

# Optical Express Limited

## FINANCIAL STATEMENTS

for the year ended

27 December 2014



# Optical Express Limited

## OFFICERS AND PROFESSIONAL ADVISERS

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### DIRECTORS

D Mouldsdale  
S Mein  
J Mouldsdale

### SECRETARY

G Murdoch

### REGISTERED OFFICE

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

### AUDITORS

RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP)  
Chartered Accountants  
Third Floor  
Centenary House  
69 Wellington Street  
Glasgow  
G2 6HG

# Optical Express Limited

## STRATEGIC REPORT

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### REVIEW OF THE BUSINESS

Although trading conditions remained challenging during the year the Company continued its investment program opening new refractive surgery centres for laser vision correction and Intra Ocular lens procedures, refractive consultation centres and optical stores.

At the same time the Directors reviewed all trading locations where the leases were approaching a break option/end of lease and either renewed on more favourable terms or closed the store where the location was not optimal for future trading and profitability.

Turnover continued to grow year on year from £79.5M in 2013 to £118.2M in 2014 due to a full year of revenue from clinics which commenced trading during 2013. Turnover was however restricted in the year as a result of a depressed economy.

The Company incurred exceptional costs totalling £12.4M in the year. These exceptional costs related to the closure of stores and the write off of assets associated with these locations and the write off of inter-company loans.

EBITDA before exceptional costs for 2014 was £0.2M, £1.1M lower than 2013.

### OUTLOOK

As the No 1 refractive surgery Company in the UK and Ireland with an extensive clinic network covering the major conurbations, the business is well placed to maximise its return as economic conditions improve and discretionary spending increases.

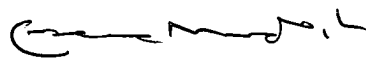
Market conditions have remained challenging and losses are anticipated to increase in 2015. However the directors are confident that with current growth trends and trading the Group will return to profit in 2016.

### 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

18/12/15

# Optical Express Limited

## DIRECTORS' REPORT

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The directors submit their report and financial statements of Optical Express Limited for the year ended 27 December 2014.

### 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.

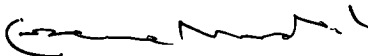
### STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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 (formerly Baker Tilly UK Audit LLP) has indicated its willingness to continue in office.

By order of the board



G Murdoch

Company Secretary

18/12/15

# Optical Express Limited

## DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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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 27 December 2014 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 (formerly BAKER TILLY UK AUDIT LLP), Statutory Auditor

Chartered Accountants

Third Floor

Centenary House

69 Wellington Street

Glasgow

G2 6HG

Date.....18/12/15.....

**Optical Express Limited**  
**PROFIT AND LOSS ACCOUNT**  
for the year ended 27 December 2014

		27 December 2014 £'000	28 December 2013 £'000
	<i>Notes</i>		
TURNOVER	1	118,223	79,480
Cost of sales		36,309	24,100
Gross profit		81,914	55,380
Administrative expenses		96,591	57,658
Other operating income	2	(78)	(158)
OPERATING LOSS	3a)	(14,599)	(2,120)
Analysed as :			
Before exceptional items		(2,186)	26
Exceptional items	3b)	(12,413)	(2,146)
Interest receivable		251	139
		(14,348)	(1,981)
Interest payable and similar charges	5	2,234	1,608
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(16,582)	(3,589)
Taxation	6	(337)	90
LOSS FOR THE FINANCIAL YEAR		(16,245)	(3,679)

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 27 December 2014

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	27 December 2014 £'000	28 December 2013 £'000
Loss on ordinary activities before taxation	(16,582)	(3,589)
Difference between a historical cost depreciation charge and the actual depreciation charge calculated on the revalued amount	<u>7</u>	<u>8</u>
Historical cost loss on ordinary activities before taxation	<u>(16,589)</u>	<u>(3,597)</u>
Historical cost loss for the year after taxation	<u>(16,252)</u>	<u>(3,687)</u>



# Optical Express Limited

## BALANCE SHEET

27 December 2014

	Notes	27 December 2014 £'000	28 December 2013 £'000
<b>FIXED ASSETS</b>			
Intangible assets	7	125	153
Negative goodwill	7	(1,461)	(1,729)
Tangible assets	8	16,104	17,988
		<u>14,768</u>	<u>16,412</u>
<b>CURRENT ASSETS</b>			
Stocks	9	4,022	3,974
Debtors	10	42,539	65,561
Cash at bank and in hand		529	322
		<u>47,090</u>	<u>69,857</u>
<b>CREDITORS</b>			
Amounts falling due within one year	11	77,366	84,404
<b>NET CURRENT LIABILITIES</b>		<u>(30,276)</u>	<u>(14,547)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>(15,508)</u>	<u>1,865</u>
<b>CREDITORS</b>			
Amounts falling due after more than one year	12	975	1,353
		<u>(16,483)</u>	<u>512</u>
<b>PROVISIONS FOR LIABILITIES</b>			
Deferred taxation	14	-	288
Other provisions	15	1,592	2,054
		<u>(18,075)</u>	<u>(1,830)</u>
<b>CAPITAL AND RESERVES</b>			
Called up equity share capital	18	-	-
Share premium account	19	745	745
Revaluation reserve	20	36	43
Profit and loss account	21	(18,856)	(2,618)
<b>SHAREHOLDERS' FUNDS</b>	22	<u>(18,075)</u>	<u>(1,830)</u>

The financial statements on pages 6 to 17 were approved by the board of directors and authorised for issue on 18/12/14 and are signed on their behalf by:



D Mouldale  
Director

# Optical Express Limited

## ACCOUNTING POLICIES

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### 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.

### 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

### 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

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.

# Optical Express Limited

## ACCOUNTING POLICIES

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### 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 27 December 2014

**1 TURNOVER**

An analysis of turnover is given below:

	27 December 2014 £'000	28 December 2013 £'000
United Kingdom	114,470	75,653
Europe	3,753	3,827
	<u>118,223</u>	<u>79,480</u>

**2 OTHER OPERATING INCOME**

	27 December 2014 £'000	28 December 2013 £'000
Rents receivable	<u>78</u>	<u>158</u>

**3 OPERATING LOSS**

	27 December 2014 £'000	28 December 2013 £'000
a) Operating loss is stated after charging:		
Amortisation	(240)	(766)
Depreciation of owned fixed assets	2,544	1,957
Depreciation of assets held under hire purchase and finance agreements	54	78
Loss on disposal of fixed assets	1,317	1,587
Auditor's remuneration		
- as auditor	50	90
Operating lease costs:		
Plant and equipment	1,457	967
Land and buildings	<u>11,873</u>	<u>10,108</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:

	27 December 2014 No	28 December 2013 No
Production staff	16	14
Other	<u>753</u>	<u>599</u>
	<u>769</u>	<u>613</u>

The aggregate payroll costs of the above were:

	27 December 2014 £'000	28 December 2013 £'000
Wages and salaries	20,405	15,885
Social security costs	2,071	1,611
Pension costs	270	109
	<u>22,746</u>	<u>17,605</u>

**Optical Express Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 27 December 2014

5 INTEREST PAYABLE AND SIMILAR CHARGES

	27 December 2014 £'000	28 December 2013 £'000
Interest payable on bank borrowing	2,200	1,616
Other interest and similar charges payable	14	(25)
Finance charges	20	17
	<u>2,234</u>	<u>1,608</u>

6 TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	27 December 2014 £'000	28 December 2013 £'000
Current tax:		
UK Corporation tax based on the results for the year at 21.49% (2013 – 23.25%)	-	-
Group relief	-	(198)
Prior year group relief	(49)	-
Total current tax	<u>(49)</u>	<u>(198)</u>
Deferred tax:		
Origination and reversal of timing differences Current Year	(102) (186)	- 288
Tax on loss on ordinary activities	<u>(337)</u>	<u>90</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 21.49% (2013 – 23.25%).

	27 December 2014 £'000	28 December 2013 £'000
Loss on ordinary activities before taxation	<u>(16,582)</u>	<u>(3,589)</u>
Loss on ordinary activities by rate of tax	(3,564)	(833)
Expenses not deductible for tax purposes	2,295	470
Depreciation in excess of capital allowances	406	341
Adjustments in respect of previous years	(49)	-
Unutilised losses carried forward	920	3
Non taxable Income	(57)	(179)
Total current tax (note 6(a))	<u>(49)</u>	<u>(198)</u>

**Optical Express Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 27 December 2014

**7 INTANGIBLE FIXED ASSETS**

	Negative Goodwill £'000	Goodwill £'000	Total £'000
<b>Cost</b>			
At 28 December 2013	(3,185)	511	(2,674)
At 27 December 2014	<u>(3,185)</u>	<u>511</u>	<u>(2,674)</u>
<b>Amortisation</b>			
At 28 December 2013	(1,456)	358	(1,098)
Charge for the year	(268)	28	(240)
At 27 December 2014	<u>(1,724)</u>	<u>386</u>	<u>(1,338)</u>
<b>Net book value</b>			
At 27 December 2014	<u>(1,461)</u>	<u>125</u>	<u>(1,336)</u>
At 28 December 2013	<u>(1,729)</u>	<u>153</u>	<u>(1,576)</u>

**8 TANGIBLE FIXED ASSETS**

	Equipment £'000	Fixtures & Fittings £'000	Motor Vehicles £'000	Short Leasehold Property £'000	Lease Premiums £'000	Total £'000
<b>Cost or valuation</b>						
At 28 Dec 2013	18,305	31,711	308	1,429	13	51,766
Additions	256	1,318	-	125	-	1,699
Disposals	(581)	(5,201)	(102)	(89)	-	(5,973)
Transfers/Adjustments	394	-	-	3	-	397
At 27 Dec 2014	<u>18,374</u>	<u>27,828</u>	<u>206</u>	<u>1,468</u>	<u>13</u>	<u>47,889</u>
<b>Depreciation</b>						
At 28 Dec 2013	11,395	21,234	283	853	13	33,778
Charge for the year	762	1,685	5	146	-	2,598
On disposals	(401)	(4,090)	(98)	(62)	-	(4,651)
Transfers/Adjustments	60	-	-	-	-	60
At 27 Dec 2014	<u>11,816</u>	<u>18,829</u>	<u>190</u>	<u>937</u>	<u>13</u>	<u>31,785</u>
<b>Net book value</b>						
At 27 Dec 2014	<u>6,558</u>	<u>8,999</u>	<u>16</u>	<u>531</u>	<u>-</u>	<u>16,104</u>
At 28 Dec 2013	<u>6,910</u>	<u>10,477</u>	<u>25</u>	<u>576</u>	<u>-</u>	<u>17,988</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 £37K (2013 - £41K).

**Hire purchase and finance agreements**

Included within the net book value of £16,104K is £545K (2013 - £600K) 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 £54K (2013 - £78K).

**Optical Express Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 27 December 2014

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9	STOCKS	27 December	28 December
		2014	2013
		£'000	£'000
	Stock	<u>4,022</u>	<u>3,974</u>

10	DEBTORS	27 December	28 December
		2014	2013
		£'000	£'000
	Trade debtors	(381)	464
	Amounts owed by group undertakings	34,190	57,330
	Corporation tax	442	659
	Other debtors	958	1,226
	Prepayments and accrued income	7,330	5,882
		<u>42,539</u>	<u>65,561</u>

11	CREDITORS: Amounts falling due within one year	27 December	28 December
		2014	2013
		£'000	£'000
	Trade creditors	5,242	2,036
	Amounts owed to group undertakings	58,335	56,392
	Other taxation and social security	6,646	19,443
	Hire purchase and finance lease agreements	85	109
	Other creditors	3,882	3,625
	Accruals and deferred income	3,176	2,799
		<u>77,366</u>	<u>84,404</u>

Post year end HM Revenue and Customs withdrew assessments for a number of VAT quarters resulting in the Group receiving a substantial repayment and gain to the profit and loss account. HM Revenue and Customs also agreed post year end to release all other funds due to the Group.

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 April 2015 HM Revenue and Customs and the Group attended a case management hearing at the Tax Tribunal in Edinburgh regarding outstanding appeals. The Tax Tribunal has since directed that the 6 appeals should be heard together. It is expected that the hearing will take place in the third quarter of 2016.

In 2009 the directors provided in full for any potential additional tax that would be payable should the appeals noted above be unsuccessful.

12	CREDITORS: Amounts falling due after more than one year	27 December	28 December
		2014	2013
		£'000	£'000
	Other creditors	918	1,211
	Hire purchase and finance lease agreements	57	142
		<u>975</u>	<u>1,353</u>

**Optical Express Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 27 December 2014

**13 COMMITMENTS UNDER HIRE PURCHASE AND FINANCE LEASE AGREEMENTS**

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

	27 December 2014 £'000	28 December 2013 £'000
Amounts payable within 1 year	95	127
Amounts payable between 1 and 2 years	59	95
Amounts payable between 3 and 5 years	-	59
	<u>154</u>	<u>281</u>
Less interest and finance charges relating to future periods	(12)	(30)
	<u>142</u>	<u>251</u>

**14 DEFERRED TAXATION**

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

	27 December 2014 £'000	28 December 2013 £'000
Provision brought forward	288	-
Profit and loss account movement arising during the year	(288)	288
Provision carried forward	<u>-</u>	<u>288</u>

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

	27 December 2014 £'000	28 December 2013 £'000
Excess of taxation allowances over depreciation on fixed assets	<u>-</u>	<u>288</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 £56K. 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**

	27 December 2014 £'000	28 December 2013 £'000
Onerous contract		
At 28 December 2013	2,054	2,301
Utilised in the year	(462)	(247)
At 27 December 2014	<u>1,592</u>	<u>2,054</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 27 December 2014

**16 COMMITMENTS UNDER OPERATING LEASES**

At 27 December 2014 the Company had annual commitments under non-cancellable operating leases as set out below.

	27 December 2014		28 December 2013	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Operating leases which expire:				
Within 1 year	1,218	-	1,247	43
Within 2 to 5 years	4,101	195	3,875	182
After more than 5 years	5,519	-	6,508	-
	<u>10,838</u>	<u>195</u>	<u>11,630</u>	<u>225</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	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)

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

Related Party	Relationship	Transaction	Amount	Balance due (to)/from At 28/12/2013 £'000
Moulsdale Properties	Common Control	Rents paid on properties owned by	713	Nil

**18 SHARE CAPITAL**

	27 December 2014 £'000	28 December 2013 £'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.

**Optical Express Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 27 December 2014

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18 SHARE CAPITAL *(continued)*

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

	27 December 2014 £'000	28 December 2013 £'000
At 28 December 2013	43	51
Transfer to the profit and loss account on realisation	(7)	(8)
At 27 December 2014	<u>36</u>	<u>43</u>

21 PROFIT AND LOSS ACCOUNT

	27 December 2014 £'000	28 December 2013 £'000
At 28 December 2013	(2,618)	1,053
Retained loss for the financial year	(16,245)	(3,679)
Transfer from revaluation reserve	7	8
At 27 December 2014	<u>(18,856)</u>	<u>(2,618)</u>

22 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	29 December 2014 £'000	28 December 2013 £'000
Loss for the financial year	(16,245)	(3,679)
Opening shareholders' funds	(1,830)	1,849
Closing shareholders' funds	<u>(18,075)</u>	<u>(1,830)</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.

24 POST BALANCE SHEET EVENTS

On 27th June 2015, the company disposed of assets to a fellow subsidiary realising a net loss of £1.2M. At the balance sheet date this disposal was not considered and, therefore, the write down to net realised value is not reflected in these financial statements.