

# Lorena Investments Limited and Subsidiaries

## FINANCIAL STATEMENTS

for the year ended

26 December 2020



COMPANIES HOUSE

21 SEP 2021

EDINBURGH MAILBOX

# **Lorena Investments Limited and Subsidiaries**

## **OFFICERS AND PROFESSIONAL ADVISERS**

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### **DIRECTORS**

D Mouldsdaie  
S Mein  
G Murdoch  
S Hannan  
F Blin

### **SECRETARY**

HMS Secretaries Limited

### **REGISTERED OFFICE**

The Ca'd'oro  
45 Gordon Street  
Glasgow  
G1 3PE

### **AUDITORS**

RSM UK Audit LLP  
Chartered Accountants  
Third Floor  
Centenary House  
69 Wellington Street  
Glasgow  
G2 6HG

# Lorena Investments Limited and Subsidiaries

## STRATEGIC REPORT

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### Review of the business

The Optical Express Group is a global leader of ophthalmic services and vision correction, through and including refractive surgery, sight tests and eye health assessments, spectacles and contact lenses.

The directors' strategy is to grow turnover, market share and profitability whilst being committed to delivering the highest level of clinical outcomes, patient satisfaction and safety.

To do this, the directors employ a number of KPI's to monitor the performance of the group on a daily, weekly and monthly basis. The principle KPI's employed by the group is turnover and EBITDA before exceptional items.

	2020 £'000	2019 £'000	Change £'000
Turnover	99,051	117,060	(18,009)
EBITDA (before exceptional items)	23,773	8,051	15,722

The directors are pleased to report that despite difficult trading conditions and a reduction in turnover during the year as a result of the Covid 19 pandemic resulting in the business having to close for several months, the group and its employees were able to adapt and execute an operational plan, while controlling costs that has resulted in a substantial increase in EBITDA profitability.

### Principal risks and uncertainties

The management of the business and the execution of the group's strategy are subject to a number of risks. Risks are reviewed by management and the board and appropriate processes are put in place to monitor and mitigate them.

The principal risks and uncertainties facing the group are:

#### Covid 19 pandemic

The Covid 19 pandemic and the actions taken by the governments of the countries that the group trades in have impacted and will continue to impact on its operations affecting Optical Express's patients, employees and suppliers. The group continues to monitor the effect of any impact from Covid 19 and has demonstrated its ability to adapt to the changing restrictions and the effect this has on the group's ability to operate. The ongoing health and safety of our employees and patients continues to be the directors primary concern.

#### Economic risk

There is a risk of increasing unemployment and a reduction in patient spending levels in the different countries that the group operates in as government assistance to businesses reduces. The groups commercial skills and ability to respond quickly to any changing patient demand is highly developed and proven to be effective in the past.

#### Competition

The markets in which the group operates in are highly competitive and the actions of competitors could adversely affect the group. The group's strategy is to continue to capitalise on Optical Express's market position, our strong brand and the trust that our patients have in the ophthalmic services that we provide.

# Lorena Investments Limited and Subsidiaries

## STRATEGIC REPORT

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### Other risks

Further to the above principal risks, the Board of Directors has also considered the exposure of the group to financial price, credit, liquidity and cash flow risk. The board of directors has determined that the exposure of the group to these risks is such that they are not considered principal risks for the purpose of this strategic report.

### Streamlined Energy and Carbon Reporting (SECR) Quantification and reporting methodology

The group has followed the 2019 UK Government Environmental Reporting Guidelines to ensure that the SECR requirements were met.

The group has taken the option to exclude from the report any energy and carbon information relating to a subsidiary where the subsidiary would not itself be obliged to include if reporting on its own account.

The energy data was collated from books and records and some benchmarking where bills were not obtainable for electricity and gas usage. The energy data was then converted to carbon emissions using the 2020 UK Government GHG Conversion Factors for Company Reporting.

The associated emissions have been split into:

- Scope 1: Combustion of fuels and the operation of facilities
- Scope 2: Purchased electricity, heating and cooling
- Scope 3: In-direct emissions that occur as a result of company activities

### Energy Efficiency Action

The Board of Directors and management of the group are committed to reducing its energy consumption and in turn the carbon footprint resulting from its business activities and has implemented the following:

- Last man out switches have been installed in the majority of our clinic estate to ensure all non-essential systems are switched off when the clinics are not in use
- All new clinics are fitted with LED lighting and energy efficient air conditioning systems. As maintenance is required at each clinic there is a program in place to replace all lighting to LED's and upgrade to energy efficient air conditioning systems
- Where possible we purchase furniture that has been made from recycled material
- Head office monitors electricity and gas usage at each clinic to track excessive consumption/unnecessary appliances being left on
- We encourage the use of public transport where possible for travel between all clinics and offices.

# Lorena Investments Limited and Subsidiaries

## STRATEGIC REPORT

Reported emissions	tonnes CO2e
<b>Total gross emissions (scope 1, 2 and 3)</b>	<b>1,324.0</b>
Total direct and indirect emissions (scope 1 and 2)	1,234.5
Total direct emissions (scope 1)	213.0
Gaseous and other fuel combustion	213.0
Total indirect emissions (scope 2)	1,021.4
Grid supplied electricity	1,021.4
Total other indirect emissions (scope 3)	89.6
Employee owned vehicles where company purchases the fuel	89.6

Energy Consumption	kWh
<b>Total energy consumption used to calculate emissions</b>	<b>5,914,626</b>
Energy consumption, combustion of gas	1,158,618
Energy consumption, grid electricity	4,381,224
Energy consumption, employee owned vehicles where company purchases the fuel	374,783

Intensity ratio	
<b>tonnes CO2e divided by annual sales revenue £million</b>	<b>16</b>

### Section 172

Section 172 of the Companies Act 2006 requires directors to take into consideration the interests of stakeholders in their decision making. The directors continue to have regard to the interests when making decisions, including the impact of its activities on the community, environment and the company's reputation.

Acting in good faith and fairly, the directors consider what is most likely to promote the success of the group for its members in the long term. Whilst the importance of giving due consideration to our stakeholders is not new, this explains in more detail this year how the Board engages with stakeholders and setting out how directors have discharged this duty.

All directors are aware of their statutory duties. The company's key stakeholders are its employees, customers, and suppliers. The following key points are important in the assessment of the compliance with the requirements of the s172 Statement:

1. The majority of the directors are all actively involved in the day to day running of the group and are in close contact with senior management teams across the subsidiary businesses allowing good communication and feedback at a local level.
2. The directors receive regular reports on the performance of the group which enables them to be fully apprised that the interests of all stakeholders are being met.
3. The directors regularly consider the principal stakeholders and how they engage with them. The directors continually consider the needs and priorities of each stakeholder group during its discussions and as part of their decision making.
4. The long-term strategy of the company is monitored regularly to ensure this aligns with the vision of the group. The resulting assessment of future development helps inform the directors decision making and the balance between short term and long-term measures and actions.

# Lorena Investments Limited and Subsidiaries

## STRATEGIC REPORT

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5. The directors continue to enhance the methods of engagement with the workforce through regular internal communications which are delivered by the management teams.
6. The group's policies on a wide range of business and ethics related practices are regularly reviewed and updated as necessary to ensure continued compliance with legal and regulatory requirements and good industry practice. The directors monitor the group's policies through the ordinary course of business to ensure the policies are being adhered to.
7. The directors will continue to keep engagement methods under review to ensure that they remain effective.

### Outlook

2021 group trading has started positively with both turnover and EBITDA up on the previous year and budget and the group is confident that this trend will continue during the remainder of 2021. The group has prepared forecasts to December 2022 and these show that the group has more than sufficient reserves going forward to withstand any future downturn in trading.

As the UK/Ireland market leader, Optical Express continues to perform the majority of refractive surgery procedures through its extensive clinic network. The business is therefore well placed to capitalise on consumer confidence in refractive surgery and as new refractive surgery procedures are introduced to the market.

By order of the board



G Murdoch  
Director

23 April 2021

# Lorena Investments Limited and Subsidiaries

## DIRECTORS' REPORT

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The directors submit their report and financial statements of Lorena Investments Limited and subsidiaries for the year ended 26 December 2020.

### PRINCIPAL ACTIVITIES

The principal activity of the company during the year was that of a holding company.

With the exception of one company, which is an equipment lessor, the principal activity of the company's subsidiaries during the year was ophthalmic refractive surgery and opticians.

### DIRECTORS

The directors who served the company during the year were as follows:

D Mouldsdale  
S Mein  
G Murdoch  
S Hannan  
F Blin

### DIRECTORS INDEMNITY

The company has granted an indemnity to its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the Report of Directors.

### RESULTS AND DIVIDENDS

The results for the year are set out on page 12.

No ordinary dividends were paid and the directors do not recommend payment of a final dividend.

### FUTURE DEVELOPMENTS

The group does not envisage any significant changes to the nature or scope of its future operations.

### DISABLED EMPLOYEES

The policies and training programmes operated by the group have been developed to attract and retain the best people on the basis of their skills and abilities. This ensures that the group offers people with disability the same opportunities for training and career progression as other employees.

### EMPLOYEES

The group operates employment policies designed to ensure that it is able to attract and retain the highest calibre of employees from all sections of the community.

The group values diversity in the workplace and is committed to providing the equality of opportunity to all employees and potential employees. It actively encourages training and skills development throughout the group.

### POLICY ON THE PAYMENT OF CREDITORS

The group's policy regarding the payment of suppliers is either to agree terms of payment in the course of business with each supplier or to make suppliers aware of the payment terms, and in either case pay in accordance with the agreed terms.

# Lorena Investments Limited and Subsidiaries

## DIRECTORS' REPORT

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### GOING CONCERN

Despite Covid 19 closing the business for several months during 2020, the group has seen profitability and cash reserves increase on 2019.

2021 trading has started positively with both turnover and EBITDA up on the previous year and budget and the directors are confident that this trend will continue during the remainder of 2021. The group has prepared forecasts to December 2022 and these show that the group has more than sufficient reserves going forward to withstand any future downturn in trading and will remain profitable and cash positive for at least a period of twelve months from the date of signing these financial statements.

As a result of this the directors consider that there will be appropriate cash within the group to pay all liabilities as they fall due.

This company is reliant on the continuing support of the group, and from the directors review of going concern as noted above, this group support is available. Consequently, these financial statements have been prepared on a going concern basis.

### DONATIONS

During the year the group made the following contributions:

	26 December 2020	28 December 2019
	£'000	£'000
Charitable	<u>14</u>	<u>63</u>

### AUDITOR

The auditor, RSM UK Audit LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

### STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as each director is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has 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.

By order of the board



G Murdoch  
Director

23 April 2021



# Lorena Investments Limited and Subsidiaries

## DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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 group and the company and of the profit or loss of the group for that period.

In preparing those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- d. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and 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 LORENA INVESTMENTS LIMITED AND SUBSIDIARIES

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## **Opinion**

We have audited the financial statements of Lorena Investments Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 26 December 2020 which comprise the consolidated statement of comprehensive income, consolidated statement of financial position, company statement of financial position, consolidated statement of changes in equity, company statement of changes in equity, consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 26 December 2020 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

## **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LORENA INVESTMENTS LIMITED AND SUBSIDIARIES

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## **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

## **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

## **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

## **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

## **The extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LORENA INVESTMENTS LIMITED AND SUBSIDIARIES

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However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team and component auditors:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the group and parent company operates in and how the group and parent company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures and engaging an internal tax specialist to review the tax computations.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation government regulatory standards for healthcare providers and General Optical and Medical Council requirements. We performed audit procedures to inquire of management whether the group is in compliance with these law and regulations, we documented management's processes to ensure compliance, including the work of the internal compliance team and reviewed the results of the inspections by regulatory authorities.

The group audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business.

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

### Use of our report

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

*RSM UK Audit LLP*

LINDA GRAY (Senior Statutory Auditor)  
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor  
Chartered Accountants  
Third Floor  
Centenary House  
69 Wellington Street  
Glasgow  
G2 6HG

Date: 27 April 2021


**Lorena Investments Limited and Subsidiaries**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
for the year ended 26 December 2020

	Notes	Year ended 26 December 2020 £'000	Year ended 28 December 2019 £'000
GROUP TURNOVER	3	99,051	117,060
Cost of sales		(15,876)	(19,434)
Gross profit		83,175	97,626
Administrative expenses		(70,482)	(97,431)
Other operating income	4	8,107	1,014
OPERATING PROFIT	5 a)	20,800	1,209
Analysed as:			
Before exceptional items		20,823	5,222
Exceptional items	5 b)	(23)	(4,013)
Interest receivable		11	-
		20,811	1,209
Interest payable and similar charges	8	(742)	(561)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		20,069	648
Taxation	9	(2,900)	(153)
PROFIT FOR THE FINANCIAL YEAR		17,169	495
Profit for the year attributable to:			
Owners of the parent		13,969	343
Non-controlling interest		3,200	152
		17,169	495
Total comprehensive income for the year attributable to:			
Owners of the parent		13,969	343
Non-controlling interest		3,200	152
		17,169	495

**Lorena Investments Limited and Subsidiaries**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**26 December 2020**

		Year ended 26 December 2020 £'000	Year ended 28 December 2019 £'000
	Notes		
<b>FIXED ASSETS</b>			
Intangible assets	11	2,609	2,870
Goodwill	11	-	-
Negative goodwill	11	(1)	(2)
		<u>2,608</u>	<u>2,868</u>
Tangible assets	12	12,206	13,299
		<u>14,814</u>	<u>16,167</u>
<b>CURRENT ASSETS</b>			
Stocks	14	4,203	4,408
Debtors	15	11,128	12,136
Cash at bank and in hand		23,429	2,363
		<u>38,760</u>	<u>18,907</u>
<b>CREDITORS</b>			
Amounts falling due within one year	16	(32,003)	(31,376)
<b>NET CURRENT ASSETS / (LIABILITIES)</b>		<u>6,757</u>	<u>(12,469)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>21,571</u>	<u>3,698</u>
<b>CREDITORS</b>			
Amounts falling due after more than one year	17	(8,663)	(8,212)
		<u>12,908</u>	<u>(4,514)</u>
<b>PROVISIONS FOR LIABILITIES</b>			
Deferred taxation	22	(220)	(175)
Other provisions	23	(4,034)	(3,083)
		<u>8,654</u>	<u>(7,772)</u>
<b>CAPITAL AND RESERVES</b>			
Called up equity share capital	28	-	-
Foreign exchange reserve	29	(1,862)	(1,140)
Profit and loss account	29	11,357	(2,612)
Equity attributable to owners of the parent company		<u>9,495</u>	<u>(3,752)</u>
Non-controlling interests		(841)	(4,020)
		<u>8,654</u>	<u>(7,772)</u>

The financial statements on pages 12 to 39 were approved by the board of directors and authorised for issue on 23 April 2021 and are signed on their behalf by:

  
D Mouldale  
Director

**Lorena Investments Limited and Subsidiaries**  
**COMPANY STATEMENT OF FINANCIAL POSITION**  
**26 December 2020**

		Year ended 26 December 2020 £'000	Year ended 28 December 2019 £'000
	Notes		
<b>FIXED ASSETS</b>			
Investments	13	1,000	1,000
		<u>1,000</u>	<u>1,000</u>
<b>CURRENT ASSETS</b>			
Debtors	15	42	41
		<u>42</u>	<u>41</u>
<b>CREDITORS</b>			
Amounts falling due within one year	16	(126)	(125)
		<u>(84)</u>	<u>(84)</u>
<b>NET CURRENT LIABILITIES</b>			
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>916</u>	<u>916</u>
<b>CAPITAL AND RESERVES</b>			
Called up equity share capital	28	-	-
Profit and loss account	29	916	916
		<u>916</u>	<u>916</u>
<b>SHAREHOLDER'S FUNDS</b>			
		<u>916</u>	<u>916</u>

As permitted by s408 Companies Act 2006, the company has not presented its own statement of comprehensive income and related notes as it prepares group accounts. The company's profit for the year was £nil (2019 - £nil)

The financial statements on pages 12 to 39 were approved by the board of directors and authorised for issue on 23 April 2021 and are signed on their behalf by:



**D Mouldsdaie**  
**Director**

**Lorena Investments Limited and Subsidiaries**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
26 December 2020

	Share capital £'000	Foreign exchange reserves £'000	Profit and loss account £'000	Total controlling interest £'000	Non- controlling interest £'000	Total £'000
<b>Balance at 29 December 2018</b>	-	(1,782)	(2,955)	(4,737)	(4,139)	(8,876)
Profit for the year	-	-	343	343	152	495
Movement in the year	-	642	-	642	(1)	641
Non-controlling interest dividend	-	-	-	-	(32)	(32)
<b>Balance at 28 December 2019</b>	-	(1,140)	(2,612)	(3,752)	(4,020)	(7,772)
Profit for the year	-	-	13,969	13,969	3,200	17,169
Movement in the year	-	(722)	-	(722)	3	(719)
Non-controlling interest dividend	-	-	-	-	(24)	(24)
<b>Balance at 26 December 2020</b>	-	(1,862)	11,357	9,495	(841)	8,654



# Lorena Investments Limited and Subsidiaries

## COMPANY STATEMENT OF CHANGES IN EQUITY

26 December 2020

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	Share capital £'000	Profit and loss account £'000	Total £'000
<b>Balance at 29 December 2018</b>	-	916	916
Profit for the year	-	-	-
<b>Balance at 28 December 2019</b>	-	916	916
Profit for the year	-	-	-
<b>Balance at 26 December 2020</b>	-	916	916

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# Lorena Investments Limited and Subsidiaries

## CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 26 December 2020

		26 December 2020 £'000	28 December 2019 £'000
	Notes		
Net cash flow from operating activities	30.a	24,485	4,588
Returns on investments and servicing of finance	30.b	(731)	(561)
Taxation	30.b	16	(277)
Capital expenditure and financial investment	30.b	(1,961)	(2,008)
<b>CASH INFLOW BEFORE FINANCING</b>		<b>21,809</b>	<b>1,742</b>
Financing	30.b	(743)	(1,148)
<b>INCREASE IN CASH IN THE PERIOD</b>		<b>21,066</b>	<b>594</b>

### RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

		26 December 2020 £'000	28 December 2019 £'000
Increase in cash in the period		21,066	594
Net cash outflow from other loans		416	1,142
Net cash outflow from bank loans		22	27
Net cash outflow/(inflow) in respect of hire purchase		305	(21)
<b>CHANGE IN NET DEBT</b>	30.c	<b>21,809</b>	<b>1,742</b>
<b>NET DEBT AT BEGINNING OF YEAR</b>	30.c	<b>(6,470)</b>	<b>(8,212)</b>
<b>NET DEBT AT END OF YEAR</b>	30.c	<b>15,339</b>	<b>(6,470)</b>

# Lorena Investments Limited and Subsidiaries

## ACCOUNTING POLICIES

for the year ended 26 December 2020

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### GENERAL INFORMATION

Lorena Investments Limited ('the company') is a private company limited by shares and is registered, domiciled and incorporated in Scotland.

The address of the company's registered office is The Ca'd'oro, 45 Gordon Street, Glasgow, G1 3PE.

The group consists of Lorena Investments Limited and all of its subsidiaries ('the group').

The company's and the group's principal activities and nature of its operations are as disclosed in the Directors' Report.

### BASIS OF ACCOUNTING

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") 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.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

### REDUCED DISCLOSURES

The company has taken advantage of the exemption from disclosing the following information, as permitted by the reduced disclosure regime within FRS 102:-

- 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; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in the income statement and in other comprehensive income.
- Section 33 'Related Party Disclosures' – Compensation for key management personnel

The financial statements of the company are consolidated into the financial statements of Lorena Investments Limited.

### COMPANY STATEMENT OF COMPREHENSIVE INCOME

As permitted by s408 Companies Act 2006, the company has not presented its own statement of comprehensive income as it prepares group accounts and the company's individual statement of financial position shows the company's profit or loss for the financial year.

### BASIS OF CONSOLIDATION

The consolidated financial statements incorporate those of Lorena Investments Limited and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits).

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

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# Lorena Investments Limited and Subsidiaries

## ACCOUNTING POLICIES

for the year ended 26 December 2020

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### CHANGE IN ACCOUNTING ESTIMATE

On 29 December 2019, the company changed its accounting estimate in relation to the timing of when turnover for the company's laser vision correction business is recognised. Previously, the Company recognised revenue on the completion of customer consultations before surgery was undertaken. Now revenue will be recognised on the completion of surgery. The directors believe this change in estimate provides a more relevant and reliable representation of revenue.

### GOING CONCERN

Despite Covid 19 closing the business for several months during 2020, the group has seen profitability and cash reserves increase on 2019.

2021 trading has started positively with both turnover and EBITDA up on the previous year and budget and the directors are confident that this trend will continue during the remainder of 2021. The group has prepared forecasts to December 2022 and these show that the group has more than sufficient reserves going forward to withstand any future downturn in trading and will remain profitable and cash positive for at least a period of twelve months from the date of signing these financial statements.

As a result of this the directors consider that there will be appropriate cash within the group to pay all liabilities as they fall due.

Consequently, the financial statements have been prepared on a going concern basis.

### TURNOVER

Turnover represents amounts invoiced during the period, exclusive of Value Added Tax.

### RENTAL INCOME

Rental income for the company is recognised on a straight line basis over the term of the lease.

### INTANGIBLE ASSETS

Intangible assets acquired separately from a business are capitalised at cost. Intangible assets, excluding development costs, created within the business are not capitalised and expenditure is charged against profits in the period in which it is incurred.

IT & software development costs which have been capitalised are included within intangible assets.

### GOODWILL

Positive and negative goodwill arising on acquisitions is capitalised, classified as an asset on the balance sheet and amortised on a straight line basis over its useful economic life up to a presumed maximum of 5 years. It is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Where the fair value of separable net assets exceeds the fair value of the consideration for an acquired business the difference is treated as negative goodwill and is capitalised and amortised through the statement of comprehensive income in which the non-monetary assets are recovered. In the case of fixed assets this is the period over which they are depreciated and in the case of current assets, the period over which they are sold or otherwise realised.

# Lorena Investments Limited and Subsidiaries

## ACCOUNTING POLICIES

for the year ended 26 December 2020

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### AMORTISATION

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Goodwill arising on acquisitions is being amortised over a period of 5 years. Negative goodwill is being amortised over the period in which the non-monetary assets are released.

It is anticipated that IT development and software development have an estimated useful life of 10 years and 3 years respectively and accordingly will be written off over this term.

### FIXED ASSETS

All fixed assets are initially recorded at cost.

Chartered Surveyors, Montagu Evans, have revalued certain freehold property to the open market valuation.

### DEPRECIATION

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Short Leasehold Properties	- Over the term of the lease and 25% reducing balance
Leasehold Improvements	- Over the term of the lease and 15% reducing balance
Fixtures and Fittings	- 15% reducing balance
Equipment	- 10% & 15% reducing balance, 15% straight line, over 5 years and over the term of the lease
Motor Vehicles	- 20% reducing balance
Lease Premium	- Over the term of the lease

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss reserve.

### IMPAIRMENT

Fixed assets are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable or as otherwise required by relevant accounting standards.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of net realisable value and value-in-use, are recognised as impairments. Impairments of revalued assets, except those caused by a clear consumption of economic benefit, are recognised in the statement of total recognised gains and losses until the carrying amount reaches depreciated historic cost. All other impairment losses are recognised in the statement of comprehensive income.

### STOCKS

Stocks are valued at the lower of cost and net realisable value. Cost is computed on an average cost basis. Net realisable value is based on estimated selling price less the estimated cost of disposal.

### HIRE PURCHASE AGREEMENTS

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the group statement of comprehensive income on a straight line basis.

# Lorena Investments Limited and Subsidiaries

## ACCOUNTING POLICIES

for the year ended 26 December 2020

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### FINANCE LEASE AGREEMENTS

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included with creditors. Rentals payable are apportioned between the finance element, which is charged to the group statement of comprehensive income on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments.

### OPERATING LEASE AGREEMENTS

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

### PENSIONS

The group operates a defined contribution pension scheme for employees. The assets of these schemes are held separately from those of the group. The contributions are charged to the statement of comprehensive income.

The group also operates a defined contribution pension scheme for the directors. The assets of the scheme are held separately from those of the group. The annual contributions payable are charged to the statement of comprehensive income.

### 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.

Current tax is based on taxable profit for the year. 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 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, associates, branches and interests in jointly controlled entities, 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.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination and the amounts that can be deducted or assessed for tax. The deferred tax recognised is adjusted against goodwill.

For non-depreciable assets measured using the revaluation model and investment properties measured at fair value (except investment property with a limited useful life held by the company to consume substantially all of its economic benefits), deferred tax is measured using the tax rates and allowances that apply to the sale of the asset or property.

# Lorena Investments Limited and Subsidiaries

## ACCOUNTING POLICIES

for the year ended 26 December 2020

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### TAXATION (Contd.)

Current and deferred tax is charged or credited in the income statement, 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.

### TREATMENT OF TRANSLATION OF FOREIGN ENTERPRISES

At each Statement of Financial Position date, the monetary assets and liabilities of the group's entities that do not use UK Sterling as their functional currency are translated into UK Sterling at exchange rates prevailing on the Statement of Financial Position date and rates at the date of transactions for income statement accounts.

### FOREIGN CURRENCIES

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the Statement of Financial Position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken to the statement of comprehensive income.

### PROVISIONS

Provisions are recognised when the company or group has a legal or constructive present obligation as a result of a past event, it is probable that the company or group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value the unwinding of the discount is recognised as a finance cost in the statement of comprehensive income in the period it arises.

### EMPLOYEE BENEFITS

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

# Lorena Investments Limited and Subsidiaries

## ACCOUNTING POLICIES

for the year ended 26 December 2020

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### 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, in full, to all of its financial instruments.

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, group and other debtors*

Trade, group and other debtors (including accrued income) which are receivable within one year and which 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 and any impairment losses.

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

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 the statement of comprehensive income 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 the statement of comprehensive income.

#### **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, group and other creditors*

Trade, group and other creditors (including accruals) 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 creditor constitutes a financing transaction, the creditor is initially measured at the present value of future payments discounted at a market rate of interest for a similar instrument and subsequently measured at amortised cost.

##### *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.



# Lorena Investments Limited and Subsidiaries

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 26 December 2020

### 1 JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised. The items in the financial statements where the judgements and estimations have been made include:

In categorising leases as finance leases or operating leases, management makes judgements as to whether significant risks and rewards of ownership have transferred to the company as lessee.

In determining depreciation rates, management must consider and make judgements on the residual value of the asset and their useful life to set depreciation rates.

Management make judgements on the whether there is significant changes in valuation of leasehold property.

In calculating the provision for onerous contracts, management make judgements on the best estimate of the consideration to settle the present obligation.

### 2 CHANGE IN ACCOUNTING ESTIMATE

The effect of the change in accounting estimate as described in accounting policies was as follows:

	£'000
Decrease in turnover	172

### 3 TURNOVER

An analysis of the group's turnover is given below:

#### Turnover analysed by class of business

	26 December 2020 £'000	28 December 2019 £'000
Ophthalmic services	99,051	117,060
	<u>99,051</u>	<u>117,060</u>

#### Turnover analysed by geographical market

	26 December 2020 £'000	28 December 2019 £'000
United Kingdom	89,585	107,366
Europe	9,466	9,694
	<u>99,051</u>	<u>117,060</u>

# Lorena Investments Limited and Subsidiaries

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 26 December 2020

### 4 OTHER OPERATING INCOME

	26 December 2020 £'000	28 December 2019 £'000
Rent and rates receivable	53	345
Miscellaneous income	564	669
Government grants	7,490	-
	<u>8,107</u>	<u>1,014</u>

The company received government grants in relation to the job retention scheme in the year in order to retain the workforce during the restrictions on working practices and Small Business Grant Fund to support optician businesses.

### 5 OPERATING PROFIT

a) Operating profit is stated after charging/(crediting):

	26 December 2020 £'000	28 December 2019 £'000
Amortisation	582	679
Depreciation of owned fixed assets	2,142	1,914
Depreciation of assets held under hire purchase agreements	247	236
Loss on disposal of fixed assets	356	332
Auditor's remuneration		
- statutory audit of parent and consolidated accounts	72	58
- audit of subsidiaries where such services are provided by RSM or its associates	9	35
Operating lease costs:		
Plant and equipment	(570)	707
Land and buildings	12,910	15,768

a) The exceptional costs in the current year relate to the provision of onerous lease contracts, legal fees in relation to the recovery of VAT owing to the group, losses from the write off of closed stores assets and gains on translation of inter company balances and equipment hire fees.

b) The exceptional costs in the prior year related to the provision of onerous lease contracts, legal fees in relation to the recovery of VAT owing to the group, losses from the write off of closed stores assets and a loss on translation of inter company balances.

### 6 PARTICULARS OF EMPLOYEES

The average number of staff employed by the group during the financial period amounted to:

	26 December 2020 No	28 December 2019 No
Production staff	20	36
Office and management	266	321
Other	693	819
	<u>979</u>	<u>1,176</u>

# Lorena Investments Limited and Subsidiaries

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 26 December 2020

### 6 PARTICULARS OF EMPLOYEES (Contd.)

The aggregate payroll costs, excluding exceptional costs, of the above were:

	26 December 2020 £'000	28 December 2019 £'000
Wages and salaries	30,651	37,843
Social security costs	2,204	3,504
Pension costs	469	627
	<u>33,324</u>	<u>41,974</u>

### 7 DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

	26 December 2020 £'000	28 December 2019 £'000
Emoluments receivable	916	904
Company contributions to money purchase pension scheme	4	4
Sums paid to third parties for directors' services	-	4
	<u>920</u>	<u>912</u>

Emoluments of highest paid director:

	£'000	£'000
Total emoluments (excluding pension contributions)	<u>501</u>	<u>501</u>

Emoluments receivable, as above, include Benefits In Kind. There are no pension contributions payable on behalf of the highest paid director.

The number of directors who accrued benefits under company pension schemes was as follows:

	26 December 2020 No	28 December 2019 No
Money purchase schemes	<u>3</u>	<u>3</u>

### 8 INTEREST PAYABLE AND SIMILAR CHARGES

	26 December 2020 £'000	28 December 2019 £'000
Interest payable on bank borrowing	2	5
Finance charges	99	125
Other interest and similar charges payable	641	431
	<u>742</u>	<u>561</u>

# Lorena Investments Limited and Subsidiaries

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 26 December 2020

### 9 TAXATION ON ORDINARY ACTIVITIES

#### a) Analysis of charge in the period

	26 December 2020 £'000	28 December 2019 £'000
Current tax:		
UK Corporation tax based on the results for the period at 19%	2,743	13
Group relief	-	-
Adjustment in respect of previous periods	(2)	3
Overseas Taxation	87	68
Total current tax	2,828	84
Deferred tax:		
Origination and reversal of timing differences	72	69
Adjustment in respect of previous periods	-	-
Total deferred tax (note 22)	72	69
Total tax charge	2,900	153

#### b) Factors affecting the tax charge for the year.

The tax assessed on the profit for the period is higher than the standard rate of corporation tax in the UK of 19% (2019 – 19%). The differences are explained below;

	26 December 2020 £'000	28 December 2019 £'000
Profit on ordinary activities before taxation	20,069	648
Profit on ordinary activities by rate of tax	3,813	123
Expenses not deductible in determining taxable profits	(3)	123
Fixed asset differences	157	118
Non taxable income	(17)	(6)
Chargeable gains	16	2
Deferred tax not recognised	(849)	(276)
Exchange rate differences	1	114
Amounts relating to change in tax rates	(211)	(71)
Differences in overseas taxation rates	(5)	23
Adjustments in respect of prior periods	(2)	3
Tax expense	2,900	153

### 10 PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The profit dealt with in the accounts of the parent company was £nil (2019 - £nil).

# Lorena Investments Limited and Subsidiaries

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 26 December 2020

### 11 INTANGIBLE FIXED ASSETS

Group	Negative goodwill £'000	IT & Software development £'000	Goodwill £'000	Total £'000
Cost				
At 28 December 2019	(1,005)	8,881	837	8,713
Additions	-	322	-	322
Disposals	-	-	-	-
At 26 December 2020	<u>(1,005)</u>	<u>9,203</u>	<u>837</u>	<u>9,035</u>
Amortisation				
At 28 December 2019	(1,003)	6,011	837	5,845
Charge for the period	(1)	583	-	582
Disposals	-	-	-	-
At 26 December 2020	<u>(1,004)</u>	<u>6,594</u>	<u>837</u>	<u>6,427</u>
Net book value				
At 26 December 2020	<u>(1)</u>	<u>2,609</u>	<u>-</u>	<u>2,608</u>
At 28 December 2019	<u>(2)</u>	<u>2,870</u>	<u>-</u>	<u>2,868</u>

### 12 TANGIBLE FIXED ASSETS

Group	Equipment £'000	Fixtures & Fittings £'000	Motor Vehicles £'000	Short Leasehold Properties & Improvements £'000	Total £'000
Cost or valuation					
At 28 December 2019	47,908	24,062	818	1,418	74,206
Additions	445	1,136	80	84	1,745
Disposals	(2,263)	(6,212)	(334)	(402)	(9,211)
Foreign exchange adjustments	90	70	-	-	160
Transfers	33	(33)	-	-	-
At 26 December 2020	<u>46,213</u>	<u>19,023</u>	<u>564</u>	<u>1,100</u>	<u>66,900</u>
Depreciation					
At 28 December 2019	39,756	19,246	629	1,276	60,907
Charge for the period	1,322	975	49	43	2,389
On disposals	(2,220)	(5,819)	(308)	(402)	(8,749)
Foreign exchange adjustments	83	64	-	-	147
Transfers	4	(4)	-	-	-
At 26 December 2020	<u>38,945</u>	<u>14,462</u>	<u>370</u>	<u>917</u>	<u>54,694</u>
Net book value					
At 26 December 2020	<u>7,268</u>	<u>4,561</u>	<u>194</u>	<u>183</u>	<u>12,206</u>
At 28 December 2019	<u>8,152</u>	<u>4,816</u>	<u>189</u>	<u>142</u>	<u>13,299</u>

# Lorena Investments Limited and Subsidiaries

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 26 December 2020

### 12 TANGIBLE FIXED ASSETS (Contd.)

#### Assets held at valuation

The leasehold properties were revalued to £265K in March 2000 on an open market valuation by Montagu Evans, Chartered Surveyors. The historical cost of the short leasehold properties is £55K (2019 - £55K). The directors have not updated the valuation on the basis that there has been no material change in value.

#### Hire purchase and finance lease agreements

Included within the net book value of £12,206K is £2,144K (2019 - £2,255K) relating to assets held under hire purchase and finance lease agreements. The depreciation charged to the financial statements in the period in respect of such assets amounted to £247K (2019 - £236K).

If leasehold properties were stated on an historical cost basis rather than a fair value basis, the amounts would have been included as follows:

	26 December 2020 £'000
Historical cost:	
At 28 December 2019	55
Acquisition	-
Disposals	-
	<u>55</u>
At 26 December 2020	<u>55</u>
Depreciation:	
At 28 December 2019	55
Disposal	-
	<u>55</u>
At 26 December 2020	<u>55</u>
Net historical cost value:	
At 26 December 2020	-
At 28 December 2019	-

### 13 INVESTMENTS

Company	Group companies £'000
Cost	
At 28 December 2019	1,000
At 26 December 2020	<u>1,000</u>
Net book value	
At 26 December 2020	<u>1,000</u>
At 28 December 2019	<u>1,000</u>

# Lorena Investments Limited and Subsidiaries

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 26 December 2020

### 13 INVESTMENTS (Cont.)

NAME OF COMPANY	COUNTRY OF REGISTRATION	HOLDING	PROPORTION HELD
DCM (Optical Holdings) Limited	Scotland	Ordinary Shares	75%
Optical Express (Gyle) Limited	Scotland	Ordinary Shares	100%
Pacific Shelf 1741 Limited	Scotland	Ordinary Shares	100%
Optical Express Limited *	Scotland	Ordinary Shares	100%
Optical Express (Westfield) Limited *	Scotland	Ordinary Shares	100%
Optical Express (Holdings) Limited *	Scotland	Ordinary Shares	100%
The Frame Zone Limited *	Scotland	Ordinary Shares	100%
Cruach Capital Limited *	Scotland	Ordinary Shares	100%
Optical Express (Deutschland Holding) GmbH *	Germany	Ordinary Shares	100%
VisuMed AG *	Germany	Ordinary Shares	100%
Optical Express Kliniken GmbH ^	Germany	Ordinary Shares	100%
Optical Express Hamburg GmbH ^	Germany	Ordinary Shares	100%
Optical Express Lindau GmbH ^	Germany	Ordinary Shares	75.5%
Optical Express d.o.o ^	Croatia	Ordinary Shares	70%
Poliklinika Optical Express ~	Croatia	Ordinary Shares	100%
DCM 590 Limited *	England	Ordinary Shares	100%
DCM Optical (US) Inc *	USA	Ordinary Shares	100%

# Lorena Investments Limited and Subsidiaries

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 26 December 2020

### 13 INVESTMENTS (Cont.)

The companies denoted by \* are all directly owned by DCM (Optical Holdings) Limited. The companies denoted by ^ are all directly owned by Optical Express AG. The company denoted by ~ is directly owned by Optical Express d.o.o.

Optical Express (Northern) Limited, Optical Express (Professional Services) Limited, Outclin Limited, Specialeyes Limited are also all 100% subsidiaries of DCM (Optical Holdings) Limited. DCM (Optical Clinic) Harley Street Limited is a 90% subsidiary of DCM (Optical Holdings) Limited. All are Scottish registered companies. These five companies, and all companies per the table above, have their registered office as The Ca'd'oro, 45 Gordon Street, Glasgow, G1 3PE. The only exception to this is DCM 590 Limited and the German and US companies whose registered offices are Ground Floor, 32 Park Cross Street, Leeds, LS1 2QH, Arabellastr. 19A, 81925 Muenchen, Germany and 9820 Willow Creek RD, San Diego, CA 92131-1112, USA.

Cruach Capital Limited holds 100% of the ordinary share capital of Matland Limited a company incorporated in England and DCM Laser Clinic Limited a company incorporated in Scotland. All subsidiaries have been consolidated in these financial statements. The registered office address of these two companies are Ground Floor, 32 Park Cross Street, Leeds, LS1 2QH and The Ca'd'oro, 45 Gordon Street, Glasgow, G1 3PE.

### 14 STOCKS

	Group		Company	
	26 December	28 December	26 December	28 December
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Finished goods	4,203	4,408	-	-

The amount of stock recognised as an expense during the year was £14,037K (2019: £17,842K).

### 15 DEBTORS

	Group		Company	
	26 December	28 December	26 December	28 December
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Trade debtors	759	1,072	-	-
Other debtors	5,431	2,709	-	-
Prepayments and accrued income	4,916	8,179	-	-
Corporation Tax	-	127	-	-
Amounts owed to group undertakings	-	-	42	41
	11,106	12,087	42	41
Deferred tax asset (note 22)	22	49	-	-
	11,128	12,136	42	41



# Lorena Investments Limited and Subsidiaries

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 26 December 2020

### 16 CREDITORS amounts falling due within one year

	26 December 2020 £'000	Group 28 December 2019 £'000	26 December 2020 £'000	Company 28 December 2019 £'000
Bank loans and overdrafts	23	23	-	-
Trade creditors	14,331	13,653	-	-
Amounts owed to group undertakings	-	-	126	125
Corporation tax	2,717	-	-	-
Hire purchase and finance lease agreements	692	766	-	-
Other taxation and social security	1,136	1,078	-	-
Other creditors	4,829	5,599	-	-
Accruals and deferred income	8,219	9,657	-	-
Other loans	56	600	-	-
	<u>32,003</u>	<u>31,376</u>	<u>126</u>	<u>125</u>

### 17 CREDITORS amounts falling due after more than one year

	26 December 2020 £'000	Group 28 December 2019 £'000	26 December 2020 £'000	Company 26 December 2019 £'000
Hire purchase and finance lease agreements	1,089	1,320	-	-
Other creditors	-	768	-	-
Accruals and deferred income	1,344	-	-	-
Bank loans	16	38	-	-
Other loans	6,214	6,086	-	-
	<u>8,663</u>	<u>8,212</u>	<u>-</u>	<u>-</u>

Included in other loans are loans from a director of £3,104K (2019 - £3,528K) which bear interest at bank base rate plus a margin. There are no fixed repayment dates and it will not be repaid within the next year.

### 18 FINANCIAL INSTRUMENTS

The carrying amount of the group's financial instruments at 26 December 2020 were:

	26 December 2020 £'000	28 December 2019 £'000
Carrying amount of financial assets:		
Debt instruments measured at amortised cost	<u>6,190</u>	<u>3,781</u>
Carrying amount of financial liabilities:		
Measured at amortised cost	<u>35,032</u>	<u>36,424</u>

# Lorena Investments Limited and Subsidiaries

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 26 December 2020

#### 19 CREDITORS - CAPITAL INSTRUMENTS

Creditors include finance capital which is due for repayment as follows:

	Group		Company	
	26 December 2020	28 December 2019	26 December 2020	28 December 2019
	£'000	£'000	£'000	£'000
Amounts repayable:				
In one year or less or on demand	79	623	-	-
In more than one year but not more than two years	34	63	-	-
In more than two years but not more than five years	6,196	6,061	-	-
In more than five years	-	-	-	-
	<u>6,309</u>	<u>6,747</u>	<u>-</u>	<u>-</u>
Less finance fees relating to future periods	-	-	-	-
	<u>6,309</u>	<u>6,747</u>	<u>-</u>	<u>-</u>

#### 20 BORROWINGS

	Group		Company	
	26 December 2020	28 December 2019	26 December 2020	28 December 2019
	£'000	£'000	£'000	£'000
Creditors: amounts falling due within one year:				
Bank loans	23	23	-	-
Finance lease liabilities	692	766	-	-
Other loans	56	600	-	-
	<u>771</u>	<u>1,389</u>	<u>-</u>	<u>-</u>
Creditors: amounts falling due after more than one year:				
Bank loans	16	38	-	-
Finance lease liabilities	1,089	1,320	-	-
Other loans	6,214	6,086	-	-
	<u>7,319</u>	<u>7,444</u>	<u>-</u>	<u>-</u>
Total	<u>8,090</u>	<u>8,833</u>	<u>-</u>	<u>-</u>

The bank loan is repayable on 31<sup>st</sup> July 2022 and bears interest at a rate of 4.10% per annum.

An amount for £2,494K included within the loan balances is secured against the company's assets with a floating charge.

**Lorena Investments Limited and Subsidiaries**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 26 December 2020

**21 COMMITMENTS UNDER HIRE PURCHASE AND FINANCE LEASE AGREEMENTS**

Future commitments under hire purchase and finance lease agreements are as follows:

	Group		Company	
	26 December 2020	28 December 2019	26 December 2020	28 December 2019
	£'000	£'000	£'000	£'000
Amounts payable within 1 year	790	918	-	-
Amounts payable between 1 and 2 years	586	668	-	-
Amounts payable between 3 and 5 years	589	904	-	-
	<u>1,965</u>	<u>2,490</u>	<u>-</u>	<u>-</u>
Less interest and finance charges relating to future periods	(184)	(404)	-	-
	<u>1,781</u>	<u>2,086</u>	<u>-</u>	<u>-</u>

**22 DEFERRED TAXATION**

The following are the deferred tax liabilities and assets recognised by the group and company and movements thereon during the current and prior reporting period.

	Accelerated tax depreciation	Tax losses	Group Total	Accelerated tax depreciation	Tax losses	Company Total
	£'000	£'000	£'000	£'000	£'000	£'000
At 28 December 2019	(175)	49	(126)	-	-	-
(Charge)/credit to profit or loss	(45)	(27)	(72)	-	-	-
At 26 December 2020	<u>(220)</u>	<u>22</u>	<u>(198)</u>	<u>-</u>	<u>-</u>	<u>-</u>

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is an analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Group		Company	
	26 December 2020	28 December 2019	26 December 2020	28 December 2019
	£'000	£'000	£'000	£'000
Deferred tax liabilities	(220)	(175)	-	-
Deferred tax assets	22	49	-	-
	<u>(198)</u>	<u>(126)</u>	<u>-</u>	<u>-</u>

**Lorena Investments Limited and Subsidiaries**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 26 December 2020

**22 DEFERRED TAXATION (Cont.)**

Unrecognised deferred tax

	Group		Company	
	26 December 2020	29 December 2019	26 December 2020	28 December 2019
	Unprovided £'000	Unprovided £'000	Unprovided £'000	Unprovided £'000
Excess of taxation allowances over depreciation on fixed assets	681	803	-	-
Other timing differences	295	538	-	-
Losses carried forward	-	489	-	-
	<u>976</u>	<u>1,830</u>	<u>-</u>	<u>-</u>

No deferred tax has been recognised in respect of the revalued assets at note 12 as it is expected that any gains arising will either be exempt or covered by rollover relief.

**23 PROVISION FOR LIABILITIES AND CHARGES**

	Group		Company	
	26 December 2020	28 December 2019	26 December 2020	28 December 2019
	£'000	£'000	£'000	£'000
Onerous contract				
At 29 December 2018	3,083	-	-	-
Additional provisions	3,110	3,083	-	-
Reversed	(1,719)	-	-	-
Utilised	(440)	-	-	-
At 26 December 2020	<u>4,034</u>	<u>3,083</u>	<u>-</u>	<u>-</u>

The Onerous Contract provision represents the remaining obligations in respect of property leases which the company is no longer deriving benefit from, net of any anticipated rental income to be received from sub-letting or assigning this lease to a third party.

**24 COMMITMENTS UNDER OPERATING LEASES**

At 26 December 2020 the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

Group	26 December 2020		28 December 2019	
	Land and Buildings £'000	Other items £'000	Land and Buildings £'000	Other items £'000
Operating leases which expire:				
Within 1 year	9,395	383	9,524	383
Within 2 to 5 years	25,443	96	26,521	485
After more than 5 years	12,476	-	12,017	-
	<u>47,314</u>	<u>479</u>	<u>48,062</u>	<u>868</u>

# Lorena Investments Limited and Subsidiaries

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 26 December 2020

### 25 RETIREMENT BENEFIT SCHEMES

The Company operates a defined contribution pension scheme for all qualifying employees in the United Kingdom. The assets of the scheme are held separately from those of the Company in an independently administered fund. The contributions payable by the Company charged to profit or loss amounted to £469K (2019: £627K). Contributions totalling £39K (2019: £51K) were payable to the fund at the year end and are included in creditors.

### 26 RELATED PARTY TRANSACTIONS

The related party transactions during the year were as follows:

Related Party	Relationship	Transaction	Amount	Balance due (to)/from at 26/12/20
			£'000	£'000
Moulsdale Properties	Common Control	Rents paid on properties owned	213	(64)
D Moulsdale	Director	Long term loan repaid	424	(3,104)
		Interest accrued but unpaid	(506)	(1,738)
		Interest paid	2,059	-
Precision Optics B.V.	Common Control	Purchases	1,900	(2,857)
		Sale and leaseback	2	(169)
Dakota Trading B.V	Common Control	Loan received	(34)	(2,495)
		Interest accrued but unpaid	(4)	(4)
RB B.V	Common Control	Loan received	18	(626)
		Interest accrued but unpaid	(23)	(23)
		Interest paid	(12)	-
Bridgewater Clinic Limited	Common Control	Sales	8	115
120PR Limited	Common Control	Rents paid	41	(7)
		Payments	(57)	-
Kart Republic (UK & Ireland) Limited	Common Control	Purchases on behalf of	1	1
Larkhall Circuit Limited	Common Control	Purchases on behalf of	11	6
Beith Classics Limited	Common Control	Purchases on behalf of	172	172
DCM Classics Limited	Common Control	Purchases on behalf of	2,865	2,865

# Lorena Investments Limited and Subsidiaries

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 26 December 2020

### 26 RELATED PARTY TRANSACTIONS (Cont.)

The related party transactions during the prior period were as follows:

Related Party	Relationship	Transaction	Amount £'000	Balance due (to)/from at 28/12/19 £'000
Moulsdale Properties	Common Control	Rents paid on properties owned	215	(66)
D Moulsdale	Director	Long term loan repaid	1,917	(3,528)
		Interest accrued but unpaid	(224)	(3,291)
		Interest paid	53	
Precision Optics B.V.	Common Control	Purchases	6,769	(6,302)
		Sale and leaseback	-	(167)
Dakota Trading B.V	Common Control	Loan received	(173)	(2,461)
		Interest accrued but unpaid	(171)	(171)
RB B.V	Common Control	Loan received	(521)	(606)
		Interest accrued but unpaid	(7)	(8)
200 SVS Limited	Common Control	Purchases	106	144
		Sales	(349)	
		Provision	453	
Bridgewater Clinic Limited	Common Control	Sales	-	107
		Purchases	8	
120PR Limited	Common Control	Rents paid	42	
Kart Republic (UK & Ireland) Limited	Common Control	Purchases on behalf of	9	-
Larkhall Circuit Limited	Common Control	Purchases on behalf of	94	-

### 27 REMUNERATION OF KEY MANAGEMENT PERSONNEL

The total remuneration of the directors, who are considered to be the key management personnel of the group was £1,038K (2019 - £1,028K), including employers national insurance of £118K (2019 - £116K).

### 28 SHARE CAPITAL

	26 December 2020 £'000	28 December 2019 £'000
Allotted, called up and fully paid:		
1 Ordinary shares of £1 each	-	-

The company's ordinary share, which carry no right to fixed income, each carry the right to one vote at the general meetings of the company.

# Lorena Investments Limited and Subsidiaries

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 26 December 2020

### 29 RESERVES

#### *Profit and loss account*

Cumulative profit and loss net of distributions to owners.

#### *Foreign Exchange reserve*

The foreign exchange reserve represents foreign exchange gains and losses on the retranslation of the results and net assets of the company's foreign subsidiaries.

### 30 CASH FLOWS

#### a Reconciliation of operating profit/(loss) to net cash inflow from operating activities

	26 December 2020 £'000	28 December 2019 £'000
Profit for the year after tax	17,169	495
Adjustments for:		
Taxation charged	2,900	153
Interest payable and similar charges	742	561
Interest receivable	(11)	-
Amortisation of goodwill	(1)	97
Amortisation of IT & software development	583	582
Depreciation	2,389	2,150
Disposal of tangible fixed assets	356	332
Disposal of investments	-	(24)
Decrease in stocks	205	531
(Decrease)/increase in debtors	854	(911)
(Decrease) in creditors	(896)	(3,087)
Increase in provisions	951	3,083
Minority interest movement	(21)	(33)
Foreign exchange adjustments	(735)	659
Net cash inflow from operating activities	<u>24,485</u>	<u>4,588</u>

#### b Analysis of cash flows for headings netted in the cash flow

##### Returns on investment and servicing of finance

	26 December 2020 £'000	28 December 2019 £'000
Interest received	11	-
Interest paid	(742)	(561)
Net cash outflow from returns on investments and servicing of finance	<u>(731)</u>	<u>(561)</u>

##### Taxation

	26 December 2020 £'000	28 December 2019 £'000
Taxation	<u>16</u>	<u>(277)</u>

# Lorena Investments Limited and Subsidiaries

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 26 December 2020

### 30 CASH FLOWS (cont.)

#### Capital expenditure and financial investment

	26 December 2020 £'000	28 December 2019 £'000
Payments to acquire intangible fixed assets	(322)	(524)
Payments to acquire tangible fixed assets	(1,745)	(1,543)
Receipts from sale of fixed assets	106	59
<b>Net cash outflow for capital expenditure and financial investment</b>	<b>(1,961)</b>	<b>(2,008)</b>

#### Financing

	26 December 2020 £'000	28 December 2019 £'000
(Decrease) in loans	(438)	(1,169)
Net (repayment of)/new hire purchase	(305)	21
<b>Net cash (outflow) from financing</b>	<b>(743)</b>	<b>(1,148)</b>

### c Analysis of net debt

	28 December 2019 £'000	Cash flows £'000	26 December 2020 £'000
Cash in hand and at bank	2,363	21,066	23,429
	<u>2,363</u>	<u>21,066</u>	<u>23,429</u>
Debt due within 1 year	(623)	544	(79)
Debt due after 1 year	(6,124)	(106)	(6,230)
Hire purchase agreements	(2,086)	305	(1,781)
	<u>(8,833)</u>	<u>743</u>	<u>(8,090)</u>
<b>Total</b>	<b>(6,470)</b>	<b>21,809</b>	<b>15,339</b>

### 31 POST BALANCE SHEET EVENT

On 5<sup>th</sup> January 2021 Lorena Investments acquired 50% of the share capital of Anglia Community Eye Service Limited and purchased a further 14% of the share capital of the company on 18<sup>th</sup> January 2021. On the 18<sup>th</sup> January 2021 Lorena Investments Limited also entered into an irrevocable agreement to purchase the remainder of the share capital at a future date.

The acquisition complements the groups predominantly private based refractive surgery business as Anglia Community Eye Service Limited is a leading provider of NHS ophthalmic care in the community specialising in cataract surgery and all general eye health and ophthalmology services.

### 32 ULTIMATE CONTROLLING PARTY

The ultimate controlling party is David Mouldsdales