

FGX Europe Limited

Registered number: 03487910

Annual report and financial statements

For the year ended 31 December 2021

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COMPANIES HOUSE

FGX EUROPE LIMITED

COMPANY INFORMATION

DIRECTORS	R Barberio (appointed 13 th July 2022) J Giguere (resigned 30 th November 2022) T Burmester J.R. Miles (resigned 15 th April 2022) De Bondt (appointed 30 th November 2022)
COMPANY SECRETARY	Vistra Company Secretaries Limited
REGISTERED NUMBER	03487910 (Registered in England & Wales)
REGISTERED OFFICE	Suite 1, 7 th Floor 50 Broadway, London SW1H 0LB
INDEPENDENT AUDITOR	Mazars LLP Chartered Accountants & Statutory Auditor 90 Victoria Street Bristol BS1

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**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

The directors present their Strategic report for FGX Europe Limited (the "Company") for the year ended 31 December 2021.

BUSINESS REVIEW

The Covid 19 pandemic has continued to have a significant impact on business performance during 2021. Turnover increased by 25.5% to £8,227k versus the previous year (£6,554k – 2020). However, turnover is 27.8% below pre pandemic levels in 2019 (£11,391k). The restructuring plan implemented in the latter stages of 2020 consolidating office and warehouse space combined with the reduction of employee and overhead costs has resulted in a more appropriate cost base for the company.

The Directors monitor the performance of the Company through the use of performance indicators such as, sales, returns of sunglasses, gross profit and gross profit margin percentage. The Company will continue the strategy of identifying opportunities to organically grow within the retail sector offering value, style and affordable fashion to the mass market. More detail on the impact of Covid 19 on business performance is detailed in the Directors report on page 2 & 4.

The Statement of Financial Position on page 9 of the financial statement shows the Company's financial position at the year end.

Management continues to monitor both the trade debtors and collections. Inventory levels have increased due to the impact of the pandemic.

PRINCIPAL RISKS AND UNCERTAINTIES

The Covid 19 pandemic, Brexit and competitive pressure in the market place, both in the UK and Continental Europe, is a continuing risk for the Company. Management continue to monitor the impact of these challenges with the aim of assessing and mitigating all risks or maximising opportunities over the immediate future of the company.

Management continue to manage risk by striving to provide added-value products and services to its customers; prompt response times in the supply of products and services and in the handling of customer queries; and through the maintenance of strong relationships with customers.

Combined with the above, the weather will play its part in the Company's performance, movements in foreign currency translation rates, changing consumer preferences and fluctuations in the price and supply of key raw materials, although purchasing policies and practices seek to mitigate, where practicable, such risks. EssilorLuxottica S.A will continue to support FGX Europe Ltd for 12 months from the date of signing the 2021 financial statements.

This report was approved by the board on Jun 29, 2023 and signed on its behalf.

Thomas Burmester

Thomas Burmester (Jun 29, 2023 14:09 GMT+1)

T Burmester
Director

FGX EUROPE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The Directors present their report and the financial statements for the year ended 31 December 2021.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the strategic report, 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 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.

PRINCIPAL ACTIVITY

The Company's principal activities are the supply and sale of Sunglasses and Ready Readers (non-prescription reading glasses) to the retail trade. Distribution is through multiple grocers, chemists, fashion and convenience outlets together with independent retailers.

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £259,160 (2020 restated - £6,143,235).

No dividends were paid during the year (2020: £nil) and the directors do not recommend the payment of a final dividend.

DIRECTORS

The directors who served during the year were:

J Giguere (resigned 30th November 2022)
T Burmester
J.R. Miles (resigned 15th April 2022)

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

ENVIRONMENTAL MATTERS

The Company recognises the importance of its environmental responsibilities, monitors its impact on the environment and designs and implements policies to mitigate any adverse impact that might be caused by its activities. Initiatives aimed at minimising the Company's impact on the environment include safe disposal of manufacturing waste, recycling and reducing energy consumption.

FINANCIAL RISK MANAGEMENT

The company's operations expose it to a variety of financial risks that include the effects of credit risk, interest rate risk, liquidity risk, price risk and exchange rate risk.

The policies set by the board of directors are implemented by the company's finance department.

The department has defined policies and procedures that set out specific guidelines to manage credit risk, interest rate risk and exchange rate risk and the circumstances where it would be appropriate to use financial instruments to manage these.

CREDIT RISK

The company has implemented policies that require appropriate credit checks on potential customers before sales are made. The amount of exposure to any individual customer is reassessed frequently and the company has implemented a systematic credit control system. This restricts customer activity, where further activity would lead to a breach of credit limit, or credit days, as per agreed trading terms and conditions.

INTEREST RATE & EXCHANGE RISK

The majority of the company's overdraft is held in a Group cash pooling arrangement. The rates are negotiated centrally and due to the size of the Group, interest rates on overdrafts are very low. The cash pooling also allows the company to manage exchange rate risk by forward buying or selling currencies at a group level.

LIQUIDITY RISK

The company is not making use of its external overdraft facility at the end of the financial year. The company expects to have sufficient available funds for operations and planned investments during the forthcoming periods.

PRICE RISK

The company experiences price risk relating to normal trading activities only.

BREXIT

We continue to monitor the impact of Brexit on the Company and whilst there may be significant effects for the wider economy which could in turn affect the Company's performance, we have not identified any specific long-term risk that is material enough to require further disclosure here. Since the UK has left the European Union, the company has continued to trade as before.

COVID 19

The Covid 19 pandemic continued to negatively impact business activity although not to same extent as in 2020. Sunglasses sales were maintained through the grocery and pharmacy channels who remained open throughout restrictions. Also, more foreign holidays improved demand. Reading glasses sales continued at a similar level to 2020 as many opticians operated at reduced levels during restrictions.

We are part of an international group, and are therefore well supported from a cash perspective. The pace and resilience of the recovery across Europe continues to look unpredictable. However, we are confident that the reading and sunglasses market will recover.

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

COVID 19 (continued)

We have continued to pay our suppliers, and collect monies from our customers during this time, and we have not seen a significant change in our Debt ledger ageing, as our customers have also supported us. As such, we are confident that the business will be able to trade successfully beyond the Covid 19 Pandemic.

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

The Company maintains Directors and officer's insurance.

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are Directors at the time when this Directors report is approved have 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.

POST BALANCE SHEET EVENTS

There have been no significant events affecting the Company since the year end.

STRATEGY AND FUTURE DEVELOPMENTS

FGX Europe has built a reputation in domestic and overseas markets as a credible and reliable supplier of eyewear products. Diversity across territories and product groups underpin the long-term plans of the company. The directors are focussed on creating a business that is a flexible partner to retailers, and able to offer a variety of eyewear products across a number of retail price points.

GOING CONCERN

The directors are satisfied that the company has adequate resources for its foreseeable future needs and for this reason continue to adopt the going concern basis in preparing the financial statements. The Company has received a letter of support from its ultimate parent company covering the period of 12 months from the date of the signing of the financial statements, aligning to the period to which the directors have paid particular attention in assessing the appropriateness of the going concern basis.

AUDITORS

The auditor, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on Jun 29, 2023 and signed on its behalf.

Thomas Burmester
Thomas Burmester (Jun 29, 2023 14:09 GMT+1)

T Burmester
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FGX EUROPE LIMITED

Opinion

We have audited the financial statements of FGX Europe Limited (the 'company') for the year ended 31 December 2021 which comprise the statement of comprehensive income, the balance sheet, the statement of changes of 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 31 December 2021 and of its loss 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.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FGX EUROPE LIMITED

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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have 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 Strategic Report and 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.

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, 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 the financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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, employment regulation and health and safety regulation, and non-compliance with implementation of government support schemes relating to COVID-19.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FGX EUROPE LIMITED

- Inquiring of management and, where appropriate, those charged with governance, as to whether the company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the 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.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, the Companies Act 2006.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to: posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, revenue recognition (which we pinpointed to the cut-off assertion, and significant one-off or unusual transactions).

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.



Jon Barnard (Jun 29, 2023 14:41 GMT+1)

Jonathan Barnard (Senior Statutory Auditor) for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
90 Victoria Street
BS1 6DP

Date: Jun 29, 2023

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021**

		2021	Restated 2020
	Note	£	£
Turnover	3	8,226,580	6,553,643
Cost of sales		(5,034,962)	(4,510,789)
Gross profit		3,191,618	2,042,854
Distribution costs		(3,075,820)	(3,272,667)
Administrative expenses		(331,677)	(1,749,191)
Inventory impairment	5	(424,606)	(826,256)
Restructuring	6	-	(212,481)
CJRS furlough grant income	7	-	112,382
Goodwill impairment		-	(1,913,504)
Long term leasehold property impairment		-	(168,370)
Legal claim	23	(341,831)	-
Operating loss		(982,316)	(5,987,233)
Interest receivable and similar income	8	-	79
Interest payable and expenses	9	(85,403)	(137,124)
Loss before tax		(1,067,719)	(6,124,278)
Tax credit / (charge) on profit	10	808,559	(18,957)
Loss for the year		<u>(259,160)</u>	<u>(6,143,235)</u>

There were no recognised gains and losses for 2021 or 2020 other than those included in the Statement of Comprehensive Income. There was no other comprehensive income for 2021 (2020: £nil). The notes on pages 11 to 29 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

		2021	Restated 2020
	Note	£	£
Fixed assets			
Tangible assets	11	293,766	661,134
Investments	12	-	1,265,567
		<u>293,766</u>	<u>1,926,701</u>
Current assets			
Stocks	13	6,528,924	7,587,624
Debtors: amounts falling due after more than one year	14	906,215	811,287
Debtors: amounts falling due within one year	14	5,971,456	6,316,158
Cash and cash equivalents	16	53,704	13,432
		<u>13,460,299</u>	<u>14,728,501</u>
Creditors: amounts falling due within one year	17	(28,459,770)	(31,115,576)
Net current liabilities		<u>(14,999,471)</u>	<u>(16,387,075)</u>
Total assets less current liabilities		<u>(14,705,705)</u>	<u>(14,460,374)</u>
Creditors: amounts falling due after more than one year	17	(13,829)	-
Net Liabilities		<u>(14,719,534)</u>	<u>(14,460,374)</u>
Capital and reserves			
Called up share capital	19	1,600,001	1,600,001
Profit and loss account	20	(16,319,535)	(16,060,375)
		<u>(14,719,534)</u>	<u>(14,460,374)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
Jun 29, 2023

Thomas Burmester

Thomas Burmester (Jun 29, 2023 14:09 GMT +1)

T Burmester

Director

The notes on pages 11 to 29 form part of these financial statements.

FGX EUROPE LIMITED

**STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2021**

	Share capital	Retained earnings	Total equity
	£	£	£
At 1 January 2021	1,600,001	(16,054,067)	(14,454,066)
Prior year adjustment (see note 23)	-	(6,308)	(6,308)
At 1 January 2021 (restated)	1,600,001	(16,060,375)	(14,460,374)
Comprehensive loss for the year			
Loss for the year	-	(259,160)	(259,160)
Other comprehensive income for the year	-	-	-
Total comprehensive loss for the year	-	(259,160)	(259,160)
Total transactions with owners	-	-	-
At 31 December 2021	<u>1,600,001</u>	<u>(16,319,535)</u>	<u>(14,719,534)</u>

**STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2020**

	Share capital	Restated Retained earnings	Restated Total equity
	£	£	£
At 1 January 2020	1,600,001	(9,603,762)	(8,003,761)
Prior year adjustment (see note 23)	-	(313,378)	(313,378)
At 1 January 2020 (restated)	1,600,001	(9,917,140)	(8,317,139)
Comprehensive loss for the year			
Loss for the year (restated)	-	(6,143,235)	(6,143,235)
Other comprehensive income for the year	-	-	-
Total comprehensive loss for the year	-	(6,143,235)	(6,143,235)
Total transactions with owners	-	-	-
At 31 December 2020 (restated)	<u>1,600,001</u>	<u>(16,060,375)</u>	<u>(14,460,374)</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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 judgment in applying the Company's accounting policies (see note 2).

The Company is exempt from preparing group accounts under s401 of the Companies Act 2006 as, at 31 December 2021, its ultimate parent, EssilorLuxottica S.A., prepares and publishes consolidated accounts which include the results of the Company and are publicly available.

The following principal accounting policies have been applied:

1.2 Financial reporting standard 101 - reduced disclosure exemptions

In preparing these financial statements the Company has taken advantage of all disclosure exemptions conferred by FRS 101. Therefore, these financial statements do not include:

- certain comparative information as otherwise required by International Accounting Standards in conformity with the Companies Act 2006;
- certain disclosures regarding the Company's capital;
- certain disclosures regarding the Company's revenue;
- certain disclosures regarding the Company's leases;
- a statement of cash flows;
- the effect of future accounting standards not yet adopted;
- the disclosure of the remuneration of key management personnel; and
- disclosure of related party transactions with other wholly owned members of the group headed by EssilorLuxottica S.A

In addition, and in accordance with FRS 101, further disclosure exemptions have been adopted because equivalent disclosures are included in the consolidated financial statements of EssilorLuxottica S.A. These financial statements do not include certain disclosures in respect of:

- Share-based payments;
- Financial Instruments (other than certain disclosures required as a result of recording financial instruments at fair value);
- Fair value measurement (other than certain disclosures required as a result of recording financial instruments at fair value); and
- Impairment of assets

The financial statements of EssilorLuxottica S.A can be obtained as described in note 22.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1.3 Adoption of new and revised standards

There have been no changes to standards, amendments or interpretations that have had a material impact on the Company's financial statements in the current period.

1.4 Going concern

The directors are satisfied that the company has adequate resources for its foreseeable future needs and for this reason continue to adopt the going concern basis in preparing the financial statements. The Company has received a letter of support from its ultimate parent company covering the period of 12 months from the date of the signing of the financial statements, aligning to the period to which the directors have paid particular attention in assessing the appropriateness of the going concern basis.

1.5 Revenue

The Company earns revenue from the sale of Sunglasses and Reading glasses. This revenue is recognised in the accounting period when control of the product has been transferred, at an amount that reflects the consideration to which the entity expects to be entitled in exchange for fulfilling its performance obligations to customers.

The Company trades on a sale or return basis with its customers for its goods. Any obligation for the estimated customer returns or refunds is based on prior history and treated as a reduction in the transaction price.

The principles in IFRS 15 are applied to revenue recognition criteria using the following 5 step model:

1. Identify the contracts with the customer
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations in the contract
5. Recognise revenue when or as the entity satisfies its performance obligations

Performance obligations

Revenue from the sale of Sunglasses and Reading Readers. The main performance obligations to customers are the despatch of product.

Transaction price

The transaction price of Sunglasses and Reading Readers is determined by the fee specified in the contract.

1.6 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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

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

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

The estimated useful lives range as follows:

Fixtures	-	between 1 and 3 years straight line
Furniture, fittings and equipment	-	15 % reducing balance
Computer equipment	-	5 years straight line

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 within 'other operating income' in the Statement of Comprehensive Income.

1.7 Leases

Scope of the company contracts

The lease contracts identified within the company fall under the following categories:

- Land and buildings: office buildings, factory and warehouse
- Printers and photocopiers

The company has retained the exemption for low-value assets (i.e. new assets with a cost lower than EUR 5,000). Thus, the defined scope does not include small office or IT equipment, mobile phones or other small equipment, which all correspond to low-value equipment. Short-term contracts (i.e. less than 12 months without purchase option) are also exempted under the standard. In this case for example, for occasional vehicle or accommodation rentals.

Rental obligation

At the inception date of the lease, the company recognises the lease liabilities, measured at the present value of the lease payments to be made over the term of the lease. The present value of payments is calculated using the marginal borrowing rate at the contract starting date. Rental payments include fixed payments (net of rental incentives receivable), variable payments based on an index or rate and amounts that should be paid under residual value guarantees. The simplification allowing not to split service components has not been elected by the company. Therefore, only the rents are taken into account in the lease payments. Lease payments also include, when applicable, the exercise price of a purchase option reasonably certain to be exercised by the company and the payment of penalties for the termination of a lease, if the term of the lease takes into account the fact that the company has exercised the termination option. Variable lease payments that are not dependent on an index or rate are recognised as an expense in the period in which the event or

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

condition that triggers the payment occurs. After the start date of the contract, the amount of rental obligations is increased thus reflecting the increase in interest and reduced for lease payments made. In addition, the carrying amount of the lease liabilities is revalued in the event of a reassessment or modification in the lease (e.g., change in the term of the lease, change in lease payments, application of annual indexation, etc.).

Right-of-use assets

The company accounts for the assets related to the right-of-use on the start date of the lease (i.e. the date on which the underlying asset is available). Assets are measured at cost, less accumulated depreciation and impairment losses, and adjusted for the revaluation of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities, initial direct costs incurred and lease

payments made on or before the effective date, minus lease inducements received. Unless the company is reasonably certain that it will become the owner of the leased asset at the end of the lease term, the recorded right-of-use assets are depreciated using the linear method over the shortest period of time between estimated life of the underlying asset and the duration of the lease. The assets related to the right-of-use are subject to depreciation.

Determining the duration of contracts

The land and buildings have durations of up to 90 years. Vending machines, printers and photocopiers are generally contracted between 3 and 5 years. Some of the company's land and building contracts allow for termination of contracts in break clauses. Others do not allow this. Thus, in determining the length of time to be used to calculate the rental obligation, the company determines the enforceable duration of the contract (maximum term) and takes into account break clause options if the company is not reasonably certain that they will extend the contract beyond the option date.

1.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

1.9 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Statement of Comprehensive Income.

1.10 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.

Included within debtors are amounts recoverable on long term contracts. This relates to prepayments made to key customers for the right to trade with them. These balances are amortised over the life of the contract period.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1.11 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.

1.12 Financial instruments

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets

Financial assets are recognised in the statement of financial position when, and only when, the company becomes a party to the contractual provisions of the instrument. Financial assets are initially recognised at fair value plus directly attributable transaction costs. All financial assets are classified as financial assets at amortised cost if the assets comprise assets held within a business model whose objective is to collect the contractual cash flows and the contractual terms give rise to cash flows that are solely payments of principal and interest.

After initial recognition, financial assets at amortised cost are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

If there is objective evidence that there is an impairment loss on financial assets at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced either directly or through use of an allowance account.

A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

Trade and other receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business, if longer), they are classified as current assets. If not, they are presented as non-current assets. Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

The company makes an estimate of the recoverable value of trade receivables and other receivables. When assessing impairment of trade and other receivables, management considers factors including the ageing profile of receivables and historical experience. The company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and other receivables. The simplified IFRS9 approach is only applicable to trade receivables, not amounts due from group undertakings as the credit risk is considered to be minimal.

Financial liabilities

The Company classifies all of its financial liabilities as liabilities at amortised cost.

At amortised cost

Financial liabilities at amortised cost including bank borrowings are initially recognised at fair value

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

net of any transaction costs directly attributable to the issue of the instrument. Such interest-bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried into the Statement of Financial Position.

1.13 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

1.14 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is Pounds Sterling.

Transactions and balances

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

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

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

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

1.15 Finance costs

Finance costs are charged to the Statement of Comprehensive Income 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.

1.16 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 payments 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1.17 Interest income

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

1.18 Government Grants

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

2. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the financial statements in conformity with generally accepted accounting principles requires the directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results in the future could differ from those estimates. In this regard, the Directors believe that the critical accounting policies where judgements or estimations are necessarily applied are summarised below:

Stock provisions

Management performs periodic reviews of the stock population in line with Group policies. There is significant judgement involved in determining the net realisable value of stock items and management uses its best estimate using its experience, historical and forward-looking data. See note 13 £1,219,456 (2020: £1,108,864)

Provisions and accruals

A selection of customers have the contractual option of purchasing stock on a sale or return basis. Management bases its judgements on the circumstances relating to each specific event and upon currently available information. However, given the inherent difficulties in estimating liabilities in these areas, it can't be guaranteed that additional costs will not be incurred beyond the amounts accrued.

Recoverability of trade debtors

The Company recognises lifetime expected credit losses (ECL) for trade receivables.

The expected credit losses on these financial assets are estimated based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. A provision of £137k has been recognised in Trade Debtors. See Note 14.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

3. ANALYSIS OF TURNOVER

Analysis of turnover by country of destination:

	2021 £	2020 £
United Kingdom	6,136,605	4,854,226
Rest of the world	2,089,975	1,699,417
	<u>8,226,580</u>	<u>6,553,643</u>

4. OPERATING LOSS

The operating loss is stated after charging:

	2021 £	2020 £
Depreciation of tangible fixed assets	487,162	797,026
Audit of financial statements	24,000	24,000
Fees for non-audit services	4,311	7,000
	<u>495,473</u>	<u>828,026</u>

In 2021 and 2020 the directors received their remuneration for services to the Company through other group entities and these are not separately identifiable.

5. INVENTORY IMPAIRMENT

In December 2020 a new provisioning policy was introduced by the Group which is calculated using expected future sales of the stock item. During 2021 the provision increased by £424,606. The total inventory obsolescence is £1,219,456 (2020 £1,108,864) predominantly reflecting the impact of Covid.

	2021 £	2020 £
New provisioning policy from Group	96,788	616,841
Existing inventory obsolescence provision	327,818	209,415
	<u>424,606</u>	<u>826,256</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

6. RESTRUCTURING

Includes the direct costs of redundancy – employee termination benefits and consultation fees that relate directly to the restructuring

2021	2020
£	£
-	212,481

7. EMPLOYEES

Staff costs were as follows:

	2021	2020
	£	£
Wages and salaries	1,097,711	1,183,204
Social security costs	111,249	125,570
Cost of defined contribution scheme	23,765	28,649
	1,232,725	1,337,423

The Company received no Grants during 2021 from HMRC in respect of employee furlough claims due to the Covid 19 pandemic (2020: £112,382). Furlough income is accounted for in accordance with IAS 20 Government Grants.

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

	2021	2020
	No.	No.
Selling and marketing	17	18
Administration	26	32
	43	50

8. INTEREST RECEIVABLE AND SIMILAR INCOME

	2021	2020
	£	£
Bank interest receivable	-	79
	-	79

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

9. INTEREST PAYABLE AND EXPENSES

	2021 £	2020 £
Lease interest payments	1,466	5,836
On loans from group undertakings	83,937	131,288
	<u>85,403</u>	<u>137,124</u>

10. TAX

	2021 £	Restated 2020 £
Current tax on loss for the year	96,728	-
Adjustment in respect of prior periods	664,324	(36,289)
Total current tax credit / (charge)	<u>761,052</u>	<u>(36,289)</u>
Deferred tax		
Current year	11,912	10,508
Adjustment in respect of previous periods	20,266	6,823
Effect of changes in tax rates	15,329	-
Total deferred tax credit / (charge)	<u>47,507</u>	<u>17,331</u>
Tax credit / (charge) on profit	<u>808,559</u>	<u>(18,957)</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

10. Tax continued:

FACTORS AFFECTING TAX CREDIT FOR THE YEAR

The tax assessed for the year has remained at 19.00%. The standard rate of corporation tax in the UK of 19.00% (2020 – 19.00%). The differences are explained below:

	2021	Restated 2020
	£	£
Loss on ordinary activities before tax	(1,067,316)	(6,124,278)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2020 – 19.00%)	202,867	1,163,613
Effects of:		
Adjustments in respect of prior years	684,590	(29,465)
Expenses not deductible	(48,272)	(49,278)
Income not taxable	15,612	51,757
Share deduction	1,104	18,812
Tax rate changes	15,333	-
Amounts not recognised	(62,675)	(1,174,396)
Total tax credit/(charge) for the year	808,559	(18,957)

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

The corporation tax rate for the year ended 31 December 2021 was 19%.

The Finance Act 2021, which increases the U.K. corporate tax main rate from 19% to 25% from 1 April 2023 was substantively enacted in May 2021.

There are trading losses carried forward of £1,328,976 (2020: £2,005,725) subject to agreement with HM Revenue & Customs. No deferred tax asset in respect of those losses has been recognised as there is insufficient evidence that the asset will be recoverable.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

11. TANGIBLE ASSETS

	Long term leasehold property	Fixtures	Furniture, fittings & equipment	Computer equipment	Total
Cost	£	£	£	£	£
At 1 January 2021	462,258	10,364,179	762,349	290,961	11,879,747
Additions – owned assets	-	189,897		4,337	194,234
Additions – ROUA	-	-	24,619	-	24,619
Disposals	-	(9,653,715)	(435,417)	(267,404)	(10,356,536)
At 31 December 2021	462,258	900,361	351,551	27,894	1,742,064
Depreciation					
At 1 January 2021	462,258	9,933,880	559,158	263,317	11,218,613
Charge – owned assets	-	404,770	56,368	20,609	481,747
Charge – ROUA	-	-	5,416	-	5,416
Disposals	-	(9,604,034)	(386,562)	(266,882)	(10,257,478)
At 31 December 2021	462,258	734,616	234,380	17,044	1,448,298
Net book value					
At 31 December 2021	-	165,745	117,171	10,850	293,766
At 31 December 2020	-	430,299	203,191	27,644	661,134

The disposals noted above relates to a revised view on the in-store life of readers and sunglasses stands (up to 3 years for readers and 2 years for sunglasses).

The net book value of owned and leased assets included as "Tangible fixed assets" in the Statement of Financial Position is as follows:

	2021 £	2020 £
Tangible fixed assets owned	274,563	600,877
Right-of-use tangible assets	19,203	60,257
	293,766	661,134

NOTES TO THE FINANCIAL STATEMENTS
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Information about the
right-of-use assets is
summarised below:

	2021 £	2020 £
Net book value		
Plant and machinery	19,202	60,257
	<u>19,202</u>	<u>60,257</u>
	2021 £	2020 £
Depreciation charge for the year ended		
Long term leasehold property	-	218,683
Plant and machinery	5,416	82,477
	<u>5,416</u>	<u>301,160</u>

12. INVESTMENT

	Investments £
Cost	
At 1 January 2021 and 31 December 2021	1,265,567
Accumulated impairment	
At 1 January 2021	-
Impairment	(1,265,567)
At 31 December 2021	(1,265,567)
Net book value	-
At 31 December 2021	-
At 31 December 2020	1,265,567

The investment has been fully impaired. There is no net impact on the Income statement. The intercompany creditor shown in note 17 has been written off.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

13. STOCKS

	2021 £	2020 £
Finished goods	7,748,380	8,696,488
Stock provisions	(1,219,456)	(1,108,864)
	<u>6,528,924</u>	<u>7,587,624</u>

Stock consumed during the year was £4,770,850 (2020: £4,653,163)

14. DEBTORS

	2021 £	2020 £
Due after more than one year		
Amount recoverable on long term contracts	333,324	238,396
Amounts owed by group undertakings	572,891	572,891
	<u>906,215</u>	<u>811,287</u>

	2021 £	Restated 2020 £
Due within one year		
Trade debtors	1,119,330	1,336,302
Amounts owed by group undertakings	3,596,435	3,573,470
Group relief	761,052	688,451
Amount recoverable on long term contracts	244,586	473,968
Prepayments	61,474	146,341
Deferred taxation	64,838	17,331
Other taxation	123,741	80,295
	<u>5,971,456</u>	<u>6,316,158</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

15. DEFERRED TAXATION

	2021 £	Restated 2020 £
Provision at the start of the period	17,331	-
Adjustment in respect of prior years	20,266	6,823
Deferred tax charge to I/S for the period	27,242	10,508
At end of year	64,838	17,331

The deferred tax asset is made up as follows:

	2021 £	2020 £
Fixed Assets	63,871	7,993
Temporary differences trading	1,183	12,098
IFRS16 transitional adjustment	(216)	(2,760)
	64,838	17,331

16. CASH AND CASH EQUIVALENTS

	2021 £	2020 £
Cash at bank and in hand	53,704	13,432
	53,704	13,432

17. CREDITORS: Amounts falling due after more than one year

	2021 £	2020 £
Due after more than one year		
Lease liability	13,829	-
	13,829	-

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

17. CREDITORS: Amounts falling due within one year

	2021 £	Restated 2020 £
Trade creditors	909,052	1,548,137
Lease liability	18,735	233,689
Amounts owed to group undertakings	24,421,017	24,612,854
Amounts owed to subsidiary undertakings	-	1,265,567
Taxation and social security	46,657	226,364
Other creditors	21,738	151,941
Accruals	3,042,571	3,077,024
	<u>28,459,770</u>	<u>31,115,576</u>

Amounts owed to subsidiary undertakings 2021: £0 (2020 £1,265,567) this is related to the impairment of the investment in Sight Station (refer to note 12. page 23).

18. MATURITY OF LEASE LIABILITIES

The lease liabilities are secured by the underlying assets. The maturity of the lease liabilities at 31 December 2021 is as follows:

	Within 1 year £'s	1 – 5 years £'s	Over 5 years £'s	Total £'s
Net present value	18,735	13,829	-	32,564

19. CALLED UP SHARE CAPITAL

	2021 £	2020 £
Allotted, called up and fully paid		
1,600,001- Ordinary shares of £1 each	<u>1,600,001</u>	<u>1,600,001</u>

20. RESERVES

Profit & loss account

The cumulative gains and losses recognised in the Statement of Comprehensive Income together with those gains or losses required to be taken directly to equity.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

21. PENSION COMMITMENTS

Defined Contribution Plan

The Company makes contributions to a defined contribution pension scheme, the FGX Europe Limited Personal Pension Plan.

As at 31 December 2021 the amount outstanding in respect of the Company's contribution to the Group's defined contribution schemes was £nil (2020: £nil). Contributions made in respect of the year ended 31 December 2021 were £23,765 (2020: £28,649).

22. CONTROLLING PARTY

The immediate parent undertaking is FGX International Inc., incorporated in Delaware, USA.

The ultimate parent undertaking and controlling party is EssilorLuxottica S.A., which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of EssilorLuxottica S.A. consolidated financial statements can be obtained from EssilorLuxottica S.A., 147 Rue De Paris, 94220 Charenton-Le-Pont, France.

23. Contingent liability

FGX engaged the services of a third-party freight agent to export goods from the UK and then import them into the EU during 2021. Import VAT totalling £341,831 was paid to the third-party freight agent. During 2021 when FGX sought to recover the import VAT and recognised the balance as receivable. The freight agent has since been unable to be contacted and documentation to provide to the tax authorities is not available. The VAT previously thought recoverable has been written off to the profit and loss account. There is a risk that the transactions are deemed to be subject to UK VAT, and the balance noted above is also payable to HMRC, however the following has been considered and the Directors have considered the risk to be improbable:

- The EU tax authorities concerned have clarified no import VAT is due
- The Value Added Tax Act 1994 ("VATA 1994"), section 30 provides that exports of goods are zero-rated for UK VAT purposes. FGX is in the process of requesting non-statutory clearance in respect of the alternative evidence it can present to secure zero rating exports for a limited historic period
- Legal and professional costs have been incurred. However, they are not considered material

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

24. Prior period adjustment

The corporation tax charge for 2020 required correcting. It was reported as a charge against profits as opposed to income.

It was also identified that a selection of historic adjustments related to inventory valuation, debtors, creditors and deferred tax needed to be correctly phased in 2020 and 2019 or earlier.

The effect on the statement of comprehensive income for 2020 can be seen below.

	2020 (as previously stated) £	Adjustment £	2020 (restated) £
Turnover	6,553,643	-	6,553,643
Cost of sales	(4,510,789)	-	(4,510,789)
Gross profit	2,042,854	-	2,042,854
Distribution costs	(3,272,667)	-	(3,272,667)
Administrative expenses	(2,021,597)	272,406	(1,749,191)
Inventory impairment	(826,256)	-	(826,256)
Restructuring	(212,481)	-	(212,481)
CJRS furlough grant income	112,382	-	112,382
Goodwill impairment	(1,913,504)	-	(1,913,504)
Long term leasehold property impairment	(168,370)	-	(168,370)
Operating loss	(6,259,639)	272,406	(5,987,230)
Interest receivable and similar income	79	-	79
Interest payable and expenses	(137,124)	-	(137,124)
Loss before tax	(6,396,684)	272,406	(6,124,278)
Tax on Profit	(53,620)	34,663	(18,957)
Loss for the period	(6,450,304)	307,069	(6,143,235)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

24. Prior period adjustment (continued)

	As at 1 January 2020 (as previously stated) £000s	2020 Opening balance adjustments £000s	At 1 January 2020 (restated) £000s	As at 31 December 2020 (as previously stated) £000s	2020 Adjustments £000s	At 31 December 2020 (restated) £000s
Fixed assets						
Goodwill	1,913,504	-	1,913,504	-	-	-
Tangible fixed assets	1,199,885	-	1,199,885	661,137	-	661,137
Fixed asset investments	1,265,567	-	1,265,567	1,265,567	-	1,265,567
	4,378,956		4,378,956	1,926,701	-	1,926,701
Current assets						
Stocks	7,697,212	-	7,697,212	7,587,624	-	7,587,624
Debtors: amounts falling due after more than one year	1,446,410	(171,153)	1,275,257	982,440	(171,153)	811,287
Debtors: amounts falling due within one year	8,442,617	(10,000)	8,432,617	6,321,611	(5,453)	6,316,158
Cash at bank and in hand	28,545		28,545	13,432	-	13,432
	17,614,784	(181,153)	17,433,631	14,905,107	(176,606)	14,728,501
Creditors: amounts falling due within one year	(29,997,501)	(13,470)	(29,984,031)	(31,285,873)	170,297	(31,115,576)
Net current liabilities	(12,382,717)	(313,378)	(12,550,400)	(16,380,766)	(6,309)	(16,387,075)
Total assets less current liabilities	(8,003,761)	(167,683)	(8,171,444)	(14,454,065)	(6,309)	(14,460,374)
Creditors: amounts falling due after more than one year	-	(145,695)	(145,695)	-	-	-
Net liabilities	(8,003,761)	(313,378)	(8,317,139)	(14,454,065)	(6,309)	(14,460,374)
Called up share capital	1,600,001	-	1,600,001	1,600,001	-	1,600,001
Profit and loss account	(9,603,762)	(313,378)	(9,917,140)	(16,054,066)	(6,309)	(16,060,375)
	(8,003,761)	(313,378)	(8,317,139)	(14,454,065)	96,309	(14,460,374)