

VME Retail Systems Limited

Registered number: NI021908

Annual report

For the year ended 31 December 2020

VME RETAIL SYSTEMS LIMITED

COMPANY INFORMATION

Directors	Mr Richard Coyle Mr Stephen Gill
Company secretary	Mr Richard Coyle
Registered number	NI021908
Registered office	11 Carnbeg Avenue Antrim BT41 4RA
Independent auditor	Mazars LLP Chartered Accountants & Statutory Auditor Apex 2 97 Haymarket Terrace Edinburgh EH12 5HD
Bankers	The Royal Bank of Scotland Plc 42 St Andrew Square Edinburgh EH2 2YE
Solicitors	Anderson Strathern 1 Rutland Court Edinburgh EH3 8EY

VME RETAIL SYSTEMS LIMITED

CONTENTS

	Page
Directors' Report	1 - 2
Independent Auditor's Report	3 - 6
Statement of Comprehensive Income	7
Statement of Financial Position	8 - 9
Statement of Changes in Equity	10
Notes to the Financial Statements	11 - 22

VME RETAIL SYSTEMS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The Directors present their report and the financial statements for the year ended 31 December 2020.

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Principal activity

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

Directors

The Directors who served during the year were:

Mr Richard Coyle
Mr Stephen Gill

Qualifying third party indemnity provisions

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

Branches outside the United Kingdom

The company operates a branch in Malta.

VME RETAIL SYSTEMS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Disclosure of information to auditor

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

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Impact of Covid-19 and Brexit

Covid-19

The Covid-19 pandemic was declared as a global pandemic in March 2020, however as the company's products and services are used in retail services, which is a key industry, the company continued to see growth in sales in 2020.

Brexit

To date, the UK's withdrawal from the EU under the terms of the UK-EU Withdrawal Agreement, and the subsequent ending of the UK/EU transition period on 31 December 2020 as laid out in the UK-EU Withdrawal Agreement (and as subsequently amended by the European Union (Withdrawal Agreement) Act 2020), Brexit has had no material operational impact on the company, by virtue of its Maltese registered branch.

Given the on-going UK/EU negotiations, and the resulting uncertainty surrounding Brexit, the directors continue to monitor the situation and to assess any potential adverse impact on its intergroup activities as between its UK operations and its Maltese branch. On the basis of the information currently available to the directors, and subject to the outcome of the continued Brexit negotiations, the directors do not believe that Brexit will have any material impact by virtue of the Maltese branch.

Auditors

The auditors, Mazars LLP, who were appointed during the year, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

This report was prepared in accordance with the small companies regime of the Companies Act 2006.

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



Mr Richard Coyle
Director

Date: Sep 9, 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VME RETAIL SYSTEMS LIMITED

Opinion

We have audited the financial statements of VME Retail Systems Limited (the 'Company') for the year ended 31 December 2020 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the 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 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (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 31 December 2020 and of its profit for the year 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

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report. 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.

VME RETAIL SYSTEMS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VME RETAIL SYSTEMS LIMITED

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 course of 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.

Opinions on other matters 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In 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 Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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.
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VME RETAIL SYSTEMS LIMITED

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 1, 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 either the Directors 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the Company and its industry, we identified that the principal risks of non-compliance with laws and regulations related to the UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering, non-compliance with implementation of government support schemes relating to COVID-19, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006.

We evaluated the Directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- discussing with the Directors and management their policies and procedures regarding compliance with laws and regulations;
- communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- considering the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud.

VME RETAIL SYSTEMS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VME RETAIL SYSTEMS LIMITED

Our audit procedures in relation to fraud included but were not limited to:

- making enquiries of the Directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- gaining an understanding of the internal controls established to mitigate risks related to fraud;
- discussing amongst the engagement team the risks of fraud; and
- addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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.

Use of the audit 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.

Fiona Martin

Fiona Martin (Sep 10, 2021 14:58 GMT+1)

Fiona Martin (Senior statutory auditor)

For and on behalf of

Mazars LLP
Chartered Accountants and Statutory Auditor
Apex 2
97 Haymarket Terrace
Edinburgh
EH12 5HD

Date: Sep 10, 2021

VME RETAIL SYSTEMS LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 £	2019 £
Turnover		5,003,759	3,389,918
Cost of sales		(1,993,583)	(1,072,209)
Gross profit		<u>3,010,176</u>	<u>2,317,709</u>
Administrative expenses		(1,967,073)	(1,902,847)
Other operating income	4	10,000	-
Operating profit		<u>1,053,103</u>	<u>414,862</u>
Interest receivable and similar income		2,346	-
Interest payable and expenses		(8,478)	(3,438)
Profit before tax		<u>1,046,971</u>	<u>411,424</u>
Tax on profit	6	(3,993)	84,073
Profit for the financial year		<u><u>1,042,978</u></u>	<u><u>495,497</u></u>

There was no other comprehensive income for 2020 (2019: £NIL).

The notes on pages 11 to 22 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	8	461,007	505,418
Investments	9	4,000	4,000
		<u>465,007</u>	<u>509,418</u>
Current assets			
Debtors: amounts falling due within one year	10	452,987	3,784,327
Cash and cash equivalents	11	1,630,084	918,007
		<u>2,083,071</u>	<u>4,702,334</u>
Creditors: amounts falling due within one year	12	(948,021)	(491,471)
		<u>1,135,050</u>	<u>4,210,863</u>
Net current assets			
		<u>1,600,057</u>	<u>4,720,281</u>
Total assets less current liabilities			
Creditors: amounts falling due after more than one year	13	(86,315)	(120,894)
Provisions for liabilities			
Deferred tax	15	(23,572)	(36,945)
		<u>(23,572)</u>	<u>(36,945)</u>
Net assets			
		<u>1,490,170</u>	<u>4,562,442</u>
Capital and reserves			
Called up share capital	16	20,000	20,000
Revaluation reserve	17	246,463	257,948
Profit and loss account	17	1,223,707	4,284,494
		<u>1,490,170</u>	<u>4,562,442</u>

VME RETAIL SYSTEMS LIMITED
REGISTERED NUMBER: NI021908

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2020

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the Board and were signed on its behalf by:



Mr Richard Coyle
Director
Date: Sep 9, 2021

The notes on pages 11 to 22 form part of these financial statements.

VME RETAIL SYSTEMS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital £	Revaluation reserve £	Profit and loss account £	Total equity £
At 1 January 2019	20,000	257,948	3,788,997	4,066,945
Comprehensive income for the year				
Profit for the year	-	-	495,497	495,497
At 1 January 2020	20,000	257,948	4,284,494	4,562,442
Profit for the year	-	-	1,042,978	1,042,978
Surplus on revaluation of heritable property	-	-	11,485	11,485
Dividends: Equity capital	-	-	(4,115,250)	(4,115,250)
Transfer to profit and loss account	-	(11,485)	-	(11,485)
At 31 December 2020	20,000	246,463	1,223,707	1,490,170

The notes on pages 11 to 22 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. General information

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

VME Retail Systems Limited is a private company limited by shares and is incorporated, registered and domiciled in Northern Ireland, within the United Kingdom. The address of its registered office is 11 Carnbeg Avenue, Antrim, Northern Ireland, BT41 4RA.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

During 2020, the company increased profit after tax from £495,497 to £1,042,978. The company has remained unaffected by the Covid-19 pandemic, due to the customer base of the company operating within the retail sector. The company also maintains a strong cash position, and closely manages cost so therefore the directors believe that it is appropriate for the financial statements to be prepared on a going concern basis.

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

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

2.4 Allocation of costs

The directors have reviewed the allocation of costs and made adjustments to the figures to improve the presentation of the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.5 Revenue

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

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

2.6 Operating leases: the Company as lessee

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.7 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

2.8 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method. Interest income is recognised in profit or loss using the effective interest method.

2.9 Finance costs

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.10 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.11 Current and deferred taxation

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

2.12 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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

Depreciation is provided on the following basis:

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

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.13 Valuation of investments

Fixed asset investments are stated at their purchase cost less any provision for impairment. Investment income is included in the Statement of Comprehensive Income on an accruals basis.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.14 Debtors

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

2.15 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.16 Creditors

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

2.17 Provisions for liabilities

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

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

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.18 Financial instruments

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

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.18 Financial instruments (continued)

impairment loss is recognised in the Statement of Comprehensive Income.

2.19 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

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

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. There are not considered to be any judgements and estimates that could have a significant effect on amounts recognised in the financial statements.

4. Other operating income

	2020 £	2019 £
Government grants receivable	10,000	-

5. Employees

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

	2020 No.	2019 No.
Selling and distribution	3	3
Administrative	33	30
	<u>36</u>	<u>33</u>

VME RETAIL SYSTEMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

6. Taxation

	2020	2019
	£	£
Corporation tax		
Current tax on profits for the year	25,059	(105,538)
Adjustments in respect of previous periods	(7,693)	(139)
Deferred tax		
Current year (credit)/charge	(13,373)	21,604
Taxation on profit on ordinary activities	<u>3,993</u>	<u>(84,073)</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2019 - lower than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020	2019
	£	£
Profit on ordinary activities before tax	<u>1,046,971</u>	<u>411,424</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	198,921	78,171
Effects of:		
Expenses not deductible for tax purposes	1,811	148,805
Fixed asset differences	887	-
Income not taxable	-	(341,121)
Adjustments in respect of prior periods	(7,693)	(139)
Tax rate changes	3,251	(2,542)
Additional deduction for R&D expenditure	(183,873)	32,753
Reversal of overprovision of deferred tax	(9,311)	-
Total tax charge/(credit) for the year	<u>3,993</u>	<u>(84,073)</u>

Factors that may affect future tax charges

Subsequent to the balance sheet date, it was announced in the Budget on 3 March 2021 the rate of corporation tax would be increased to 25% with effect from 1 April 2023. This may impact future tax charges.

VME RETAIL SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

7. Dividends

	2020 £	2019 £
Dividends	1,050,000	-
Dividends in specie	3,065,250	-
	<u>4,115,250</u>	<u>-</u>

VME RETAIL SYSTEMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

8. Tangible fixed assets

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
Cost					
At 1 January 2020	350,000	202,360	118,844	91,682	762,886
Additions	-	72,011	-	-	72,011
Disposals	-	(106,760)	-	-	(106,760)
At 31 December 2020	<u>350,000</u>	<u>167,611</u>	<u>118,844</u>	<u>91,682</u>	<u>728,137</u>
Depreciation					
At 1 January 2020	28,014	28,217	113,899	87,338	257,468
Charge for the year on owned assets	4,669	25,407	742	1,086	31,904
Disposals	-	(22,242)	-	-	(22,242)
At 31 December 2020	<u>32,683</u>	<u>31,382</u>	<u>114,641</u>	<u>88,424</u>	<u>267,130</u>
Net book value					
At 31 December 2020	<u><u>317,317</u></u>	<u><u>136,229</u></u>	<u><u>4,203</u></u>	<u><u>3,258</u></u>	<u><u>461,007</u></u>
At 31 December 2019	<u><u>321,986</u></u>	<u><u>174,143</u></u>	<u><u>4,945</u></u>	<u><u>4,344</u></u>	<u><u>505,418</u></u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2020 £	2019 £
Motor vehicles	<u><u>136,229</u></u>	<u><u>174,143</u></u>

VME RETAIL SYSTEMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

9. Fixed asset investments

	Unlisted investments £
Cost	
At 1 January 2020	4,000
At 31 December 2020	<u>4,000</u>

10. Debtors

	2020 £	2019 £
Trade debtors	343,085	476,368
Amounts owed by group undertakings (note 18)	-	3,065,250
Corporation tax repayable	88,499	175,410
Prepayments and accrued income	21,403	22,461
Other debtors	-	44,838
	<u>452,987</u>	<u>3,784,327</u>

11. Cash and cash equivalents

	2020 £	2019 £
Cash and cash equivalents	<u>1,630,084</u>	<u>918,007</u>

VME RETAIL SYSTEMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

12. Creditors: Amounts falling due within one year

	2020	2019
	£	£
Trade creditors	46,180	166,104
Other taxation and social security	389,941	152,744
Hire purchase agreements (note 14)	29,368	22,673
Other creditors	3,359	4,802
Accruals and deferred income	479,173	145,148
	<u>948,021</u>	<u>491,471</u>

13. Creditors: Amounts falling due after more than one year

	2020	2019
	£	£
Hire purchase agreements (note 14)	<u>86,315</u>	<u>120,894</u>

14. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2020	2019
	£	£
Within one year	29,368	22,673
Between 1-5 years	86,315	120,894
	<u>115,683</u>	<u>143,567</u>

Amounts due to hire purchase creditors are secured on the assets to which they relate.

VME RETAIL SYSTEMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

15. Deferred taxation

	2020	2019
	£	£
At beginning of year	(36,945)	(15,341)
Credited/(charged) to the statement of comprehensive income	13,373	(21,604)
At end of year	<u>(23,572)</u>	<u>(36,945)</u>

The provision for deferred taxation is made up as follows:

	2020	2019
	£	£
Accelerated capital allowances	<u>(23,572)</u>	<u>(36,945)</u>

16. Share capital

	2020	2019
	£	£
Allotted, called up and fully paid		
80,000 (2019 - 80,000) Ordinary shares shares of £0.25 each	<u>20,000</u>	<u>20,000</u>

17. Reserves**Revaluation reserve**

This reserve includes the impact of a prior revaluation of £257,948 relating to the company's heritable property which is now being carried at deemed cost.

Profit and loss account

This reserve includes all current and prior periods retained profits and losses.

18. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £17,392 (2019 - £13,816).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

19. Commitments under operating leases

At 31 December 2020 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2020	2019
	£	£
Land and buildings		
Not later than 1 year	60,959	60,959
Between 1-5 years	193,128	187,799
Later than 5 years	223,168	289,455
	<u>477,255</u>	<u>538,213</u>

20. Related party transactions

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

21. Ultimate parent undertaking and controlling party

The immediate parent undertaking is VME Coop Limited whose registered address is Crook of Devon House, Main Street, Crook of Devon, Perth and Kinross, KY13 0UQ.

The ultimate parent undertaking is VME Trustees Limited whose registered address is Crook of Devon House, Main Street, Crook of Devon, Perth and Kinross, KY13 0UQ.

VME Trustees Limited have taken advantage of exemptions available to small groups not to prepare consolidated financial statements.

In the opinion of the directors, there is no ultimate controlling party.