

# Optical Express (Westfield) Limited

## FINANCIAL STATEMENTS

for the year ended

31 December 2016



# Optical Express (Westfield) Limited

## OFFICERS AND PROFESSIONAL ADVISERS

---

### DIRECTORS

D Mouldale  
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 Optical Express Group is a global leader of ophthalmic services and vision correction, including sight tests and eye health assessments, refractive surgery, spectacles and contact lenses.

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.

The results of the Company show that sales to the Group reduced from £17.6M in 2015 to £15.8M in 2016. The Company generated an EBITDA profit, before exceptional items of £1M in the year compares to a profit of £0.8M in 2015.

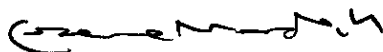
### Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks. Risks are reviewed by management and the board and appropriate processes are put in place to monitor and mitigate them.

### Outlook

As the UK 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.

Signed by



G Murdoch  
Company Secretary

21/6/17

# Optical Express (Westfield) Limited

## DIRECTORS' REPORT

---

The directors submit their report and financial statements of Optical Express (Westfield) Limited for the year ended 31 December 2016.

### 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.

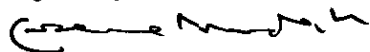
### STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

## Opinion on financial statements

We have audited the financial statements on pages 6 to 19. 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 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.

## Scope of the audit of the financial statements

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 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 and, based on the work undertaken in the course of our audit, the Strategic report and the Directors' Report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report or the Directors' report.

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.

## Respective responsibilities of directors and auditor

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 and express an opinion on 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.

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.

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... 26/6/17.....

# Optical Express (Westfield) Limited

## STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2016

		31 December 2016 £'000	26 December 2015 £'000
	Notes		
TURNOVER	1	15,793	17,649
Cost of sales		15,793	17,649
Gross profit		-	-
Administrative expenses		4	461
OPERATING LOSS	2	(4)	(461)
Analysed as:			
Before exceptional items		-	(101)
Exceptional items	2	(4)	(360)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(4)	(461)
Taxation	5	132	(81)
LOSS FOR THE FINANCIAL YEAR		(136)	(380)

# Optical Express (Westfield) Limited

## STATEMENT OF FINANCIAL POSITION

31 December 2016

		31 December 2016	26 December 2015
	Notes	£'000	£'000
<b>FIXED ASSETS</b>			
Intangible assets	6	2,864	2,848
Tangible assets	7	2,496	2,665
		<u>5,360</u>	<u>5,513</u>
<b>CURRENT ASSETS</b>			
Stocks	8	945	1,042
Debtors	9	2,057	2,409
Cash in hand		30	15
		<u>3,032</u>	<u>3,466</u>
<b>CREDITORS</b>			
Amounts falling due within one year	10	22,321	22,790
<b>NET CURRENT LIABILITIES</b>		<u>(19,289)</u>	<u>(19,324)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>(13,929)</u>	<u>(13,811)</u>
<b>CREDITORS</b>			
Amounts falling due after more than one year	11	18	-
		<u>(13,947)</u>	<u>(13,811)</u>
<b>PROVISIONS FOR LIABILITIES</b>			
Deferred taxation	12	-	-
<b>NET LIABILITIES</b>		<u>(13,947)</u>	<u>(13,811)</u>
<b>CAPITAL AND RESERVES</b>			
Called up equity share capital	15	-	-
Profit and loss account	16	(13,947)	(13,811)
		<u>(13,947)</u>	<u>(13,811)</u>

The financial statements on pages 6 to 19 were approved by the board of directors and authorised for issue on 21/6/17 and are signed on their behalf by:



D Moulds  
Director



# Optical Express (Westfield) Limited

## STATEMENT OF CHANGES IN EQUITY

31 December 2016

	Share capital £'000	Profit and loss account £'000	Total £'000
<b>Balance at 27 December 2014</b>	-	(13,431)	(13,431)
Loss for the year	-	(380)	(380)
<b>Balance at 26 December 2015</b>	-	(13,811)	(13,811)
Loss for the year	-	(136)	(136)
<b>Balance at 31 December 2016</b>	-	(13,947)	(13,947)

# Optical Express (Westfield) Limited

## ACCOUNTING POLICIES

---

### GENERAL INFORMATION

Optical Express (Westfield) Limited is a limited company incorporated in Scotland. The address of the Company's registered office is The Ca'd'oro, 45 Gordon Street, Glasgow, G1 3PE.

The Company's principal activity is as disclosed in the Directors' Report.

### BASIS OF ACCOUNTING

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value.

### FIRST TIME ADOPTION OF FRS 102

These financial statements are the first financial statements of Optical Express (Westfield) Limited prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102). The financial statements of Optical Express (Westfield) Limited for the year ended 26 December 2015 were prepared in accordance with UK GAAP. The date of transition was 28 December 2014.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from UK GAAP. Consequently, the directors have amended certain accounting policies to comply with FRS 102.

Comparative figures have been restated to reflect the adjustments made, except to the extent that the directors have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'. Adjustments are recognised directly in equity at the transition date.

### REDUCED DISCLOSURES

The Company has taken advantage of the exemption from disclosing the following information, as permitted by the reduced disclosure regime within FRS 102:-

- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes and disclosures
- Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income.
- Section 33 'Related Party Disclosures' – Compensation for key management personnel

The financial statements of the Company are consolidated in the financial statements of Lorena Investments Limited. The consolidated financial statements of Lorena Investments Limited are available from its registered office, The Ca'd'oro, 45 Gordon Street, Glasgow, G1 3PE.

# Optical Express (Westfield) Limited

## ACCOUNTING POLICIES

---

### 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.

### TAXATION

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

# Optical Express (Westfield) Limited

## ACCOUNTING POLICIES

---

Deferred tax is recognised on income or expenses from subsidiaries, associates, branches and interests in jointly controlled entities, that will be assessed to or allow for tax in a future period except where the Company is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination and the amounts that can be deducted or assessed for tax. The deferred tax recognised is adjusted against goodwill.

For non-depreciable assets measured using the revaluation model and investment properties measured at fair value (except investment property with a limited useful life held by the Company to consume substantially all of its economic benefits), deferred tax is measured using the tax rates and allowances that apply to the sale of the asset or property.

Current and deferred tax is charged or credited in profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

### FINANCIAL INSTRUMENTS

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument, and are offset only when the Company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

#### ***Financial assets***

##### *Trade, group and other debtors*

Trade, group and other debtors (including accrued income) which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Where the arrangement with a debtor constitutes a financing transaction, the debtor is initially measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument and subsequently measured at amortised cost.

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

#### ***Financial liabilities and equity***

Financial instruments are classified as liabilities and equity instruments according to the substance of the contractual arrangements entered into. 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

## ACCOUNTING POLICIES

---

### *Equity instruments*

Financial instruments classified as equity instruments are recorded at the fair value of the cash or other resources received or receivable, net of direct costs of issuing the equity instruments.

### *Trade, group and other creditors*

Trade, group and other creditors (including accruals) payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Where the arrangement with a creditor constitutes a financing transaction, the creditor is initially measured at the present value of future payments discounted at a market rate of interest for a similar instrument and subsequently measured at amortised cost.

# Optical Express (Westfield) Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2016

---

### 1 TURNOVER

The turnover and loss before tax are attributable to the one principal activity of the Company. Turnover is fully attributed to the sale of goods.

Turnover analysed by geographical market:

	31 December 2016 £'000	26 December 2015 £'000
United Kingdom	15,400	17,367
Europe	393	282
	<u>15,793</u>	<u>17,649</u>

### 2 OPERATING LOSS

Operating loss is stated after charging:

	31 December 2016 £'000	26 December 2015 £'000
Amortisation of owned intangible fixed assets	579	518
Depreciation of owned fixed assets	406	419
(Profit)/loss on disposal of fixed assets	5	28
Auditor's remuneration		
- as auditor	21	9
Operating lease costs:		
Plant and equipment	159	130
Land and buildings	292	322
	<u>292</u>	<u>322</u>

Exceptional costs in the current and prior year 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:

	31 December 2016 No	26 December 2015 No
Production staff	34	39
Office and management	293	319
Other	9	7
	<u>336</u>	<u>365</u>

The aggregate payroll costs of the above were:

	31 December 2016 £'000	26 December 2015 £'000
Wages and salaries	8,855	9,047
Social security costs	762	771
Pension costs	153	80
	<u>9,770</u>	<u>9,898</u>

# Optical Express (Westfield) Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2016

### 4 DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

	31 December 2016 £'000	26 December 2015 £'000
Emoluments receivable	<u>631</u>	<u>630</u>

Emoluments of highest paid director:

	£'000	£'000
Total emoluments (excluding pension contributions)	<u>501</u>	<u>500</u>

Emoluments receivable, as above, include Benefits In Kind.

### 5 TAXATION ON ORDINARY ACTIVITIES

	31 December 2016 £'000	26 December 2015 £'000
Analysis of charge in the year		

Current tax:

UK Corporation tax based on the results for the year at 20% (2015 – 20.25%)	-	-
Group relief	-	-
Adjustment in respect of prior periods	132	-
Total current tax	<u>132</u>	<u>-</u>

Deferred tax:

Origination and reversal of timing differences	-	(81)
Adjustments in respect of previous periods	-	-
Tax on loss on ordinary activities	<u>132</u>	<u>(81)</u>

Factors affecting the tax charge for the year

The tax charge is reconciled with the standard rate of corporation tax in the UK of 20% (2015 – 20.25%) as follows:

	31 December 2016 £'000	26 December 2015 £'000
Loss on ordinary activities before taxation	<u>(4)</u>	<u>(461)</u>
Loss on ordinary activities by rate of tax	(1)	(93)
Expenses not deductible in determining taxable profits	8	79
Fixed asset differences	(25)	5
Deferred tax not recognised	9	(103)
Amounts relating to change in tax rates	21	11
Adjustments in respect of prior periods	131	-
Other	(11)	20
Tax expense	<u>132</u>	<u>(81)</u>

# Optical Express (Westfield) Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2016

### 6 INTANGIBLE FIXED ASSETS

	IT & Software Development £'000	Total £'000
Cost		
At 26 December 2015	6,586	6,586
Additions	595	595
At 31 December 2016	<u>7,181</u>	<u>7,181</u>
Amortisation		
At 26 December 2015	3,738	3,738
Charge for the year	579	579
At 31 December 2016	<u>4,317</u>	<u>4,317</u>
Net book value		
At 31 December 2016	<u>2,864</u>	<u>2,864</u>
At 26 December 2015	<u>2,848</u>	<u>2,848</u>

### 7 TANGIBLE FIXED ASSETS

	Equipment £'000	Fixtures & Fittings £'000	Motor Vehicles £'000	Leasehold Improvements £'000	Total £'000
Cost					
At 26 December 2015	7,841	1,541	943	42	10,367
Additions	121	2	134	-	257
Disposals	(1)	-	(25)	-	(26)
Transfers	19	(4)	-	-	15
At 31 December 2016	<u>7,980</u>	<u>1,539</u>	<u>1,052</u>	<u>42</u>	<u>10,613</u>
Depreciation					
At 26 December 2015	5,674	1,207	801	20	7,702
Charge for the year	306	51	47	2	406
On disposals	-	-	(5)	-	(5)
Transfers	14	-	-	-	14
At 31 December 2016	<u>5,994</u>	<u>1,258</u>	<u>843</u>	<u>22</u>	<u>8,117</u>
Net book value					
At 31 December 2016	<u>1,986</u>	<u>281</u>	<u>209</u>	<u>20</u>	<u>2,496</u>
At 26 December 2015	<u>2,167</u>	<u>334</u>	<u>142</u>	<u>22</u>	<u>2,665</u>

#### Hire purchase agreements

Included within the net book value of £2,496K is £nil (2015 - £11K) 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 (2015 - £nil).



# Optical Express (Westfield) Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2016

### 8 STOCKS

	31 December 2016 £'000	26 December 2015 £'000
Stock	<u>945</u>	<u>1,042</u>

### 9 DEBTORS

	31 December 2016 £'000	26 December 2015 £'000
Amounts owed by group undertakings	1,382	1,607
Other debtors	162	144
VAT recoverable	348	330
Prepayments and accrued income	165	328
	<u>2,057</u>	<u>2,409</u>

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

During the 4<sup>th</sup> quarter of 2016 the Group attended the First-tier Tribunal where six appeals, all arising from output tax related issues, were heard. Post year end the Tribunal published their decision to dismiss the six appeals.

Since the publication of the decision the Group has made an application to the First-tier Tribunal for permission to appeal the decision to the Upper Tribunal. At the date of signing the accounts the Group had not been informed if permission to appeal to the Upper Tribunal had been granted.

The VAT in dispute has been paid in full and if the appeal is unsuccessful there will be no further VAT due by the Optical Express Group of companies to HMRC.

### 10 CREDITORS: Amounts falling due within one year

	31 December 2016 £'000	26 December 2015 £'000
Trade creditors	7,126	9,081
Amounts owed to group undertakings	13,107	11,831
Other taxation and social security	450	629
Accruals and deferred income	1,638	1,249
	<u>22,321</u>	<u>22,790</u>

### 11 CREDITORS: Amounts falling due after more than one year

	31 December 2016 £'000	26 December 2015 £'000
Other creditors	<u>18</u>	<u>-</u>
	<u>18</u>	<u>-</u>

# Optical Express (Westfield) Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2016

### 12 DEFERRED TAXATION

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

	31 December 2016 £'000	26 December 2015 £'000
Provision brought forward	-	81
Profit and loss account movement arising during the year	-	(81)
Provision carried forward	-	-

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

	31 December 2016 £'000	26 December 2015 £'000
Excess of taxation allowances over depreciation on fixed assets	-	-

### 13 COMMITMENTS UNDER OPERATING LEASES

At 31 December 2016 the Company had future minimum lease payments under non-cancellable operating leases as set out below

	31 December 2016		26 December 2015	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Operating leases which expire:				
Within 1 year	50	178	22	190
Within 2 to 5 years	126	124	76	301
After more than 5 years	-	-	-	-
	<u>176</u>	<u>302</u>	<u>98</u>	<u>491</u>

### 14 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 31/12/2016 £'000
Mouldsdale Properties	Key Management Personnel	Rents paid on properties owned by	-	(11)
Precision Optical B.V.	Common Control	Purchases	5,719	(1,869)
Optical Express (Gyle) Limited	Common Control	Sales Purchases	(5,064) 326	(155)
Bridgewater Clinic Limited	Common Control	Sales	(37)	10

# Optical Express (Westfield) Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2016

### 14 RELATED PARTY TRANSACTIONS (cont.)

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 26/12/2015 £'000
Mouldsdale Properties	Key Management Personnel	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 Purchases	(3,287) 182	46

### 15 SHARE CAPITAL

	31 December 2016 £'000	26 December 2015 £'000
Allotted and called up: 100 Ordinary shares of £1 each	-	-

The company's ordinary shares carry no rights to fixed dividends. Each ordinary share carries the right to one vote at General Meetings of the company.

### 16 RESERVES

#### *Profit and loss account*

Cumulative profit and loss net of distributions to owners.

### 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.

### 18 RECONCILIATIONS ON ADOPTION OF FRS 102

#### **Reconciliation of equity**

	27 December 2014 £'000	26 December 2015 £'000
Equity as reported under previous UK GAAP	(13,392)	(13,672)
Holiday pay accrual	A -	(53)
Reallocation of tangible assets to intangible assets	B (39)	(86)
Equity reported under FRS 102	<u>(13,431)</u>	<u>(13,811)</u>

# Optical Express (Westfield) Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2016

---

### 18 RECONCILIATIONS ON ADOPTION OF FRS 102 (cont.)

#### Reconciliation of profit / (loss)

		26 December 2015 £'000
Loss as reported under previous UK GAAP		(280)
Holiday pay accrual	A	(53)
Reallocation of tangible assets to intangible assets	B	(47)
Loss reported under FRS 102		<u>(380)</u>

#### Notes to reconciliation on adoption of FRS 102

##### A. Holiday pay accrual

FRS 102 requires short term employee benefits to be charged to the profit and loss account as the employee service is received. This has resulted in the company recognising a liability for holiday pay of £53K in the year ended 26 December 2015. No accrual was recognised on transition to FRS 102 due to this being immaterial. Previously holiday pay accruals were not recognised and were charged to the profit and loss account as they were paid.

##### B. Reallocation of tangible assets to intangible

Under FRS 102, the directors have chosen to reclassify software costs as intangible assets that were previously recognised as tangible assets under previous UK GAAP. At the time of this reclassification it was decided to amend the depreciation policy which has resulted in an adjustment to reserves on transition of £39K and an adjustment of £86K in the comparative balances. The total impact on profit and loss for the year ended 26 December 2015 was £47K.