

Opticrealm Limited

**Annual Report and Financial Statements
Year Ended 31 May 2018**

Registration number: 02839043

Opticrealm Limited

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Opticrealm Limited

Company Information

Directors	N L T Cockburn T J Cockburn
Registered office	313-315 Caledonian Road London N1 1DS
Auditors	PKF Francis Clark Statutory Auditor Centenary House Peninsula Park Rydon Lane Exeter EX2 7XE

Opticrealm Limited

Directors' Report

Year Ended 31 May 2018

The directors present their report and the financial statements for the year ended 31 May 2018.

Directors of the company

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

N L T Cockburn

T J Cockburn

Principal activity

The principal activity of the company is the holding of property for investment purposes.

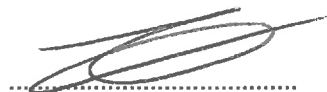
Disclosure of information to the auditors

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

Small companies provision statement

This report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved by the Board on 9/4/9 and signed on its behalf by:



.....
T J Cockburn
Director

Opticrealm Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Opticrealm Limited

Independent Auditor's Report to the Members of Opticrealm Limited

Opinion

We have audited the financial statements of Opticrealm Limited (the 'company') for the year ended 31 May 2018, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, 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) incorporating the requirements of Section 1A.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 2018 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.

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 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opticrealm Limited

Independent Auditor's Report to the Members of Opticrealm Limited

Opinion on other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, 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 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 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.

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

Opticrealm Limited

Independent Auditor's Report to the Members of Opticrealm Limited

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.



.....
Glenn Nicol (Senior Statutory Auditor)
PKF Francis Clark, Statutory Auditor

Centenary House
Peninsula Park
Rydon Lane
Exeter
EX2 7XE

Date: 29/04/2019

Opticrealm Limited

Profit and Loss Account

Year Ended 31 May 2018

	2018 £	2017 £
Turnover	3,232,648	2,630,590
Administrative expenses	<u>(1,474,013)</u>	<u>(1,625,793)</u>
Operating profit	<u>1,758,635</u>	<u>1,004,797</u>
Movements in fair value of investment properties	7,460,841	-
Other interest receivable and similar income	195,890	324,795
Interest payable and similar expenses	<u>(3,928,415)</u>	<u>(3,499,475)</u>
	<u>3,728,316</u>	<u>(3,174,680)</u>
Profit/(loss) before tax	5,486,951	(2,169,883)
Taxation	<u>(1,134,900)</u>	<u>400,000</u>
Profit/(loss) for the financial year	<u><u>4,352,051</u></u>	<u><u>(1,769,883)</u></u>

The notes on pages 10 to 17 form an integral part of these financial statements.

Opticrealm Limited

Balance Sheet

31 May 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	4	994,130	824,269
Investment property	5	152,724,254	128,313,459
Investments	6	1,001	1,000
Debtors	7	7,039,956	5,108,997
		<u>160,759,341</u>	<u>134,247,725</u>
Current assets			
Debtors	7	12,589,700	5,296,641
Cash at bank and in hand		<u>1,148,145</u>	<u>101,764</u>
		13,737,845	5,398,405
Creditors: Amounts falling due within one year	8	<u>(13,336,503)</u>	<u>(7,964,367)</u>
Net current assets/(liabilities)		<u>401,342</u>	<u>(2,565,962)</u>
Total assets less current liabilities		161,160,683	131,681,763
Creditors: Amounts falling due after more than one year	8	(115,861,204)	(98,564,235)
Deferred income	8	(6,695,000)	-
Provisions for liabilities		<u>(5,536,000)</u>	<u>(4,401,100)</u>
Net assets		<u>33,068,479</u>	<u>28,716,428</u>
Capital and reserves			
Called up share capital		1,000	1,000
Revaluation reserve		36,083,969	29,758,028
Profit and loss account		<u>(3,016,490)</u>	<u>(1,042,600)</u>
Total equity		<u>33,068,479</u>	<u>28,716,428</u>

These financial statements have been prepared and delivered in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved and authorised by the Board on 9/4/19 and signed on its behalf by:



 T.J. Cockburn
 Director

Company Registration Number: 02839043

The notes on pages 10 to 17 form an integral part of these financial statements.

Opticrealm Limited

Statement of Changes in Equity

Year Ended 31 May 2018

	Share capital £	Revaluation reserve £	Profit and loss account £	Total £
At 1 June 2017	1,000	29,758,028	(1,042,600)	28,716,428
Profit for the year	-	-	4,352,051	4,352,051
Reserves transfer	-	6,325,941	(6,325,941)	-
At 31 May 2018	<u>1,000</u>	<u>36,083,969</u>	<u>(3,016,490)</u>	<u>33,068,479</u>
	Share capital £	Revaluation reserve £	Profit and loss account £	Total £
At 1 June 2016	1,000	29,358,028	1,127,283	30,486,311
Loss for the year	-	-	(1,769,883)	(1,769,883)
Reserves transfer	-	400,000	(400,000)	-
At 31 May 2017	<u>1,000</u>	<u>29,758,028</u>	<u>(1,042,600)</u>	<u>28,716,428</u>

The notes on pages 10 to 17 form an integral part of these financial statements.

Opticrealm Limited

Notes to the Financial Statements

Year Ended 31 May 2018

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

313-315
Caledonian Road
London
N1 1DS

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Revenue recognition

Turnover comprises rents receivable by the company in respect of the accounting period. Rental income is recognised on a straight line basis over the life of lease granted.

Tax

Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

Deferred tax is recognised on all timing differences at the balance sheet date unless indicated below. Timing differences are differences between taxable profits and the results as stated in the profit and loss account and other comprehensive income. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Opticrealm Limited

Notes to the Financial Statements

Year Ended 31 May 2018

Asset class	Depreciation method and rate
Freehold property	2% straight line
Plant and machinery	33% reducing balance
Motor vehicles	25% straight line
Fixtures and fittings	20% reducing balance
Office equipment	33% reducing balance

Where motor vehicles are held for investment purposes they are not depreciated.

Investment property

Investment property is carried at fair value, derived from the current market value. Market value is derived from consultations with independent valuers along with a review of market data on rental yields and prices from similar properties in similar locations.

Changes in fair value are recognised in profit or loss and subsequently transferred to a revaluation reserve in order to identify non distributable reserves.

Investment properties under construction are initially recognised at cost until they are brought into use. The directors consider if there are any signs of impairment during the construction phase. Any impairment is recognised through profit or loss in the period in which it was identified.

Deferred tax is provided for where investment property is revalued. Movements in deferred tax in relation to investment property revaluations are recognised in profit or loss and are subsequently transferred to the revaluation reserve at the end of the period in which the changed in the deferred tax provision occurred.

Investments

Investments in subsidiary undertakings are initially recognised at cost less any provision for impairment.

Opticrealm Limited

Notes to the Financial Statements

Year Ended 31 May 2018

Financial instruments

Classification

The company holds the following financial instruments:

- Short term trade and other debtors and creditors;
- Other loans;
- Bank loans; and
- Cash and bank balances.

All financial instruments are classified as basic.

Recognition and measurement

The company has chosen to apply the recognition and measurement principles in FRS102.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument and derecognised when in the case of assets, the contractual rights to cash flows from the assets expire or substantially all the risks and rewards of ownership are transferred to another party, or in the case of liabilities, when the company's obligations are discharged, expire or are cancelled.

Except for bank and other loans, such instruments are initially measured at transaction price, including transaction costs, and are subsequently carried at the undiscounted amount of the cash or other consideration expected to be paid or received, after taking account of impairment adjustments.

Bank and other loans are initially measured at transaction price, including transaction costs, and are subsequently carried at amortised cost using the effective interest method.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 14 (2017 - 11).

Opticrealm Limited

Notes to the Financial Statements Year Ended 31 May 2018

4 Tangible assets

	Land and buildings £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation						
At 1 June 2017	755,608	15,869	133,064	172,807	30,431	1,107,779
Additions	4,358	-	172,653	-	728	177,739
At 31 May 2018	759,966	15,869	305,717	172,807	31,159	1,285,518
Depreciation						
At 1 June 2017	40,574	14,434	58,063	144,669	28,556	286,296
Charge for the year	-	1,435	-	2,798	859	5,092
At 31 May 2018	40,574	15,869	58,063	147,467	29,415	291,388
Carrying amount						
At 31 May 2018	719,392	-	247,654	25,340	1,744	994,130
At 31 May 2017	715,034	4,221	75,001	28,138	1,875	824,269

Opticrealm Limited

Notes to the Financial Statements

Year Ended 31 May 2018

5 Investment properties

	Investment properties £	Under construction £	Total £
At 1 June 2017	93,375,432	34,938,027	128,313,459
Additions	9,842,602	7,107,352	16,949,954
Transfers between categories	5,598,074	(5,598,074)	-
Fair value adjustments	7,460,841	-	7,460,841
At 31 May 2018	<u>116,276,949</u>	<u>36,447,305</u>	<u>152,724,254</u>

Within investment properties under construction there are long leasehold properties with a cost of £9,201,284 (2017 £7,149,345).

Within investment properties there are long leasehold properties with a value of £6,783,193 (2017 £6,783,193).

6 Investments

	2018 £	2017 £
Investments in subsidiaries	<u>1,001</u>	<u>1,000</u>

Details of undertakings

Details of the investments in which the company holds the nominal value of any class of share capital are as follows:

Undertaking	Holding	Proportion of voting rights and shares held	
		2018	2017
Subsidiary undertakings			
Opticrealm (Rentals) Limited	Ordinary shares	100%	100%
Opticrealm Theos Limited	Ordinary shares	100%	0%

Opticrealm (Rentals) Limited and Opticrealm Theos Limited are both incorporated in England and Wales and have the same registered address as the company.

Opticrealm Limited

Notes to the Financial Statements

Year Ended 31 May 2018

7 Debtors

	2018 £	2017 £
Amounts due from group undertakings	19,190,850	10,139,107
Other debtors	349,008	230,687
Prepayments	89,798	35,844
Less amounts due after one year	<u>(7,039,956)</u>	<u>(5,108,997)</u>
	<u>12,589,700</u>	<u>5,296,641</u>

Details of non-current trade and other debtors

£7,043,455 (2017 - £5,108,997) of Amounts due from group undertakings is classified as non current.

8 Creditors

	Note	2018 £	2017 £
Due within one year			
Loans and borrowings	9	10,120,022	5,601,425
Trade creditors		1,381,691	1,218,577
Amounts due to group undertakings		932,715	310,578
Social security and other taxes		71,437	69,220
Other creditors		<u>830,638</u>	<u>764,567</u>
		<u>13,336,503</u>	<u>7,964,367</u>
Due after one year			
Loans and borrowings	9	115,861,204	98,564,235
Deferred income		<u>6,695,000</u>	<u>-</u>
		<u>122,556,204</u>	<u>98,564,235</u>

Deferred income represents premiums paid by tenants when entering into a multi-year lease. The deferred income is released to the profit and loss account over the lease period.

Opticrealm Limited

Notes to the Financial Statements

Year Ended 31 May 2018

9 Loans and borrowings

	2018 £	2017 £
Loans and borrowings due after one year		
Bank borrowings	57,997,809	53,660,875
Other borrowings	<u>57,863,395</u>	<u>44,903,360</u>
	<u>115,861,204</u>	<u>98,564,235</u>

	2018 £	2017 £
Current loans and borrowings		
Bank borrowings	<u>10,120,022</u>	<u>5,601,425</u>

Certain bank loans and overdrafts are secured against assets included within investment properties and investment properties under construction. Certain bank loans and overdrafts are secured against investment portfolios owned by an immediate family member of the directors. Other borrowings are unsecured.

Borrowings due after five years

The entire amount shown within other borrowings is repayable in full 10 years from 1 June 2015. This includes interest accrued.

10 Share capital

Allotted, called up and fully paid shares

	No.	2018 £	No.	2017 £
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

Opticrealm Limited

Notes to the Financial Statements

Year Ended 31 May 2018

11 Related party transactions

During the year the directors maintained a current account with the company. At the year end the directors owed the company £61,559 (2017: company owed the directors £14,815).

At 31 May 2018 the company owed £57,863,395 (2017: £44,903,360) to a company whereby an immediate family member of the directors is a participator. The amount due includes a capital balance of £53,893,187 and interest due of £3,970,208. Interest of £2,089,326 has been charged to the profit and loss account (2017 £1,880,882). The capital balance and interest accrued is due for repayment, in full, 10 years from 1 June 2015.

At the year end the company was owed £1,780,150 (2017: £5,030,109) from other group and related undertakings. These balances are interest free, repayable on demand and arise from funding building projects on their behalf. A bad debt provision of £751,940 is held against this balance (2017: £751,940).

At the year end the company was owed £7,039,956 (2017: £5,108,997) by one of its subsidiary undertakings. The balance is deemed to be due in a period of greater than 1 year and attracts interest at 6.25%. Interest of £195,890 (2017: £324,795) has been recognised in the financial statements.

The company was owed £10,370,674 (2017:£nil) by a further subsidiary undertaking resulting from the purchase of a property. This amount is unsecured and is deemed repayable on demand.

At the year end the company owed £932,715 (2017: £310,578) to a group undertaking. This balance is interest free and repayable on demand.

Opticrealm Limited

Detailed Profit and Loss

Year Ended 31 May 2018

	2018 £	2017 £
Turnover		
Sale of goods	3,231,126	2,630,590
Other revenue	<u>1,522</u>	<u>-</u>
	3,232,648	2,630,590
Gross profit (%)	100%	100%
Administrative expenses		
Administrative expenses	(1,474,013)	(1,625,793)
Other (losses) / gains	<u>7,460,841</u>	<u>-</u>
Operating profit	<u>9,219,476</u>	<u>1,004,797</u>
Other interest receivable and similar income		
Other finance income	195,890	324,795
Interest payable and similar charges		
Interest on bank overdrafts and borrowings	-	209,059
Interest expense on other finance liabilities	<u>(3,928,415)</u>	<u>(3,708,534)</u>
	<u>(3,928,415)</u>	<u>(3,499,475)</u>
Profit/(loss) before tax	<u>5,486,951</u>	<u>(2,169,883)</u>

Opticrealm Limited

Detailed Profit and Loss

Year Ended 31 May 2018

	2018 £	2017 £
Administration costs		
Wages and salaries	281,728	169,117
Staff NIC (Employers)	43,416	31,048
Directors Salaries	166,092	120,000
Staff pensions (Other)	3,104	172
Staff training	9,271	5,494
Travelling	25,289	78,056
Rent	8,998	2,130
Rates	54,962	24,965
Light, heat and power	25,254	49,109
Insurance	99,934	69,111
Repairs and Renewals	389,380	489,491
Telephone and Fax	14,443	15,978
Computers & Software	575	5,122
Postage and Carriage	3,717	7,680
Subscriptions	7,637	5,915
Sundry	10,974	7,175
Cleaning	7,856	23,951
Commissions payable	13,063	6,566
Motor Expenses	53,670	98,070
Council Tax	15,164	3,659
Travel and subsistence	48	-
Advertising	5,842	14,878
Customer entertaining (disallowable for tax)	5,270	12,435
Accountancy Fees	33,474	39,218
Audit Fees	12,100	6,493
Consultancy Fees	-	15,813
Legal Fees	163,528	195,397
Service Charge	11,345	89,686
Depreciation of freehold property	-	13,615
Depreciation of plant and machinery (owned)	1,393	2,079
Depreciation of fixtures and fittings (owned)	5,627	6,971
Depreciation of motor vehicles (owned)	-	21,994
Depreciation of office equipment (owned)	859	2,323
(Profit)/loss on disposal of tangible fixed assets	-	(7,918)
	<u>1,474,013</u>	<u>1,625,793</u>