

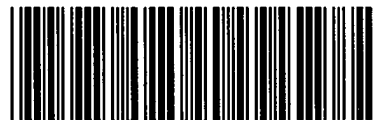
EMNUK Limited

Registered number: 02108102

Annual Report and Financial Statements

For the year ended 31 December 2022

FRIDAY



ACD35BNC

A89

29/09/2023

#64

COMPANIES HOUSE

EMNUK LIMITED

COMPANY INFORMATION

Directors

F Ferrante (Appointed 7 October 2022)
R Barberio (Appointed 1 October 2022)

Company Secretary

Velocity Company Secretarial Services Limited

Registered number

02108102

Registered office

Veale Wasbrough Vizards LLP
Narrow Quay House
Narrow Quay
Bristol
BS1 4QA

Independent auditor

Mazars LLP
Chartered Accountants & Statutory Auditor
Two Chamberlain Square
Birmingham
B3 3AX

Banker

HSBC Bank Plc
The Cross
Gloucester
GL1 2AP

Solicitor

Thrings Solicitors
The Paragon
Counterslip
Bristol
BS1 6BX

EMNUK LIMITED

CONTENTS

	Page
Strategic Report	1 - 2
Directors' Report	3 - 6
Independent Auditor's Report	7 - 10
Statement of Comprehensive Income	11
Statement of Financial Position	12
Statement of Changes in Equity	13
Notes to the Financial Statements	14 - 31

EMNUK LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their report and financial statements of the Company for the year ended 31 December 2022.

Principal activity and review of the business

The Company's principal activity is the processing and distribution of ophthalmic lenses and associated products in the United Kingdom, Europe and other overseas markets.

Business review

The Company's loss for the year, after taxation, amounted to £6,995,000 (2021 – profit £5,788,000). No dividends were distributed during the year (2021 – £nil). The trade and assets of EMNUK were transferred to Essilor Ltd (sister company) effective 1st May 2022.

The business remained stable through the 4 months of trade in 2022. The operating loss results from a £6.3m loss on waiver of intercompany loan from the business transfer to Essilor Ltd. The Company's key performance indicators during the year were as follows:

	2022	2021
	£'000	£'000
Turnover	7,839	24,987
Operating loss	(6,000)	(278)
Profit/loss after tax	(6,995)	5,788
Shareholders' funds	63	7,058

Operating costs include depreciation charges of £11,000 (2021: £242,000).

Future developments

The directors aim to leverage product developments within the business to allow growth within the key channel of business, which is the direct independent channel. On 1st May 2022, the trading assets of EMNUK Ltd were sold to Essilor Ltd, a sister company. The operations will continue as trading divisions of Essilor Ltd. It is the intention to strike off the dormant entity of EMNUK in 2024.

EMNUK LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Principal commercial risks and uncertainties

The directors continually review and evaluate the risks that the Company is facing. The principal commercial risks and uncertainties facing the Company are broadly grouped as competitive and legislative risks.

Competitive risks

Largely owing to the nature of the optical market in Europe, the Company has faced very strong competition in recent years. The Company puts strong emphasis on its excellent service levels, quality of its product and competitive pricing to its customer base to maintain its position within the market.

Legislative risks

Risk within the optical industry within Europe is controlled by the Medical Devices Regulations. Other industry specific recognised bodies provide good practice/standards to follow.

The financial statements are not prepared on the going concern basis, as the company has ceased trade, the operations will continue as a division of Essilor Ltd.

This report was approved by the board on Sep 29, 2023 and signed on its behalf.


Franc Ferrante (Sep 29, 2023 09:07 GMT+1)

F Ferrante
Director

EMNUK LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

The directors present their report and the financial statements for the year ended 31 December 2022.

Directors' responsibilities statement

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 to 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.

Results and dividends

The loss for the year, after taxation, amounted to £6,995,000 (2021 profit £5,788,000).

Directors

The directors who served during the year were:

J Smith (Resigned 30 September 2022)

F Ferrante (Appointed 7 October 2022)

R Barberio (Appointed 1 October 2022)

P Mare (Resigned 7 October 2022)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

Future developments

The directors aim to expand on the management policies and they consider that external sales from continuing operations. As stated in the Strategic Report on page 1, the trading assets and liabilities have been sold to Essilor Ltd, a sister company of EMNUK Ltd, and continues to trade within Essilor Ltd.

Principal financial risks and uncertainties

Risks and uncertainties are outlined in the Strategic Report on page 2.

Employee involvement

The directors support the participation of employees in the activities of the Company, encourage employees to become involved in the pursuit of safety, efficiency and high performance, and provide employees with regular communication on the Company's plans, performance and programmes. The Company has a staff committee, who are able to raise any issues to the leadership team. Formal meetings, run by the staff committee, take place each month, with output and actions fully minuted from each meeting. Supporting all elements of employees Safety and wellbeing is also at the heart of the Business. All employees are engaged with Health and Safety matters, with in house training supported by external qualifications, ensuring a proactive approach to Health and Safety.

EMNUK LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Disabled employees

The Company gives full consideration to applications for employment from disabled persons where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion.

Where existing employees become disabled, it is the Company's policy to provide continuing employment wherever practicable in the same or an alternative position and to provide appropriate training to achieve this aim.

Directors' and officers' liability insurance

During the year the Company purchased and maintained liability insurance for its directors and officers as permitted by section 234 of the Companies Act 2006.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Post balance sheet events

On 1st May 2022 all trading assets and liabilities of EMNUK Limited have been transferred to Essilor Ltd, part of the EssilorLuxottica S.A. Group. The trading divisions will continue to operate within Essilor Ltd with no financial impact foreseen.

EMNUK LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Auditor

The auditor, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on Sep 29, 2023 and signed on its behalf.


Franc Ferrante (Sep 29, 2023 09:07 GMT+1)

F Ferrante
Director

EMNUK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EMNUK LIMITED

Opinion

We have audited the financial statements of EMNUK Limited (the 'company') for the year ended 31 December 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 101 "Reduced Disclosure Framework" (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 31 December 2022 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.

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.

Emphasis of matter – basis of preparation

We draw attention to Note 2.4 to the financial statements which explains that the directors intend to liquidate the company and therefore do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly, the financial statements have been prepared on a basis other than going concern as described in Note 2.4. Our opinion is not modified in respect of this matter.

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.

EMNUK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EMNUK LIMITED (CONTINUED)

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.

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 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 3, 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EMNUK LIMITED (CONTINUED)

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 the financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the company and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation, anti-money laundering regulation.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as: tax legislation, pension legislation and the Companies Act 2006.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to: posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to, revenue recognition (which we pinpointed to the cut-off assertion), and significant one-off or unusual transactions.

EMNUK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EMNUK LIMITED (CONTINUED)

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

Use of the audit 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.

Louis Burns
Louis Burns (Sep 29, 2023 09:11 GMT+1)

Louis Burns (Senior Statutory Auditor) for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

Two Chamberlain Square

Birmingham

B3 3AX

Date: Sep 29, 2023

EMNUK LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £000	2021 £000
Turnover	3	7,839	24,987
Cost of sales		(5,186)	(16,849)
Gross profit		2,653	8,138
Distribution costs		(716)	(2,227)
Administrative expenses		(1,591)	(5,808)
Other operating income		-	73
Restructuring costs			(454)
Waiver of intercompany payable		(6,346)	-
Operating Loss	4	(6,000)	(278)
Interest receivable and similar income	9	3	5
Interest payable and expenses	10	(18)	(34)
Dividend income		-	6,000
(Loss)/Profit before tax		(6,015)	5,693
Tax on (loss)/profit	11	(980)	95
(Loss)/Profit for the financial year		(6,995)	5,788

There were no recognised gains and losses for 2022 or 2021 other than those included in the statement of comprehensive income. All activities relate to discontinued operations of EMNUK Ltd; the trade will continue after the transfer to Essilor Ltd.


There was no other comprehensive income for 2022 (2021: £nil).

The notes on pages 14 to 31 form part of these financial statements

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022 £000	2021 £000
Fixed assets			
Intangible assets	12	-	370
Tangible assets	13	-	1,876
Investments	14	-	-
		-	2,246
Current assets			
Stocks	15	-	2,316
Debtors: amounts falling due after more than one year	16	-	53
Debtors: amounts falling due within one year	16	52	6,028
Cash and cash equivalents	17	11	2,038
		63	10,435
Creditors: amounts falling due within one year	18	-	(5,496)
Net current assets		63	4,939
Total assets less current liabilities		-	7,185
Creditors: amounts falling due after more than one year	19	-	(127)
Net assets		63	7,058
Capital and reserves			
Called up Share Capital	21	1	1
Profit And Loss Account	22	62	7,057
		63	7,058

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
Sep 29, 2023


Franc Ferrante (Sep 29, 2023 09:07 GMT+1)

Director
F Ferrante

EMNUK LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital £000	Profit & loss account £000	Total equity £000
At 1 January 2022	1	7,057	7,058
Comprehensive income for the year			
Loss for the year	-	(6,995)	(6,995)
Total comprehensive income for the year	-	(6,995)	(6,995)
At 31 December 2022	<u>1</u>	<u>62</u>	<u>63</u>

	Called up share capital £000	Profit & loss account £000	Total equity £000
At 1 January 2021	1	1,269	1,270
Comprehensive income for the year			
Profit for the year	-	5,788	5,788
Total comprehensive income for the year	-	5,788	5,788
At 31 December 2021	<u>1</u>	<u>7,057</u>	<u>7,058</u>

£6,346k of the loss for the year related to the waiver of intercompany loan. This loan was solely related to the transfer of the trade and assets of EMNUK into Essilor Ltd 1st May 2022.

The notes on pages 14 to 31 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. General information

EMNUK Limited is a private company limited by shares, incorporated in England and Wales. Its registered office is Veale Wasbrough Vizards LLP, Narrow Quay House, Narrow Quay, Bristol, England, BS1 4QA

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

The following principal accounting policies have been applied:

2.2 Financial reporting standard 101 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share based payment
- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations
- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
 - paragraph 118(e) of IAS 38 Intangible Assets;
 - paragraphs 76 and 79(d) of IAS 40 Investment Property; and
 - paragraph 50 of IAS 41 Agriculture
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2.3 Exemption from preparing consolidated financial statements

The Company is a parent Company that is also a subsidiary included in the consolidated financial statements of its immediate parent undertaking and is therefore exempt from the requirement to prepare consolidated financial statements under section 401 of the Companies Act 2006.

2.4 Going concern

The trade and assets of EMNUK Ltd have been sold to Essilor Ltd effective 1st May 2022. Both companies are controlled by the same ultimate parent company. Essilor Ltd will assume responsibility for all liabilities of the business and the divisions of EMNUK Limited will trade as cash generating units (CGUs) on a going concern basis in Essilor Ltd.

It is the intention of the directors to liquidate the statutory entity of EMNUK Ltd after the business transfer on 1st May 2022. Due to this intention, the financial statements have been prepared on a basis other than a going concern. Despite the financial statements being prepared on a basis other than the going concern basis, the directors do not believe any adjustments to the carrying value of assets and liabilities should be made.

2.5 Leased Assets

The lease contracts identified within the company fall under the following categories:

- Land and buildings: office buildings, factory and warehouse
- Vehicles

The company has retained the exemption for low-value assets (i.e. new assets with a cost lower than EUR 5,000). Thus, the defined scope does not include small office or IT equipment, mobile phones or other small equipment, which all correspond to low-value equipment. Short-term contracts (i.e. less than 12 months without purchase option) are also exempted under the standard. In this case for example, for occasional vehicle or accommodation rentals.

Rental obligation

At the inception date of the lease, the company recognises the lease liabilities, measured at the present value of the lease payments to be made over the term of the lease. The present value of payments is calculated using the marginal borrowing rate at the contract starting date. Rental payments include fixed payments (net of rental incentives receivable), variable payments based on an index or rate and amounts that should be paid under residual value guarantees. The simplification allowing not to split service components has not been elected by the company. Therefore, only the rents are taken into account in the lease payments. Lease payments also include, when applicable, the exercise price of a purchase option reasonably certain to be exercised by the company and the payment of penalties for the termination of a lease, if the term of the lease takes into account the fact that the company has exercised the termination option. Variable lease payments that are not dependent on an index or rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2.5 Leased Assets (continued)

After the start date of the contract, the amount of rental obligations is increased to reflect the increase in interest and reduced for lease payments made. In addition, the carrying amount of the lease liabilities is revalued in the event of a reassessment or modification in the lease (e.g. change in the term of the lease, change in lease payments, application of annual indexation, etc).

Right-of-use assets

The company accounts for the assets related to the right-of-use on the start date of the lease (i.e. The date on which the underlying asset is available). Assets are measured at cost, less accumulated depreciation and impairment losses, and adjusted for the revaluation of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities, initial direct costs incurred and lease payments made on or before the effective date, minus lease inducements received. Unless the company is reasonably certain that it will become the owner of the leased asset at the end of the lease term, the recorded right-of-use assets are depreciated using the linear method over the shortest period of time between estimated life of the underlying asset and the duration of the lease.

Determining the duration of contracts

The land and buildings have durations of up to 5 years. Vehicles are generally contracted between 3 and 5 years. Some of the company's land and building contracts allow for termination of contracts in break clauses. Others do not allow this. Thus, in determining the length of time to be used to calculate the rental obligation, the company determines the enforceable duration of the contract (maximum term) and takes into account break clause options if the company is not reasonably certain that they will extend the contract beyond the option date.

2.6 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2.7 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

The Company has contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company adjusts the transaction prices of these contracts for the time value of money.

Sale of goods

Revenue from the sale of goods is recognised on the satisfaction of performance obligations, such as the transfer of a promised good, identified in the contract between the Company and the customer.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Rendering of services

Revenue from providing services is recognised in the accounting period in which the services are rendered.

2.8 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.9 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.10 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2.11 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.12 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.13 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

2.14 Patents, trademarks and goodwill

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses. Goodwill is capitalised as an intangible asset and is not amortised. Instead it is reviewed annually for impairment with any impairment in carrying value being charged to profit or loss. The Companies Act 2006 requires acquired goodwill to be reduced by provisions for depreciation calculated to write off the amount systematically over a period chosen by the directors, not exceeding its useful economic life. It has been deemed, however, the non-amortisation of goodwill is a departure, for the overriding purpose of giving a true and fair view. The impact of this, however, is not considered material.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2.15 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Buildings	- 2.5% to 20%
Fixtures, fittings and equipment	- 10% to 33%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.16 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.17 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss. A general provision for slow moving stock is in place based on the Group guide for provisioning

2.18 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2.19 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.20 Financial instruments

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets

Financial assets are recognised in the statement of financial position when, and only when, the company becomes a party to the contractual provisions of the instrument.

Financial assets are initially recognised at fair value plus directly attributable transaction costs.

All financial assets are classified as financial assets at amortised cost if the assets comprise assets held within a business model whose objective is to collect the contractual cash flows and the contractual terms give rise to cash flows that are solely payments of principal and interest.

After initial recognition, financial assets at amortised cost are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

If there is objective evidence that there is an impairment loss on financial assets at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced either directly or through use of an allowance account.

A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

Trade and other receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business, if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2.21 Impairment of trade receivables and other receivables

The company makes an estimate of the recoverable value of trade receivables and other receivables. When assessing impairment of trade and other receivables, management considers factors including the ageing profile of receivables and historical experience. The company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and other receivables.

Financial liabilities

The Company classifies its financial liabilities into one of the categories discussed below, depending on the purpose for which the liability was acquired.

At amortised cost

Financial liabilities at amortised cost including bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried into the Statement of Financial Position.

2.22 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.23 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.24 Government Grants

The company took advantage of the Government's Coronavirus job retention scheme. Amounts claimed were recognised through the Other operating income line in the profit and loss account in the period to which the claim related.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2.25 Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements in conformity with generally accepted accounting principles requires the directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results in the future could differ from those estimates. In this regard, the directors believe there are no judgements or estimates.

EMNUK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

3. Turnover

Turnover represents the amounts derived from the provision of goods and services which fall within the company's ordinary activities, stated net of value added tax. The turnover and pre-tax profit is entirely attributable to one continuing activity, the processing and distribution of ophthalmic lenses and associated products.

Analysis of turnover by country of destination:

	2022 £000	2021 £000
United Kingdom	7,740	24,211
Europe and Rest of the World	99	776
	<u>7,839</u>	<u>24,987</u>

4. Operating loss

The NBV of trade and assets of EMNUK sold to Essilor Ltd in the year created an intercompany loan. This loan balance was waived by EMNUK on 6th December 2022, resulting in a loss to the P&L of £6,346k.

Operating loss is stated after charging / (crediting):

	2022 £000	2021 £000
Depreciation of tangible fixed assets	58	242
Exchange differences	(5)	(192)
Defined contribution pension cost	41	131
Reorganisation & employee termination costs	-	454
Furlough Income	-	(73)
Waiver of intercompany payable	6,346	-

5. Staff costs

	2022 £000	2021 £000
Wages and salaries	1,070	3,939
Social security costs	124	310
Other pension costs	41	131
	<u>1,235</u>	<u>4,380</u>

EMNUK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

6. Auditor's remuneration

	2022	2021
	£000	£000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>17</u>	<u>32</u>

7. Employee numbers

The average monthly number of employees, including the directors, during the year was as follows:

	2022	2021
	No.	No.
Administration	95	72
Production	29	93
	<u>124</u>	<u>165</u>

8. Directors' remuneration

During the year, no director received any emoluments. The directors were remunerated by another group company, Essilor Limited.

9. Interest receivable

	2022	2021
	£000	£000
Other interest receivable	<u>3</u>	<u>5</u>
	<u>3</u>	<u>5</u>

10. Interest payable

	2022	2021
	£000	£000
Bank interest payable	17	31
Lease interest under IFRS 16	1	3
Interest payable to group undertakings	-	-
	<u>18</u>	<u>34</u>

EMNUK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

11. Taxation

Corporation tax

	2022	2021
	£000	£000
Current tax on profit/(loss) for the year	-	-
Adjustments in respect of previous periods	-	-
Total current tax	-	-
Deferred tax		
Current year	421	(37)
Adjustments in respect of prior years	559	(12)
Changes to tax rates	-	(46)
Total deferred tax	980	(95)
Total tax	980	(95)

Factors affecting tax credit for the year

The tax assessed for the year is lower than (2021 – lower than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022	2021
	£000	£000
Profit on ordinary activities before tax	(6,015)	5,693
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	(1,143)	1,082
Effects of:		
Expenses not deductible for tax purposes	1,228	24
Income not taxable	-	(1,143)
Adjustments to tax charge in respect of prior periods	559	(12)
Share relief	(43)	
Group relief surrendered	20	
Write off of a deferred tax asset	412	
Difference in tax rate	(53)	(46)
Total tax charge/(credit) for the year	980	(95)

EMNUK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 DECEMBER 2022**

Factors that may affect future tax charges

The company has surplus trading losses carried forward of £nil (2021: £2,877,000). Brought forward losses have transferred with the business to Essilor Ltd.

The Finance Act 2021 which increases the UK corporation tax main rate from 19% to 25% from 1 April 2023 was substantively enacted in May 2021.

12. Intangible assets**Goodwill**

	£000
Cost	
At 1 January 2022	370
Business transfer	(370)
	<hr/>
At 31 December 2022	-
	<hr/>
Depreciation	
At 1 January 2022	-
	<hr/>
At 31 December 2022	-
	<hr/>
Net book value	
At 31 December 2021	370
	<hr/>
At 31 December 2022	-
	<hr/>

EMNUK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

13. Tangible fixed assets

	Right of use asset	Land and buildings	Fixtures, fittings & equipment	Total
	£000	£000	£000	£000
Cost				
At 1 January 2022	427	3,899	4,211	8,537
Additions	-	-	2	2
Disposals	(11)	(1,224)	(3,802)	(5,037)
Business transfer	(416)	(2,675)	(411)	(3,502)
At 31 December 2022	-	-	-	-
Depreciation				
At 1 January 2022	234	2,400	4,027	6,661
Charge for the year	25	17	16	58
Disposal	(11)	(1,182)	(3,721)	(4,914)
Business transfer	(248)	(1,235)	(322)	(1,805)
At 31 December 2022	-	-	-	-
Net book value				
At 31 December 2021	193	1,499	184	1,876
At 31 December 2022	-	-	-	-

The net book value of land and buildings includes £nil (2021 – £325,000) for land which is not depreciated.

14. Fixed asset investments

	Investments in subsidiary company £000
Cost	
At 1 January and 31 December 2022	1,500
Impairment	
At 1 January and 31 December 2022	(1,500)
Net Book	
At 1 January and 31 December 2022	-

Fixed asset investments represent a 100% holding in Crossbows Optical Limited, incorporated in Northern Ireland. (Registered address: Unit 1 Halfpenny Valley, Industrial Estate, Portadown Road, Lurgan, Craigavon, BT66 8TP). Crossbows Optical Limited transferred to Trifle Holdings 20th April 2023 for nil value.

EMNUK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

15. Stocks

	2022	2021
	£000	£000
WIP	-	62
Finished goods and goods for resale	-	2,254
	<u>-</u>	<u>2,316</u>

The difference between purchase price of stocks and their replacement cost is not material.

16. Debtors

	2022	2021
	£000	£000
Due after more than one year		
Other debtors	<u>-</u>	<u>53</u>
Due within one year		
	2022	2021
	£000	£000
Trade debtors	-	4,352
Amounts owed by group undertakings	51	537
Other debtors	1	77
Prepayments	-	82
Deferred taxation	-	980
	<u>52</u>	<u>6,028</u>

17. Cash and cash equivalents

	2022	2021
	£000	£000
Cash at bank and in hand	<u>11</u>	<u>2,038</u>

EMNUK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

18. Creditors: Amounts falling due within one year

	2022	2021
	£000	£000
Trade creditors	-	425
Amounts owed to group undertakings	-	3,390
Other taxation and social security	-	353
Corporation tax	-	-
Lease liability	-	72
Other creditors	-	282
Accruals	-	974
	<u>-</u>	<u>5,496</u>

Group creditors are trade accounts repayable between 30 and 60 days following statement date.

19. Creditors: Amounts falling due after more than one year

	2022	2021
	£000	£000
Lease Liability	<u>-</u>	<u>127</u>
	<u>-</u>	<u>127</u>

20. Deferred taxation

	2022	2021
	£000	£000
At beginning of year	980	885
Adjustment in respect of prior years	(559)	12
Charged to profit or loss	(9)	83
Transfer to Essilor Ltd	<u>(412)</u>	<u>-</u>
At end of year (assets)	<u>-</u>	<u>980</u>

The deferred tax asset is made up as follows:

	2022	2021
	£000	£000
Fixed Assets	-	192
Temporary timing differences	-	241
Losses	<u>-</u>	<u>547</u>
	<u>-</u>	<u>980</u>

EMNUK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

21. Share Capital

	2022	2021
	£000	£000
Allotted, called up and fully paid		
1,000 (2020 - 1,000) Ordinary shares of £1.00 each	<u>1</u>	<u>1</u>

22. Reserves**Profit and loss account**

The cumulative gains and losses recognised in the Income Statement together with those gains or losses required to be taken directly to equity.

23. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. Contributions are taken to profit and loss account as they are incurred.

Pension contributions outstanding at 31 December 2022 were £nil (2021: £nil). Contributions made in respect of the year ended 31 December 2022 were £41k (2021: £131k).

24. Related party transactions

The company is a wholly owned subsidiary of EssilorLuxottica S.A. and has taken advantage of the exemption conferred by the Financial Reporting Standards FRS 101 Reduced Disclosure Framework (FRS 101) not to disclose transactions with EssilorLuxottica S.A. or its wholly owned subsidiaries.

EMNUK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

25. Related Parties

Related party transactions relating to normal trading activities all conducted at arm's length. The Company is a wholly owned subsidiary of EssilorLuxottica S.A. and has taken advantage of the exemption conferred by the FRS 101 "Reduced Disclosure Framework" not to disclose transactions with fellow wholly owned group companies. Listed below are transactions with non-wholly owned subsidiaries:

	2022 £000	2021 £000
Nikon	6	18
Omega Optix	24	1
GKB VRX	1,766	7,272
Chemi	188	765
Wanxin	374	1,867
Trade Purchases	2,360	9,941
	2022 £000	2021 £000
Trade Sales		
Grandvision	322	-
Omega Optix	-	20
	725	1,516

26. Post balance sheet events

EMNUK transferred its investment in Crossbows Optical to Trifle Holdings 20th April 2023 for a consideration of £nil.

27. Ultimate parent undertaking and controlling party

The company's immediate parent is the Trifle Holdings Limited, a company incorporated in the United Kingdom.

The company's ultimate parent is EssilorLuxottica S.A., a French company quoted on the Paris Stock Exchange. Copies of the financial statements of EssilorLuxottica S.A., which is the largest group undertaking that the entity is included within, can be obtained from their head office at 147 Rue de Paris, 94227 Charenton Cedex, France.