

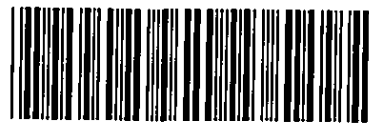
Optical Express (Southern) Limited

FINANCIAL STATEMENTS

for the period ended

30 December 2006

THURSDAY



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COMPANIES HOUSE

Optical Express (Southern) Limited

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTOR

D Mouldsdaie

SECRETARY

G Murdoch

REGISTERED OFFICE

12 York Place
Leeds
LS1 2DS

AUDITORS

Baker Tilly
Chartered Accountants
Breckenridge House
274 Sauchiehall Street
Glasgow
G2 3EH

Optical Express (Southern) Limited

DIRECTOR'S REPORT

The director submits his report and financial statements of Optical Express (Southern) Limited for the period from 26 March 2006 to 30 December 2006

PRINCIPAL ACTIVITIES

The principal activity of the company during the period was that of opticians

REVIEW OF THE BUSINESS

The director has continued with the significant investment programme during this financial period, refitting existing and opening new locations

The director believes that this ongoing investment has been the main reason for the increase in both turnover and profitability for the 9 month period ended 30 December 2006 as shown in the profit and loss account on page 6. The growth in existing and new location openings has consequently led to an increase in both property and employee costs. The director is confident that this investment along with the further investment planned in this financial year will see the company continue to grow its turnover and profitability over the next 12 months.

Competition in the UK continues to be the main risk facing the company. The director is confident that by constantly monitoring and reviewing its business performance and actively managing its competitive strategy that it will continue to be proactive to the activities of its competitors and mitigate this risk.

RESULTS AND DIVIDENDS

The trading results for the period and the company's financial position at the end of the period are shown in the attached financial statements.

The director has not recommended a dividend.

DIRECTOR

The director who served the company during the period was as follows:

D Mouldsdale

The company is a wholly owned subsidiary and the interests of the group director are disclosed in the financial statements of the parent company.

DISABLED EMPLOYEES

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

EMPLOYEE INVOLVEMENT

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

The company 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 company.

Optical Express (Southern) Limited

DIRECTOR'S REPORT

AUDITORS

A resolution to re-appoint Baker Tilly as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The director who was in office on the date of approval of these financial statements has confirmed, as far as the director is aware, that there is no relevant information of which the auditors are unaware. The director has confirmed that he has taken all steps that he ought to have taken as director to make himself aware of any relevant audit information and to establish that it has been communicated to the auditors.

Registered office
12 York Place
Leeds
LS1 2DS

By order of the board



G Murdoch

Company Secretary

27/03/07

Optical Express (Southern) Limited

DIRECTOR'S RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The director is responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Company law requires the director to prepare financial statements for each financial year which 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 those financial statements, the director is 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 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 company will continue in business

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the requirements of the Companies Act 1985. The director is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OPTICAL EXPRESS (SOUTHERN) LIMITED

We have audited the financial statements on pages 6 to 17

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of director and auditors

The director's responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Director's Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether, in our opinion, the information given in the Director's Report is consistent with the financial statements.

In addition, we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding director's remuneration and other transactions is not disclosed.

We read the Director's Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the director in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.


Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 December 2006 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Director's Report is consistent with the financial statements.

Emphasis of Matter – Possible Outcome of Dispute with Revenue and Customs

In forming our opinion which is not qualified, we have considered the adequacy of the disclosures made in note 10 to the financial statements concerning the possible outcome of a dispute in relation to the proportion of recoverable input tax between taxable and exempt supplies. The Group is pursuing an appeal in the Court of Session. The ultimate outcome of the matter cannot presently be determined, and no provision for any irrecoverable VAT that may result has been made in the financial statements.


BAKER TILLY
Registered Auditor
Chartered Accountants
Breckenridge House
274 Sauchiehall Street
Glasgow G2 3EH

27/3/07

Optical Express (Southern) Limited
PROFIT AND LOSS ACCOUNT
for the period from 26 March 2006 to 30 December 2006

	<i>Notes</i>	30 Dec 06 £	Year to 25 Mar 06 £
TURNOVER	1	36,842,780	40,251,272
Cost of sales		6,898,890	8,117,332
Gross profit		29,943,890	32,133,940
Administrative expenses		28,060,791	31,704,129
Other operating income	2	(122,856)	(133,126)
OPERATING PROFIT	3	2,005,955	562,937
Interest receivable		623	1,088
		2,006,578	564,025
Interest payable and similar charges	5	(328,227)	(334,608)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,678,351	229,417
Taxation	6	619,857	169,962
PROFIT FOR THE FINANCIAL PERIOD		1,058,494	59,455

The operating profit for the period arises from the company's continuing operations

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account

Optical Express (Southern) Limited
NOTE OF HISTORICAL COST PROFITS AND LOSSES
for the period from 26 March 2006 to 30 December 2006

	30 Dec 06 £	Year to 25 Mar 06 £
Profit on ordinary activities before taxation	1,678,351	229,417
Difference between a historical cost depreciation charge and the actual depreciation charge calculated on the revalued amount	<u>101,848</u>	<u>159,539</u>
Historical cost profit on ordinary activities before taxation	<u>1,780,199</u>	<u>388,956</u>
Historical cost profit/(loss) for the period after taxation	<u>1,160,342</u>	<u>218,994</u>

Optical Express (Southern) Limited

BALANCE SHEET

30 December 2006

	Notes	30 Dec 06 £	25 Mar 06 £
FIXED ASSETS			
Intangible assets	7	229,513	239,412
Tangible assets	8	11,794,300	10,893,288
		<u>12,023,813</u>	<u>11,132,700</u>
CURRENT ASSETS			
Stocks	9	3,399,821	3,020,896
Debtors	10	10,703,278	12,390,180
Cash at bank and in hand		20,428	15,613
		<u>14,123,527</u>	<u>15,426,689</u>
CREDITORS			
Amounts falling due within one year	11	18,592,784	20,066,622
NET CURRENT LIABILITIES			
		<u>(4,469,257)</u>	<u>(4,639,933)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>7,554,556</u>	<u>6,492,767</u>
CREDITORS			
Amounts falling due after more than one year	12	191,002	383,466
		<u>7,363,554</u>	<u>6,109,301</u>
PROVISIONS FOR LIABILITIES			
Deferred taxation	14	661,461	465,702
		<u>6,702,093</u>	<u>5,643,599</u>
CAPITAL AND RESERVES			
Called up equity share capital	17	642,705	642,705
Share premium account	18	5,969,037	5,969,037
Revaluation reserve	19	840,113	941,961
Profit and loss account	20	(749,762)	(1,910,104)
SHAREHOLDERS' FUNDS			
	21	<u>6,702,093</u>	<u>5,643,599</u>

The financial statements on pages 6 to 17 were approved by the director and authorised for issue on 27/03/07



D Mouldsdales
Director

Optical Express (Southern) Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention modified to include the revaluation of certain fixed assets and on a going concern basis which is reliant on the continuing support of the other group companies and the groups bankers

CASH FLOW STATEMENT

The director has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement

TURNOVER

The turnover shown in the profit and loss account represents amounts invoiced during the period

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	-20 years straight line
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FIXED ASSETS

All fixed assets are initially recorded at cost

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/Revaluations	- Over the term of the lease
Leasehold Improvements	- 15% reducing balance
Fixtures and Fittings	- 15% & 25% reducing balance
Equipment	- 10% & 15% reducing balance
Motor Vehicles	- 20% reducing balance

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

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 profit and loss account on a straight line basis.

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.

Optical Express (Southern) Limited

ACCOUNTING POLICIES

DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

FINANCIAL INSTRUMENTS

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

PENSIONS

The company made contributions into employees private pension schemes during the year. The assets of these schemes are held separately from those of the company. The contributions are charged to the profit and loss account.

Optical Express (Southern) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the period from 26 March 2006 to 30 December 2006

1 TURNOVER

The turnover for the period was derived from the company's principal activity. The whole of the turnover is attributable to the UK market.

2 OTHER OPERATING INCOME

	30 Dec 06	Year to 25 Mar 06
	£	£
Rent receivable	<u>122,856</u>	<u>133,126</u>

3 OPERATING PROFIT

Operating profit is stated after charging

	30 Dec 06	Year to 25 Mar 06
	£	£
Amortisation	9,899	12,878
Depreciation of owned fixed assets	1,251,885	1,331,459
Depreciation of assets held under hire purchase agreements	42,782	54,252
Loss on disposal of fixed assets	2,090	37,959
Auditor's remuneration		
- as auditor	18,000	23,972
Operating lease costs		
Plant and equipment	385,675	124,943
Land and Buildings	<u>6,194,112</u>	<u>6,976,600</u>

4 PARTICULARS OF EMPLOYEES

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

	30 Dec 06	Year to 25 Mar 06
	No	No
Production staff	51	54
Other	<u>785</u>	<u>725</u>
	<u>836</u>	<u>779</u>

The aggregate payroll costs of the above were

	30 Dec 06	Year to 25 Mar 06
	£	£
Wages and salaries	13,364,825	14,740,842
Social security costs	977,277	950,690
Other pension costs	53,796	64,272
	<u>14,395,898</u>	<u>15,755,804</u>

Optical Express (Southern) Limited
NOTES TO THE FINANCIAL STATEMENTS
for the period from 26 March 2006 to 30 December 2006

5 INTEREST PAYABLE AND SIMILAR CHARGES

	30 Dec 06	Year to 25 Mar 06
	£	£
Interest payable on bank borrowing	45,823	23,573
Finance charges	24,829	12,269
Other similar charges payable	914	27,548
Interest and late payment charges on overdue tax	256,661	271,218
	<u>328,227</u>	<u>334,608</u>

6 TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the period

	30 Dec 06	Year to 25 Mar 06
	£	£
Current tax		
UK Corporation tax based on the results for the period at 30% (To 25 Mar 06 - 30%)	580,320	-
Over/under provision in prior year	(156,222)	9,630
Total current tax	<u>424,098</u>	<u>9,630</u>
Deferred tax		
Origination and reversal of timing differences	195,759	160,332
Tax on profit on ordinary activities	<u>619,857</u>	<u>169,962</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the period is lower than the standard rate of corporation tax in the UK of 30% (To 25 Mar 06 - 30%)

	30 Dec 06	Year to 25 Mar 06
	£	£
Profit on ordinary activities before taxation	<u>1,678,351</u>	<u>229,417</u>
Profit/(loss) on ordinary activities by rate of tax	503,505	68,825
Expenses not deductible for tax purposes	272,574	398,747
Capital allowances in excess of depreciation	(195,759)	(199,171)
Other timing differences	-	(1,397)
Group relief received	-	(270,304)
Adjustments in respect of previous periods	(156,222)	9,630
Accounting loss on chargeable assets	-	3,300
Total current tax (note 6(a))	<u>424,098</u>	<u>9,630</u>

Optical Express (Southern) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the period from 26 March 2006 to 30 December 2006

7 INTANGIBLE FIXED ASSETS

	Goodwill £
Cost	
At 26 March 2006 and 30 December 2006	<u>264,013</u>
Amortisation	
At 26 March 2006	24,601
Charge for the period	<u>9,899</u>
At 30 December 2006	<u>34,500</u>
Net book value	
At 30 December 2006	<u>229,513</u>
At 25 March 2006	<u>239,412</u>

8 TANGIBLE FIXED ASSETS

	Short Leasehold Properties £	Equipment £	Fixtures & Fittings £	Motor Vehicles £	Total £
Cost or valuation					
At 26 March 2006	2,566,001	4,032,794	9,321,324	293,168	16,213,287
Additions	61,008	367,205	1,808,697	—	2,236,910
Disposals	(40,499)	(2,846)	—	—	(43,345)
At 30 December 2006	<u>2,586,510</u>	<u>4,397,153</u>	<u>11,130,021</u>	<u>293,168</u>	<u>18,406,852</u>
Depreciation					
At 26 March 2006	1,085,721	1,707,003	2,319,071	208,204	5,319,999
Charge for the period	142,024	195,967	943,604	13,072	1,294,667
On disposals	(1,358)	(756)	—	—	(2,114)
At 30 December 2006	<u>1,226,387</u>	<u>1,902,214</u>	<u>3,262,675</u>	<u>221,276</u>	<u>6,612,552</u>
Net book value					
At 30 December 2006	<u>1,360,123</u>	<u>2,494,939</u>	<u>7,867,346</u>	<u>71,892</u>	<u>11,794,300</u>
At 25 March 2006	<u>1,480,280</u>	<u>2,325,791</u>	<u>7,002,253</u>	<u>84,964</u>	<u>10,893,288</u>

The leasehold properties were revalued on 7th March 2000 on an open market valuation by Montagu Evans, Chartered Surveyors. The historical cost of the revalued short leasehold properties is £699,060 (25th March 2006 - £699,060)

Hire purchase agreements

Included within the net book value of £11,794,300 is £732,670 (To 25 Mar 06 - £775,452) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the period in respect of such assets amounted to £42,782 (To 25 Mar 06 - £54,252)

Optical Express (Southern) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the period from 26 March 2006 to 30 December 2006

9 STOCKS

	30 Dec 06	25 Mar 06
	£	£
Stock	<u>3,399,821</u>	<u>3,020,896</u>

10 DEBTORS

	30 Dec 06	25 Mar 06
	£	£
Trade debtors	1,214,692	1,167,359
Amounts owed by group undertakings	4,139,765	7,701,871
Other debtors	123,065	81
VAT recoverable	1,377,996	989,069
Prepayments and accrued income	3,847,760	2,531,800
	<u>10,703,278</u>	<u>12,390,180</u>

The Group is currently in dispute with HM Revenue & Customs in relation to the proportion of recoverable input tax between taxable and exempt supplies. Following a VAT tribunal which was sympathetic to the Group's stance but refused the Group's appeal, they have now appealed to the Court of Session for a decision on this matter. Due to the dispute, HM Revenue and Customs have stopped making any repayments of VAT due to the Group and the above amount of £1,377,996 (March 2006 £989,069) is regarded as fully recoverable by the Director based on the advice he has received from his external advisors.

11 CREDITORS Amounts falling due within one year

	30 Dec 06	25 Mar 06
	£	£
Bank loans and overdrafts	6,674,495	1,888,662
Trade creditors	3,654,481	3,192,831
Amounts owed to group undertakings	2,799,533	6,550,486
Corporation tax	726,469	302,452
Other taxation and social security	1,133,386	4,520,971
Hire purchase agreements	247,157	252,769
Other creditors	2,288,025	2,343,472
Accruals and deferred income	1,069,238	1,014,979
	<u>18,592,784</u>	<u>20,066,622</u>

The bank holds a bond, floating charge and debenture over the assets of each group company.

12 CREDITORS Amounts falling due after more than one year

	30 Dec 06	25 Mar 06
	£	£
Hire purchase agreements	<u>191,002</u>	<u>383,466</u>

Optical Express (Southern) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the period from 26 March 2006 to 30 December 2006

13 COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows

	30 Dec 06	25 Mar 06
	£	£
Amounts payable within 1 year	276,392	282,697
Amounts payable between 1 and 2 years	214,364	275,160
Amounts payable between 3 and 5 years	-	152,886
	<u>490,756</u>	<u>710,743</u>
Less interest and finance charges relating to future periods	(52,597)	(74,508)
	<u>438,159</u>	<u>636,235</u>
Hire purchase agreements are analysed as follows		
Current obligations	247,157	252,769
Non-current obligations	191,002	383,466
	<u>438,159</u>	<u>636,235</u>

14 DEFERRED TAXATION

The movement in the deferred taxation provision during the period was

	30 Dec 06	Year to 25 Mar 06
	£	£
Provision brought forward	465,702	305,370
Profit and loss account movement arising during the period	195,759	160,332
Provision carried forward	<u>661,461</u>	<u>465,702</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of

	30 Dec 06	25 Mar 06
	£	£
Excess of taxation allowances over depreciation on fixed assets	661,461	467,376
Other timing differences	-	(1,674)
	<u>661,461</u>	<u>465,702</u>

If the revalued assets were sold at the values stated in note 8 the estimated tax payable on that individual transaction would amount to £462,000. No provision has been made as it is unlikely that any amount will become payable in the foreseeable future given the company's current intentions.

Optical Express (Southern) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the period from 26 March 2006 to 30 December 2006

15 COMMITMENTS UNDER OPERATING LEASES

At 30 December 2006 the company had annual commitments under non-cancellable operating leases as set out below

	Land and buildings	
	30 Dec 06	25 Mar 06
	£	£
Operating leases which expire		
Within 1 year	292,815	130,875
Within 2 to 5 years	1,064,625	1,222,960
After more than 5 years	7,311,795	7,842,045
	<u>8,669,235</u>	<u>9,195,880</u>

16 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption granted by paragraph 3c of Financial Reporting Standard 8 not to disclose transactions with other group companies

17 SHARE CAPITAL

	30 Dec 06	25 Mar 06
	£	£
Authorised		
45,000,000 Ordinary shares of £0.02 each	900,000	900,000
1,000 Deferred shares of £1 each	1,000	1,000
	<u>901,000</u>	<u>901,000</u>
	30 Dec 06	25 Mar 06
	£	£
Allotted, called up and fully paid		
32,085,245 Ordinary shares of £0.02 each	641,705	641,705
1,000 Deferred shares of £1 each	1,000	1,000
	<u>642,705</u>	<u>642,705</u>
Equity shares		
32,085,245 Ordinary shares of £0.02 each	641,705	641,705
1,000 Deferred shares of £1 each	1,000	1,000
	<u>642,705</u>	<u>642,705</u>

The rights attaching to the deferred shares are as follows:

On a return of assets in a liquidation or otherwise, the assets of the company remaining after the payment of its liabilities will be applied firstly, in paying the holders of the 2p Ordinary Shares a sum equal to the balance of such assets up to a maximum of £100,000,000 and secondly, in distributing the balance of such assets among the holders of the Deferred Shares

The holders of the Deferred shares shall be entitled to receive notice of and attend at general meetings but shall not be entitled to vote

Optical Express (Southern) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the period from 26 March 2006 to 30 December 2006

18 SHARE PREMIUM ACCOUNT

There was no movement on the share premium account during the financial period

19 REVALUATION RESERVE

	30 Dec 06	Year to 25 Mar 06
	£	£
At 26 March 2006	941,961	1,101,500
Transfer to the profit and loss account on realisation	(101,848)	(159,539)
At 30 December 2006	<u>840,113</u>	<u>941,961</u>

20 PROFIT AND LOSS ACCOUNT

	30 Dec 06	Year to 25 Mar 06
	£	£
At 26 March 2006	(1,910,104)	(2,129,098)
Retained profit for the financial period	1,058,494	59,455
Transfer from revaluation reserve	101,848	159,539
At 30 December 2006	<u>(749,762)</u>	<u>(1,910,104)</u>

21 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	30 Dec 06	25 Mar 06
	£	£
Profit for the financial period	1,058,494	59,455
Opening shareholders' funds	<u>5,643,599</u>	<u>5,584,144</u>
Closing shareholders' funds	<u>6,702,093</u>	<u>5,643,599</u>

22 GUARANTEES AND OTHER FINANCIAL COMMITMENTS

The bank holds an unlimited inter company cross guarantee between the company and the other group companies

At the 30 December 2006 the above companies' loans and overdrafts totalled £19,500,240 (March 2006 £12,328,718)

23 ULTIMATE PARENT COMPANY

The company's holding company is Optical Express (Holdings) Limited and ultimate holding company is DCM (Optical Holdings) Limited Both companies are incorporated in Scotland A copy of the companies' accounts is available from Companies House, 37 Castle Terrace, Edinburgh, EH1 2EB These companies are controlled by D Mouldsdales