,841</u>	<u>1,182,216</u>
<b>Carrying amount</b>			
At 28 March 2020	<u>1,218,833</u>	<u>1,634,467</u>	<u>2,853,300</u>

## View Logistics Limited

### Notes to the Financial Statements for the period from 31 March 2019 to 28 March 2020 (continued)

#### 13 Tangible assets

	Land and buildings £	Fixtures and fittings £	Motor vehicles £	Plant and machinery £	Total £
<b>Cost</b>					
At 31 March 2019	200,618	3,412,780	1,932,783	3,391,901	8,938,082
Additions	3,185	1,396,125	143,341	74,861	1,617,512
Disposals	-	(1,680,364)	(185,534)	(36,001)	(1,901,899)
Transfers	-	-	(1,000,421)	(894,332)	(1,894,753)
At 28 March 2020	203,803	3,128,541	890,169	2,536,429	6,758,942
<b>Depreciation</b>					
At 31 March 2019	34,773	1,823,231	1,114,008	1,580,253	4,552,265
Charge for the period	19,300	1,439,640	108,804	176,749	1,744,493
Eliminated on disposal	-	(1,680,364)	(129,372)	(36,001)	(1,845,737)
Transfers	-	-	(354,764)	(132,516)	(487,280)
At 28 March 2020	54,073	1,582,507	738,676	1,588,485	3,963,741
<b>Carrying amount</b>					
At 28 March 2020	149,730	1,546,034	151,493	947,944	2,795,201
At 30 March 2019	165,845	1,589,549	818,775	1,811,648	4,385,817

#### 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:

	2020 £	2019 £
Plant and machinery	529,141	761,816
Motor Vehicles	491,527	683,900
	<u>1,020,668</u>	<u>1,445,716</u>

## View Logistics Limited

### Notes to the Financial Statements for the period from 31 March 2019 to 28 March 2020 (continued)

#### 14 Stock

	2020 £	2019 £
Raw materials and consumables	<u>11,459,308</u>	<u>10,161,723</u>

The cost of stock recognised as an expense in the period amounted to £35,983,677 (2019 - £37,298,344). This is included within cost of sales.

#### 15 Trade and other debtors

	2020 £	2019 £
Trade debtors	5,036,958	5,565,807
Debtors from related parties	1,656,546	3,241,633
Corporation tax asset	-	103,186
Prepayments	577,051	423,886
Other debtors	764,399	42,552
	<u>8,034,954</u>	<u>9,377,064</u>

#### 16 Creditors: amounts falling due within one year

	2020 £	2019 £
Bank borrowings	663,687	-
Obligations under right-of-use leases	777,558	503,197
Trade creditors	5,961,621	7,468,275
Accruals and deferred income	990,426	760,326
Amounts owed to group undertakings	14,128,187	13,957,900
Social security and other taxes	752,241	1,076,873
Other creditors	339,156	183,018
	<u>23,612,876</u>	<u>23,949,589</u>

Bank borrowings are secured by an unlimited multilateral guarantee.

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

## View Logistics Limited

### Notes to the Financial Statements for the period from 31 March 2019 to 28 March 2020 (continued)

#### 17 Creditors: amounts falling due after more than one year

	2020 £	2019 £
Obligations under right-of-use leases	<u>1,537,877</u>	<u>413,185</u>

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

#### 18 Share capital

##### Allotted, called up and fully paid shares

	No.	2020 £	No.	2019 £
"A" Shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

#### 19 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.

#### 20 Obligations under right-of-use leases

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

	Minimum lease payments £	Present value £
<b>2020</b>		
Within one year	421,397	421,397
In two to five years	<u>112,597</u>	<u>112,597</u>
	<u>533,994</u>	<u>533,994</u>

## View Logistics Limited

### Notes to the Financial Statements for the period from 31 March 2019 to 28 March 2020 (continued)

#### 20 Obligations under right-of-use leases (continued)

	Minimum lease payments £	Present value £
<b>2019</b>		
Within one year	536,889	536,889
In two to five years	437,429	437,429
	<u>974,318</u>	<u>974,318</u>

Included in the minimum lease payments of £553,994 (2019: £974,318) is future finance charges of £29,779 (2019: £53,937).

#### 21 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 £111,642 (2019 - £103,950).

#### 22 Commitments

##### Pension commitments

Pension commitments provided for in the accounts amounted to £9,037 (2019 - £11,494).

#### 23 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.

#### 24 Related party transactions

##### Key management personnel

During the year the company paid rent to SBS Partnership of £402,001 (2019: £419,118). At the year end the company owed £722 (2019: £69,111) to SBS Partnership. Mr S M M Byrne, a director of this company, is also a partner in SBS Partnership.



## **View Logistics Limited**

### **Notes to the Financial Statements for the period from 31 March 2019 to 28 March 2020 (continued)**

#### **25 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.