

Registered number
02889471
(England & Wales)

Airways Optical Limited
Report and Abbreviated Financial Statements
28 February 2014



Airways Optical Limited
Report and financial statements
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Airways Optical Limited
Report and financial statements
Officers and professional advisors

Directors

Specsavers Laboratories Limited
T Seymour
S Lawe
V McLean

Secretary

Specsavers Laboratories Limited

Auditors

BDO LLP
Chartered Accountants and Registered Auditors
Bridgewater House
Finzels Reach
Counterslip
Bristol
BS1 6BX

Registered office

Forum 6, Parkway
Solent Business Park
Whitely
Fareham
PO15 7PA

Registered number

02889471

Airways Optical Limited**Registered number: 02889471****Directors' Report**

The directors present their report and financial statements for the year ended 28 February 2014.

Principal activities

The principal activity of the company is the production and supply of quality prescription lenses to the Specsavers group and its retail partners.

Results and dividends

The profit and loss account is set out on page 7 and shows the profit for the year.

In accordance with the Articles of Association the right to participate in the profits of the company is exclusive to "A" shares and no dividend is payable on the 100 "B" ordinary £0.50 shares.

During the year the directors paid an interim dividend of £660,000 (2013: £1,606,635). The directors are not proposing a final dividend for the year (2013: £nil).

Post balance sheet events

There have been no material post balance sheet events that would require disclosure or adjustments to these financial statements.

Future Developments

The company is committed to providing high quality product to its markets in a timely and reliable manner. To enable it to continue to do this, the shareholders are committed to continuing to invest in the latest technology to ensure product is supplied to the requisite quality. This strategy should ensure the continued profitability of the company.

Directors

The directors during the year under review were:

Specsavers Laboratories Limited
T Seymour
S Lawe
V McLean

Charitable donations

During the year the company made charitable donations of £3,100 (2013: £5,328).

Statement as to disclosure of information to auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Group's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Airways Optical Limited

Registered number:

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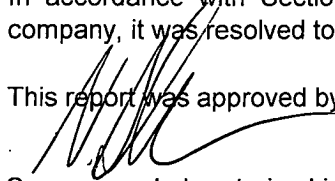
Directors' Report

Auditors

In accordance with Section 487 of the Companies Act 2006, by an elective resolution of the company, it was resolved to dispense with the annual appointment of auditors.

This report was approved by the Board of Directors and signed on its behalf on

31 October 2014


Specsavers Laboratories Limited
Director

Airways Optical Limited

Registered Number

02889471

Strategic Report

for the year ended 28 February 2014

The directors present their strategic review of the business for the year ended 28 February 2014.

Review of the business

As shown in the company's profit and loss account on page 7, turnover has increased by 6.4% (2013: 3% decrease). Turnover is affected by the product sales mix each year and the directors are responsible for maximising the efficiency of production within the company to generate the best possible return on the company's turnover. During the year operating profit increased to £1,641,527 from £1,537,677 in line with management's expectations.

The optical industry continues to be a highly competitive environment and the directors believe that continuing to provide high quality prescription lenses to the Specsavers Group and its retail partners is key to ensuring the continued success of the business.

Principal risks and uncertainties

The directors have considered the requirement of Section 417 of the Companies Act 2006. After due consideration the directors believe that the exposure of the company to market price risk, credit risk, liquidity risk and cash flow risk is minimal. The main risk to which the company is exposed are:

Operational risk

Operational risk relates to the challenge of providing product to the Specsavers group and its retail partners cost effectively. This principally relates to providing product to its market in a timely and reliable manner whilst meeting the highest quality standards.

Market risk

Market risk is the risk that orders placed reduce significantly due to changes in the retail environment. Given the continuing growth of Specsavers retail operations, the directors see this risk as unlikely.

These risks are addressed through the shareholders' commitment to investment in the latest technology.

Key performance indicators

The directors use a number of financial and non-financial key performance indicators to enable a consistent method of analysing performance. The key performance indicators utilised by the directors are as follows:

Financial key performance indicators

Operating Profit Margin

Operating profit measures the profit achieved on the company's activities after taking account of the total operating costs incurred, before exceptional items, finance costs and taxation. The margin is calculated by taking the operating profit and dividing it by turnover.

The company achieved an operating profit of 6.8% for the year, in line with the prior year figure of 6.8%. This continues to be slightly in excess of management's expectations and as a result of efficiencies achieved in managing the cost base of the company.

Non-financial key performance indicators

The company uses non-financial KPIs to manage its business, in particular Returns (%) resulting from unacceptable quality, and On Time Delivery (%). During the year Returns averaged 0.5% (2013: 0.6%) and On Time Delivery averaged 99.9% (2013: 99.7%). These performance metrics are in line with management expectations.

This report was approved by the Board of Directors and signed on its behalf on

31 October 2014

Specsavers Laboratories Limited
Director

Airways Optical Limited

Statement of Directors' Responsibilities

The directors are responsible for preparing the directors' report, the strategic 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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 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.

Airways Optical Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AIRWAYS OPTICAL LIMITED UNDER SECTION 449 OF THE COMPANIES ACT 2006

We have examined the abbreviated accounts which comprise the profit and loss account, the balance sheet, cash flow statement and the related notes, together with the financial statements of Airways Optical Limited for the year ended 28 February 2014 prepared under section 396 of the Companies Act 2006.

Our report has been prepared pursuant to the requirements of section 449 of the Companies Act 2006 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of section 449 of the Companies Act 2006 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 "The Special Auditor's Report on Abbreviated Accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.



Andrea Bishop (senior statutory auditor)
For and on behalf of BDO LLP
Bristol
United Kingdom

Date: 31 October 2014

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Airways Optical Limited
Abbreviated Profit and Loss Account
for the year ended 28 February 2014

	Notes	2014 £	2013 £
Turnover	2	24,021,028	22,573,877
Gross profit		<u>5,446,920</u>	<u>5,160,401</u>
Administrative expenses		(3,821,731)	(3,621,947)
Other operating (expenses) income		16,338	(777)
Operating profit	3	<u>1,641,527</u>	<u>1,537,677</u>
Interest receivable	7	421	270
Interest payable	6	(75,196)	(76,571)
Profit on ordinary activities before taxation		<u>1,566,752</u>	<u>1,461,376</u>
Tax on profit on ordinary activities	8	(381,150)	(437,091)
Profit on ordinary activities after taxation		<u>1,185,602</u>	<u>1,024,285</u>

All activities derive from continuing operations.

There are no recognised gains or losses for the current or prior period other than as stated in the profit and loss account.

The notes on pages 10 to 19 form part of the financial statements.

Airways Optical Limited
Balance Sheet
as at 28 February 2014

Registered number

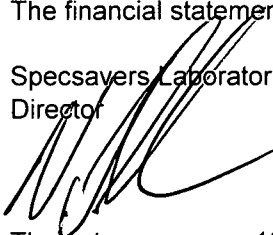
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	Notes	2014 £	2013 £
Fixed assets			
Tangible assets	9	2,796,371	2,853,052
Current assets			
Stocks	10	1,137,670	1,034,393
Debtors	11	2,720,438	2,247,458
Cash at bank		8,100	7,004
		<u>3,866,208</u>	<u>3,288,855</u>
Creditors: amounts falling due within one year	12	(4,658,065)	(4,419,099)
Net current liabilities		(791,857)	(1,130,244)
Total assets less current liabilities		<u>2,004,514</u>	<u>1,722,808</u>
Creditors: amounts falling due after more than one year	13	-	(243,896)
Net assets		<u>2,004,514</u>	<u>1,478,912</u>
Capital and reserves			
Called up share capital	16	100	100
Profit and loss account	17	2,004,414	1,478,812
Shareholders' funds	19	<u>2,004,514</u>	<u>1,478,912</u>

These financial statements have been prepared in accordance with the special provisions applicable to medium-sized companies.

The financial statements were approved and authorised for issue by the Board of Directors on 31 October 2014

Specsavers Laboratories Limited
 Director



The notes on pages 10 to 19 form part of these financial statements.

Airways Optical Limited
Cash Flow Statement
for the year ended 28 February 2014

	Notes	2014 £	2013 £
CASH FLOW STATEMENT			
Net cash inflow from operating activities	20	2,752,945	3,442,495
Returns on investments and servicing of finance	21	(74,775)	(76,301)
Taxation		(493,850)	(630,650)
Capital expenditure	21	<u>(1,224,715)</u> 959,605	<u>(800,005)</u> 1,935,539
Dividends paid	18	<u>(660,000)</u> 299,605	<u>(1,606,635)</u> 328,904
Financing	21	(298,509)	(327,678)
Increase in cash		<u>1,096</u>	<u>1,226</u>

The notes on pages 10 to 19 form part of these financial statements.

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards. The accounting policies which have been applied consistently throughout the current and prior years, are described below.

Going concern
The financial statements have been prepared on a going concern basis on the grounds that continued support will be received from the parent company for the foreseeable future.

Turnover
Turnover represents amounts invoiced for the provision of goods and services which fall within the company's ordinary activities, net of value added tax and trade discounts. Turnover is recognised in the period in which the goods and services are provided.

Tangible fixed assets
Tangible fixed assets are stated at cost less accumulated depreciation and provision for any impairment.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of the asset, on a straight line basis, over their expected useful life or, if held under finance, over the lease term, whichever is the shorter. The rates used are as follows:

Land and buildings	over term of the lease
Plant and machinery	7% - 33% on cost
Fixtures, fittings, tools and equipment	7% - 50% on cost
Assets under construction	Not depreciated

Information technology costs are only capitalised if the costs are externally generated and relate to a specific project with quantifiable benefits. These costs are then included in equipment and depreciated over their useful economic life.

Stock
Stock and work in progress are valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price, less further costs of completion and all relevant marketing, selling and distribution costs.

Share-based payments
Where shares of the company are purchased by or issued to employees or directors, the profit and loss account is charged with the fair value of the shares less any amount paid by the employees or directors at the time of purchase.

Current taxation
Current tax is provided at amounts expected to be paid (or recovered) using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Airways Optical Limited
Notes to the Accounts
for the year ended 28 February 2014

1 Accounting policies (continued)

Deferred taxation

Deferred taxation is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in tax computations in periods different from those in which they are included in financial statements. Deferred tax assets and liabilities are not discounted.

Foreign currency

Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. These translation differences are taken to the profit and loss account.

Leased assets

Assets obtained under finance leases or hire purchase contracts are capitalised in the balance sheet at the present value of the minimum lease payments payable during the lease term. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight-line basis over the period of the lease.

Pension costs

The company operates defined contribution pension schemes for certain employees under which the pension costs charged against profit represent the amount of contributions payable to the schemes for the year. Differences between contributions payable and contributions actually paid in the year are shown as either accruals or prepayments at the year end.

Dividends

Dividends are recognised when they become authorised. Final dividends are recognised when approved by the shareholders at an annual general meeting.

2 Turnover

Turnover attributable to geographical markets for the year ended 28 February 2014 was as follows:

	2014	2013
Analysis by geographical market:		
United Kingdom	<u>100%</u>	<u>100%</u>

Airways Optical Limited
Notes to the Accounts
for the year ended 28 February 2014

3	Operating profit	2014	2013
		£	£
	This is stated after charging/(crediting):		
	Depreciation of owned fixed assets	849,727	787,401
	Depreciation of assets held under finance leases and hire purchase contracts	327,678	327,678
	Depreciation of leasehold buildings	104,991	105,003
	Operating lease rentals - plant and machinery	17,981	44,523
	Operating lease rentals - land buildings	113,824	187,127
	Auditors' remuneration	10,798	10,798
	(Gain) on disposal of fixed assets	(1,000)	(11,670)
	Foreign exchange losses	11,171	12,716
		<hr/>	<hr/>
4	Directors' emoluments	2014	2013
		£	£
	Emoluments	163,763	192,815
	Social security costs	20,228	22,455
		<hr/>	<hr/>
		183,991	215,270
		<hr/>	<hr/>
	Highest paid director:		
	Emoluments	83,894	98,840
		<hr/>	<hr/>
	The number of Directors who were members of the Airways Optical Limited defined contribution pension scheme during the year was nil (2013: nil).		
5	Staff costs	2014	2013
		£	£
	Wages and salaries (excluding directors' emoluments)	3,219,407	3,045,993
	Social security costs	225,786	238,576
	Other pension costs	22,207	12,969
		<hr/>	<hr/>
		3,467,400	3,297,538
		<hr/>	<hr/>
	Average monthly number of employees during the year	Number	Number
	Administration	18	17
	Manufacturing	163	163
		<hr/>	<hr/>
		181	180
		<hr/>	<hr/>
6	Interest payable	2014	2013
		£	£
	Interest paid to Group Treasury Company (note 24)	30,108	28,494
	Finance charges payable under finance leases and hire purchase contracts	45,088	48,077
		<hr/>	<hr/>
		75,196	76,571
		<hr/>	<hr/>

Airways Optical Limited
Notes to the Accounts
for the year ended 28 February 2014

7	Interest receivable	2014	2013
		£	£
	Interest received from Group Treasury Company (note 24)	421	270
		<u>421</u>	<u>270</u>
8	Tax on profit on ordinary activities	2014	2013
		£	£
a)	Analysis of charge in the year		
	Current tax:		
	UK corporation tax	478,906	493,537
	Adjustment in respect of previous years	830	1,759
	Total current tax (note 8b)	<u>479,736</u>	<u>495,296</u>
	Deferred tax:		
	Origination and reversal of timing differences	(92,199)	(75,524)
	Adjustment in respect of previous years	(41,090)	4,324
	Effect of tax rate change on opening balance	34,703	12,995
	Total deferred tax	<u>(98,586)</u>	<u>(58,205)</u>
	Tax charge on profit on ordinary activities	<u>381,150</u>	<u>437,091</u>
b)	Factors affecting tax charge for the year		
	The tax assessed for the year is higher than the standard rate of corporation tax in the United Kingdom at 23.08% (2013: 24.17%)		
	The differences are explained below:		
		2014	2013
		£	£
	Profit on ordinary activities before tax	<u>1,566,752</u>	<u>1,461,376</u>
	Standard rate of corporation tax in the UK	23.08%	24.17%
		£	£
	Profit on ordinary activities multiplied by the standard rate of corporation tax in the United Kingdom of 23.08% (2013: 24.17%)	361,606	353,215
	Effects of:		
	Accounting adjustments and transfers		
	Income not taxable for tax purposes	-	(705)
	Expenses not deductible for tax purposes - fixed assets	10,287	54,839
	Expenses not deductible for tax purposes	592	6,822
	Capital allowances for period in excess of depreciation	106,362	79,355
	Other short term timing differences	59	11
	Adjustments to tax charge in respect of previous periods	830	1,759
	Current tax charge (note 8a)	<u>479,736</u>	<u>495,296</u>

Airways Optical Limited
Notes to the Accounts
for the year ended 28 February 2014

9 Tangible fixed assets

	Land and buildings	Plant and machinery	Fixtures, fittings, tools and equipment	Assets under construction	Total
	£	£	£	£	£
Cost					
B/fwd at 1 March 2013	1,203,245	13,482,394	807,092	539,708	16,032,439
Additions	-	-	-	1,274,786	1,274,786
Transfers to Fixed Assets	-	1,422,921	-	(1,422,921)	-
Disposals	(400)	(1,376,605)	(2,733)	-	(1,379,738)
At 28 February 2014	<u>1,202,845</u>	<u>13,528,710</u>	<u>804,359</u>	<u>391,573</u>	<u>15,927,487</u>
Depreciation					
B/fwd at 1 March 2013	939,800	11,605,334	634,253	-	13,179,387
Charge for the year	104,991	1,122,630	54,775	-	1,282,396
On disposals	(345)	(1,327,589)	(2,733)	-	(1,330,667)
At 28 February 2014	<u>1,044,446</u>	<u>11,400,375</u>	<u>686,295</u>	<u>-</u>	<u>13,131,116</u>
Net book value					
At 28 February 2014	<u>158,399</u>	<u>2,128,335</u>	<u>118,064</u>	<u>391,573</u>	<u>2,796,371</u>
At 28 February 2013	<u>263,445</u>	<u>1,877,060</u>	<u>172,839</u>	<u>539,708</u>	<u>2,853,052</u>

	2014 £	2013 £
Net book value of fixed assets included above held under finance leases and hire purchase contracts	<u>97,559</u>	<u>398,985</u>

Included within plant and machinery and fixtures, fittings, tools and equipment, the net book value of finance leases and hire purchase is £97,559 (2013: £398,985) comprising of a total cost of £1,638,392 (2013: £1,638,392) less accumulated depreciation of £1,540,833 (2013: £1,239,407) .

All land and buildings are held under operating leases, the net book value of leasehold buildings is £158,398 (2013: £263,445) comprising of a total cost of £1,203,245 (2013: £1,203,245) less accumulated depreciation of £1,044,447 (2013 : £939,800) .

Airways Optical Limited
Notes to the Accounts
for the year ended 28 February 2014

10 Stocks	2014	2013
	£	£
Raw materials and consumables	1,062,324	908,235
Work in progress	54,340	46,940
Finished goods and goods for resale	21,006	79,218
	<u>1,137,670</u>	<u>1,034,393</u>

11 Debtors	2014	2013
	£	£
Trade debtors	-	26,042
Parent and fellow subsidiaries (note 24)	2,188,693	1,973,223
Group Treasury Company (note 24)	121,869	-
Other debtors and prepayments	86,324	23,227
Deferred tax asset	323,552	224,966
	<u>2,720,438</u>	<u>2,247,458</u>

Deferred taxation is accrued in the accounts as follows:

	2014	2013
	£	£
Short term timing differences	485	499
Accelerated capital allowances	323,067	224,467
	<u>323,552</u>	<u>224,966</u>

	2014	2013
	£	£
Asset at the start of the period	224,966	166,761
Deferred tax charge in profit and loss account for period (note 8)	98,586	58,205
Asset at the end of the period	<u>323,552</u>	<u>224,966</u>

12 Creditors: amounts falling due within one year	2014	2013
	£	£
Obligations under finance lease and hire purchase contracts	246,813	301,426
Group Treasury Company (note 24)	218,433	535,580
Trade creditors	1,221,717	1,057,776
Parent and fellow subsidiaries (note 24)	1,658,255	1,417,245
Corporation tax	244,068	258,182
Other taxes and social security costs	461,172	431,184
Other creditors	2,424	2,171
Accruals and deferred income	605,183	415,535
	<u>4,658,065</u>	<u>4,419,099</u>

13 Creditors: amounts falling due after one year	2014	2013
	£	£
Obligations under finance lease and hire purchase contracts	<u>-</u>	<u>243,896</u>

Airways Optical Limited
Notes to the Accounts
for the year ended 28 February 2014

14 Secured debts	2014	2013
	£	£

The following debts secured against specific fixed assets are included within creditors:

Finance lease and hire purchase contracts	246,813	545,322
	<u>246,813</u>	<u>545,322</u>

15 Obligations under finance leases and hire purchase contracts	2014	2013
	£	£

Amounts payable:

Within one year	246,813	301,426
Within two to five years	-	243,896
	<u>246,813</u>	<u>545,322</u>

16 Share capital	Nominal value	Number	2014	2013
			£	£
Allotted, called up and fully paid:				
"A" Ordinary shares	£0.50 each	100	50	50
"B" Ordinary shares	£0.50 each	100	50	50
			<u>100</u>	<u>100</u>

17 Profit and loss account	2014	2013
	£	£
At 1 March	1,478,812	2,061,162
Profit for the financial year	1,185,602	1,024,285
Dividends (note 18)	(660,000)	(1,606,635)
At 28 February	<u>2,004,414</u>	<u>1,478,812</u>

18 Dividends	2014	2013
"A" Ordinary shares	£	£
Interim paid of £6,600 per share (2013: £16,066)	<u>660,000</u>	<u>1,606,635</u>

Airways Optical Limited
Notes to the Accounts
for the year ended 28 February 2014

19	Reconciliation of movement in shareholders' funds	2014	2013
		£	£
	At 1 March	1,478,912	2,061,262
	Profit for the financial year	1,185,602	1,024,285
	Dividends (note 18)	(660,000)	(1,606,635)
	At 28 February	<u>2,004,514</u>	<u>1,478,912</u>
20	Reconciliation of operating profit to net cash inflow from operating activities	2014	2013
		£	£
	Operating profit	1,641,527	1,537,677
	Depreciation and amortisation	1,282,396	1,220,082
	(Increase)/decrease in stocks	(103,277)	55,972
	Increase in debtors	(374,394)	(315,569)
	Increase in creditors	307,693	956,003
	Share-based payment	-	-
	Profit on sale of fixed assets	(1,000)	(11,670)
	Net cash inflow from operating activities	<u>2,752,945</u>	<u>3,442,495</u>
21	Gross cash flows	2014	2013
		£	£
	Returns on investments and servicing of finance		
	Interest received	421	270
	Interest paid	(30,108)	(28,494)
	Interest element of finance lease rental payments	<u>(45,088)</u>	<u>(48,077)</u>
		<u>(74,775)</u>	<u>(76,301)</u>
	Capital expenditure		
	Payments to acquire tangible fixed assets	(1,274,786)	(820,428)
	Receipts from sales of tangible fixed assets	50,071	20,423
		<u>(1,224,715)</u>	<u>(800,005)</u>
	Financing		
	Capital element of finance lease rental payments	<u>(298,509)</u>	<u>(327,678)</u>
22	Reconciliation of net cash flow to movement in net debt	2014	2013
		£	£
	Increase in cash in the period	1,096	1,226
	Decrease in debt and lease financing	298,509	327,678
	Change in net debt	<u>299,605</u>	<u>328,904</u>
	Net debt at 1 March	<u>(538,318)</u>	<u>(867,222)</u>
	Net debt at 28 February	<u>(238,713)</u>	<u>(538,318)</u>

Airways Optical Limited
Notes to the Accounts
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23 Analysis of changes in net debt

	At 1 Mar 2013	Cash flows	At 28 Feb 2014
	£	£	£
Cash at bank and in hand	7,004	1,096	8,100
Finance leases	(545,322)	298,509	(246,813)
Total	(538,318)	299,605	(238,713)

24 Related parties

During the year, the company has conducted transactions with its ultimate parent, Specsavers International Healthcare Limited and its subsidiaries as follows:

	2014	2013
	£	£
Sales	24,021,028	22,573,877
Interest receivable	421	270
Interest payable	29,566	28,494
Purchase of goods	1,378,627	230,507
Overhead costs	<u>2,012,401</u>	<u>1,932,842</u>

Specsavers International Healthcare Limited has confirmed that its subsidiaries will continue to provide and procure these goods and services for the foreseeable future.

Specsavers International Healthcare Limited and its subsidiaries

Ultimate parent and fellow subsidiaries

At the year end there were debtor balances of £2,175,658 (2013: £1,973,223) and creditor balances of £1,657,287 (2013: £1,417,245) held with Specsavers International Healthcare Limited, its subsidiaries and related parties.

	2014	2013
	£	£
Net balance due from ultimate parent & fellow subsidiaries	530,438	555,978

Specsavers Finance (Guernsey) Limited

Fellow subsidiary, Group Treasury Company

The balance due from the Group Treasury Company is £121,869 (2013: £535,580 due to Group Treasury Company). Specsavers Finance (Guernsey) Limited is incorporated in Guernsey and provides treasury services to the company and other Specsavers Group Companies.

	2014	2013
	£	£
Balance with Group Treasury Company	121,869	(535,580)

Specsavers Procurement Limited

Fellow subsidiary

During the year ended 2013, Airways Optical Limited (the "Company") entered into a loan agreement with Specsavers Procurement Limited, a fellow subsidiary of Specsavers International Healthcare Limited, for the amount of £1,300,000. The loan is interest free and repayable on demand and it is included under the creditor balance.

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25 Ultimate parent company and ultimate controlling party

The ultimate parent company of Airways Optical Limited is Specsavers International Healthcare Limited, a company incorporated in Guernsey.

Mr and Mrs Perkins have the controlling holding in the ordinary shares of Specsavers International Healthcare Limited, the accounts of which are not available to the public.

The smallest and largest group in which these accounts are consolidated is Specsavers Procurement UK Limited. Its accounts are available to the public and may be obtained from Companies House, Crown Way, Cardiff, CF4 3UZ, Wales.