

Registration number: 7630156

OPTALIS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015



OPTALIS LIMITED
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OPTALIS LIMITED
COMPANY INFORMATION

Directors	M Le Jakobsen A Pollock P J Steadman S P Weeks
Company secretary	P J Steadman
Registered office	Trinity Court Molly Millars Lane Wokingham Berkshire RG41 2PY
Bankers	Natwest Bank plc 5 Broad Street Wokingham RG40 1AX
Auditors	Hazlewoods LLP Windsor House Bayshill Road Cheltenham GL50 3AT

OPTALIS LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2015

The directors present their report and the financial statements for the year ended 31 March 2015.

Directors of the company

The directors who held office during the year were as follows:

M Le Jakobsen

A Pollock

P J Steadman - Company secretary and director

S P Weeks

A Pickup (resigned 06 December 2014)

J Halsall (resigned 28 July 2014)

R A Pitts (resigned 18 October 2014)

S Redmond (resigned 31 March 2015)

Employment of disabled persons

The company's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

Employee involvement

The company's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information on matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the company's performance.

Disclosure of information to the auditor

Each director has taken the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditors are unaware of.

Reappointment of auditors

Hazlewoods LLP have expressed their willingness to continue in office.

Approved by the Board on 5/8/15 and signed on its behalf by:



.....
P J Steadman
Company secretary and director

OPTALIS LIMITED
STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2015

The directors present their strategic report for the year ended 31 March 2015.

Business review

Fair review of the business

As part of the reconstruction of the Optalis Holdings Limited group, the core contract with Wokingham Borough Council was transferred to Optalis Wokingham Limited on 1 April 2014. Accordingly the results reported in these financial statements under the current year column represent the income and associated costs generated from the activities of the company outside of the core contract. The comparatives include both the core contract with Wokingham Borough Council, and the activities of the company outside of the core contract.

The results for the period, which are set out in the profit and loss account, show turnover for the period of £843,742 (2014 - £10,588,460) and a profit before taxation of £154,811 (2014 - £5,267). At 31 March 2015, the company had net assets of £186,192 (2014 - £31,381). The directors of the company consider that the financial position at the period end is satisfactory.

Given the nature of the business, the company's directors are of the opinion that key performance indicators are important. The company uses a number of indicators to monitor and improve development and performance of the position of the business. Indicators are reviewed and altered to meet changes both in the internal and external environments. The directors do not consider the inclusion of an analysis using key performance indicators to be necessary to assist users of the financial statements in their understanding of the financial performance or position of the company.

Future developments

The external commercial environment is expected to remain competitive going forward. However, the directors remain confident and presently see no reason why the company should not be able to improve its current level of performance in the future.

Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks. The key business risks and uncertainties affecting the company are considered to relate to the continued provision of adequate government funding and the ongoing compliance with current and future legislation affecting the sector.

Financial instruments

Objectives and policies

The directors constantly monitor the company's trading results and revise projections as appropriate to ensure that the company can meet its future obligations as they fall due.

OPTALIS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2015

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Price risk, credit risk, liquidity risk and cash flow risk

The business' principal financial instruments comprise bank balances, trade debtors and trade creditors. The main purpose of these instruments is to finance the business' operations.

The financial results reflect the transfer of the pension scheme liability related to former Council employees that are members of the Berkshire Local Government Pension Scheme (LGPS) and who transferred to the company in June 2011. The company has been given a guarantee by the Council that the LGPS' administrators are indemnified by the Council against any shortfall of payments of pension contributions and associated pension liabilities. In addition, WBC will support the cash balances of the company whilst it remains a wholly owned subsidiary of the Council.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.

Trade creditors' liquidity risk is managed by ensuring sufficient funds are available to meet amounts due. The business manages the liquidity risk by ensuring that there are sufficient funds to meet the payments.

Approved by the Board on 5/8/15 and signed on its behalf by:



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P J Steadman
Company secretary and director

OPTALIS LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report, 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 apply them consistently;
- make judgements and accounting estimates that are *reasonable and prudent*; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OPTALIS LIMITED

We have audited the financial statements of Optalis Limited for the year ended 31 March 2015, set out on pages 8 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities (set out on page 5), 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 and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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. In addition, we read all the financial and non-financial information in the Directors' Report and Strategic 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.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 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.

Opinion on other matter prescribed by the Companies Act 2006

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
OPTALIS LIMITED**

Matters on which we are required to report by exception

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

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

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Andrew Brookes (Senior Statutory Auditor)
For and on behalf of Hazlewoods LLP, Statutory Auditors

Windsor House
Bayshill Road
Cheltenham
GL50 3AT

Date:

24 August 2015

OPTALIS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2015

	Note	2015 £	2014 £
Turnover	2	843,742	10,588,460
Cost of sales		(530,142)	(8,419,585)
Gross profit		313,600	2,168,875
Administrative expenses		(158,789)	(2,163,608)
Operating profit	3	154,811	5,267
Profit on ordinary activities before taxation		154,811	5,267
Tax on profit on ordinary activities	6	-	-
Profit for the financial year	11	154,811	5,267

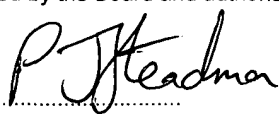
Turnover and operating profit, in the current year, derive wholly from continuing operations, as disclosed further in note 2 to these financial statements.

The company has no recognised gains or losses for the year other than the results above.

OPTALIS LIMITED
(REGISTRATION NUMBER: 7630156)
BALANCE SHEET
AS AT 31 MARCH 2015

	Note	2015 £	2014 £
Fixed assets			
Tangible fixed assets	7	176,820	238,491
Current assets			
Debtors	8	349,565	257,035
Cash at bank and in hand		609,718	600,406
		959,283	857,441
Creditors: Amounts falling due within one year	9	(949,911)	(1,064,551)
Net current assets/(liabilities)		9,372	(207,110)
Net assets		186,192	31,381
Capital and reserves			
Called up share capital	10	50,100	50,100
Profit and loss account	11	136,092	(18,719)
Shareholders' funds	12	186,192	31,381

Approved by the Board and authorised for issue on 5/8/15 and signed on its behalf by:



 P J Steadman
 Company secretary and director

OPTALIS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention, in accordance with applicable accounting standards.

The company is exempt from preparing a cash flow statement as 90% or more of the voting rights are held within the group.

Going concern

The company relied on a contract with Wokingham Borough Council to provide certain services to the Council for a minimum period of two years from 30 June 2014. The Council has communicated their intentions to extend the contract beyond June 2016, however no formal agreement has currently been put in place. If the contract were to be withdrawn, this would significantly affect the ability of the company to continue to trade. The directors maintain close contact with Wokingham Borough Council who have confirmed that they will use reasonable endeavours to support Optalis Limited as a going concern as per existing contractual arrangements. Therefore the directors consider that it is appropriate to prepare the accounts on a going concern basis.

Tangible fixed assets and depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost less any estimated residual value, on straight line basis over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Leasehold improvements	Over the term of the lease
Office equipment	Over 3-5 years
Motor vehicles	Over 5 years

Deferred tax

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date, except as required by FRS19.

Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted at the balance sheet date.

Operating leases

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

OPTALIS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

Pensions

The company operates a defined contribution pension scheme. Contributions are recognised in the profit and loss account in the period in which they become payable in accordance with the rules of the scheme.

The company also operates a defined benefit pension scheme providing benefits based on final pensionable pay. The scheme has been accounted for as a defined contribution scheme for the reasons disclosed in note 13 to the financial statements.

2 Turnover

The total turnover of the company for the period has been derived from its principal activity wholly undertaken in the United Kingdom. On 1 April 2014, as part of a reconstruction, the core Wokingham Borough Council contract was transferred to Optalis Wokingham Limited. The results for the year to 31 March 2014 include these activities, but are excluded from 1 April 2014. The results of the transferred contract are not disclosed in these financial statements because they are not clearly distinguishable, physically, operationally and for financial reporting purposes.

3 Operating profit

Operating profit is stated after charging:

	2015 £	2014 £
Operating leases - other assets	750,143	770,317
Auditor's remuneration - The audit of the company's annual accounts	8,750	8,750
Loss on sale of tangible fixed assets	5,774	-
Depreciation of owned assets	<u>76,247</u>	<u>54,638</u>

OPTALIS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

4 Particulars of employees

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2015 No.	2014 No.
Administration and support	19	17
Care staff	293	281
Brokerage	50	43
	<u>362</u>	<u>341</u>

The aggregate payroll costs were as follows:

	2015 £	2014 £
Wages and salaries	6,766,434	6,504,833
Social security costs	518,631	470,666
Staff pensions - defined benefits scheme	283,118	549,872
Staff pensions - defined contribution scheme	114,180	40,735
Directors' pensions	21,677	23,688
	<u>7,704,040</u>	<u>7,589,794</u>

5 Directors' remuneration

The directors' remuneration for the year was as follows:

	2015 £	2014 £
Remuneration	263,198	334,696
Company contributions paid to money purchase schemes	11,339	11,072
Compensation for loss of office	25,250	7,500
Company contributions paid to defined benefit pension scheme	10,338	12,616

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2015 No.	2014 No.
Accruing benefits under money purchase pension scheme	<u>2</u>	<u>2</u>

In respect of the highest paid director:

	2015 £	2014 £
Remuneration	101,100	122,400
Company contributions to money purchase pension schemes	<u>6,000</u>	<u>6,000</u>

OPTALIS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

6 Taxation

Tax on profit on ordinary activities

Factors affecting current tax charge for the year

Tax on profit on ordinary activities for the year is lower than (2014 - lower than) the standard rate of corporation tax in the UK of 21% (2014 - 22.5%).

The differences are reconciled below:

	2015 £	2014 £
Profit on ordinary activities before taxation	154,811	5,267
Corporation tax at standard rate	32,510	1,185
Capital allowances compared to depreciation	12,083	(9,512)
Losses not utilised	(6,542)	6,746
Group relief from subsidiaries	(33,802)	-
Temporary differences - pensions	(4,249)	1,581
Total current tax	-	-

7 Tangible fixed assets

	Fixtures and fittings £	Motor vehicles £	Office equipment £	Total £
Cost				
At 1 April 2014	220,471	17,832	54,826	293,129
Additions	-	-	20,350	20,350
Disposals	(594)	-	(7,746)	(8,340)
At 31 March 2015	219,877	17,832	67,430	305,139
Depreciation				
At 1 April 2014	41,020	3,267	10,351	54,638
Charge for the year	49,885	3,561	22,801	76,247
Eliminated on disposals	-	-	(2,566)	(2,566)
At 31 March 2015	90,905	6,828	30,586	128,319
Net book value				
At 31 March 2015	128,972	11,004	36,844	176,820
At 31 March 2014	179,451	14,565	44,475	238,491

OPTALIS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

8 Debtors

	2015	2014
	£	£
Trade debtors	179,977	93,062
Amounts owed by group undertakings	73,901	-
Other debtors	-	2,081
Prepayments and accrued income	95,687	161,892
	<u>349,565</u>	<u>257,035</u>

9 Creditors: Amounts falling due within one year

	2015	2014
	£	£
Trade creditors	85,072	56,447
Amounts owed to group undertakings	-	222,155
Other taxes and social security	471,004	401,589
Other creditors	58,007	70,983
Accruals and deferred income	335,828	313,377
	<u>949,911</u>	<u>1,064,551</u>

10 Share capital

Allotted, called up and fully paid shares

	2015		2014	
	No.	£	No.	£
Ordinary shares of £1 each	100	100	100	100
Redeemable preference shares of £1 each	50,000	50,000	50,000	50,000
	<u>50,100</u>	<u>50,100</u>	<u>50,100</u>	<u>50,100</u>

Redeemable preference shares

The Redeemable preference shares are redeemable at the option of the company. They are redeemable at £1 per share and carry no voting rights or entitlement to a dividend.

OPTALIS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

11 Reserves

	Profit and loss account £
At 1 April 2014	(18,719)
Profit for the year	<u>154,811</u>
At 31 March 2015	<u><u>136,092</u></u>

12 Reconciliation of movement in shareholders' funds

	2015 £	2014 £
Profit attributable to the members of the company	<u>154,811</u>	<u>5,267</u>
Net addition to shareholders' funds	154,811	5,267
Shareholders' funds at 1 April	<u>31,381</u>	<u>26,114</u>
Shareholders' funds at 31 March	<u><u>186,192</u></u>	<u><u>31,381</u></u>

OPTALIS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

13 Pension schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £11,144 (2014 - £40,735).

Contributions totalling £56,918 (2014 - £77,153) were payable to the schemes at the end of the year and are included in creditors.

Defined benefit pension schemes

The trustees of the scheme hold the assets of the scheme, separately from those of the company. The company is responsible for the pensionable costs incurred post June 2011 and its ultimate parent entity (Wokingham Borough Council) is responsible for the liabilities incurred pre that date in respect of the company's employees. It is therefore not possible to quantify the company's share of the schemes liabilities as at 31 March 2015.

Therefore, under FRS 17 the scheme is accounted for as if it were a defined contribution scheme. The pension cost charge represents contributions payable by the company amounting to £283,118 (2014 - £549,872).

The contribution rate payable in the year by the company was 14% of pensionable salaries. Surpluses or deficits which arise in future valuations may impact upon the company's future contribution commitment. A formal triennial actuarial valuation occurred on 31 March 2013. The contribution rate from 1 April 2015 will be 14%.

14 Commitments

Operating lease commitments

As at 31 March 2015 the company had annual commitments under non-cancellable operating leases as follows:

Operating leases which expire:

	2015 £	2014 £
Land and buildings		
Within one year	28,886	-
Within two and five years	132,024	254,356
	<u>160,910</u>	<u>254,356</u>
Other		
Within one year	9,317	-
Within two and five years	1,123	10,186
	<u>10,440</u>	<u>10,186</u>

OPTALIS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

15 Related party transactions

The company has taken advantage of the exemption in FRS8 "Related Party Disclosures" from disclosing transactions with other members of the group.

16 Control

The company is controlled by Optalis Holdings Limited, a company registered in England and Wales. The intermediate parent company is WBC (Holdings) Limited, a company registered in England and Wales and is ultimately controlled by Wokingham Borough Council, an entity registered in England and Wales which is considered to have no single controlling party.