

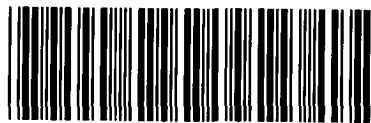
Optical Express (Westfield) Limited

FINANCIAL STATEMENTS

for the year ended

26 December 2015

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COMPANIES HOUSE

Optical Express (Westfield) Limited

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

D Mouldsdaie
S Mein

SECRETARY

G Murdoch

REGISTERED OFFICE

The Ca'd'oro
45 Gordon Street
Glasgow
G1 3PE

AUDITORS

RSM UK Audit LLP
Chartered Accountants
Third Floor
Centenary House
69 Wellington Street
Glasgow
G2 6HG

Optical Express (Westfield) Limited

STRATEGIC REPORT

REVIEW OF THE BUSINESS

The Company continues to act as a central buying agent and the provider of head office services such as IT and customer contact centre for the Optical Express Group.

The Company continued its significant investment programme during the year, investing in new IT systems, equipment and technologies to ensure that the Group has the appropriate support infrastructure.

Turnover of £17.6M in the year was flat on 2014 with the Company incurring exceptional costs totalling £0.4M. These exceptional costs related to the write off of inter-company loans.

EBITDA before exceptional costs for the year was £0.9M (2014 £1M).

OUTLOOK

As the UK/Ireland market leader, Optical Express continues to perform the majority of refractive surgery procedures through its extensive clinic network. The business is therefore well placed to capitalise as consumer confidence in refractive surgery returns.

RESULTS AND DIVIDENDS

The trading results for the year and the Company's financial position at the end of the year are shown in the attached financial statements.

The directors have not recommended a dividend.

Signed by



G Murdoch
Company Secretary

Optical Express (Westfield) Limited

DIRECTORS' REPORT

The directors submit their report and financial statements of Optical Express (Westfield) Limited for the year ended 26 December 2015.

PRINCIPAL ACTIVITIES

The principal activity of the Company during the year was to act as a central buying agent and the provider of head office services such as IT and customer contact centre for the Optical Express Group.

DIRECTORS

The directors who served the Company during the year were as follows:

D Mouldsdale
S Mein

DISABLED EMPLOYEES

The policies and training programmes operated by the Company have been developed to attract and retain the best people on the basis of their skills and abilities. This ensures that the Company offers people with disability the same opportunities for training and career progression as other employees.

EMPLOYEE INVOLVEMENT

The Company operates employment policies designed to ensure that the Company is able to attract and retain the highest calibre of employees from all sections of the community.

The Company values diversity in the workplace and is committed to providing the equality of opportunity to all employees and potential employees. It actively encourages training and skills development throughout the Company.

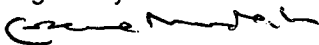
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

AUDITOR

RSM UK Audit LLP has indicated its willingness to continue in office.

Signed by



G Murdoch
Company Secretary

Optical Express (Westfield) Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- d. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OPTICAL EXPRESS (WESTFIELD) LIMITED

We have audited the financial statements on pages 6 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditors

As more fully explained in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 26 December 2015 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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.

Matters on which we are required to report by exception

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

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



ALAN AITCHISON (Senior Statutory Auditor)
For and behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
Third Floor
Centenary House
69 Wellington Street
Glasgow
G2 6HG

Date.....29/9/16.....

Optical Express (Westfield) Limited

PROFIT AND LOSS ACCOUNT

for the year ended 26 December 2015

		26 December 2015 £'000	27 December 2014 £'000
	Notes		
TURNOVER	1	17,649	17,629
Cost of sales		17,649	17,629
Gross profit		-	-
Administrative expenses		361	477
OPERATING LOSS	2a)	(361)	(477)
Analysed as:			
Before exceptional items		-	114
Exceptional items	2b)	(361)	(591)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(361)	(477)
Taxation	5	(81)	81
LOSS FOR THE FINANCIAL YEAR		(280)	(558)

The operating loss for the year arises from the Company's continuing operations.

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account.


Optical Express (Westfield) Limited

BALANCE SHEET

26 December 2015

		26 December 2015 £'000	27 December 2014 £'000
	Notes		
FIXED ASSETS			
Tangible assets	6	5,599	5,614
CURRENT ASSETS			
Stocks	7	1,042	1,629
Debtors	8	2,409	17,570
Cash in hand		15	1
		3,466	19,200
CREDITORS			
Amounts falling due within one year	9	22,737	38,125
NET CURRENT LIABILITIES		(19,271)	(18,925)
TOTAL ASSETS LESS CURRENT LIABILITIES		(13,672)	(13,311)
PROVISIONS FOR LIABILITIES			
Deferred taxation	11	-	81
NET LIABILITIES		(13,672)	(13,392)
CAPITAL AND RESERVES			
Called up equity share capital	14	-	-
Profit and loss account	15	(13,672)	(13,392)
SHAREHOLDERS' DEFICIT	16	(13,672)	(13,392)

The financial statements on pages 6 to 15 were approved by the board of directors and authorised for issue on 28/9/16 and are signed on their behalf by:


D Moulds
Director

Optical Express (Westfield) Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention, and on a going concern basis, which is reliant on the continuing support of the other group companies.

CASH FLOW STATEMENT

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the Company is wholly owned and its parent publishes a consolidated cash flow statement.

TURNOVER

The turnover shown in the profit and loss account represents amounts invoiced during the year.

FIXED ASSETS

All fixed assets are initially recorded at cost.

DEPRECIATION

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold improvements	- Over the term of the lease
Fixtures & Fittings	- 15% reducing balance
Equipment	- 10% or 15% reducing balance or over 5 years
Motor vehicles	- 20% reducing balance

STOCKS

Stocks are valued at the lower of cost and net realisable value. Cost is computed on an average cost basis. Net realisable value is based on estimated selling price less the estimated cost of disposal.

HIRE PURCHASE AGREEMENTS

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

OPERATING LEASE AGREEMENTS

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

PENSION COSTS

The Company made contributions into employees private pension schemes during the year. The assets of these schemes are held separately from those of the Company. The contributions are charged to the profit and loss account.

Optical Express (Westfield) Limited

ACCOUNTING POLICIES

DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

FINANCIAL INSTRUMENTS

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Optical Express (Westfield) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 26 December 2015

1 TURNOVER

The turnover and loss before tax are attributable to the one principal activity of the Company.

An analysis of turnover is given below:

	26 December 2015 £'000	27 December 2014 £'000
United Kingdom	17,367	17,252
Europe	282	377
	<u>17,649</u>	<u>17,629</u>

2 OPERATING LOSS

a) Operating loss is stated after charging:

	26 December 2015 £'000	27 December 2014 £'000
Depreciation of owned fixed assets	890	909
Depreciation of assets held under hire purchase agreements	-	5
(Profit)/loss on disposal of fixed assets	28	4
Auditor's remuneration		
- as auditor	9	10
Operating lease costs:		
Plant and equipment	130	110
Land and buildings	322	296

b) Exceptional costs related to the write off of inter-company loans.

3 PARTICULARS OF EMPLOYEES

The average number of staff employed by the Company during the financial period amounted to:

	26 December 2015 No	27 December 2014 No
Production staff	39	40
Office and management	319	360
Other	7	8
	<u>365</u>	<u>408</u>

The aggregate payroll costs of the above were:

	26 December 2015 £'000	27 December 2014 £'000
Wages and salaries	8,994	9,529
Social security costs	771	901
Pension costs	80	112
	<u>9,845</u>	<u>10,542</u>

Optical Express (Westfield) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 26 December 2015

4 DIRECTORS EMOLUMENTS

The directors aggregate emoluments in respect of qualifying services were:

	26 December 2015 £'000	27 December 2014 £'000
Emoluments receivable	<u>630</u>	<u>630</u>

Emoluments of highest paid director:

	£'000	£'000
Total emoluments (excluding pension contributions)	<u>500</u>	<u>500</u>

Emoluments receivable, as above, include Benefits In Kind.

5 TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	26 December 2015 £'000	27 December 2014 £'000
Current tax:		
UK Corporation tax based on the results for the year at 20.25% (2014 – 21.49%)	-	-
Group relief	-	11
Prior year group relief	-	34
Adjustments in respect of previous periods – Corporation tax	-	-
Total current tax	<u>-</u>	<u>45</u>
Deferred tax:		
Origination and reversal of timing differences	(81)	36
Adjustments in respect of previous periods – Deferred tax	-	-
Tax on loss on ordinary activities	<u>(81)</u>	<u>81</u>

(b) Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the year is higher than the standard rate of corporation tax in the UK at 20.25% (2014 – 21.49%).

	26 December 2015 £'000	27 December 2014 £'000
Loss on ordinary activities before taxation	<u>(361)</u>	<u>(447)</u>
Loss on ordinary activities by rate of tax	(73)	(103)
Expenses not deductible for tax purposes	79	148
Depreciation in excess of capital allowances	(6)	(34)
Adjustments in respect of previous periods	-	34
Total current tax (note 5(a))	<u>-</u>	<u>45</u>

Optical Express (Westfield) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 26 December 2015

6 TANGIBLE FIXED ASSETS

	Equipment £'000	Fixtures & Fittings £'000	Motor Vehicles £'000	Leasehold Improvements £'000	Total £'000
Cost					
At 27 December 2014	13,512	1,569	966	45	16,092
Additions	788	11	-	-	799
Disposals	(132)	(39)	(23)	(3)	(197)
Transfers	259	-	-	-	259
At 26 December 2015	<u>14,427</u>	<u>1,541</u>	<u>943</u>	<u>42</u>	<u>16,953</u>
Depreciation					
At 27 December 2014	8,499	1,174	784	21	10,478
Charge for the year	792	59	36	3	890
On disposals	(101)	(26)	(19)	(4)	(150)
Transfers	136	-	-	-	136
At 26 December 2015	<u>9,326</u>	<u>1,207</u>	<u>801</u>	<u>20</u>	<u>11,354</u>
Net book value					
At 26 December 2015	<u>5,101</u>	<u>334</u>	<u>142</u>	<u>22</u>	<u>5,599</u>
At 27 December 2014	<u>5,013</u>	<u>395</u>	<u>182</u>	<u>24</u>	<u>5,614</u>

Hire purchase agreements

Included within the net book value of £5,599K is £11K (2014 - £30K) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £nil (2014 - £5K).

7 STOCKS

	26 December 2015 £'000	27 December 2014 £'000
Stock	<u>1,042</u>	<u>1,629</u>

8 DEBTORS

	26 December 2015 £'000	27 December 2014 £'000
Amounts owed by group undertakings	1,607	9,879
Other debtors	144	204
VAT recoverable	330	7,193
Prepayments and accrued income	328	294
	<u>2,409</u>	<u>17,570</u>

The Optical Express Group of companies continues to be in dispute with HM Revenue and Customs in relation to a number of issues regarding VAT.

In 2009 the directors provided in full for any potential additional tax that would be payable should the appeals noted above be unsuccessful. The appeals are due to be heard at the Tax Tribunal in the third quarter of 2016.

Optical Express (Westfield) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 26 December 2015

9 CREDITORS: Amounts falling due within one year

	26 December 2015 £'000	27 December 2014 £'000
Bank loans and overdrafts	-	102
Trade creditors	9,081	6,940
Amounts owed to group undertakings	11,831	29,413
Other taxation and social security	629	441
Hire purchase agreements	-	15
Accruals and deferred income	1,196	1,214
	<u>22,737</u>	<u>38,125</u>

10 COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows:

	26 December 2015 £'000	27 December 2014 £'000
Amounts payable within 1 year	-	17
Amounts payable between 1 and 2 years	-	-
Amounts payable between 3 and 5 years	-	-
	<u>-</u>	<u>17</u>
Less interest and finance charges relating to future periods	-	(2)
	<u>-</u>	<u>15</u>
Hire purchase agreements are analysed as follows:		
Current obligations	-	15
Non-current obligations	-	-
	<u>-</u>	<u>15</u>

11 DEFERRED TAXATION

The movement in the deferred taxation provision during the year was:

	26 December 2015 £'000	27 December 2014 £'000
Provision brought forward	81	45
Profit and loss account movement arising during the year	(81)	36
Provision carried forward	<u>-</u>	<u>81</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	26 December 2015 £'000	27 December 2014 £'000
Excess of taxation allowances over depreciation on fixed assets	<u>-</u>	<u>81</u>

Optical Express (Westfield) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 26 December 2015

12 COMMITMENTS UNDER OPERATING LEASES

At 26 December 2015 the Company had annual commitments under non-cancellable operating leases as set out below

	26 December 2015		27 December 2014	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Operating leases which expire:				
Within 1 year	-	-	78	-
Within 2 to 5 years	22	190	242	64
After more than 5 years	-	-	-	-
	<u>22</u>	<u>190</u>	<u>320</u>	<u>64</u>

13 RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption granted by paragraph 3c of Financial Reporting Standard 8 not to disclose transactions with other wholly owned group companies. The Company's other related party transactions during the current year were as follows:

Related Party	Relationship	Transaction	Amount £'000	Balance due (to)/from At 26/12/2015 £'000
Moulsdale Properties	Common Control	Rents paid on properties owned by	-	(11)
Precision Optical B.V.	Common Control	Purchases	6,329	(3,930)
Optical Express (Gyle) Limited	Common Control	Sales	(3,134)	46
		Purchases	182	
		Bank transfers	3,288	
		Tax payments	(153)	

The Company's other related party transactions during the prior period were as follows:

Related Party	Relationship	Transaction	Amount £'000	Balance due (to)/from At 27/12/2014 £'000
Moulsdale Properties	Common Control	Rents paid on properties owned by	181	44
Precision Optical B.V.	Common Control	Purchases	876	(2,333)
Optical Express (Gyle) Limited	Common Control	Sales	(481)	188
		Bank transfers	616	
		Tax payments	(312)	

Optical Express (Westfield) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 26 December 2015

14 SHARE CAPITAL

	26 December 2015 £'000	27 December 2014 £'000
Allotted and called up: 100 Ordinary shares of £1 each	-	-

15 PROFIT AND LOSS ACCOUNT

	26 December 2015 £'000	27 December 2014 £'000
At 27 December 2014	(13,392)	(12,834)
Retained loss for the financial year	(280)	(558)
At 26 December 2015	<u>(13,672)</u>	<u>(13,392)</u>

16 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT

	26 December 2015 £'000	27 December 2014 £'000
Loss for the financial year	(280)	(558)
Opening shareholders' deficit	<u>(13,392)</u>	<u>(12,834)</u>
Closing shareholders' deficit	<u>(13,672)</u>	<u>(13,392)</u>

17 ULTIMATE PARENT COMPANY

The immediate controlling party is DCM (Optical Holdings) Limited, a company incorporated in Scotland.

The ultimate parent company is Insight Global Holding, a company registered out with the UK. Group financial statements are not prepared.