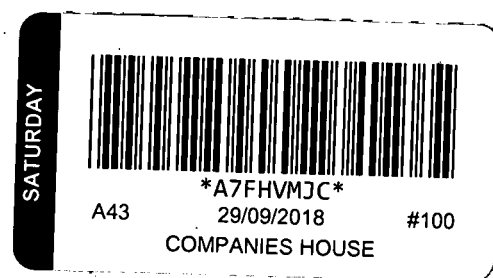


Company Registration Number 09509123

**CUSTOMER FOCUS INTERACTIVE IMAGING LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**



# **CUSTOMER FOCUS INTERACTIVE IMAGING LIMITED**

Company Registration Number 09509123

## **COMPANY INFORMATION**

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### **Directors**

M Varley  
S Parker  
G Couturier

### **Company Secretary**

G Couturier

### **Company number**

09500123

### **Registered office**

Unit 4 Rhodes Business Park  
Silburn Way  
Middleton  
Manchester  
M24 4NE

# **CUSTOMER FOCUS INTERACTIVE IMAGING LIMITED**

Company Registration Number 09509123

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# **CUSTOMER FOCUS INTERACTIVE IMAGING LIMITED**

Company Registration Number 09509123

## **DIRECTORS' REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

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The directors present their report and financial statements for the year ended 31 December 2017.

### **Principal activity**

On 2 June 2017 the Company completed the acquisition of the trade and certain assets of Adproducts.com Limited, a small UK based trade supplier of promotional products ("the Acquisition"). R Sowerby, a director of the Company until 30 April 2017, was a director of Adproducts.com Limited. These assets were acquired to help facilitate the launch and development of the Channl ecommerce platform to distributors in the UK by providing a core and controllable UK supply base.

The conditional asset purchase agreement provided for an initial cash consideration of £0.7 million, funding of which was provided by the parent company, Altitude Group plc.

The company was dormant prior the acquisition of certain assets and business undertaking of Adproducts.com Limited, following which the principal activity of the company became the provision of wholesale printed promotional merchandise through traditional and ecommerce channels.

### **Directors of the company**

The following directors held office from 1 January 2017 to the date of this report unless otherwise stated:

M Varley

S Parker

RA Sowerby (resigned 30 April 2017)

G Couturier (appointed 1 June 2018)

### **Directors' interests**

The company is a wholly owned subsidiary undertaking of Altitude Group plc. The interests of the directors in the share capital of Altitude Group plc are set out in the report and accounts of that company.

### **Results and dividends**

The profit for the year, after taxation, amounted to £268,000 (2016: £nil).

The directors have recommended a dividend of £nil (2016: £nil).

### **Future developments**

The company continues to develop and invest in the innovative printing and supply of promotional products primarily to UK distributors

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

All directors benefited from qualifying indemnity insurance policies in place during the financial year.

### **Disclosure of information to the auditor**

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

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that 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.

**CUSTOMER FOCUS INTERACTIVE IMAGING LIMITED**

Company Registration Number 09509123

**DIRECTORS' REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

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**Auditor**

Grant Thornton UK LLP, have been appointed as the Company's auditor and having expressed their willingness to continue in office will be deemed reappointed for the next financial year in accordance with section 487 (2) of the Companies Act 2006.

In preparing this report, the director have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

Approved by the Board on 28 September 2018 and signed on its behalf by:



G Couturier  
Director

Unit 4 Rhodes Business Park  
Silburn Way  
Middleton  
Manchester  
M24 4NE

# **CUSTOMER FOCUS NTERACTIVE IMAGING LIMITED**

Company Registration Number 09509123

## **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017**

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and 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.

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CUSTOMER FOCUS INTERACTIVE IMAGING LIMITED**

## **Opinion**

We have audited the financial statements of Customer Focus Interactive Imaging Limited (the 'company') for the year ended 31 December 2017 which comprise the statement of comprehensive income, the balance sheet, 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 Financial Reporting Standard 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 31 December 2017 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.

## **Who we are reporting to**

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.

## **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.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CUSTOMER FOCUS INTERACTIVE IMAGING LIMITED (continued)**

### **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.

### **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.

### **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 directors' report.

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

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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CUSTOMER FOCUS INTERACTIVE IMAGING LIMITED (continued)**

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

As explained more fully in the directors' responsibilities statement set out on page 3, 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.

### **Other matter**

The company was not required to have a statutory audit for the year ended 31 December 2016 as it was entitled to exemption from the provisions of the Companies Act 2006 relating to the audit of the financial statements for the year by virtue of Section 477 and no member or members had requested an audit pursuant to Section 476 of the Act. Accordingly the corresponding figures for the year ended 31 December 2016 are unaudited.



Mark Overfield BSc FCA  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Leeds  
Date: 28 September 2018

**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

	Notes	2017	2016
		£'000	£'000
<b>Turnover</b>	4	<b>2,137</b>	-
Cost of sales		<b>(1,040)</b>	-
<b>Gross profit</b>		<b>1,097</b>	-
Administrative expenses		<b>(765)</b>	-
<b>Operating profit</b>	6	<b>332</b>	-
Interest payable and similar charges		-	-
<b>Profit on ordinary activities before taxation</b>		<b>332</b>	-
Tax on profit on ordinary activities	8	<b>(64)</b>	-
<b>Profit for the financial year</b>		<b>268</b>	-
<b>Other comprehensive income</b>		-	-
<b>Total comprehensive income for the period</b>		<b>268</b>	-

Turnover and operating loss are derived wholly from continuing operations.

**CUSTOMER FOCUS INTERACTIVE IMAGING LIMITED**

Company Registration Number 09509123

**BALANCE SHEET  
AS AT 31 DECEMBER 2017**

	Notes	2017 £'000	2016 £'000
<b>Fixed assets</b>			
Intangible fixed assets	9	32	-
Tangible assets	10	71	-
		<u>103</u>	<u>-</u>
<b>Current assets</b>			
Inventory	11	1,518	-
Debtors	12	544	-
Cash at bank and in hand		537	-
		<u>2,599</u>	<u>-</u>
<b>Creditors: amounts falling due within one year</b>	13	(2,434)	-
<b>Net current assets</b>		<u>165</u>	<u>-</u>
<b>Net assets</b>		<u>268</u>	<u>-</u>
<b>Capital and reserves</b>			
Called up share capital	14	-	-
Profit and loss account	15	268	-
<b>Shareholders' funds</b>		<u>268</u>	<u>-</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Approved and authorised for issue by the Board on 28 September 2018 and signed on its behalf by:



G Couturier  
Director

**CUSTOMER FOCUS INTERACTIVE IMAGING LIMITED**

Company Registration Number 09509123

**STATEMENT OF CHANGES IN EQUITY  
AS AT 31 DECEMBER 2017**

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	Called up share capital £'000	Profit and loss account £'000	Total £'000
<b>At 1 January 2016</b>	-	-	-
Profit for the year	-	-	-
<b>At 31 December 2016</b>	-	-	-
Profit for the year	-	268	268
<b>At 31 December 2017</b>	-	<b>268</b>	<b>268</b>

# **CUSTOMER FOCUS INTERACTIVE IMAGING LIMITED**

Company Registration Number 09509123

## **NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2017**

---

### **1 Company information**

Customer Focus Interactive Imaging Limited is a private company limited by shares and is incorporated in England. The registered address of the entity is Unit 4 Rhodes Business Park, Silburn Way, Middleton, Manchester, M24 4NE.

### **2 Accounting policies**

#### **Basis of preparation**

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The financial statements are presented in sterling (£).

The following principal accounting policies have been applied:

The company has taken advantage of the following disclosure exemptions under FRS 101 and not included:

- the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- a statement of cash flows and related notes;
- presentation of comparative reconciliations from tangible assets and intangible assets;
- disclosure of key management personnel compensation;
- capital management disclosures;
- the effect of future accounting standards not adopted; and
- disclosure in respect of financial instruments.

#### **Going Concern**

The financial statements have been prepared on a going concern basis. The company's business activities, together with the factors likely to affect its future development are set out in the Director's Report.

The Financial Reporting Council issued guidance on "Guidance on the Going Concern Basis of Accounting and Reporting on Solvency and Liquidity Risks" in 2016. The Directors have considered this when preparing these financial statements.

The current economic conditions create uncertainty particularly over the level of demand for the company's products and services and over the availability of finance which the directors are mindful of.

The financial statements have been prepared on a going concern basis. The directors have taken steps to ensure that they believe the going concern basis of preparation remains appropriate. The key conditions are summarized on the following page.

## **CUSTOMER FOCUS INTERACTIVE IMAGING LIMITED**

Company Registration Number 09509123

### **NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2017**

---

#### **2 Accounting policies (continued)**

- The Directors have prepared sensitised cash flow forecasts extending to December 2019. These show that the Company has sufficient funds available to meet its trading requirements.
- The Company does not have external borrowings or any covenants based on financial performance.
- The company continues to develop the product offerings in order to meet the demands of the market and customers.
- The markets in which the business operates are not considered to be at significant risk due to the ongoing global economic recession.
- There are not believed to be any contingent liabilities which could result in a significant impact on the business if they were to crystallise.
- The directors have also obtained assurances of continued support from the parent company.

Following this assessment, the Directors have a reasonable expectation that the Company has adequate resources to continue for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing these financial statements.

#### **Turnover**

Turnover represents amounts receivable for services net of VAT and trade discounts.

Revenue in respect of software product licences and associated maintenance and support services are recognised evenly over the period to which they relate.

#### **Goodwill**

Goodwill represents the excess of the cost of an acquisition over the fair value of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses.

#### **Intangible fixed assets**

An intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, the Group can demonstrate at the time of expenditure all of the following:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- its intention to complete the intangible asset and use or sell it;
- its ability to use or sell the intangible asset;

# CUSTOMER FOCUS INTERACTIVE IMAGING LIMITED

Company Registration Number 09509123

## NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2017

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### 2 Accounting policies (continued)

- the way the intangible asset will generate probable future economic benefits. Among other things, the Group can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Internally generated intangible assets are amortised, on a straight line basis, over their useful economic life which is 3 to 5 years. Where no internally generated intangible asset can be recognised, development expenditure is recognised as an expense in the period in which it is incurred.

#### Acquired intangible assets — Business combinations

Intangible assets that are acquired as a result of a business combination and that can be separately measured at fair value on a reliable basis are separately recognised on acquisition at their fair value. Amortisation is charged on a straight-line basis to the Consolidated Statement of Comprehensive Income over their expected useful economic lives as follows:

Intellectual property	Up to 5 years
Customer relationships	3 - 5 years

#### Tangible fixed assets

Property, plant and equipment are held at cost less accumulated depreciation and impairment charges.

#### Depreciation

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value, which is based on up to date prices, of property, plant and equipment over their estimated useful lives as follows:

Asset class	Depreciation method and rate
Office Equipment, Fixtures and fittings	Straight line basis: 3 to 5 years
Plant & Machinery	Straight line basis: 3 to 5 years

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

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**2 Accounting policies (continued)**

**Impairment**

The carrying amount of the Company's non-financial assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in the Statement of Comprehensive Income.

An impairment loss is recognised for the amount by which the carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and the value in use. For the purposes of assessing impairments, assets are grouped at the lowest levels for which there are identifiable cash flows. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the assets for which estimates of future cash flows have not been adjusted.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash- generating units (group of units) and then, to reduce the carrying amount of the other assets of the unit (group of units) on a pro-rated basis.

**Inventory**

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution

**Exceptional items**

Exceptional items are material items in the Consolidated Statement of Comprehensive Income which derive from events or transactions which do not fall within the ordinary activities of the Group and which relate to activities that are incurred due to events that are not expected to recur or relate to activities that are outside the normal activities of the business or, if of a similar type, in aggregate the Group has highlighted as needing to be disclosed by virtue of their size or incidence and are relevant to the understanding of the accounts.

**Taxation**

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in profit or loss except to the extent that it relates to items in other comprehensive income in which case it is recognised in other comprehensive income and items recognised directly in equity, in which case it is recognised in equity.

Current tax is the tax currently payable based on taxable profit for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in previous years.

Deferred income taxes are calculated using the balance sheet liability method. Deferred tax is generally provided on the difference between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill, nor on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated



**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**2 Accounting policies (continued)**

with shares in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future

In addition, tax losses available to be carried forward as well as other income tax credits to the Group are assessed for recognition as deferred tax assets.

Deferred tax liabilities are provided in full, with no discounting. Deferred tax assets are recognised to the extent that it is probable that the underlying deductible temporary differences will be able to be offset against future taxable income. Current and deferred tax assets and liabilities are calculated at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the balance sheet date.

Changes in deferred tax assets or liabilities are recognised as a component of tax expense in profit or loss except to the extent that it relates to items in other comprehensive income in which case it is recognised in other comprehensive income and items recognised directly in equity, in which case it is recognised in equity.

**Classification of financial instruments issued by the Group**

The financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Finance payments associated with financial liabilities are dealt with as part of finance expenses. Finance payments associated with financial instruments that are classified in equity are treated as distributions and are recorded directly in equity.

**Financial assets**

Financial assets comprise loans and receivables which are recognised at fair value plus transaction costs on initial recognition, less provision for impairment and subsequently carried at amortised cost.

**Financial liabilities**

Financial liabilities comprise trade payables and other short term monetary liabilities which are recognised at fair value less transaction costs and subsequently carried at amortised cost. Cash

# **CUSTOMER FOCUS INTERACTIVE IMAGING LIMITED**

Company Registration Number 09509123

## **NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2017**

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### **2 Accounting policies (continued)**

and cash equivalents.

#### **Hire purchase and leasing**

Leases where the lessor retains substantially all of the risks and rewards of ownership are classified as operating leases. Rentals payable under operating lease rentals are charged to profit or loss on a straight line basis over the term of the lease.

Leases where the Company retains substantially all of the risks and rewards of ownership are classified as finance leases or hire purchase contracts. Assets held under finance leases or hire purchase contracts are capitalised and depreciated over their useful economic lives. The capital element of the future obligations under finance leases and hire purchase contracts are included as liabilities in the Balance Sheet. The interest elements of the rental obligations are charged to profit or loss over the periods of the finance leases and hire purchase contracts and represent a constant proportion of the balance of capital outstanding.

#### **Financial instruments**

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

#### **Pensions**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. Contributions are recognised in the profit and loss account in the period in which they become payable in accordance with the rules of the scheme.

### **3 Key judgements and estimates**

The Directors consider that the key judgements and sources of estimation made in preparation of the financial statements are:

#### **Valuation of inventory**

The group holds a significant amount of goods held for resale, which are recorded at the lower of cost and net realisable value. The net realisable value is impacted by a number of factors including the condition of the goods and the general economic conditions. The calculation of the

stock provision requires the directors to make judgments and estimates in relation to the realisable value of these promotional products. At the year end the goods for resale had a book value of £1,518,000 (2016: £nil).

#### **Business combinations**

In respect of acquisitions, the group is required to record the acquired assets and liabilities at fair value and assess whether there are any intangible assets that are capitalised separately from goodwill. The identification of these intangible assets, the calculation of the fair value of the assets and liabilities acquired and the useful economic life involve significant management judgement. Further details are set out in note 5 to the financial statements.

## CUSTOMER FOCUS INTERACTIVE IMAGING LIMITED

Company Registration Number 09509123

### NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2017

#### 4 Turnover

All turnover arose within the United Kingdom and relates to the supply of printed promotional products and services, excluding sales related taxes, returns, rebates and discounts.

#### 5 Acquisition of certain assets and business undertaking of AdProducts.com Limited

On 2 June 2017 the Group completed the acquisition of the trade and certain assets of Adproducts.com Limited, a small UK based trade supplier of promotional products ("the Acquisition"). R Sowerby, a director of the Group until 30 April 2017, was a director of Adproducts.com Limited. These assets were acquired to help facilitate the launch and development of the Channl ecommerce trading platform to distributors in the UK by providing a core and controllable UK supply base.

The conditional asset purchase agreement provided for an initial cash consideration of £0.7 million subject to a stock valuation adjustment. The transaction has been accounted for by the acquisition method of accounting.

The impact of the Acquisition on the results for the year ended 31 December 2017 is represented by the Statement of Comprehensive Income on page 7, and by the summary of assets acquired below:

	Book Value of Acquired Assets  £000	Fair Value Adjustments  £000	Fair Value of Acquired Assets  £000
Intangible assets: Customer relationships	-	33	33
Tangible assets: Plant & Machinery	31	29	60
Inventory	728	(41)	687
Accruals	-	(32)	(32)
<b>Total assets acquired at fair value</b>	<b>759</b>	<b>(11)</b>	<b>748</b>
Cash consideration			(748)
<b>Acquired Goodwill</b>			-

The consideration was settled by cash transfer. The fair value adjustments primarily relate to the additional inventory provision following management's review of the acquired inventory and the fair valuation adjustments to fixed assets following management's fair value exercise.

**CUSTOMER FOCUS INTERACTIVE IMAGING LIMITED**

Company Registration Number 09509123

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2017****6 Operating profit**

	<b>2017</b>	2016
	<b>£'000</b>	£'000
Operating profit is stated after charging:		
Operating lease – land and buildings	56	-
Depreciation of tangible fixed assets	11	-
Auditor's remuneration		
- Audit	8	-

Fees paid to the company's auditor, Grant Thornton UK LLP, other than the statutory audit of the company are not disclosed in the company's financial statements since the consolidated accounts of the company's parent, Altitude Group plc, are required to disclose non-audit fees on a consolidated basis.

**7 Particulars of employees**

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

	<b>2017</b>	2016
	<b>Number</b>	Number
Number of employees	26	-

The aggregate payroll costs were as follows:

	<b>2017</b>	2016
	<b>£'000</b>	£'000
Wages and salaries	484	-
Social security costs	38	-
Other pension costs	7	-
	529	-

The directors of the company received emoluments from Altitude Group plc during the year and the previous year and it is not practicable to ascertain the proportion of the directors emoluments that specifically relate to this company. Their remuneration is therefore disclosed in that company's financial statements. Certain directors also received share options and it is also not practicable to ascertain the proportion that relates specifically to this company. Further details are set out in the Altitude Group plc financial statements.

**CUSTOMER FOCUS INTERACTIVE IMAGING LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2017****8 Taxation on profit on ordinary activities**

	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
<b>Current tax</b>		
Corporation tax charge	64	-
	<u>64</u>	<u>-</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	-	-
Total deferred tax	<u>-</u>	<u>-</u>
Total tax charge on profit on ordinary activities	<u>64</u>	<u>-</u>

**a) Factors affecting the tax charge for the year**

The current tax charge for the year is the same as the standard rate of corporation tax in the UK. The differences are explained below.

	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
Profit on ordinary activities before taxation	332	-
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.25% (2016: 20%)	64	-
<b>Current taxation charge</b>	<u>64</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**9 Intangible fixed assets**

	<b>Customer related intangibles £'000</b>	<b>Total £'000</b>
<b>Cost</b>		
At 1 January 2017	-	-
On acquisition (note 5)	32	32
At 31 December 2017	<u>32</u>	<u>32</u>
<b>Amortisation</b>		
At 1 January 2017	-	-
Charge for the year	-	-
At 31 December 2017	<u>-</u>	<u>-</u>
<b>Net book value</b>		
At 31 December 2017	<u>32</u>	<u>32</u>
At 31 December 2016	<u>-</u>	<u>-</u>

The intangible asset has up to five years of its amortisable life remaining.

The carrying amount of intangible assets were determined based on value in use calculations derived from discounted cash flow projections based on budgets and strategic plans covering a three-year period, followed by an extrapolation of expected cash flows at a constant growth rate of 0%. The key assumptions for the value in use calculations are those regarding discount rates, growth rates and expected demand for products. The growth rates reflect the long term growth rates for the product lines of the cash generating units. The discount rate applied was 10% which the Directors deem to be a market adjusted pre-tax weighted average cost of capital.

The calculations are not sensitive to what the Directors would consider to be reasonably foreseeable changes in the underlying assumptions.

**CUSTOMER FOCUS INTERACTIVE IMAGING LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2017****10 Tangible fixed assets**

	Plant and machinery £'000	Computer equipment £'000	Office equipment £'000	Total £'000
<b>Cost or valuation</b>				
At 1 January 2017	-	-	-	-
On acquisition (note 5)	60	-	-	60
Additions	5	16	1	22
At 31 December 2017	65	16	1	82
<b>Depreciation</b>				
At 1 January 2017	-	-	-	-
Charge for the year	10	1	-	11
At 31 December 2017	10	1	-	11
<b>Net book value</b>				
At 31 December 2017	55	15	1	71
At 31 December 2016	-	-	-	-

**11 Inventory**

	2017 £000	2016 £000
Goods in transit	439	-
Raw Materials	20	-
Finished goods	1,059	-
	1,518	-

The cost of inventories recognised as an expense during the year in respect of continuing operations was £1,040,000 (2016: nil).

The cost of inventories recognised as an expense includes £nil (2016: £nil) in respect of write-downs of inventory to net realisable value.

Inventories of £200,000 (2016: £nil) are expected to be recovered after more than 12 months.

**CUSTOMER FOCUS INTERACTIVE IMAGING LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2017****12 Debtors**

	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
Trade debtors	511	-
Prepayments	33	-
	<u>544</u>	<u>-</u>

**13 Creditors: amounts falling due within one year**

	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
Trade creditors	678	-
Amounts owed to group undertakings	1,574	-
Other taxes and social security costs	142	-
Accruals and deferred income	40	-
	<u>2,434</u>	<u>-</u>

**14 Share capital**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>Allotted, called up and fully paid shares</b>		
1 A Ordinary Shares of £1 each	1	1
1 B Ordinary Shares of £1 each	<u>1</u>	<u>1</u>
	<u>2</u>	<u>2</u>

**15 Reserves****Profit & loss account**

Includes all current and prior period retained profits and losses, less dividends.

**16 Pension scheme****Defined contribution pension scheme**

The Company operates a defined contribution pension scheme. The pensions cost charge for the year represents contributions payable by the company to the scheme and amounted to £7,000 (2016: £nil).



# CUSTOMER FOCUS INTERACTIVE IMAGING LIMITED

Company Registration Number 09509123

## NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2017

### 17 Commitments

#### Operating lease commitments

As at 31 December 2017 the company had total commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2017	2016
	£'000	£'000
Lease ending:		
Within two and five years	338	-

Operating lease payments represent rentals payable by the Company for certain office properties. Leases are negotiated for an average of 5 years and rentals are fixed for an average of 1 year.

### 18 Related Party transactions

The company has taken advantage of the exemption from disclosing the transactions with other members of the group.

RA Sowerby is a director of The Inspired Branding Group Limited ("IBG"). IBG group companies buy services from companies in the Altitude group under normal commercial terms.

In the year sales of £178,000 (2016: £nil) were made to companies in the IBG group and debtors at 31 December 2017 include £55,000 (2016 £nil) due from the IBG group of companies.

On 2 June 2017 the Company completed the acquisition of the trade and certain assets of Adproducts.com Limited, a small UK based trade supplier of promotional products ("the Acquisition"). R Sowerby, a director of the Company and Group until 30 April 2017, was a director of Adproducts.com Limited. These assets were acquired to help facilitate the launch and development of the Channl ecommerce platform to distributors in the UK by providing a core and controllable UK supply base.

RA Sowerby is also a director of Carr-Hill Limited that provides company secretarial services to the company. These services are paid for by Altitude Group plc.

The Company also sells products and logistical and fulfilment services on an arms-length basis to ICE (London) Limited, a company substantially owned and controlled by Mrs J Varley, wife of M Varley. In 2017, sales of £13,000 (2016: nil) were made to ICE Elegant Gifts Limited ("ICE") and trade receivables at 31 December 2017 include £15,000 (2016: nil) due from ICE.

## **CUSTOMER FOCUS INTERACTIVE IMAGING LIMITED**

Company Registration Number 09509123

### **NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2017**

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#### **19 Control**

In the opinion of the directors the company's immediate and ultimate holding company is Altitude Group plc, a company registered in England and Wales. Copies of the group financial statements can be obtained from the Companies House, Crown Way, Maindy, Cardiff CF4 3UZ. The registered office of Altitude Group plc is Unit 4 Rhodes Business Park, Silburn Way, Middleton, Manchester, M24 4NE.

The parent undertaking of the largest and smallest group, which includes the company and for which group financial statements are prepared, is Altitude Group plc.