

Optical Express (Westfield) Limited

FINANCIAL STATEMENTS

for the year ended

1 January 2022



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

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

The company continued its significant investment programme during the year, investing in the latest state of the art technology and new IT systems to ensure that the Group has the appropriate support infrastructure.

The results of the company show that sales to the Group increased to £19,016K in 2021 from £13,891K in 2020 mainly due to the group ceasing trading for several months in 2020 due to the Covid 19 pandemic. The company generated an EBITDA profit of £936K in the year compared to an EBITDA profit of £1,031K in 2020.

Principal risks and uncertainties

The management of the business and the execution of the group'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.

The principal risks and uncertainties facing the group are:

Covid 19 pandemic

The Covid 19 pandemic and the actions taken by the governments of the countries that the group trades in have impacted and will continue to impact on its operations affecting Optical Express's patients, employees and suppliers. The group continues to monitor the effect of any impact from Covid 19 and has demonstrated its ability to adapt to the changing restrictions and the effect this has on the group's ability to operate. The ongoing health and safety of our employees and patients continues to be the directors primary concern.

Economic risk

There is a risk of increasing unemployment and a reduction in patient spending levels in the different countries that the group operates in as government assistance to businesses reduces and patient's disposable income reduces as a result of increasing, energy and living costs. The groups commercial skills and ability to respond quickly to any changing patient demand is highly developed and proven to be effective in the past.

Competition

The markets in which the group operates in are highly competitive and the actions of competitors could adversely affect the group. The group's strategy is to continue to capitalise on Optical Express's market leading position, our strong brand and the trust that our patients have in the ophthalmic services that we provide.

Other risks

Further to the above principal risks, the board of directors has also considered the exposure of the group to financial price, credit, liquidity and cash flow risk. The board of directors has determined that the exposure of the group to these risks is such that they are not considered principal risks for the purpose of this strategic report.

Optical Express (Westfield) Limited

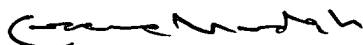
STRATEGIC REPORT

Outlook

The group has continued to generate significant profit from trading in 2022. The group has prepared forecasts to December 2023 and these show that the group has more than sufficient reserves going forward to withstand any future downturn in trading.

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 on consumer confidence in refractive surgery and as new refractive surgery procedures are introduced to the market.

Signed by



G Murdoch
Company Secretary

Date: 26 September 2022

Optical Express (Westfield) Limited

DIRECTORS' REPORT

The directors submit their report and financial statements of Optical Express (Westfield) Limited for the year ended 1 January 2022.

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, customer contact centre, finance, HR and payroll for the Optical Express Group.

DIRECTORS

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

D Mouldsdale
S Mein

DIRECTORS' INDEMNITY

The company has granted an indemnity to its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the Report of Directors.

RESULTS AND DIVIDENDS

The results for the year are set out on page 10.

No ordinary dividends were paid and the directors do not recommend payment of a final dividend.

FUTURE DEVELOPMENTS

The company does not envisage any significant changes to the nature or scope of its future operations.

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.

GOING CONCERN

The group has continued to generate significant profit from trading in 2022. The group has prepared forecasts to December 2023 and these show that the group has more than sufficient reserves going forward to withstand any future downturn in trading and will remain profitable and cash positive for at least a period of twelve months from the date of signing these financial statements. As a result of this the directors consider that there will be appropriate cash within the group to pay all liabilities as they fall due.

This company is reliant on the continuing support of the group, and from the directors review of going concern as noted above, this group support is available. Consequently, these financial statements have been prepared on a going concern basis.

Optical Express (Westfield) Limited

DIRECTORS' REPORT

AUDITOR

The auditor, RSM UK Audit LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as each director is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

By order of the board



G Murdoch
Company Secretary

Date: 26 September 2022

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. 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

We have audited the financial statements of Optical Express (Westfield) Limited (the 'company') for the year ended 1 January 2022 which comprise Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (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 1 January 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 OPTICAL EXPRESS (WESTFIELD) LIMITED

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and 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 material misstatements in the strategic report or the 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 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

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

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures and engaging an internal tax specialist to review the tax computations.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to any significant, unusual transactions and transactions entered into outside the normal course of business.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities> This description forms part of our auditor's report.

Use of our 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.

RSM UK Audit LLP

LINDA GRAY (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
Third Floor, Centenary House
69 Wellington Street
Glasgow
G2 6HG
Date: *27/9/22*

Optical Express (Westfield) Limited
STATEMENT OF COMPREHENSIVE INCOME
for the year ended 1 January 2022

		Year ended 1 January 2022 £'000	Year ended 26 December 2020 £'000
	<i>Notes</i>		
TURNOVER	2	19,016	13,891
Cost of sales		(16,090)	(12,379)
Gross profit		2,926	1,512
Administrative expenses		(2,939)	(3,631)
Other operating income	3	13	2,119
OPERATING PROFIT/(LOSS)	4	-	-
Taxation	7	54	16
PROFIT FOR THE FINANCIAL YEAR		54	16

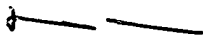
Optical Express (Westfield) Limited

STATEMENT OF FINANCIAL POSITION

1 January 2022

		Year ended 1 January 2022 £'000	Year ended 26 December 2020 £'000
	Notes		
FIXED ASSETS			
Intangible assets	8	2,425	2,609
Tangible assets	9	2,920	2,176
		<u>5,345</u>	<u>4,785</u>
CURRENT ASSETS			
Stocks	10	962	941
Debtors	11	5,346	2,281
Cash in hand		1,401	1,633
		<u>7,709</u>	<u>4,855</u>
CREDITORS			
Amounts falling due within one year	12	(26,728)	(23,358)
NET CURRENT LIABILITIES		<u>(19,019)</u>	<u>(18,503)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(13,674)</u>	<u>(13,718)</u>
CREDITORS			
Amounts falling due after more than one year	13	(19)	(29)
NET LIABILITIES		<u>(13,693)</u>	<u>(13,747)</u>
CAPITAL AND RESERVES			
Called up equity share capital	18	-	-
Profit and loss account	19	(13,693)	(13,747)
		<u>(13,693)</u>	<u>(13,747)</u>

The financial statements on pages 10 to 24 were approved by the board of directors and authorised for issue on 26 September 2022 and are signed on their behalf by:


S Mein
Director

Optical Express (Westfield) Limited

STATEMENT OF CHANGES IN EQUITY

1 January 2022

	Share capital £'000	Profit and loss account £'000	Total £'000
Balance at 28 December 2019	-	(13,763)	(13,763)
Profit for the year	-	16	16
Balance at 26 December 2020	-	(13,747)	(13,747)
Profit for the year	-	54	54
Balance at 1 January 2022	-	(13,693)	(13,693)

Optical Express (Westfield) Limited

ACCOUNTING POLICIES

for the year ended 1 January 2022

GENERAL INFORMATION

Optical Express (Westfield) Limited ('the company') is a private company limited by shares and is registered, domiciled and incorporated in Scotland.

The registered office address of the company 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, and under the historical cost convention.

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.

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 the income statement 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.

GOING CONCERN

The group has continued to generate significant profit from trading in 2022. The group has prepared forecasts to December 2023 and these show that the group has more than sufficient reserves going forward to withstand any future downturn in trading and will remain profitable and cash positive for at least a period of twelve months from the date of signing these financial statements. As a result of this the directors consider that there will be appropriate cash within the group to pay all liabilities as they fall due.

This company is reliant on the continuing support of the group, and from the directors review of going concern as noted above, this group support is available. Consequently, these financial statements have been prepared on a going concern basis.

TURNOVER

The turnover shown in the income statement represents amounts invoiced during the year, exclusive of Value Added Tax.

Optical Express (Westfield) Limited

ACCOUNTING POLICIES

for the year ended 1 January 2022

GOVERNMENT GRANTS

Each grant is recognised at fair value when there are reasonable assurances they will be received, and any qualifying conditions have been complied with. The grants are subsequently presented in the income statement on a systematic basis in the period that the expenses, for which the grants are compensating, are recognised.

INTANGIBLE ASSETS

Intangible assets acquired separately from a business are capitalised at cost. Intangible assets, excluding development costs, created within the business are not capitalised and expenditure is charged against profits in the period in which it is incurred.

AMORTISATION

Amortisation 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.

IT & software development costs which have been capitalised are included within intangible assets. It is anticipated that IT development and software development have an estimated useful life of 10 years and 3 years respectively and accordingly will be written off over this term.

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

The directors consider the residual value of the Freehold Property to be equal to the current book value and therefore have not depreciated it during the year.

IMPAIRMENT OF FIXED ASSETS

Financial assets, other than those held at fair value through the statement of comprehensive income, are assessed for indicators of impairment at each reporting end date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the statement of comprehensive income.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised.

The impairment reversal is recognised in the statement of comprehensive income.

Optical Express (Westfield) Limited

ACCOUNTING POLICIES

for the year ended 1 January 2022

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 income statement 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 operates a defined contribution pension scheme for employees. The assets of these schemes are held separately from those of the company. The contributions are charged to the income statement.

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.

Current and deferred tax is charged or credited in the income statement, 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.

EMPLOYEE BENEFITS

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Optical Express (Westfield) Limited

ACCOUNTING POLICIES

for the year ended 1 January 2022

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 the statement of comprehensive income 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 statement of comprehensive income.

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.

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 1 January 2022

1 JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised. The items in the financial statements where the judgements and estimations have been made include:

In categorising leases as finance leases or operating leases, management makes judgements as to whether significant risks and rewards of ownership have transferred to the company as lessee.

In determining depreciation rates, management must consider and make judgements on the residual value of the asset and their useful life to set depreciation rates.

2 TURNOVER

The turnover and profit / (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:

	1 January 2022 £'000	26 December 2020 £'000
United Kingdom	18,901	13,627
Europe	115	264
	<u>19,016</u>	<u>13,891</u>

3 OTHER OPERATING INCOME

	1 January 2022 £'000	26 December 2020 £'000
Misc income	1	3
Government grant	12	2,116
	<u>13</u>	<u>2,119</u>

The company received government grants in relation to the job retention scheme in the current and prior year in order to retain the workforce during the restrictions on working practices.

Optical Express (Westfield) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 1 January 2022

4 OPERATING PROFIT / (LOSS)

Operating profit / (loss) is stated after charging:

	1 January 2022 £'000	26 December 2020 £'000
Amortisation of owned intangible fixed assets	573	583
Depreciation of owned fixed assets	350	432
Depreciation of assets held under hire purchase and finance agreements	13	16
Loss on disposal of fixed assets	376	10
Auditor's remuneration - as auditor	10	17
Operating lease costs:		
Plant and equipment	141	86
Land and buildings	435	376
	<u> </u>	<u> </u>

5 PARTICULARS OF EMPLOYEES

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

	1 January 2022 No	26 December 2020 No
Production staff	10	20
Office and management	258	299
Other	26	24
	<u> </u>	<u> </u>
	294	343

The aggregate payroll costs of the above were:

	1 January 2022 £'000	26 December 2020 £'000
Wages and salaries	7,976	8,238
Social security costs	761	714
Pension costs	133	132
	<u> </u>	<u> </u>
	8,870	9,084

6 DIRECTORS' EMOLUMENTS

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

	1 January 2022 £'000	26 December 2020 £'000
Emoluments receivable	647	641
Company contributions to money purchase pension schemes	1	1
	<u> </u>	<u> </u>
	648	642

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2020: 1)

Optical Express (Westfield) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 1 January 2022

6 DIRECTORS EMOLUMENTS (contd.)

Emoluments of highest paid director:

	£'000	£'000
Total emoluments	<u>501</u>	<u>501</u>

Emoluments receivable, as above, include Benefits in Kind. There are no pension contributions payable on behalf of the highest paid director.

Included within the aggregate remuneration above are amounts paid to directors of other companies within the group.

7 TAXATION ON ORDINARY ACTIVITIES

	1 January 2022 £'000	26 December 2020 £'000
Analysis of charge in the year		
Current tax:		
Group relief	(54)	(16)
Adjustment in respect of prior periods	-	-
Total current tax	<u>(54)</u>	<u>(16)</u>
Deferred tax:		
Origination and reversal of timing differences	17	-
Adjustments in respect of previous periods	(17)	-
Tax on loss on ordinary activities	<u>(54)</u>	<u>(16)</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 19% (2020 – 19%) as follows:

	1 January 2022 £'000	26 December 2020 £'000
Profit / (loss) on ordinary activities before taxation	<u>-</u>	<u>-</u>
Profit / (loss) on ordinary activities by rate of tax	-	-
Expenses not deductible in determining taxable profits	15	10
Adjustment in respect of previous periods	(17)	-
Fixed asset differences	(30)	2
Deferred tax not recognised	3	(16)
Amounts relating to change in tax rates	(25)	(12)
Tax credit	<u>(54)</u>	<u>(16)</u>

Optical Express (Westfield) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 1 January 2022

8 INTANGIBLE FIXED ASSETS

	IT & Software Development £'000
Cost	
At 26 December 2020	9,203
Additions	389
At 1 January 2022	<u>9,592</u>
Amortisation	
At 26 December 2020	6,594
Charge for the year	573
At 1 January 2022	<u>7,167</u>
Net book value	
At 1 January 2022	<u>2,425</u>
At 26 December 2020	<u>2,609</u>

9 TANGIBLE FIXED ASSETS

	Equipment £'000	Fixtures & Fittings £'000	Motor Vehicles £'000	Leasehold Improvements £'000	Freehold Property £'000	Total £'000
Cost						
At 26 December 2020	7,669	1,453	520	50	-	9,692
Additions	501	64	414	-	505	1,484
Disposals	(3,611)	(106)	(79)	-	-	(3,796)
Transfers	126	(5)	11	-	-	132
At 1 January 2022	<u>4,685</u>	<u>1,406</u>	<u>866</u>	<u>50</u>	<u>505</u>	<u>7,512</u>
Depreciation						
At 26 December 2020	5,900	1,234	355	27	-	7,516
Charge for the year	255	37	67	4	-	363
On disposals	(3,215)	(100)	(53)	-	-	(3,368)
Transfers	81	-	-	-	-	81
At 1 January 2022	<u>3,021</u>	<u>1,171</u>	<u>369</u>	<u>31</u>	<u>-</u>	<u>4,592</u>
Net book value						
At 1 January 2022	<u>1,664</u>	<u>235</u>	<u>497</u>	<u>19</u>	<u>505</u>	<u>2,920</u>
At 26 December 2020	<u>1,769</u>	<u>219</u>	<u>165</u>	<u>23</u>	<u>-</u>	<u>2,176</u>

Hire purchase and finance agreements

Included within the net book value of £2,920K is £56K (2020 - £70k) relating to assets held under hire purchase and finance agreements. The depreciation charged to the financial statements in the period in respect of such assets amounted to £13K (2020 - £16k).

Optical Express (Westfield) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 1 January 2022

10 STOCKS

	1 January 2022 £'000	26 December 2020 £'000
Finished goods	<u>962</u>	<u>941</u>

11 DEBTORS

	1 January 2022 £'000	26 December 2020 £'000
Amounts owed by group undertakings	3,045	1,324
Other debtors	77	62
VAT recoverable	117	18
Prepayments and accrued income	2,099	869
Corporation tax recoverable	8	8
	<u>5,346</u>	<u>2,281</u>

12 CREDITORS: Amounts falling due within one year

	1 January 2022 £'000	26 December 2020 £'000
Trade creditors	4,690	4,018
Amounts owed to group undertakings	20,939	17,343
Other taxation and social security	237	207
Hire purchase and finance lease agreements	10	10
Other creditors	131	68
Accruals and deferred income	721	1,712
	<u>26,728</u>	<u>23,358</u>

13 CREDITORS: Amounts falling due after more than one year

	1 January 2022 £'000	26 December 2020 £'000
Hire purchase and finance lease agreements	<u>19</u>	<u>29</u>
	<u>19</u>	<u>29</u>

Optical Express (Westfield) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 1 January 2022

14 COMMITMENTS UNDER HIRE PURCHASE AND FINANCE LEASE AGREEMENTS

Future commitments under hire purchase agreements are as follows:

	1 January 2022 £'000	26 December 2020 £'000
Amounts payable within 1 year	11	11
Amounts payable between 1 and 2 years	12	15
Amounts payable between 3 and 5 years	8	22
	<u>31</u>	<u>48</u>
Less interest and finance charges relating to future periods	(2)	(9)
	<u>29</u>	<u>39</u>
Hire purchase agreements are analysed as follows:		
Current obligations	10	10
Non-current obligations	19	29
	<u>29</u>	<u>39</u>

15 COMMITMENTS UNDER OPERATING LEASES

At 1 January 2022 the company had future minimum lease payments under non-cancellable operating leases as set out below

	1 January 2022		26 December 2020	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Operating leases which expire:				
Within 1 year	314	49	376	96
Within 2 to 5 years	966	4	1,041	53
After more than 5 years	645	-	891	-
	<u>1,925</u>	<u>53</u>	<u>2,308</u>	<u>149</u>

16 RETIREMENT BENEFIT SCHEME

The Company operates a defined contribution pension scheme for all qualifying employees in the United Kingdom. The assets of the scheme are held separately from those of the Company in an independently administered fund. The contributions payable by the Company charged to profit or loss amounted to £133k (2020: £132k). Contributions totalling £29K (2020: £26K) were payable to the fund at the year end and are included in creditors.

Optical Express (Westfield) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 1 January 2022

17 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption granted by paragraph 33.1A of Financial Reporting Standard 102 not to disclose transactions with other wholly owned group companies.

The company's other related party transactions during the year were as follows:

Related Party	Relationship	Transaction	Amount £'000	Balance due (to)/from At 1/1/2022 £'000
Bridgewater Clinic Limited	Common Control	Sales	21	62
Kart Republic (UK & Ireland) Limited	Common Control	Purchases on behalf of	3	4
Larkhall Circuit Limited	Common Control	Purchases on behalf of	14	3

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 26/12/2020 £'000
Precision Optical Cooperatief U.A	Common Control	Purchases	1,453	(24)
Bridgewater Clinic Limited	Common Control	Sales	6	40
Kart Republic (UK & Ireland) Limited	Common Control	Purchases on behalf of	1	1
Larkhall Circuit Limited	Common Control	Purchases on behalf of	17	3

18 SHARE CAPITAL

	1 January 2022 £'000	26 December 2020 £'000
Allotted, called up and fully paid: 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.

19 RESERVES

Profit and loss account

Cumulative profit and loss net of distributions to owners.

Optical Express (Westfield) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 1 January 2022

20 ULTIMATE PARENT COMPANY

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

The ultimate parent company is Lorena Investments Limited, a company incorporated in Scotland. Group financial statements are available at The Ca'd'oro, 45 Gordon Street, Glasgow, G1 3PE.