

Company Registration No. 03754276 (England and Wales)

YEOVIL V.E. LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

YEOVIL V.E. LIMITED

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FOR THE YEAR ENDED 31 DECEMBER 2014

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YEOVIL V.E. LIMITED

COMPANY INFORMATION

FOR THE YEAR ENDED 31 DECEMBER 2014

Directors	Abbeyfield V.E. Limited Linkmel V.E. Limited David Smith Jonathan Prideaux Ranald Allan
Company Secretary	Abbeyfield V.E. Limited
Company number	03754276
Registered office	Merc Way Ruddington Fields Business Park Ruddington Nottingham Nottinghamshire NG11 6NZ
Independent Auditors	UHY Hacker Young 22 The Ropewalk Nottingham NG1 5DT
Solicitors	Shakespeares Legal LLP 20 New Walk Leicester LE1 6TX Geldards LLP The Arc Enterprise Way Nottingham NG2 1BN

YEOVIL V.E. LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2014

The directors present their strategic report on the company for the year ended 31 December 2014.

Principal activities and review of the business

The company's principal activity during the year was the provision of optical goods and services. No change is planned to these activities.

Business environment

The United Kingdom optical market (including ophthalmic sales and professional services) has shown modest value growth at 2% over the last year, and is valued at approximately £3.1 billion. The growth was capped by hesitant consumer confidence and price cutting despite favourable demographics. Vision Express is one of three major operators in the industry, which in total account for around 59% of the marketplace value.

Within this market, the Vision Express brand differentiates itself from its competitors by taking the time with our customers to understand their individual needs, and offering the best designer product range, at competitive prices, with a passion for unparalleled individual customer service.

Strategy

The company's primary objective is to achieve attractive and sustainable rates of growth and returns, via its strategy of providing the best individual optical care, being with our customers every step of the way, delivering service and quality at a fair price.

The key elements to the company's strategy for future growth and profitability are:

- Delivering the best optical care through our people for every customer, every day.
- Retention of existing customers, and acquisition of new customers, through direct marketing, rewards online and brand advertising.
- Investments in our employees, to attract, develop, engage and retain the best people.
- A focus on ensuring we have an excellent and innovative product offer including a wide range of designer frames.

Future outlook

The company continues to invest in its services and its people with no planned change to its current activities. It will continue to seek opportunities to grow its customer base and remains confident that it will continue to generate satisfactory returns for the foreseeable future.

YEOVIL V.E. LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

Principal risks and uncertainties

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

Supply chain

The company sources its products from companies within and external to the group, both nationally and internationally. The company is therefore exposed to potential supply chain disruptions due to a number of factors including delays and losses of inventory in transit. The company mitigates its risk through effective supplier selection and procurement practices across multiple suppliers, supplemented by appropriate insurance coverage.

Business interruption

The company has a risk associated with potential interruption to business in the store. This risk is mitigated through an effective disaster recovery plan, supplemented by appropriate insurance coverage.

National and global economic trading conditions

The overall performance of the company 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 customers changing needs, driving competitive advantage.

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.

Property occupancy costs

As a high street retailer, the occupancy costs, particularly rent, is a significant cost to the business. Where applicable the company continues to negotiate rent reviews that are appropriate in the current economic climate in order to mitigate risks.

Key performance indicators (KPI's)

Given the straight forward nature of the business the company's directors are of the opinion that analysis of KPI's is not necessary for an understanding of the development, performance or position of the business.

On behalf of the board

Simon Hope

Director

Abbeyfield V.E. Limited

16 September 2015

YEOVIL V.E. LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2014

The directors present their report and financial statements for the year ended 31 December 2014.

Results and dividends

The results for the year are set out on page 8.

Dividends of £37,500 were paid during the year (2013 - £41,000).

Directors

The following directors have held office since 1 January 2014:

Abbeyfield V.E. Limited

Linkmel V.E. Limited

David Smith

Jonathan Prideaux

Ranald Allan

Auditors

A resolution to reappoint UHY Hacker Young as auditors to the company will be proposed at the Annual General Meeting.

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 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

YEOVIL V.E. LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board

Simon Hope

Director

Abbeyfield V.E. Limited

16 September 2015

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF YEOVIL V.E. LIMITED

We have audited the financial statements of Yeovil V.E. Limited for the year ended 31 December 2014 set out on pages 8 to 20. 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out in the Directors' Report, 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/private.cfm.

Opinion on 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 December 2014 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 Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF YEOVIL V.E. 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.

Philip Oliver BSc FCA (Senior Statutory Auditor)
for and on behalf of UHY Hacker Young

16 September 2015

Chartered Accountants
Statutory Auditor

YEOVIL V.E. LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2014

		2014	2013
	Notes	£ 000	£ 000
Turnover	2	843	759
Cost of sales		<u>(214)</u>	<u>(175)</u>
Gross profit		629	584
Administrative expenses		<u>(606)</u>	<u>(540)</u>
Operating profit	5	23	44
Other interest receivable and similar income	6	<u>-</u>	<u>1</u>
Profit on ordinary activities before taxation		23	45
Tax on profit on ordinary activities	7	<u>(4)</u>	<u>(11)</u>
Profit for the year	14	<u><u>19</u></u>	<u><u>34</u></u>

There were no recognised gains or losses in either the current or preceding year other than those disclosed in the profit and loss account, and therefore no separate statement of total recognised gains and losses has been presented.

All results derive from continuing operations.

There are no material differences between the profit/(loss) on ordinary activities before taxation and the profit/(loss) for the financial years stated above and their historical cost equivalents.

YEOVIL V.E. LIMITED**BALANCE SHEET****AS AT 31 DECEMBER 2014**

		2014		2013	
	Notes	£ 000	£ 000	£ 000	£ 000
Fixed assets					
Tangible assets	8		29		17
Current assets					
Stocks	9	46		50	
Debtors	10	<u>82</u>		<u>99</u>	
		128		149	
Creditors: amounts falling due within one year	11	<u>(100)</u>		<u>(90)</u>	
Net current assets			<u>28</u>		<u>59</u>
Total assets less current liabilities			<u>57</u>		<u>76</u>
Net assets			<u><u>57</u></u>		<u><u>76</u></u>
Capital and reserves					
Called up share capital	13	-		-	
Profit and loss account	14	<u>57</u>		<u>76</u>	
Shareholders' funds	15	<u><u>57</u></u>		<u><u>76</u></u>	

Approved by the Board and authorised for issue on 16 September 2015

David Smith
DirectorJonathan Prideaux
Director**Company Registration No. 03754276**

YEOVIL V.E. LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2014

		2014		2013	
	Notes	£ 000	£ 000	£ 000	£ 000
Net cash inflow from operating activities	16		33		56
Returns on investments and servicing of finance					
Interest received		-		1	
Net cash (outflow)/inflow for returns on investments and servicing of finance			-		1
Taxation			(8)		(3)
Capital expenditure					
Payments to acquire tangible assets		(17)		-	
Net cash outflow for capital expenditure			(17)		-
Equity dividends paid			(38)		(41)
Net cash (outflow)/inflow before management of liquid resources and financing			(30)		13
(Decrease)/increase in cash in the year	17		(30)		13

As discussed in note 1, Abbeyfield V.E. Limited acts as the Company's bankers.

The (decrease)/increase in cash in the year is represented within the movement in amounts owed by the controlling party as disclosed in debtors.

YEOVIL V.E. LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

1 Accounting policies

1.1 Basis of preparation

The financial statements have been prepared in accordance with the Companies Act 2006 and applicable UK accounting and financial reporting standards. A summary of the more important accounting policies, which have been applied consistently throughout the year, is set out below.

These financial statements have been prepared on the going concern basis and under the historical cost convention.

1.2 Turnover

Turnover represents the invoiced amount of optical goods sold and services provided, excluding value added tax. Turnover received in respect of warranty agreements has been spread over the period of warranty. Payments received for goods not collected by the year end have been excluded from turnover.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Leasehold improvements	10 years
Fixtures, fittings & equipment	3-10 years

1.4 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.5 Stocks

Stocks are valued at the lower of cost and net realisable value.

1.6 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.7 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted. Any deferred tax asset is recognised to the extent that it is regarded as recoverable.

YEOVIL V.E. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

1 Accounting policies

(Continued)

1.8 Provisions

Provisions are recognised when:

- the company has a present legal or constructive obligation as a result of past events;
- it is more likely than not that an outflow of resources will be required to settle the obligation; and
- the amount can be reliably estimated.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

1.9 Banking arrangements

Abbeyfield V.E. Limited, the controlling party, has control over the company's banking arrangements and hence the company's cash balance is included in amounts owed by/(to) the controlling party.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

YEOVIL V.E. LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2014****3 Employees****Number of employees**

The average monthly number of employees (including directors) during the year was:

	2014	2013
	Number	Number
Management	1	1
Store retail	5	5
Opticians	2	1
	<u>8</u>	<u>7</u>

Employment costs (including directors)

	2014	2013
	£ 000	£ 000
Wages and salaries	258	218
Social security costs	29	22
Other pension costs	5	4
	<u>292</u>	<u>244</u>

4 Directors' emoluments

	2014	2013
	£ 000	£ 000
Emoluments for qualifying services	141	140
Company pension contributions to money purchase schemes	5	4
	<u>146</u>	<u>144</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2013 - 2).

5 Operating profit

	2014	2013
	£ 000	£ 000
Operating profit is stated after charging:		
Depreciation of tangible assets	5	5
Operating lease rentals	56	56
Auditors' remuneration	1	1

YEOVIL V.E. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

6	Interest receivable and similar income	2014	2013
		£ 000	£ 000
	Bank interest	-	1
7	Taxation	2014	2013
		£ 000	£ 000
	Domestic current year tax		
	U.K. corporation tax	5	10
	Total current tax	5	10
	Deferred tax		
	Deferred tax charge/credit current year	(1)	1
	Tax on profit on ordinary activities	4	11
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	23	45
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21.50% (2013 - 23.25%)	5	10
	Current tax charge for the year	5	10

The main rate of corporation tax in the United Kingdom reduced from 23% to 21% effective from 1 April 2014. The Finance Act 2013 also included legislation to reduce the rate to 20% from 1 April 2015. As these changes had been substantively enacted at 31 December 2014, the deferred tax balances have been re-measured at 20%.

YEOVIL V.E. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

8 Tangible fixed assets

	Leasehold imp'ments £ 000	Fixtures, fittings & equipment £ 000	Total £ 000
Cost			
At 1 January 2014	129	189	318
Additions	13	4	17
At 31 December 2014	142	193	335
Depreciation			
At 1 January 2014	128	173	301
Charge for the year	1	4	5
At 31 December 2014	129	177	306
Net book value			
At 31 December 2014	13	16	29
At 31 December 2013	1	16	17

9 Stocks

	2014 £ 000	2013 £ 000
Finished goods and goods for resale	46	50

YEOVIL V.E. LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2014**

10 Debtors	2014	2013
	£ 000	£ 000
Trade debtors	8	9
Amounts owed by controlling party	30	60
Other debtors	20	9
Prepayments and accrued income	22	20
Deferred tax asset (see note 12)	2	1
	82	99

Amounts owed by controlling party are non-interest bearing, except for individual balances exceeding £60,000 which bear interest at the Bank Of England base rate. All amounts are unsecured and payable on demand.

11 Creditors: amounts falling due within one year	2014	2013
	£ 000	£ 000
Trade creditors	28	29
Amounts owed to controlling party	6	6
Corporation tax	2	5
Other taxes and social security costs	8	6
Other creditors	14	11
Accruals and deferred income	42	33
	100	90

YEOVIL V.E. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2014

12 Provisions for liabilities

Deferred tax is provided as follows:

	2014 £ 000	
Balance at 1 January 2014	(1)	
Net movement	(1)	
Balance at 31 December 2014	(2)	
	2014 £ 000	2013 £ 000
Decelerated capital allowances	(2)	(1)

13 Share capital

	2014 £	2013 £
Authorised, allotted, called up and fully paid		
50 'A' Ordinary shares of £1 each	50	50
50 'B' Ordinary shares of £1 each	50	50
	100	100

Both the 'A' and 'B' ordinary shares have voting rights.

The 'B' ordinary shares entitle the holders to appoint a 'B' director who will be chairman of all board and members' meetings.

The 'A' ordinary shares entitle the holders to receive a dividend.

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

YEOVIL V.E. LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
FOR THE YEAR ENDED 31 DECEMBER 2014**14 Statement of movements on profit and loss account**

	Profit and loss account
	£ 000
Balance at 1 January 2014	76
Profit for the year	19
Dividends paid	(38)
Balance at 31 December 2014	<u>57</u>

15 Reconciliation of movements in shareholders' funds/(deficit)

	2014 £ 000	2013 £ 000
Profit for the financial year	19	34
Dividends	(38)	(41)
Net depletion in shareholders' funds	(19)	(7)
Opening shareholders' funds	76	83
Closing shareholders' funds	<u>57</u>	<u>76</u>

16 Reconciliation of operating profit to net cash inflow from operating activities

	2014 £ 000	2013 £ 000
Operating profit	23	44
Depreciation of tangible assets	5	5
Decrease/(increase) in stocks	4	(8)
Increase in debtors	(12)	(3)
Increase in creditors within one year	13	18
Net cash inflow from operating activities	<u>33</u>	<u>56</u>

YEOVIL V.E. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

17 Analysis of net funds/(debt)	1 January 2014	Cash flow	Other non-cash changes	31 December 2014
	£ 000	£ 000	£ 000	£ 000
Amounts owed by/(to) controlling party	60	(30)	-	30
Net funds/(debt)	60	(30)	-	30

18 Dividends	2014	2013
	£ 000	£ 000
Dividends paid on 'A' ordinary shares - £750 per share (2013 - £820)	38	41

Dividends paid in the year were made equally to David Smith and Jonathan Prideaux, directors.

19 Financial commitments

At 31 December 2014 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2015:

	Land and buildings	
	2014	2013
	£ 000	£ 000
Operating leases which expire:		
Within one year	-	51

YEOVIL V.E. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

20 Related party transactions

During the year, the company entered into transactions with other members of the Vision Express (UK) Limited group and Abbeyfield V.E. Limited, the controlling party. Abbeyfield V.E. Limited is a wholly owned subsidiary of Vision Express (UK) Limited.

	2014	2013
	£ 000	£ 000
The value of the intercompany trading for the resale of stock items and the invoicing of service fees amounted to:	325	290
At each respective year end the amounts listed below were owed by/(to) the company to/(by) the relevant party, as follows:		
Vision Express (UK) Limited	13	13
Abbeyfield V.E. Limited	(24)	(54)
Vision Express (CLS) Limited	3	3
Vision Express Group Limited	3	4

21 Control

The company is controlled by Abbeyfield V.E. Limited, a company registered in the UK. A copy of their financial statements can be obtained from Mere Way, Ruddington Fields Business Park, Ruddington, Nottingham, Nottinghamshire, NG11 6NZ.

The ultimate parent and controlling party is HAL Trust, a trust under Bermuda Law. HAL Trust's financial statements are available to the public from Millennium Tower, Weena 696, 3012, CN Rotterdam, The Netherlands.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.