

Optical Express Limited

FINANCIAL STATEMENTS

for the year ended

26 December 2015

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30/09/2016

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COMPANIES HOUSE

Optical Express Limited

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

D Mouldale
S Mein
J Mouldale

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 Limited

STRATEGIC REPORT

REVIEW OF THE BUSINESS

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

The strategy of the Director's is to grow turnover, market share and profitability whilst committed to delivering the highest level of patient satisfaction and safety.

Prior to the start of this financial period the Director's planned for the business to deliver a substantial profit for FY 2015.

However, from early January 2015, the performance of the Optical Express business and entire refractive surgery industry across the UK was severely impacted by an extremely damaging article that appeared in national newspapers and featured prominently on one of their online platforms. The business is currently litigating against a national newspaper over the false and misleading allegations made.

As a result of the negative press, turnover declined from £118.2M in 2014 to £91.5M generating an EBITDA loss before exceptional expenses of £6.6M (+£0.2M 2014).

OUTLOOK

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

The first half of the year has seen the Group trade profitably and it is anticipated that FY 2016 will see the Group return to profitability.

RESULTS AND DIVIDENDS

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

The directors have not recommended a dividend.

By order of the board



G Murdoch
Company Secretary

Optical Express Limited

DIRECTORS' REPORT

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

PRINCIPAL ACTIVITIES

The principal activity of the Company during the year was that of opticians.

DIRECTORS

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

D Mouldsdale
S Mein
J Mouldsdale

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.

By order of the board



G Murdoch
Company Secretary

Optical Express 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 accounting 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 LIMITED

We have audited the financial statements on pages 6 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

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

Scope of the audit

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

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 26 December 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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



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

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

Optical Express Limited
PROFIT AND LOSS ACCOUNT
for the year ended 26 December 2015

		26 December 2015 £'000	27 December 2014 £'000
	<i>Notes</i>		
TURNOVER	1	91,511	118,223
Cost of sales		24,118	36,309
Gross profit		67,393	81,914
Administrative expenses		77,309	96,591
Other operating income	2	(178)	(78)
OPERATING LOSS	3a)	(9,738)	(14,599)
Analysed as :			
Before exceptional items		(8,534)	(2,186)
Exceptional items	3b)	(1,204)	(12,413)
Interest receivable		229	251
		(9,509)	(14,348)
Interest payable and similar charges	5	1,001	2,234
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(10,510)	(16,582)
Taxation	6	(178)	(337)
LOSS FOR THE FINANCIAL YEAR		(10,332)	(16,245)

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

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

Optical Express Limited

NOTE OF HISTORICAL COST PROFITS AND LOSSES

for the year ended 26 December 2015

	26 December 2015 £'000	27 December 2014 £'000
Loss on ordinary activities before taxation	(10,510)	(16,582)
Difference between a historical cost depreciation charge and the actual depreciation charge calculated on the revalued amount	<u>11</u>	<u>7</u>
Historical cost loss on ordinary activities before taxation	<u>(10,521)</u>	<u>(16,589)</u>
Historical cost loss for the year after taxation	<u>(10,343)</u>	<u>(16,252)</u>

Optical Express Limited

BALANCE SHEET

26 December 2015

		26 December 2015	27 December 2014
	Notes	£'000	£'000
FIXED ASSETS			
Intangible assets	7	97	125
Negative goodwill	7	(1,278)	(1,461)
Tangible assets	8	12,696	16,104
		<u>11,515</u>	<u>14,768</u>
CURRENT ASSETS			
Stocks	9	2,711	4,022
Debtors	10	25,987	42,539
Cash at bank and in hand		198	529
		<u>28,896</u>	<u>47,090</u>
CREDITORS			
Amounts falling due within one year	11	67,719	77,366
NET CURRENT LIABILITIES		<u>(38,823)</u>	<u>(30,276)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(27,308)</u>	<u>(15,508)</u>
CREDITORS			
Amounts falling due after more than one year	12	1,099	975
		<u>(28,407)</u>	<u>(16,483)</u>
PROVISIONS FOR LIABILITIES			
Deferred taxation	14	-	-
Other provisions	15	-	1,592
NET LIABILITIES		<u>(28,407)</u>	<u>(18,075)</u>
CAPITAL AND RESERVES			
Called up equity share capital	18	-	-
Share premium account	19	745	745
Revaluation reserve	20	25	36
Profit and loss account	21	(29,177)	(18,856)
SHAREHOLDERS' DEFICIT	22	<u>(28,407)</u>	<u>(18,075)</u>

The financial statements on pages 6 to 17 were approved by the board of directors and authorised for issue on 28/12/16 and are signed on their behalf by:



D Moulsdale
Director

Optical Express Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

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

CASH FLOW STATEMENT

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

TURNOVER

Turnover for the Company's laser vision correction business represents amounts recognised on the completion of customer consultations before surgery is undertaken and on completion of surgery. For other optical business, turnover represents amounts invoiced during the year, exclusive of Value Added Tax.

GOODWILL

Goodwill representing the excess of the consideration for an acquired undertaking, or acquired trade and assets, compared with the fair value of net assets acquired is capitalised and written off evenly over 10 & 20 years as in the opinion of the directors this represents the period over which the goodwill is expected to give rise to economic benefits. Goodwill is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Negative goodwill arises when the fair value of the consideration for an acquired undertaking, or acquired trade and assets, is less than the fair value of the separable net assets. The amount up to the value of the non-monetary assets acquired is credited to the profit and loss account in the period in which those non-monetary assets are recovered through depreciation or sale. Negative goodwill in excess of the fair values of the non-monetary assets acquired is credited to the profit and loss account in the periods expected to benefit.

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 as follows:

Goodwill - 10 & 20 years

Negative goodwill is being amortised over the period in which the non-monetary assets are released.

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:

Short leasehold properties/revaluations	- Over the term of the lease
Leasehold improvements	- 15% reducing balance
Fixtures and fittings	- 15% reducing balance
Equipment	- 10% & 15% reducing balance
Motor vehicles	- 20% reducing balance
Lease premiums	- Over the term of the lease

Optical Express Limited

ACCOUNTING POLICIES

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss reserve.

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.

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.

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.

DEFERRED TAXATION

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

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

FINANCIAL INSTRUMENTS

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

Optical Express Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 26 December 2015

1 TURNOVER

An analysis of turnover is given below:

	26 December 2015 £'000	27 December 2014 £'000
United Kingdom	88,754	114,470
Europe	2,757	3,753
	<u>91,511</u>	<u>118,223</u>

2 OTHER OPERATING INCOME

	26 December 2015 £'000	27 December 2014 £'000
Rents receivable	<u>178</u>	<u>78</u>

3 OPERATING LOSS

	26 December 2015 £'000	27 December 2014 £'000
a) Operating loss is stated after charging:		
Amortisation	(155)	(240)
Depreciation of owned fixed assets	2,050	2,544
Depreciation of assets held under hire purchase and finance agreements	28	54
Loss on disposal of fixed assets	2	1,317
Auditor's remuneration		
- as auditor	41	50
Operating lease costs:		
Plant and equipment	1,649	1,457
Land and buildings	<u>12,346</u>	<u>11,873</u>

b) Exceptional costs in the current and prior years related to the restructuring of the retail store portfolio, write off of intercompany debt and professional costs.

4 PARTICULARS OF EMPLOYEES

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

	26 December 2015 No	27 December 2014 No
Production staff	15	16
Other	<u>658</u>	<u>753</u>
	<u>673</u>	<u>769</u>

The aggregate payroll costs of the above were:

	26 December 2015 £'000	27 December 2014 £'000
Wages and salaries	18,258	20,405
Social security costs	1,646	2,071
Pension costs	211	270
	<u>20,115</u>	<u>22,746</u>

Optical Express Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 26 December 2015

5 INTEREST PAYABLE AND SIMILAR CHARGES

	26 December 2015 £'000	27 December 2014 £'000
Interest payable on bank borrowing	-	2,200
Other interest and similar charges payable	988	14
Finance charges	13	20
	<u>1,001</u>	<u>2,234</u>

6 TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	26 December 2015 £'000	27 December 2014 £'000
Current tax:		
UK Corporation tax based on the results for the year at 20.25% (2014 – 21.49%)	-	-
Group relief	(178)	-
Prior year group relief	-	(49)
Total current tax	<u>(178)</u>	<u>(49)</u>
Deferred tax:		
Origination and reversal of timing differences	-	(102)
Current Year	-	(186)
Tax on loss on ordinary activities	<u>(178)</u>	<u>(337)</u>

(b) Factors affecting current tax charge

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

	26 December 2015 £'000	27 December 2014 £'000
Loss on ordinary activities before taxation	<u>(10,510)</u>	<u>(16,582)</u>
Loss on ordinary activities by rate of tax	(2,128)	(3,564)
Expenses not deductible for tax purposes	272	2,295
Depreciation in excess of capital allowances	472	406
Adjustments in respect of previous years	-	(49)
Unutilised losses carried forward	1,221	920
Non taxable Income	(36)	(57)
Group relief	21	-
Total current tax (note 6(a))	<u>(178)</u>	<u>(49)</u>

Optical Express Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 26 December 2015

7 INTANGIBLE FIXED ASSETS

	Negative Goodwill £'000	Goodwill £'000	Total £'000
Cost			
At 27 December 2014	(3,185)	511	(2,674)
At 26 December 2015	<u>(3,185)</u>	<u>511</u>	<u>(2,674)</u>
Amortisation			
At 27 December 2014	(1,724)	386	(1,338)
Charge for the year	(183)	28	(155)
At 26 December 2015	<u>(1,907)</u>	<u>414</u>	<u>(1,493)</u>
Net book value			
At 26 December 2015	<u>(1,278)</u>	<u>97</u>	<u>(1,181)</u>
At 27 December 2014	<u>(1,461)</u>	<u>125</u>	<u>(1,336)</u>

8 TANGIBLE FIXED ASSETS

	Equipment £'000	Fixtures & Fittings £'000	Motor Vehicles £'000	Short Leasehold Property £'000	Lease Premiums £'000	Total £'000
Cost or valuation						
At 27 Dec 2014	18,374	27,828	206	1,468	13	47,889
Additions	90	720	-	6	-	816
Disposals	(733)	(6,090)	-	(81)	-	(6,904)
Transfers/Adjustments	(247)	5	-	-	-	(242)
At 26 Dec 2015	<u>17,484</u>	<u>22,463</u>	<u>206</u>	<u>1,393</u>	<u>13</u>	<u>41,559</u>
Depreciation						
At 27 Dec 2014	11,816	18,829	190	937	13	31,785
Charge for the year	706	1,245	3	124	-	2,078
On disposals	(499)	(4,329)	-	(32)	-	(4,860)
Transfers/Adjustments	(140)	-	-	-	-	(140)
At 26 Dec 2015	<u>11,883</u>	<u>15,745</u>	<u>193</u>	<u>1,029</u>	<u>13</u>	<u>28,863</u>
Net book value						
At 26 Dec 2015	<u>5,601</u>	<u>6,718</u>	<u>13</u>	<u>364</u>	<u>-</u>	<u>12,696</u>
At 27 Dec 2014	<u>6,558</u>	<u>8,999</u>	<u>16</u>	<u>531</u>	<u>-</u>	<u>16,104</u>

The leasehold properties were revalued on 7th March 2000 on an open market valuation by Montagu Evans, Chartered Surveyors. The historical cost of the revalued short leasehold properties is £36K (2014 - £37K).

Hire purchase and finance agreements

Included within the net book value of £12,696K is £317K (2014 - £545K) 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 £28K (2014 - £54K).

Optical Express Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 26 December 2015

9	STOCKS	26 December 2015 £'000	27 December 2014 £'000
	Stock	<u>2,711</u>	<u>4,002</u>

10	DEBTORS	26 December 2015 £'000	27 December 2014 £'000
	Trade debtors	849	(381)
	Amounts owed by group undertakings	15,790	34,190
	Corporation tax	440	442
	Other debtors	1,045	958
	Prepayments and accrued income	7,863	7,330
		<u>25,987</u>	<u>42,539</u>

11	CREDITORS: Amounts falling due within one year	26 December 2015 £'000	27 December 2014 £'000
	Trade creditors	4,636	5,242
	Amounts owed to group undertakings	51,216	58,335
	Other taxation and social security	1,044	6,646
	Hire purchase and finance lease agreements	108	85
	Other creditors	6,347	3,882
	Accruals and deferred income	4,368	3,176
		<u>67,719</u>	<u>77,366</u>

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

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

12	CREDITORS: Amounts falling due after more than one year	26 December 2015 £'000	27 December 2014 £'000
	Other creditors	1,099	918
	Hire purchase and finance lease agreements	-	57
		<u>1,099</u>	<u>975</u>

Optical Express Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 26 December 2015

13 COMMITMENTS UNDER HIRE PURCHASE AND FINANCE LEASE AGREEMENTS

Future commitments under hire purchase and finance lease agreements are as follows:

	26 December 2015 £'000	27 December 2014 £'000
Amounts payable within 1 year	118	95
Amounts payable between 1 and 2 years	-	59
Amounts payable between 3 and 5 years	-	-
	<u>118</u>	<u>154</u>
Less interest and finance charges relating to future periods	(10)	(12)
	<u>108</u>	<u>142</u>

14 DEFERRED TAXATION

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

	26 December 2015 £'000	27 December 2014 £'000
Provision brought forward	-	288
Profit and loss account movement arising during the year	-	(288)
Provision carried forward	<u>-</u>	<u>-</u>

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

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

If the revalued assets were sold at the values stated in note 8 the estimated tax payable on that individual transaction would amount to £45K. No provision has been made as it is unlikely that any amount will become payable in the foreseeable future given the Company's current intentions.

15 PROVISIONS FOR LIABILITIES AND CHARGES

	26 December 2015 £'000	27 December 2014 £'000
Onerous contract		
At 27 December 2014	1,592	2,054
Reversed in the year	(1,503)	-
Utilised in the year	(89)	(462)
At 26 December 2015	<u>-</u>	<u>1,592</u>

The Onerous Contract provision represents the remaining obligations in respect of property leases which the Company is no longer deriving benefit from, net of any anticipated rental income to be received from sub-letting or assigning this lease to a third party.

Optical Express Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 26 December 2015

16 COMMITMENTS UNDER OPERATING LEASES

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

	26 December 2015		27 December 2014	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Operating leases which expire:				
Within 1 year	1,198	11	1,218	-
Within 2 to 5 years	4,157	887	4,101	195
After more than 5 years	4,638	-	5,519	-
	<u>9,993</u>	<u>898</u>	<u>10,838</u>	<u>195</u>

17 RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption granted by paragraph 3c of the Financial Reporting Standard 8 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 26/12/2015 £'000
Moulsdale Properties	Common Control	Rents paid on properties owned by	105	(40)
Precision Optical B.V.	Common Control	Purchases Sale and leaseback repaid	298 -	(207) (115)
200 SVS Limited	Common Control	Rents paid on properties Services provided	618 259	(19) (130)
Optical Express (Gyle) Limited	Common Control	Sales Purchases Receipts on behalf Bank transfers Payments on behalf	(3,072) 289 4,184 (1,019) (303)	(2,792)

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

Related Party	Relationship	Transaction	Amount £'000	Balance due (to)/from At 27/12/2014 £'000
Moulsdale Properties	Common Control	Rents paid on properties owned by	573	107
Precision Optical B.V.	Common Control	Purchases Sale and leaseback repaid	27 4	(75) (118)
Optical Express (Gyle) Limited	Common Control	Sales Purchases Bank transfers	(280) 1,228 (1,051)	(2,860)

Optical Express Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 26 December 2015

18 SHARE CAPITAL

	26 December 2015 £'000	27 December 2014 £'000
Allotted and called up:		
198 Ordinary share of £1 each	-	-
1 Deferred share of £1 each	-	-
	<u>-</u>	<u>-</u>

The rights attaching to the deferred share are as follows:

On a return of assets on a liquidation or otherwise, the assets of the Company remaining after the payment of its liabilities will be applied firstly, in paying the holders of the £1 Ordinary Shares a sum equal to the balance of such assets up to a maximum of £100,000,000 and secondly, in distributing the balance of such assets among the holders of the Deferred Share. The holder of the Deferred Share shall be entitled to receive notice of and attend at general meetings but shall not be entitled to vote.

19 SHARE PREMIUM ACCOUNT

There was no movement on the share premium account during the financial year.

20 REVALUATION RESERVE

	26 December 2015 £'000	27 December 2014 £'000
At 27 December 2014	36	43
Transfer to the profit and loss account on realisation	(11)	(7)
At 26 December 2015	<u>25</u>	<u>36</u>

21 PROFIT AND LOSS ACCOUNT

	26 December 2015 £'000	27 December 2014 £'000
At 27 December 2014	(18,856)	(2,618)
Retained loss for the financial year	(10,332)	(16,245)
Transfer from revaluation reserve	11	7
At 26 December 2015	<u>(29,177)</u>	<u>(18,856)</u>

22 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	26 December 2015 £'000	27 December 2014 £'000
Loss for the financial year	(10,332)	(16,245)
Opening shareholders' funds	(18,075)	(1,830)
Closing shareholders' funds	<u>(28,407)</u>	<u>(18,075)</u>

23 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.