

# Cruach Capital Limited

## FINANCIAL STATEMENTS

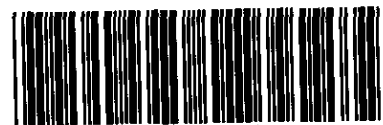
for the year ended

31 December 2016

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# **Cruach Capital Limited**

## **OFFICERS AND PROFESSIONAL ADVISERS**

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### **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**

# Cruach Capital Limited

## DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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The directors are responsible for preparing 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.

**Cruach Capital Limited****BALANCE SHEET****31 December 2016**

		31 December 2016 £'000	26 December 2015 £'000
	Notes		
<b>FIXED ASSETS</b>			
Tangible assets	1	916	1,152
Investments	2	1	1
		<u>917</u>	<u>1,153</u>
<b>CURRENT ASSETS</b>			
Debtors	3	12,597	12,353
Cash at bank		5	15
		<u>12,602</u>	<u>12,368</u>
<b>CREDITORS</b>			
Amounts falling due within one year	4	2,494	2,563
<b>NET CURRENT ASSETS</b>		<u>10,108</u>	<u>9,805</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>11,025</u>	<u>10,958</u>
<b>CREDITORS</b>			
Amounts falling due after more than one year	5	31	368
<b>NET ASSETS</b>		<u>10,994</u>	<u>10,590</u>
<b>CAPITAL AND RESERVES</b>			
Called up equity share capital	9	-	-
Profit and loss account		10,994	10,590
		<u>10,994</u>	<u>10,590</u>

The directors of the company have elected not to include a copy of the Income Statement within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements on pages 3 to 10 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

# Cruach Capital Limited

## STATEMENT OF CHANGES IN EQUITY

### 31 December 2016

	<b>Share capital £'000</b>	<b>Profit and loss account £'000</b>	<b>Total £'000</b>
<b>Balance at 27 December 2014</b>	-	10,238	10,238
Profit for the year	-	352	352
<b>Balance at 26 December 2015</b>	-	10,590	10,590
Profit for the year	-	404	404
<b>Balance at 31 December 2016</b>	-	10,994	10,994

# Cruach Capital Limited

## ACCOUNTING POLICIES

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### GENERAL INFORMATION

Cruach Capital 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 was that of a lessor of equipment

### 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.

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 Cruach Capital 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 Cruach Capital 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.

There are no transitional adjustments arising for the company on transition to FRS 102 that impact the company's previously reported financial performance or position.

### 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.

# Cruach Capital Limited

## ACCOUNTING POLICIES

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### CONSOLIDATION

The Company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated financial statements. Consequently, these financial statements present the financial position and financial performance of the Company as a single entity.

Cruach Capital Limited is a wholly owned subsidiary of DCM (Optical Holdings) Limited, and the results of Cruach Capital Limited are included in the consolidated financial statements of DCM (Optical Holdings) Limited which are publicly available.

### TURNOVER

The turnover shown in the profit and loss account represents rentals receivable under operating leases which are accounted for on an accruals basis, exclusive of Value Added Tax.

### 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:*

Equipment - 15% straight line and over the terms of the lease

### 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.

### FINANCE LEASE AGREEMENTS

Where the Company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included with creditors. Rentals payable are apportioned between the finance element, which is charged to the Company profit and loss account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments.

### 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.

# Cruach Capital Limited

## ACCOUNTING POLICIES

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### ***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.

#### ***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.



# Cruach Capital Limited

## NOTES TO THE DETAILED PROFIT AND LOSS ACCOUNT for the year ended 31 December 2016

### 1 TANGIBLE FIXED ASSETS

	Equipment £'000
Cost	
At 26 December 2015	17,182
Additions	-
At 31 December 2016	<u>17,182</u>
Depreciation	
At 26 December 2015	16,030
Charge for the year	236
At 31 December 2016	<u>16,266</u>
Net book value	
At 31 December 2016	<u>916</u>
At 26 December 2015	<u>1,152</u>

#### Finance Lease Agreements

Included within the net book value of £916K is £916K (2015 - £1,133K) relating to assets held under finance lease agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £217K (2015 - £223K).

### 2 INVESTMENTS

	Investment in Subsidiaries £'000
Cost	
At 26 December 2015	14
At 31 December 2016	<u>14</u>
Impairment	
At 26 December 2015	13
At 31 December 2016	<u>13</u>
Net book value	
At 31 December 2016	<u>1</u>
At 26 December 2015	<u>1</u>

The Company owns 100% of the issued share capital of the companies listed below:

DCM Laser Clinic Limited  
Matland Limited

### 3 DEBTORS

	31 December 2016 £'000	26 December 2015 £'000
Amounts owed by group undertakings	12,505	12,283
Prepayments	53	67
Other debtors	39	3
	<u>12,597</u>	<u>12,353</u>

# Cruach Capital Limited

## NOTES TO THE DETAILED PROFIT AND LOSS ACCOUNT for the year ended 31 December 2016

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

	31 December 2016 £'000	26 December 2015 £'000
Trade creditors	243	290
Amounts owed to group undertakings	1,234	889
Hire purchase and finance lease agreements	904	1,261
Other creditors	80	95
VAT payable	33	28
	<u>2,494</u>	<u>2,563</u>

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

	31 December 2016 £'000	26 December 2015 £'000
Hire purchase and finance lease agreements	<u>31</u>	<u>368</u>

### 6 COMMITMENTS UNDER HIRE PURCHASE AND FINANCE LEASE AGREEMENTS

Future commitments under hire purchase agreements are as follows:

	31 December 2016 £'000	26 December 2015 £'000
Amounts payable within 1 year	989	1,405
Amounts payable between 1 and 2 years	18	391
Amounts payable between 3 and 5 years	24	41
	<u>1,031</u>	<u>1,837</u>
Less interest and finance charges relating to future periods	(96)	(208)
	<u>935</u>	<u>1,629</u>
Hire purchase agreements are analysed as follows:		
Current obligations	904	1,261
Non-current obligations	31	368
	<u>935</u>	<u>1,629</u>

### 7 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	-	528	-	603
Within 2 to 5 years	-	255	-	783
After more than 5 years	-	-	-	-
	<u>-</u>	<u>783</u>	<u>-</u>	<u>1,386</u>

# Cruach Capital Limited

## NOTES TO THE DETAILED PROFIT AND LOSS ACCOUNT for the year ended 31 December 2016

### 8 RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption granted by paragraph 33.1A of the 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 31/12/2016 £'000
Precision Optics B.V.	Common Control	Sale and leaseback	216	(566)
Optical Express (Gyle) Limited	Common Control	Sales	(76)	21
Bridgewater Clinic Limited	Common Control	Sales	(41)	39

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
Precision Optics B.V.	Common Control	Sale and leaseback	(38)	(855)
Optical Express (Gyle) Limited	Common Control	Sales	(42)	10

### 9 SHARE CAPITAL

	31 December 2016 £'000	26 December 2015 £'000
Allotted, called up and fully paid: 2 Ordinary shares of £1 each	-	-

### 10 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.

### 11 AUDIT REPORT

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

- the audit report was unqualified;
- the senior statutory auditor was Alan Aitchison; and
- the auditor was RSM UK Audit LLP.