

Abbeyfield V.E. Limited  
Annual report and financial statements  
for the year ended 31 December 2015

Registered number: 03104285



# **Abbeyfield V.E. Limited**

## **Annual report and financial statements for the year ended 31 December 2015**

<b>Contents</b>	<b>Page</b>
Directors and advisers .....	1
Strategic report for the year ended 31 December 2015 .....	2
Directors' report for the year ended 31 December 2015 .....	4
Independent auditors' report to the members of Abbeyfield V.E. Limited .....	7
Statement of comprehensive income for the year ended 31 December 2015 .....	9
Statement of financial position as at 31 December 2015 .....	10
Statement of changes in equity for the year ended December 2015 .....	11
Notes to the financial statements for the year ended 31 December 2015 .....	12

# **Abbeyfield V.E. Limited**

## **Directors and advisers**

### **Directors**

J Lawson  
M Flint  
S Hope

### **Company secretary**

S Hope

### **Registered office**

Mere Way  
Ruddington Fields Business Park  
Ruddington  
Nottingham  
NG11 6NZ

### **Independent auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Donington Court  
Pegasus Business Park  
Castle Donington  
East Midlands  
DE74 2UZ

### **Bankers**

HSBC Bank plc  
12 Victoria Street  
Nottingham  
NG1 2FF

### **Solicitors**

Geldards LLP  
The Arc  
Enterprise Way  
Nottingham  
NG2 1BN

Shakespeares Legal LLP  
20 New Walk  
Leicester  
LE1 6TX

# **Abbeyfield V.E. Limited**

## **Strategic report for the year ended 31 December 2015**

The directors present their strategic report on the company for the year ended 31 December 2015.

### **Business review and principal activities**

The company's principal activity during the year continued to be the management of an optical retail group. No change is planned to these activities.

The company's main income stream is generated from charging management fees to Joint Venture Vision Express stores.

The results of the company show a profit on ordinary activities before taxation of £4,396,000 (2014: £4,582,000). The company has net assets of £10,325,000 (2014: £6,615,000).

### **Future outlook**

The Vision Express group continues to invest in its stores, equipment, product, and people, to maximise opportunities to retain and grow its customer base within a competitive market. As a result of our ongoing commitment to such investment and against a back drop of a challenging economic environment, we remain confident that we will continue to generate satisfactory returns for the foreseeable future.

The directors continue to review the performance of all stores in the Joint Venture estate to ensure that each operates under the optimum business model for that location and customer base. The company continues to charge on-going management fees to stores that remain in the Joint Venture estate and no significant changes are expected in the near future in this regard.

### **Key performance indicators (KPIs)**

The total number of trading stores, Joint Venture and Franchise, at the end of December 2015 was 88, compared to 90 at the prior year end.

With this statistic, plus comments above, given the straightforward nature of the business, the company's directors are of the opinion that analysis using more KPIs is not necessary for an understanding of the development, performance or position of the business.

### **Principal risks and uncertainties**

The management of the business and the execution of the company's strategy are subject to a number of risks.

Risks are reviewed by the board, and appropriate processes put into place to monitor and mitigate them. If more than one event occurs, it is possible that the overall effect of such events would compound the possible adverse effects on the company.

The key business risks affecting the company are set out below:

#### *National and global economic trading conditions*

The overall performance of the stores from which the company derives fees, is dependent, to some degree, upon the overall national economy, although balanced by the fundamental need of customers for optical care and services. The risk of continuous difficult economic trading conditions is partly mitigated by continued management focus and tactical change to deliver services and products in line with the changing needs of the customer, and driving competitive advantage.

# **Abbeyfield V.E. Limited**

## **Strategic report for the year ended 31 December 2015 (continued)**

### **Principal risks and uncertainties (continued)**

#### *Amount owed by Joint Venture stores*

The company continues to loan funds to Joint Venture companies, in which it has an investment as disclosed in note 11 to the financial statements.

Whilst the company actively manages the risks associated in loans to these businesses, the ultimate recovery of these debts remains reliant on the performance of the individual Joint Venture companies.

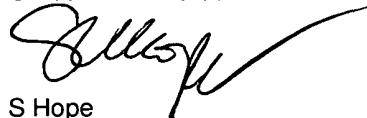
#### *Business interruption*

The company has a risk associated with potential interruption to business either at the national store support centre or in its associated stores. This risk is mitigated through an effective disaster recovery plan, supplemented by appropriate insurance coverage.

#### *Regulatory changes*

The overall performance of the company is dependent upon any future regulatory changes which may be imposed by either HMRC or other Government or Regulatory bodies.

On behalf of the board



S Hope  
**Director**

21 July 2016

# **Abbeyfield V.E. Limited**

## **Directors' report for the year ended 31 December 2015**

The directors present their annual report and the audited financial statements of the company for the year ended 31 December 2015.

### **Results and dividends**

The company's operating profit for the year amounted to £4,293,000 (2014: £4,523,000).

The profit for the financial year amounted to £3,710,000 (2014: £4,553,000).

During the year the company paid dividends of £nil (2014: £3,000,000), see note 9. No dividends were received in the year (2014: £nil).

The future outlook of the company is considered within the strategic report.

### **Financial risk management**

The company's operations expose it to a variety of financial risks that include the effects of credit risk, liquidity risk, and interest rate risk. The directors actively manage these risks by monitoring levels of risk and related costs.

The company has implemented policies to ensure that appropriate credit checks are carried out on potential customers before credit sales are made.

The company has both interest bearing assets and interest bearing liabilities. Interest bearing assets include amounts held on intra group loan accounts and cash balances, all of which earn interest at floating interest rates. When necessary, the company utilises overdraft facilities at floating interest rates designed to ensure the company has sufficient available funds for its operations and its required level of working capital. The directors will revisit the appropriateness of this policy should the company's operations change in size or nature.

### **Directors**

The directors who held office during the year and up to the date of signing the financial statements were:

J Lawson  
M Flint  
S Hope

### **Directors' indemnities**

The company purchased and maintained throughout the financial year directors' and officers' liability insurance in respect of itself and its directors.

### **Employees**

The company places considerable value on the involvement of its employees and has continued its practice of keeping them informed on matters affecting them as employees and on the various factors affecting the performance of the company. There are a variety of mechanisms implemented to achieve this, including manager briefings, newsletters publications and attendance at annual conferences. Wherever possible, the company also actively consults employees, or their representatives, on a regular basis so that the views of employees can be taken into account in making decisions that are likely to affect their interest.

# **Abbeyfield V.E. Limited**

## **Directors' report for the year ended 31 December 2015 (continued)**

### **Employees (continued)**

It is the company's policy to attract, develop, engage and retain the best people by incentivising them through appropriate bonus schemes, linked to company performance.

Our policy is to fulfil our obligations under current employment legislation through an active trained HR department supported by outside expert counsel. Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that all employees be given equal opportunities in respect of training, career development and promotion.

It is our policy to carry on business so as to avoid causing any unnecessary or unacceptable safety risks to any of our employees.

It is company policy that there shall be no discrimination in respect of age, sex, colour, religion, race, nationality or ethnic origin and that equal opportunity shall be given to all employees.

### **Employment of people with disabilities**

It is our policy that people with disabilities should have fair consideration for all vacancies within the company. The company is therefore committed, where possible, to ensuring that people with disabilities are supported and encouraged to apply for employment and to achieve progress once employed. They will be treated so as to ensure that they have an equal opportunity to be selected, trained and promoted. In addition, every reasonable effort is made for disabled persons to be retained in the employment of the company by investigating the possibility of making reasonable adjustments to the job, workplace or equipment.

### **Statement of directors' responsibilities**

The directors are responsible for preparing the annual 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), 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;
- state whether applicable UK Accounting Standards comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

# **Abbeyfield V.E. Limited**

## **Directors' report for the year ended 31 December 2015 (continued)**

### **Statement of directors' responsibilities (continued)**

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.

### **Statement of disclosure of information to auditors**

In the case of each director in office at the date the directors' report is approved, the following applies:

- a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- b) he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### **Independent auditors**

A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the company will be proposed at the Annual General Meeting.

On behalf of the board



S Hope  
**Director**

21 July 2016



# **Independent auditors' report to the members of Abbeyfield V.E. Limited**

## **Report on the financial statements**

### **Our opinion**

In our opinion, Abbeyfield V.E. Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its profit 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.

### **What we have audited**

The financial statements, included within the Annual report and financial statements (the "Annual Report"), comprise:

- the Statement of financial position as at 31 December 2015;
- the Statement of comprehensive income for the year then ended;
- the Statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

### **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.

### **Other matters on which we are required to report by exception**

#### **Adequacy of accounting records and information and explanations received**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

#### **Directors' remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

## **Independent auditors' report to the members of Abbeyfield V.E. Limited (continued)**

### **Responsibilities for the financial statements and the audit**

#### **Our responsibilities and those of the directors**

As explained more fully in the statement of directors' responsibilities set out on pages 5 and 6, 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 and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK & Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the parent company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

#### **What an audit of financial statements involves**

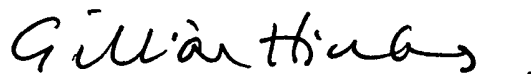
We conducted our audit in accordance with ISAs (UK and Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Gillian Hinks (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
East Midlands

21 July 2016

## Abbeyfield V.E. Limited

### Statement of comprehensive income for the year ended 31 December 2015

	Note	2015 £'000	2014 £'000
<b>Turnover</b>	3	<b>9,662</b>	9,665
Administrative expenses		(5,369)	(5,142)
<b>Operating profit</b>	6	<b>4,293</b>	4,523
Interest receivable and similar income	4	137	71
Interest payable and similar charges	5	(34)	(12)
<b>Profit on ordinary activities before taxation</b>		<b>4,396</b>	4,582
Tax on profit on ordinary activities	8	(686)	(29)
<b>Profit for the financial year</b>		<b>3,710</b>	4,553
<b>Total comprehensive income for the year</b>		<b>3,710</b>	4,553

All results derive from continuing operations.

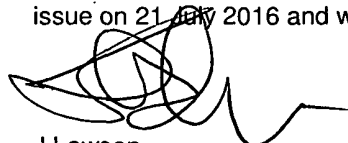
# Abbeyfield V.E. Limited

## Statement of financial position as at 31 December 2015

Registered number: 03104285

	Note	2015 £'000	2014 £'000
<b>Fixed assets</b>			
Tangible assets	10	2	3
Investments	11	15	295
		<b>17</b>	<b>298</b>
<b>Current assets</b>			
Debtors	12	14,548	10,767
Cash at bank and in hand		2,353	1,024
		<b>16,901</b>	<b>11,791</b>
Creditors: amounts falling due within one year	14	(6,587)	(5,474)
<b>Net current assets</b>		<b>10,314</b>	<b>6,317</b>
<b>Total assets less current liabilities</b>		<b>10,331</b>	<b>6,615</b>
Creditors: amounts falling due after more than one year	15	(6)	-
<b>Net assets</b>		<b>10,325</b>	<b>6,615</b>
<b>Capital and reserves</b>			
Called up share capital	16	-	-
Retained earnings		10,325	6,615
<b>Total equity</b>		<b>10,325</b>	<b>6,615</b>

These financial statements on pages 9 to 28 were approved by the board of directors and authorised for issue on 21 July 2016 and were signed on its behalf by:



J Lawson  
Director

## Abbeyfield V.E. Limited

### Statement of changes in equity as at 31 December 2015

	Share capital	Retained earnings	Total
	£'000	£'000	£'000
<b>Balance at 1 January 2014</b>	-	5,062	5,062
Profit for the year	-	4,553	4,553
Total comprehensive income for the year	-	4,553	4,553
Transactions with owners in their capacity as owners:-			
Dividends (Note 9)	-	(3,000)	(3,000)
<b>Balance at 31 December 2014</b>	-	6,615	6,615
Profit for the year	-	3,710	3,710
Total comprehensive income for the year	-	3,710	3,710
<b>Balance at 31 December 2015</b>	-	10,325	10,325

# **Abbeyfield V.E. Limited**

## **Notes to the financial statements for the year ended 31 December 2015**

### **1 Accounting policies**

#### **Company information**

Abbeyfield V.E. Limited is a Limited company domiciled and incorporated in England and Wales. The registered office is Abbeyfield V.E. Limited, Mere Way, Ruddington Fields Business Park, Ruddington, Nottingham, NG11 6NZ.

The company's principal activities are disclosed in the strategic report.

#### **Accounting convention**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS102") and the requirements of the Companies Act 2006, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 and under the historical cost convention.

Monetary amounts in these financial statements are rounded to the nearest £000, except where otherwise indicated.

These financial statements are the first financial statements of Abbeyfield V.E. Limited prepared in accordance with FRS 102. The financial statements of Abbeyfield V.E. Limited for the year ended 31 December 2014 were prepared in accordance with previous UK GAAP.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the directors have amended certain accounting policies to comply with FRS 102. The directors have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'. No adjustments to comparative figures were required in the adoption of FRS 102.

#### **Consolidated financial statements**

The company has taken advantage of the exemption in section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it is a wholly owned subsidiary of GrandVision N.V., which prepares group financial statements which incorporate this entity. Consequently, these financial statements present the financial position and financial performance of the company as a single entity.

#### **Reduced disclosures**

In accordance with FRS102, the company has taken advantage of the exemptions from the following disclosure requirements;

- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes and disclosures.
- Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument.

# **Abbeyfield V.E. Limited**

## **Notes to the financial statements for the year ended 31 December 2015 (continued)**

### **1 Accounting policies (continued)**

#### **Reduced disclosures (continued)**

- Section 26 'Share Based Payments' – Share based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements.
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of GrandVision N.V., which incorporate the full consolidated statement of cash flows and details of share based payments. The consolidated financial statements of GrandVision N.V. are available from WTC Schiphol Airport, G5, Schiphol Boulevard 117, 1118 BG Schiphol, The Netherlands.

#### **Going concern**

The financial statements have been prepared on the going concern basis on the grounds that the directors have carried out a detailed review of the company's resources. The directors are satisfied that the company has sufficient cash flows to meet its liabilities as they fall due for at least one year from the date of approval of the financial statements.

#### **Functional and presentational currencies**

The financial statements are presented in sterling which is also the functional currency of the company.

#### **Foreign currencies**

Transactions in currencies other than the functional currency (foreign currencies) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

#### **Turnover**

Revenue in respect of services is recognised in the accounting period to which the services are rendered and at the fair value of the consideration received or receivable in the ordinary nature of the business. Turnover is shown net of VAT.

Turnover is recognised by reference to the year that it relates. Any future periods' turnover is held within the balance sheet and is released into the correct accounting year.

# **Abbeyfield V.E. Limited**

## **Notes to the financial statements for the year ended 31 December 2015 (continued)**

### **1 Accounting policies (continued)**

#### **Tangible fixed assets and depreciation**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses. Depreciation is provided on all tangible fixed assets, other than freehold land and investment properties, at rates calculated to write off the cost or valuation of each asset to its estimated residual value on a straight line basis over its expected useful life, as follows:-

Leasehold improvements	10 years
Fixtures, fittings and equipment	3-5 years

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

#### **Fixed asset investments**

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

#### **Impairment of fixed assets**

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the company estimates the recoverable amount of the asset.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses in profit or loss.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in profit or loss. On reversal of an impairment loss, the depreciation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

#### **Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### **Taxation**

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.



# **Abbeyfield V.E. Limited**

## **Notes to the financial statements for the year ended 31 December 2015 (continued)**

### **1 Accounting policies (continued)**

#### **Taxation (continued)**

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is not discounted.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on income or expenses from subsidiaries that will be assessed to or allow for tax in a future period except where the company is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

Current and deferred tax is charged or credited in profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### **Employee benefits – Long-term incentives**

Liabilities under long-term incentive schemes are based on an actuarial valuation and actuarial gains and losses are recognised as employee expenses with the charge being spread over the period of required employment.

#### **Retirement benefits**

##### *Defined contribution plans*

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

#### **Financial instruments**

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. The company has taken advantage of exemptions from disclosure requirements in relation to these provisions.

# **Abbeyfield V.E. Limited**

## **Notes to the financial statements for the year ended 31 December 2015 (continued)**

### **1 Accounting policies (continued)**

#### **Financial instruments (continued)**

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument, and are offset only when the company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

#### **Financial assets**

##### *Trade debtors*

Trade debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Trade debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Where the arrangement with a trade debtor constitutes a financing transaction, the debtor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

#### **Financial liabilities and equity**

Financial instruments are classified as liabilities and equity instruments according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

##### *Equity instruments*

Financial instruments classified as equity instruments are recorded at the fair value of the cash or other resources received or receivable, net of direct costs of issuing the equity instruments.

##### *Trade creditors*

Trade creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Where the arrangement with a trade creditor constitutes a financing transaction, the creditor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar instrument.

##### *Bank overdrafts*

Bank overdrafts are presented within creditors: amounts falling due within one year.

# **Abbeyfield V.E. Limited**

## **Notes to the financial statements for the year ended 31 December 2015 (continued)**

### **1 Accounting policies (continued)**

#### **Financial instruments (continued)**

##### *Borrowings*

Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges.

Commitments to receive a loan are measured at cost less impairment.

##### *De-recognition of financial assets and liabilities*

A financial asset is de-recognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is de-recognised when the obligation specified in the contract is discharged, cancelled or expires.

##### **Dividends**

Dividends are recognised as liabilities once they are no longer at the discretion of the company.

### **2 Critical accounting estimates and areas of judgement**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

##### *Critical accounting estimates and assumptions*

The company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

##### *Bad debt provision*

Trade debtors and amounts owed by joint ventures are stated at recoverable amounts, after appropriate provision for bad and doubtful debts. Calculation of the bad debt provision requires judgement from the management team, based on the creditworthiness of the customer.

## Abbeyfield V.E. Limited

### Notes to the financial statements for the year ended 31 December 2015 (continued)

#### 3 Turnover

An analysis of the company's turnover by class of business is as follows:

	2015	2014
	£'000	£'000
Sale of management services	9,662	9,665

An analysis of the geographical location of the company's turnover is as follows:

	2015	2014
	£'000	£'000
United Kingdom and Jersey	9,662	9,665

#### 4 Interest receivable and similar income

	2015	2014
	£'000	£'000
Interest on amounts owed by Joint Ventures	-	5
On loans to group undertakings	74	2
Joint Ventures loan interest	13	14
Bank interest receivable	50	50
	137	71

Interest on amounts owed by Joint Ventures is as a result of a consolidated banking arrangement between the Joint Venture stores and Abbeyfield V.E. Limited.

#### 5 Interest payable and similar charges

	2015	2014
	£'000	£'000
Interest on amounts owed to Joint Ventures	30	12
On loans to group undertakings	4	-
	34	12

## Abbeyfield V.E. Limited

### Notes to the financial statements for the year ended 31 December 2015 (continued)

#### 6 Operating profit

This is stated after charging/(crediting):

	2015	2014
	£'000	£'000
Auditors' remuneration - audit	13	12
Depreciation - owned tangible fixed assets	1	1
Profit on disposal of tangible fixed assets	(15)	-

#### 7 Employees and directors

Staff costs are borne by other group companies and recharged to the company. Costs in respect of salaries amounting to £2,448,000 (2014: £2,888,000) are recharged from Vision Express UK Limited in the year for time worked on behalf of the company by a monthly average of 74 (2014: 92) employees on dual employment contracts. These contracts were implemented in July 2013.

##### Directors' emoluments

Remuneration for directors of the company is borne by other group companies and recharges were made for their services to the company. Directors' emoluments are allocated on a time-spent basis to each company within the group. The aggregate emoluments of the directors apportioned to the company were:

	2015	2014
	£'000	£'000
Directors' emoluments and annual performance related bonus	178	195
Long term incentive scheme payments	199	71
Pension contributions	15	62
	392	328

Directors' emoluments were in respect of management services, and retirement benefits are accruing to three (2014: three) directors under the money purchase scheme.

Long term incentive scheme payments relate to directors' entitlements to securities under the GrandVision N.V. Long Term Incentive Plan. There were two directors who exercised share options during the year (2014: nil). There were three directors who were accruing benefits under the long term incentive scheme during the year (2014: three).

The emoluments of the highest paid director were £193,546 (2014: £113,242), including long term incentive scheme payments of £136,822 (2014: £36,761). Pension contributions of £6,325 (2014: £9,450) were paid on his behalf.

# Abbeyfield V.E. Limited

## Notes to the financial statements for the year ended 31 December 2015 (continued)

### 8 Tax on profit on ordinary activities

Analysis of tax during the year

	2015	2014
	£'000	£'000
<b>Current tax</b>		
UK corporation tax	699	835
Adjustments in respect of prior years	(14)	(807)
Total current tax charge	685	28
<b>Deferred tax (note 13)</b>		
Origination and reversal of timing differences	1	1
Total deferred tax	1	1
Total tax on profit on ordinary activities	686	29

#### Factors affecting the tax charge for the year

The current tax charge for the year is lower (2014: lower) than the standard rate of corporation tax in the UK of 20.25% (2014: 21.5%). The differences are explained below:

	2015	2014
	£'000	£'000
Profit on ordinary activities before taxation	4,396	4,582
Profit on ordinary activities before taxation multiplied by the standard rate of tax at 20.25% (2014: 21.5%)	890	985
Effects of:		
Expenses not deductible for tax purposes	-	2
Group relief not paid	(190)	(151)
Adjustments to tax in respect of prior years	(14)	(807)
Total tax charge	686	29

# Abbeyfield V.E. Limited

## Notes to the financial statements for the year ended 31 December 2015 (continued)

### 8 Tax on profit on ordinary activities (continued)

Reductions in the UK corporation tax rate were substantively enacted in the year. The main rate of corporation tax was reduced from 20% to 19% effective from 1 April 2017 and to 18% from 1 April 2020. A further reduction in the corporation tax rate to 17%, rather than 18%, from 1 April 2020 was announced in the 2016 Budget. However, this further rate change was not substantively enacted at the balance sheet date, so its effect is not reflected in these financial statements.

### 9 Dividends

	2015	2014
	£'000	£'000
Dividends paid on 'A' ordinary shares of £nil per share (2014: £60,000 per share)	-	3,000

### 10 Tangible fixed assets

	Leasehold improve- -ments	Fixtures, fittings and equipment	Total
	£'000	£'000	£'000
<b>Cost</b>			
At 1 January 2015	62	192	254
Disposals	(62)	(131)	(193)
<b>At 31 December 2015</b>	<b>-</b>	<b>61</b>	<b>61</b>
<b>Accumulated depreciation</b>			
At 1 January 2015	62	189	251
Charge for the year	-	1	1
Disposals	(62)	(131)	(193)
<b>At 31 December 2015</b>	<b>-</b>	<b>59</b>	<b>59</b>
<b>Carrying amount</b>			
<b>At 31 December 2015</b>	<b>-</b>	<b>2</b>	<b>2</b>
At 31 December 2014	-	3	3

# Abbeyfield V.E. Limited

## Notes to the financial statements for the year ended 31 December 2015 (continued)

### 11 Fixed asset investments

	£'000
<b>Cost</b>	
At 1 January 2015	295
Disposals	(280)
<b>At 31 December 2015</b>	<b>15</b>
<b>Net book amount</b>	
<b>At 31 December 2015</b>	<b>15</b>
At 31 December 2014	295

Disposals relate to the sale of Kendal V.E Limited during the year.

There are no other investments whose result or financial positions affect the figures in the company's financial statements. The directors consider the value of investments to be supported by their underlying assets and value in use.

The investment consists of shares in group undertakings.

Investments at cost	Country of Incorporation	% of holding	Class of shares	% of holding	Class of shares	Principal activity
Andover V.E. Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Ashbourne V.E. Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Ashby de la Zouch V.E. Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Ashford V.E. Limited	United Kingdom	100%	Ordinary A	100%	Ordinary B	Non trading
Athlone V.E. Limited	Republic of Ireland	-	Ordinary A	100%	Ordinary B	Non trading
Banbury V.E. Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Bangor V.E. Limited	United Kingdom	100%	Ordinary A	100%	Ordinary B	Non trading
Barnet V.E. Limited	United Kingdom	100%	Ordinary A	100%	Ordinary B	Non trading
Barnstaple V.E. Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Basildon V.E. Limited	United Kingdom	100%	Ordinary A	100%	Ordinary B	Non trading
Beeston V.E. Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Berwick upon Tweed V.E. Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Beverley V.E. Limited	United Kingdom	100%	Ordinary A	100%	Ordinary B	Non trading
Bexley Heath V.E. Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Bicester V.E. Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Bishops Cleeve V.E. Limited	United Kingdom	100%	Ordinary A	100%	Ordinary B	Non trading
Blackburn V.E. Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Boston V.E. Limited	United Kingdom	100%	Ordinary A	100%	Ordinary B	Non trading
Boston Town V.E. Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Braintree V.E. Limited	United Kingdom	100%	Ordinary A	100%	Ordinary B	Non trading
Brentwood V.E. Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Burton upon Trent V.E. Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Bury St Edmunds V.E. Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Buxton V.E. Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Byres Road V.E. Limited	United Kingdom	100%	Ordinary A	100%	Ordinary B	Non trading
Canterbury V.E. Limited	United Kingdom	100%	Ordinary A	100%	Ordinary B	Non trading



## Abbeyfield V.E. Limited

### Notes to the financial statements for the year ended 31 December 2015 (continued)

#### 11 Fixed assets investments (continued)

Investments at cost	Country of Incorporation	% of holding	Class of shares	% of holding	Class of shares	Principal activity
Chesterfield V.E. Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Chiswick V.E. Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Clapham Common V.E. Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Crewe V.E. Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Doncaster V.E. Limited	United Kingdom	100%	Ordinary A	100%	Ordinary B	Non Trading
Dunfermline V.E. Limited	United Kingdom	100%	Ordinary A	100%	Ordinary B	Non trading
Durham V.E. Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Non trading
Eastbourne V.E. Limited	United Kingdom	100%	Ordinary A	100%	Ordinary B	Non trading
Eastleigh V.E. Limited	United Kingdom	100%	Ordinary A	100%	Ordinary B	Non trading
Edgware V.E. Limited	United Kingdom	100%	Ordinary A	100%	Ordinary B	Non trading
Enfield V.E. Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Evesham V.E. Limited	United Kingdom	100%	Ordinary A	100%	Ordinary B	Non trading
Falkirk V.E. Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Fareham V.E. Limited	United Kingdom	100%	Ordinary A	100%	Ordinary B	Non trading
Farnham V.E. Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Gloucester V.E. Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Goring by Sea (Batemans) Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Greenock V.E. Limited	United Kingdom	100%	Ordinary A	100%	Ordinary B	Non trading
Halifax V.E. Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Harborne V.E. Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Harlow V.E. Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Hemel Hempstead V.E. Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Hereford V.E. Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Hinckley V.E. Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Hitchin V.E. Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Hornchurch V.E. Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Horsham V.E. Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Hounslow V.E. Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Huddersfield V.E. Limited	United Kingdom	100%	Ordinary A	100%	Ordinary B	Non trading
Huntingdon V.E. Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Kendal V.E. Limited	United Kingdom	100%	Ordinary A	100%	Ordinary B	Non trading
Kettering V.E. Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Non trading
Kettering Town V.E. Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Kidderminster V.E. Limited	United Kingdom	100%	Ordinary A	100%	Ordinary B	Non trading
Kings Lynn V.E. Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Kirkcaldy V.E. Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Leamington Spa V.E. Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Lewisham V.E. Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Lichfield V.E. Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Lisburn V.E. Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Livingston V.E. Limited	United Kingdom	100%	Ordinary A	100%	Ordinary B	Non trading
Llandudno V.E. Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Loughborough V.E. Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Loughton V.E. Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Lowestoft V.E. Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Luton V.E. Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Macclesfield V.E. Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Maidenhead V.E. Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Mansfield V.E. Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Market Harborough V.E. Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Melton Mowbray V.E. Limited	United Kingdom	100%	Ordinary A	100%	Ordinary B	Non trading
Morpeth V.E. Limited	United Kingdom	100%	Ordinary A	100%	Ordinary B	Non trading

## Abbeyfield V.E. Limited

### Notes to the financial statements for the year ended 31 December 2015 (continued)

#### 11 Fixed assets investments (continued)

Investments at cost	Country of Incorporation	% of holding	Class of shares	% of holding	Class of shares	Principal activity
Newark V.E. Limited	United Kingdom	50%	Ordinary	-	-	Non trading
Newbury V.E. Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Newry V.E. Limited	United Kingdom	100%	Ordinary A	100%	Ordinary B	Non trading
Newton Abbey V.E. Limited	United Kingdom	100%	Ordinary A	100%	Ordinary B	Non trading
Newton Abbott V.E. Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Northwich V.E. Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Nottingham V.E. Limited	United Kingdom	100%	Ordinary A	100%	Ordinary B	Non trading
Nuneaton V.E. Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Perth V.E. Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Petersfield V.E. Limited	United Kingdom	100%	Ordinary A	100%	Ordinary B	Non trading
Rayleigh V.E. Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Redhill V.E. Limited	United Kingdom	100%	Ordinary A	100%	Ordinary B	Non trading
Reigate V.E. Limited	United Kingdom	100%	Ordinary A	100%	Ordinary B	Non trading
Rochdale V.E. Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Rotherham V.E. Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Rugby V.E. Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Ruislip V.E. Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Salisbury V.E. Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Scunthorpe V.E. Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Shrewsbury V.E. Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
South Shields V.E. Limited	United Kingdom	100%	Ordinary A	100%	Ordinary B	Non trading
Southport V.E. Limited	United Kingdom	100%	Ordinary A	100%	Ordinary B	Optical retailer
Spalding V.E. Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
St Helens V.E. Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Stafford V.E. Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Stamford V.E. Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Stevenage V.E. Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Stirling V.E. Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Stockton V.E. Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Non trading
Stratford Upon Avon Optical Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Sutton Coldfield V.E. Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Swiss Cottage V.E. Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Tamworth V.E. Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Taunton V.E. Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Torquay V.E. Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Truro (Batemans) Limited	United Kingdom	100%	Ordinary A	100%	Ordinary B	Non trading
Truro V.E. Limited	United Kingdom	100%	Ordinary A	100%	Ordinary B	Non trading
Tunbridge Wells V.E. Limited	United Kingdom	100%	Ordinary A	100%	Ordinary B	Non trading
Warrington V.E. Limited	United Kingdom	100%	Ordinary A	100%	Ordinary B	Non trading
Welwyn Garden City V.E. Limited	United Kingdom	100%	Ordinary A	100%	Ordinary B	Non trading
West Bridgford V.E. Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Westwood Cross V.E. Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Weymouth V.E. Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Whitehaven V.E. Limited	United Kingdom	100%	Ordinary A	100%	Ordinary B	Non trading
Widnes V.E. Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Wilmslow V.E. Limited	United Kingdom	50%	Ordinary A	100%	Ordinary B	Optical retailer
Winchester V.E. Limited	United Kingdom	100%	Ordinary A	100%	Ordinary B	Non trading
Woking (Batemans) Limited	United Kingdom	100%	Ordinary A	100%	Ordinary B	Non trading
Woking V.E. Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Wood Green V.E. Limited	United Kingdom	100%	Ordinary A	100%	Ordinary B	Non trading
Worthing V.E. Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Yeovil V.E. Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer

## Abbeyfield V.E. Limited

### Notes to the financial statements for the year ended 31 December 2015 (continued)

#### 11 Fixed assets investments (continued)

No shares in Abbeyfield V.E. Limited are held by or on behalf of any of these entities.

Within all of these investments (known as 'investee undertakings'):

Both the 'A' and 'B' ordinary shares have voting rights. The 'B' ordinary shares entitle the holders to appoint 'B' directors, including the chairman. The 'B' ordinary shares do not entitle the holders to receive a dividend, with the exception of Andover V.E. Limited, Ashby de la Zouch V.E. Limited, and Hitchin V.E. Limited, whereby the 'B' ordinary shares entitle the holders to receive a percentage of any dividend. On a winding up the 'A' and 'B' ordinary shares rank pari passu.

#### 12 Debtors

	2015	2014
	£'000	£'000
<b>Amounts falling due within one year</b>		
Trade debtors	161	158
Amounts owed by group undertakings	7,822	3,271
Amounts owed by Joint Ventures (note 17)	6,188	6,381
Deferred tax (note 13)	2	1
Other debtors	-	216
Prepayments and accrued income	86	-
	<b>14,259</b>	<b>10,027</b>
<b>Amounts falling due after more than one year</b>		
Deferred tax (note 13)	1	3
Amounts owed by Joint Ventures (note 17)	288	737
	<b>14,548</b>	<b>10,767</b>

Amounts owed by group undertakings are non-interest bearing, except for an amount of £3,000,000 (2014: £3,000,000) which bears interest at the rate of LIBOR plus 2%. All amounts owed by group undertakings are unsecured and repayable on demand.

Amounts owed by Joint Ventures are non-interest bearing. All amounts owed by Joint Ventures are unsecured and repayable on demand.

# Abbeyfield V.E. Limited

## Notes to the financial statements for the year ended 31 December 2015 (continued)

### 13 Deferred tax asset

The deferred tax asset is analysed as follows:

	2015	2014
	£'000	£'000
As at 1 January	4	5
Charged to profit and loss account (note 8)	(1)	(1)
<b>As at 31 December</b>	<b>3</b>	<b>4</b>

Of the deferred tax asset of £3,000 (2014: £4,000), £2,000 (2014: £1,000) is expected to reverse within 12 months and relates to decelerated capital allowances that are expected to mature within the same period.

The elements of deferred taxation are as follows:

	2015	2014
	£'000	£'000
Depreciation in excess of and capital allowances	3	4

### 14 Creditors: amounts falling due within one year

	2015	2014
	£'000	£'000
Trade creditors	25	49
Amounts owed to group undertakings	1,963	1,490
Amounts owed to Joint Ventures (note 17)	4,188	3,336
Corporation tax	180	479
Other taxation and social security	225	53
Accruals and deferred income	6	67
	<b>6,587</b>	<b>5,474</b>

Amounts owed to group undertakings are non-interest bearing, except for an amount of £477,000 (2014: £474,000) which bears interest at LIBOR less 0.25%. Amounts owed to Joint Ventures are non-interest bearing, except for individual balances exceeding £60,000 which bear interest at the Bank of England base rate. All amounts owed to group undertakings and Joint Ventures are unsecured, and repayable on demand.

## Abbeyfield V.E. Limited

### Notes to the financial statements for the year ended 31 December 2015 (continued)

#### 15 Creditors: amounts falling due after more than one year

	2015	2014
	£'000	£'000
Accruals and deferred income	6	-
	6	-

#### 16 Share capital and reserves

	2015	2014
	£	£
<b>Allotted, called up and fully paid</b>		
50 (2014: 50) 'A' ordinary shares of £1 each	50	50
50 (2014: 50) 'B' ordinary shares of £1 each	50	50
	100	100

##### *Ordinary share rights*

Both the 'A' and 'B' ordinary shares have voting rights. The 'B' ordinary shares entitle the holders to appoint three 'B' directors, including the chairman. The 'B' ordinary shares do not entitle the holders to receive a dividend.

On a winding up the 'A' and 'B' ordinary shares rank pari passu.

##### **Reserves**

Reserves of the company represent the following:

##### *Retained earnings*

Cumulative profit and loss net of distributions to owners.

## **Abbeyfield V.E. Limited**

### **Notes to the financial statements for the year ended 31 December 2015 (continued)**

#### **17 Related party transactions**

During the accounting year ended 31 December 2015 Abbeyfield V.E. Limited entered into service and interest transactions with a number of Joint Venture stores which are 50% owned.

The value of the intercompany trading for the invoicing of service fees amounted to £9,040,000 (2014: £8,051,000), interest receivable amounted to £13,000 (2014: £19,000) and interest payable amounted to £30,000 (2014: £12,000). An amount of £587,000 (2014: £579,000) is owed by the investee undertakings as at 31 December 2015 and held within debtors.

In addition to the intercompany trading for service fees, Abbeyfield V.E. Limited entered into financing transactions with a number of Joint Venture stores. An amount of £5,889,000 (£5,601,000 within one year and £288,000 after more than one year) (2014: £6,539,000 (£5,802,000 within one year and £737,000 after more than one year)) is owed by the investee undertakings as at 31 December 2015 and held within debtors.

#### **18 Ultimate parent and controlling company**

The immediate controlling party of the company is Vision Express (UK) Limited, a company incorporated in the United Kingdom. A copy of their financial statements can be obtained from Mere Way, Ruddington Fields Business Park, Ruddington, Nottingham, NG11 6NZ.

The ultimate parent and controlling party is HAL Trust, a trust under Bermuda Law.

The largest group in which results of the company are consolidated is that headed by HAL Trust whose financial statements are available to the public from Millennium Tower, Weena 696, 3012, CN Rotterdam, The Netherlands.

The smallest group in which results of the company are consolidated is that headed by GrandVision N.V. (formerly GrandVision B.V.), whose financial statements are available to the public from WTC Schiphol Airport, G5, Schiphol Boulevard 117, 1118 BG Schiphol, The Netherlands.