

# **FGX Europe Limited**

Registered number: 03487910

## **Annual report and financial statements**

**For the year ended 31 December 2020**

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**FGX EUROPE LIMITED**

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**COMPANY INFORMATION**

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<b>DIRECTORS</b>	A DiPaola (Resigned on 01/07/2020) J Giguere T Burmester J.R. Miles
<b>COMPANY SECRETARY</b>	Vistra Company Secretaries Limited
<b>REGISTERED NUMBER</b>	03487910 (Registered in England & Wales)
<b>REGISTERED OFFICE</b>	Suite 1, 3rd Floor 11-12 St. James's Square London SW1Y 4LB
<b>INDEPENDENT AUDITOR</b>	Mazars LLP Chartered Accountants & Statutory Auditor 90 Victoria Street Bristol BS1

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## **FGX EUROPE LIMITED**

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### **STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020**

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The directors present their Strategic report for FGX Europe Limited (the "Company") for the year ended 31 December 2020.

#### **BUSINESS REVIEW**

The Company's objective is to be the number one supplier of mass market Sunglasses and Ready Readers in Europe. However, the Covid 19 pandemic has had significant impact on business performance during 2020 and is expected to continue into 2021. Turnover was £6,534k during 2020. A 42.6% drop versus the previous year (2019 £11,391k). During this period of uncertainty the Directors implemented a restructuring plan which started to take effect in the latter stages of 2020 and will continue show benefits into 2021. The overall aim was to consolidate office and warehouse space combined with the reduction of employee and overhead costs.

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 3 & 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. FGX International Inc. will continue to support FGX Europe Ltd for 12 months from the date of signing the 2020 financial statements.

This report was approved by the board on Jan 27, 2022 and signed on its behalf.



**J R Miles**  
Director

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## **FGX EUROPE LIMITED**

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### **STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020**

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

#### **DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the 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 £6,450,304 (2019 - £2,177,685).

No dividends were paid during the year (2019: £nil) and the directors do not recommend the payment of a final dividend.

#### **DIRECTORS**

The directors who served during the year were:

A DiPaola (Resigned on 01/07/2020)  
J Giguere  
T Burmester  
J.R. Miles

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## **FGX EUROPE LIMITED**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020**

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#### **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 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 at 30 base points over LIBOR or EURIBOR as appropriate. Interest rate risk is considered to be low.

#### **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 has led to reduced activity within the business. However, sunglasses sales were maintained through the grocery and pharmacy channels who remained open throughout numerous lockdowns. Reading glasses sales continued at a reduced level as many opticians suspended activity during lockdown.

In order to preserve cashflow and job retention during this time, we have utilized the Governments Furlough scheme. 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 with the emergence of variants and continued restrictions on travel. However, we are confident that the reading and sunglasses market will recover.

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## **FGX EUROPE LIMITED**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020**

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Suppliers of inventory, predominantly in China have supported the company by taking a flexible approach to holding orders placed on before the impact of the pandemic. However, there will be an impact on inventory levels and obsolescence as customers continue to manage their ways through and out of lockdown.

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 through and beyond the current 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 other than the ongoing impact of Covid 19.

#### **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 Jan 27, 2022 and signed on its behalf.

J R Miles

**J R Miles**  
Director

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

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**Opinion**

We have audited the financial statements of FGX Europe Limited (the 'company') for the year ended 31 December 2020 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 2020 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.



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

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**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.

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, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006.

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

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

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

- Discussing with the directors and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

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

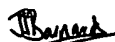
- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing 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](http://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 (Jan 27, 2022 14:52 GMT)

Jonathan Barnard (Senior Statutory Auditor) for and on behalf of Mazars LLP  
Chartered Accountants and Statutory Auditor  
90 Victoria Street  
BS1 6DP  
Date: Jan 27, 2022

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**FGX EUROPE LIMITED**

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

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	<b>Note</b>	<b>2020 £</b>	<b>2019 £</b>
Turnover	3	6,553,643	11,390,859
Cost of sales		(4,510,789)	(6,924,937)
<b>Gross profit</b>		<b><u>2,042,854</u></b>	<b><u>4,465,922</u></b>
Distribution costs		(3,272,667)	(4,161,550)
Administrative expenses		(2,021,597)	(3,715,677)
Inventory impairment	5	(826,256)	(27,524)
Restructuring	6	(212,481)	-
CJRS furlough grant income	7	112,382	-
Goodwill impairment	11	(1,913,504)	-
Long term leasehold property impairment	12	(168,370)	-
<b>Operating loss</b>		<b><u>(6,259,639)</u></b>	<b><u>(3,438,829)</u></b>
Interest receivable and similar income	8	79	467
Interest payable and expenses	9	(137,124)	(107,684)
<b>Loss before tax</b>		<b><u>(6,396,684)</u></b>	<b><u>(3,546,046)</u></b>
Tax	10	(53,620)	1,368,361
<b>Loss for the year</b>		<b><u>(6,450,304)</u></b>	<b><u>(2,177,685)</u></b>

There were no recognised gains and losses for 2020 or 2019 other than those included in the Statement of Comprehensive Income. There was no other comprehensive income for 2020 (2019: £nil). The notes on pages 11 to 29 form part of these financial statements.

**FGX EUROPE LIMITED**  
**REGISTERED NUMBER: 03487910**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Goodwill	11	-	1,913,504
		<u>-</u>	<u>1,913,504</u>
Tangible assets	12	661,137	1,199,885
Investments	13	1,265,567	1,265,567
		<u>1,926,701</u>	<u>4,378,956</u>
<b>Current assets</b>			
Stocks	14	7,587,624	7,697,212
Debtors: amounts falling due after more than one year	15	982,440	1,446,410
Debtors: amounts falling due within one year	15	6,321,611	8,442,617
Cash and cash equivalents	17	13,432	28,545
		<u>14,905,107</u>	<u>17,614,784</u>
Creditors: amounts falling due within one year	18	(31,285,873)	(29,997,501)
<b>Net current liabilities</b>		<u>(16,380,766)</u>	<u>(12,382,717)</u>
<b>Total assets less current liabilities</b>		<u>(14,454,065)</u>	<u>(8,003,761)</u>
<b>Net Liabilities</b>		<u>(14,454,065)</u>	<u>(8,003,761)</u>
<b>Capital and reserves</b>			
Called up share capital	20	1,600,001	1,600,001
Profit and loss account	21	(16,054,066)	(9,603,762)
		<u>(14,454,065)</u>	<u>(8,003,761)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on Jan 27, 2022



**J R Miles**  
Director

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

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**FGX EUROPE LIMITED**

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

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	<b>Share capital</b>	<b>Retained earnings</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>
At 1 January 2020	1,600,001	(9,603,762)	(8,003,761)
<b>Comprehensive income for the year</b>			
Loss for the year	-	(6,450,304)	(6,450,304)
<b>Other comprehensive income for the year</b>	-	-	-
<b>Total comprehensive income for the year</b>	-	(6,450,304)	(6,450,304)
<b>Total transactions with owners</b>	-	-	-
<b>At 31 December 2020</b>	<u>1,600,001</u>	<u>(16,054,066)</u>	<u>(14,454,065)</u>

**STATEMENT OF CHANGES IN EQUITY  
AS AT 31 DECEMBER 2019**

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	<b>Share capital</b>	<b>Retained earnings</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>
At 1 January 2019	1,600,001	(7,426,077)	(5,826,076)
<b>Comprehensive income for the year</b>			
Loss for the year	-	(2,177,685)	(2,177,685)
<b>Other comprehensive income for the year</b>	-	-	-
<b>Total comprehensive income for the year</b>	-	(2,177,685)	(2,177,685)
<b>Total transactions with owners</b>	-	-	-
<b>At 31 December 2019</b>	<u>1,600,001</u>	<u>(9,603,762)</u>	<u>(8,003,761)</u>

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

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**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 s400 of the Companies Act 2006 as, at 31 December 2020, 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 23.

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

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**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 and any obligation for customer returns or refunds are recognised as a trade receivable until paid by the customer. Returns are measured using management's best estimate based on historic return levels.

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 Goodwill**

Goodwill represents the excess of the cost of a business combination over the total acquisition date fair value of the identifiable assets, liabilities and contingent liabilities acquired.

Cost comprises the fair value of assets given, liabilities assumed and equity instruments issued.

Goodwill is capitalised as an intangible asset and is not amortised. Instead, it is reviewed annually for impairment with any impairment in carrying value being charged to Statement of Comprehensive Income. The Companies Act 2006 requires acquired goodwill to be reduced by provisions for

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

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depreciation calculated to write off the amount systematically over a period chosen by the directors, not exceeding its useful economic life. It has been deemed, however, the non-amortisation of goodwill is a departure, for the overriding purpose of giving a true and fair view. The effect of this departure has not been quantified because it is impracticable and, in the opinion of the directors, would be misleading.

### **1.7 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.

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.

### **1.8 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



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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.

The accounting principles below are effective for annual periods beginning on 1 January 2020. IAS 17 still applies for 2019 comparative period.

**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 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.

**1.9 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

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**1.10 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.

**1.11 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.

**1.12 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.

**1.13 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

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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.

**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 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.

**1.14 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.

**1.15 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

**NOTES TO THE FINANCIAL STATEMENTS  
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foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

**1.16 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.

**1.17 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.

**1.18 Interest income**

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

**1.19 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.

*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.

**NOTES TO THE FINANCIAL STATEMENTS  
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*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.

*Impairment of goodwill*

Determining whether goodwill is impaired requires an estimation of the value in use of the cash generating units to which goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash generating unit ("CGU") and a suitable discount rate in order to calculate present value. This is performed on a five-year projection using a discount rate linked to the incremental borrowing rate

The selection of an appropriate CGU is critical to this assessment and management consider that the CGU applicable to this entity's Goodwill impairment assessment is the contribution earned from one UK customer being supplied by FGX Europe Limited which originated from the activities of Sight Station Limited.

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**FGX EUROPE LIMITED**

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

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**3. ANALYSIS OF TURNOVER**

Analysis of turnover by country of destination:

	2020 £	2019 £
United Kingdom	4,854,226	9,287,159
Rest of the world	1,699,417	2,103,700
	<u>6,553,643</u>	<u>11,390,859</u>

**4. OPERATING LOSS**

The operating loss is stated after charging:

	2020 £	2019 £
Depreciation of tangible fixed assets	797,026	804,872
Audit of financial statements	24,000	24,000
Fees for non-audit services	7,000	7,000
	<u>828,026</u>	<u>835,872</u>

*In 2020 and 2019 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 resulted in an additional £616,841 being booked into the financial statements which is calculated using expected future sales of the stock item. In addition, the existing provisioning policy, based on historic usage, resulted in an increase of the provision by £209,415 predominantly due to the impact of the Covid 19 pandemic.

	2020 £	2019 £
New provisioning policy from Group	616,841	-
Existing inventory obsolescence provision	209,415	27,524
	<u>826,256</u>	<u>27,524</u>

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**FGX EUROPE LIMITED**

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

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**6. RESTRUCTURING**

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

<b>2020</b>	<b>2019</b>
<b>£</b>	<b>£</b>
212,481	-

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**7. EMPLOYEES**

Staff costs were as follows:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Wages and salaries	1,183,204	1,498,924
Social security costs	125,570	139,035
Cost of defined contribution scheme	28,649	42,076
	<b>1,337,423</b>	<b>1,680,035</b>

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During the year the Company received £112,382 from HMRC in respect of employee furlough claims due to the Covid 19 pandemic. These amounts are not included in the above figures. 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:

	<b>2020</b>	<b>2019</b>
	<b>No.</b>	<b>No.</b>
Selling and marketing	18	18
Administration	32	39
	<b>50</b>	<b>57</b>

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**8. INTEREST RECEIVABLE AND SIMILAR INCOME**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Bank interest receivable	79	467
	<b>79</b>	<b>467</b>

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**FGX EUROPE LIMITED**

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

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**9. INTEREST PAYABLE AND EXPENSES**

	<b>2020 £</b>	<b>2019 £</b>
Lease interest payments	5,836	4,133
On loans from group undertakings	<u>131,288</u>	<u>103,551</u>
	<u>137,124</u>	<u>107,684</u>



**NOTES TO THE FINANCIAL STATEMENTS  
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**10. TAX**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Current tax on profits for the year	-	(659,971)
Group relief receivable	-	(853,241)
Adjustment in respect of prior periods	36,289	154,336
<b>Total current tax credit</b>	<b>36,289</b>	<b>(1,358,876)</b>
<b>Deferred tax</b>		
Current year	10,508	-
Adjustment in respect of previous periods	6,823	(9,485)
<b>Total deferred tax</b>	<b>17,331</b>	<b>(9,485)</b>
<b>Total taxation credit</b>	<b>53,620</b>	<b>(1,368,361)</b>

**FACTORS AFFECTING TAX CHARGE 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% (2019 – 19.00%). The differences are explained below:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Loss on ordinary activities before tax	(6,396,684)	(3,546,046)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2019 – 19.00%)	(1,215,370)	(673,749)
<b>Effects of:</b>		
Expenses not deductible for tax purposes - fixed assets	49,278	27,778
Income not taxable for tax purposes	-	2,544
Deferred tax not recognised	1,209,060	(19,737)
Adjust opening/closing deferred tax to average rate of 19.00%	-	70
Adjustment in respect of prior periods	29,465	(708,389)
Share deduction	(18,812)	(2,188)
Other	(1)	5,310
<b>Total tax credit for the year</b>	<b>53,620</b>	<b>(1,368,361)</b>

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

**FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

The corporation tax rate for the year ended 31 December 2020 was 19%. The Corporation Tax rate of 19% was enacted with effect from 1 April 2017 and the Finance Act 2016 legislated the UK Corporation Tax rate to decrease to 17% from 1 April 2020. However, on the 17th March 2020, using the Provisional Collection of Taxes Act 1968, the UK Government cancelled the proposed reduction in the Corporation Tax rate to 17%.

Subsequent to the end of the reporting period, the Government has announced that it intends to increase the rate of corporation from 19% to 25% with effect from 1 April 2023. As this increase had not been substantially enacted as at the end of the reporting period, the change has not been taken into account in these financial statements.

There are trading losses carried forward of £4,138,681 (2019: £4,603,158) 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.

**11. GOODWILL**

	2020 £
<b>Cost</b>	
At 1 January 2020 and 31 December 2020	1,913,504
<b>Accumulated impairment</b>	
At 1 January 2020	-
Impairment	(1,913,504)
At 31 December 2020	(1,913,504)
<b>Net book value</b>	-
<b>At 31 December 2020</b>	-
<b>At 31 December 2019</b>	1,913,504

A discounted cash flow forecast has been prepared which indicates that the goodwill balance cannot be recovered and therefore a full impairment has been booked.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**
**12. TANGIBLE ASSETS**

	Long term leasehold property	Fixtures	Furniture, fittings & equipment	Computer equipment	Total
<b>Cost</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 January 2020	613,640	10,078,704	619,615	289,647	11,601,606
Correction of error	(151,382)	-	142,734	-	(8,648)
<b>Restated balance at 1 January 2020</b>	<b>462,258</b>	<b>10,078,704</b>	<b>762,349</b>	<b>289,647</b>	<b>11,592,958</b>
Additions – owned assets	-	285,475	-	1,314	286,789
<b>At 31 December 2020</b>	<b>462,258</b>	<b>10,364,179</b>	<b>762,349</b>	<b>290,961</b>	<b>11,879,747</b>
<b>Depreciation</b>					
At 1 January 2020	223,719	9,504,711	436,075	237,226	10,401,731
Charge – owned assets	-	429,169	40,606	26,091	495,866
Charge – ROUA	218,683	-	82,477	-	301,160
Disposals – ROUA	(148,514)	-	-	-	(148,514)
Impairment	168,370	-	-	-	168,370
<b>At 31 December 2020</b>	<b>462,258</b>	<b>9,933,880</b>	<b>559,158</b>	<b>263,317</b>	<b>11,218,613</b>
<b>Net book value</b>					
<b>At 31 December 2020</b>	<b>-</b>	<b>430,299</b>	<b>203,191</b>	<b>27,644</b>	<b>661,134</b>
At 31 December 2019	389,921	573,993	183,540	52,421	1,199,885

The correction of error noted above relates to a lease system error that was not identified in the prior period. A restatement has not been applied throughout the financial statements on the basis of materiality, as the above is principally a classification point between asset classes.

As part of the goodwill impairment review, a discounted cash flow forecast was prepared which indicates that the goodwill balance cannot be recovered and therefore a full impairment has been booked per the previous note. The impairment review was extended to tangible assets which indicated that there is no value-in-use to support the valuation. All assets except long term leasehold property are deemed to have realisable value and have not been impaired.

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

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

	2020 £	2019 £
Tangible fixed assets owned	600,877	809,964
Right-of-use tangible assets	60,257	389,921
	<u>661,134</u>	<u>1,199,885</u>

Information about the right-of-use assets is summarised below:

**Net book value**

	2020 £	2019 £
Long term leasehold property	-	389,921
Plant and machinery	60,257	-
	<u>60,257</u>	<u>389,921</u>

**Depreciation charge for the year ended**

	2020 £	2019 £
Long term leasehold property	218,683	223,719
Plant and machinery	82,477	-
	<u>301,160</u>	<u>223,719</u>

**13. INVESTMENT**

	Investments £
<b>Cost</b>	
At 1 January 2020 and 31 December 2020	<u>1,265,567</u>
<b>At 31 December 2020</b>	<u>1,265,567</u>
At 31 December 2019	<u>1,265,567</u>

The company owns 100% of the issued share capital of Sight Station Limited, a company incorporated in England and Wales. The registered office address is Suite 1, 3rd Floor, 11-12 St. James's Square, London, SW1Y 4LB.

Sight Station Limited remained dormant during the year.

NOTES TO THE FINANCIAL STATEMENTS  
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14. STOCKS

	2020 £	2019 £
Finished goods	8,696,488	7,979,820
Stock provisions	(1,108,864)	(282,608)
	<u>7,587,624</u>	<u>7,697,212</u>

Stock consumed during the year was £4,653,163 (2019: £6,281,283)

15. DEBTORS

	2020 £	2019 £
<b>Due after more than one year</b>		
Amount recoverable on long term contracts	572,891	1,036,861
Amounts owed by group undertakings	409,549	409,549
	<u>982,440</u>	<u>1,446,410</u>

	2020 £	2019 £
<b>Due within one year</b>		
Trade debtors	1,346,302	2,874,416
Amounts owed by group undertakings	4,261,921	4,867,314
Amount recoverable on long term contracts	473,968	528,460
Prepayments	141,794	106,665
Deferred taxation	17,331	-
Other taxation	80,295	65,762
	<u>6,321,611</u>	<u>8,442,617</u>

NOTES TO THE FINANCIAL STATEMENTS  
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16. DEFERRED TAXATION

	2020 £	2019 £
Provision at the start of the period	-	-
Adjustment in respect of prior years	6,823	-
Deferred tax charge to I/S for the period	10,508	-
<b>At end of year</b>	<b>17,331</b>	<b>-</b>

The deferred tax asset is made up as follows:

	2020 £	2019 £
Fixed Assets	7,993	-
Temporary differences trading	12,098	-
Losses	-	-
IFRS16 transitional adjustment	(2,760)	-
	<b>17,331</b>	<b>-</b>

17. CASH AND CASH EQUIVALENTS

	2020 £	2019 £
Cash at bank and in hand	13,432	28,545
	<b>13,432</b>	<b>28,545</b>

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

**18. CREDITORS: Amounts falling due within one year**

	<b>2020</b> <b>£</b>	2019 <b>£</b>
Trade creditors	1,548,137	1,030,992
Lease liability	233,689	350,378
Amounts owed to group undertakings	24,612,854	22,684,556
Amounts owed to subsidiary undertakings	1,265,567	1,265,567
Taxation and social security	396,662	407,210
Other creditors	151,941	71,855
Accruals	3,077,023	4,186,943
	<u>31,285,873</u>	<u>29,999,501</u>

**19. MATURITY OF LEASE LIABILITIES**

The lease liabilities are secured by the underlying assets. The maturity of the lease liabilities at 31 December 2020 is as follows:

	<b>Within 1 year</b> <b>£'s</b>	<b>1 – 5 years</b> <b>£'s</b>	<b>Over 5 years</b> <b>£'s</b>	<b>Total</b> <b>£'s</b>
Net present value	245,674	22,070	-	267,744

**20. CALLED UP SHARE CAPITAL**

	<b>2020</b> <b>£</b>	2019 <b>£</b>
<b>Allotted, called up and fully paid</b>		
1,600,001- Ordinary shares of £1 each	<u>1,600,001</u>	<u>1,600,001</u>

**21. 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  
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**22. 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 2020 the amount outstanding in respect of the Company's contribution to the Group's defined contribution schemes was £nil (2019: £nil). Contributions made in respect of the year ended 31 December 2020 were £28,649 (2019: £42,076).

**23. 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.