

Optical Express (Southern) Limited

FINANCIAL STATEMENTS

for the year ended

27 December 2008



Optical Express (Southern) Limited

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

D Mouldsdaie
S Mein

SECRETARY

G Murdoch

REGISTERED OFFICE

12 York Place
Leeds
LS1 2DS

AUDITORS

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

Optical Express (Southern) Limited

DIRECTORS' REPORT

The directors submit their report and financial statements of Optical Express (Southern) Limited for the year ended 27 December 2008.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was that of opticians.

REVIEW OF THE BUSINESS

The company has continued its investment programme during the financial year, opening new locations and investing in the most technologically advanced equipment. The company has seen its turnover grow on the previous year however the profitability has been affected due to the start up costs of the new locations, time to bring them to maturity and increasing costs.

Since the beginning of 2009 the company has undertaken initiatives to reduce costs and is planning the launch of a number of Shared Venture Partnerships later in the year. The directors are confident that these initiatives will allow the company to continue to grow its turnover and profitability during 2009.

Competition and the decline in consumer confidence and the economic climate in the countries which the company operates continues to be the main risks facing the business. The directors are confident that by constantly monitoring and reviewing business performance and actively managing its competitive strategy it will continue to be proactive in mitigating these risks.

RESULTS AND DIVIDENDS

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

The directors have not recommended a dividend.

DIRECTORS

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

D Mouldsdale
S Mein (appointed 29 May 2008)

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

DIRECTORS' REPORT

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

AUDITORS

A resolution to reappoint Baker Tilly UK Audit LLP, Chartered Accountants, as auditor will be put to the members at the Annual General Meeting.

By order of the board



G Murdoch

Company Secretary

Optical Express (Southern) Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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). The financial statements are required by law to 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 year. 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 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 company will continue in business.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF 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 27 December 2008 and of its profit for the year 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 HM Revenue and Customs

In forming our opinion which is not qualified we have considered the adequacy of the disclosures made in note 10 in the financial statements concerning the possible outcome of the dispute in relation to the proportion of recoverable input tax as a result of the partial exemption method adopted by the Group. Following a successful appeal in the Court of Session the case has been remitted back to the Tribunal to reconsider the original appeal. 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 UK Audit LLP
BAKER TILLY UK AUDIT LLP

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

25/6/09

Optical Express (Southern) Limited

PROFIT AND LOSS ACCOUNT

for the year ended 27 December 2008

	Notes	2008 £	2007 £
TURNOVER	1	75,731,764	57,884,464
Cost of sales		14,174,345	10,417,784
Gross profit		61,557,419	47,466,680
Administrative expenses		59,276,505	44,456,243
Other operating income	2	(120,890)	(122,034)
OPERATING PROFIT	3	2,401,804	3,132,471
Interest receivable		340	4,465
		2,402,144	3,136,936
Interest payable and similar charges	5	(1,239,687)	(1,047,910)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,162,457	2,089,026
Taxation	6	549,954	1,797,145
PROFIT FOR THE FINANCIAL YEAR		612,503	291,881

The operating profit for the year 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 year ended 27 December 2008

	2008 £	2007 £
Profit on ordinary activities before taxation	1,162,457	2,089,026
Difference between a historical cost depreciation charge and the actual depreciation charge calculated on the revalued amount	101,647	121,443
Historical cost profit on ordinary activities before taxation	<u>1,264,104</u>	<u>2,210,469</u>
Historical cost profit for the year after taxation	<u>714,150</u>	<u>413,324</u>

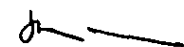
Optical Express (Southern) Limited

BALANCE SHEET

27 December 2008

	Notes	2008 £	2007 £
FIXED ASSETS			
Intangible assets	7	332,010	346,258
Tangible assets	8	21,951,417	15,277,551
		<u>22,283,427</u>	<u>15,623,809</u>
CURRENT ASSETS			
Stocks	9	4,169,074	4,321,946
Debtors	10	16,671,779	12,193,539
Cash at bank and in hand		19,923	16,885
		<u>20,860,776</u>	<u>16,532,370</u>
CREDITORS			
Amounts falling due within one year	11	29,715,927	24,454,649
NET CURRENT LIABILITIES		<u>(8,855,151)</u>	<u>(7,922,279)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>13,428,276</u>	<u>7,701,530</u>
CREDITORS			
Amounts falling due after more than one year	12	5,143,135	1,000
		<u>8,285,141</u>	<u>7,700,530</u>
PROVISIONS FOR LIABILITIES			
Deferred taxation	14	1,080,664	1,108,556
		<u>7,204,477</u>	<u>6,591,974</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	617,023	718,670
Profit and loss account	20	(24,288)	(738,438)
SHAREHOLDERS' FUNDS	21	<u>7,204,477</u>	<u>6,591,974</u>

The financial statements on pages 6 to 17 were approved by the board of directors and authorised for issue on 25 June 09 and are signed on their behalf by:



S Mein
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 directors have 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

Turnover for the company's laser vision correction business represents amounts recognised on the completion of customer consultations before surgery is undertaken and on completion of surgery. For other optical business, turnover represents amounts invoiced during the year, exclusive of Value Added Tax.

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.

Optical Express (Southern) Limited

ACCOUNTING POLICIES

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.

PENSION COSTS

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.

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.

Optical Express (Southern) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 27 December 2008

1 TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

	2008	2007
	£	£
United Kingdom	71,961,550	54,634,223
Europe	3,770,214	3,250,241
	<u>75,731,764</u>	<u>57,884,464</u>

2 OTHER OPERATING INCOME

	2008	2007
	£	£
Rent receivable	<u>120,890</u>	<u>122,034</u>

3 OPERATING PROFIT

Operating profit is stated after charging

	2008	2007
	£	£
Amortisation	14,248	14,255
Depreciation of owned fixed assets	2,597,348	1,796,278
Depreciation of assets held under hire purchase agreements	12,152	10,192
Loss on disposal of fixed assets	-	19,912
Auditor's remuneration		
- as auditor	18,252	18,000
Operating lease costs:		
Plant and equipment	2,675,639	1,324,342
Land and Buildings	<u>12,258,810</u>	<u>8,548,709</u>

4 PARTICULARS OF EMPLOYEES

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

	2008	2007
	No	No
Production staff	56	53
Other	<u>1,051</u>	<u>881</u>
	<u>1,107</u>	<u>934</u>

The aggregate payroll costs of the above were:

	2008	2007
	£	£
Wages and salaries	19,039,352	15,662,529
Social security costs	1,745,466	1,459,058
Other pension costs	59,166	61,897
	<u>20,843,984</u>	<u>17,183,484</u>

Optical Express (Southern) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 27 December 2008

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2008	2007
	£	£
Interest payable on bank borrowing	1,223,507	994,839
Finance charges	15,950	43,231
Other similar charges payable	230	9,840
	<u>1,239,687</u>	<u>1,047,910</u>

6 TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2008	2007
	£	£
Current tax:		
UK Corporation tax based on the results for the year at 28% (2007 - 30%)	269,804	519,497
Adjustments in respect of previous periods- corporation tax	240,239	(317,789)
Adjustments in respect of previous periods - group relief	67,803	1,148,342
Total current tax	<u>577,846</u>	<u>1,350,050</u>
Deferred tax:		
Origination and reversal of timing differences	(27,892)	447,095
Tax on profit on ordinary activities	<u>549,954</u>	<u>1,797,145</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 28% (2007- 30%).

	2008	2007
	£	£
Profit on ordinary activities before taxation	<u>1,162,457</u>	<u>2,089,026</u>
Profit on ordinary activities by rate of tax	325,488	626,708
Expenses not deductible for tax purposes	62,853	4,930
Capital allowances in excess of depreciation	(56,784)	(112,141)
Adjustments in respect of previous periods	240,239	830,553
Rate differences	6,050	-
Total current tax (note 6(a))	<u>577,846</u>	<u>1,350,050</u>

Optical Express (Southern) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 27 December 2008

7 INTANGIBLE FIXED ASSETS

	Goodwill £
Cost	
At 29 December 2007	395,013
Additions	-
At 27 December 2008	<u>395,013</u>
Amortisation	
At 29 December 2007	48,755
Charge for the year	14,248
At 27 December 2008	<u>63,003</u>
Net book value	
At 27 December 2008	<u>332,010</u>
At 29 December 2007	<u>346,258</u>

8 TANGIBLE FIXED ASSETS

	Short Leasehold Properties £	Equipment £	Fixtures & Fittings £	Motor Vehicles £	Total £
Cost or valuation					
At 29 December 2007	2,849,789	6,827,423	13,757,968	267,968	23,703,148
Additions	207,171	1,615,635	7,460,560	-	9,283,366
At 27 December 2008	<u>3,056,960</u>	<u>8,443,058</u>	<u>21,218,528</u>	<u>267,968</u>	<u>32,986,514</u>
Depreciation					
At 29 December 2007	1,399,823	2,260,529	4,551,060	214,185	8,425,597
Charge for the year	180,054	590,649	1,828,028	10,769	2,609,500
At 27 December 2008	<u>1,579,877</u>	<u>2,851,178</u>	<u>6,379,088</u>	<u>224,954</u>	<u>11,035,097</u>
Net book value					
At 27 December 2008	<u>1,477,083</u>	<u>5,591,880</u>	<u>14,839,440</u>	<u>43,014</u>	<u>21,951,417</u>
At 29 December 2007	<u>1,449,966</u>	<u>4,566,894</u>	<u>9,206,908</u>	<u>53,783</u>	<u>15,277,551</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 (2007 - £699,060).

Hire purchase agreements

Included within the net book value of £21,951,417 is £5,611 (2007 - £152,488) 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 £990 (2007 - £10,192).

Optical Express (Southern) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 27 December 2008

9 STOCKS

	2008	2007
	£	£
Stock	<u>4,169,074</u>	<u>4,321,946</u>

10 DEBTORS

	2008	2007
	£	£
Trade debtors	708,355	723,659
Amounts owed by group undertakings	3,480,098	3,248,970
Other debtors	295,199	576,730
VAT recoverable	3,988,557	2,221,655
Prepayments and accrued income	8,199,570	5,422,525
	<u>16,671,779</u>	<u>12,193,539</u>

The Group is currently in dispute with HM Revenue and Customs in relation to the proportion of recoverable input tax as a result of the partial exemption method adopted by the Group. Following a VAT tribunal in February 2006, despite the tribunal being sympathetic to the Group's stance, it refused the Group's appeal. As a result of this decision the Group appealed to the Court of Session. This appeal was heard in June 2007 and the Court of Session remitted the case back to the Tribunal with the direction to reconsider the original appeal. At the date of approval of the accounts the Group has had its appeal heard at a VAT Tribunal however it has yet to receive the tribunal's decision. Due to the dispute, HM Revenue and Customs have stopped making any repayments of VAT due to the Group and the above amount of £3,988,557 (2007 £2,221,655) is regarded as fully recoverable by the Directors based on the advice they have received from their external advisors.

11 CREDITORS: Amounts falling due within one year

	2008	2007
	£	£
Bank loans and overdrafts	1,144,829	9,384,068
Trade creditors	7,774,061	6,367,462
Amounts owed to group undertakings	14,527,652	2,770,796
Corporation tax	843,375	715,551
Other taxation and social security	445,682	364,426
Hire purchase agreements	8,098	125,530
Other creditors	3,335,516	3,830,972
Accruals and deferred income	1,636,714	895,844
	<u>29,715,927</u>	<u>24,454,649</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

	2008	2007
	£	£
Hire purchase agreements	-	1,000
Deferred Income	5,143,135	-
	<u>5,143,135</u>	<u>1,000</u>

Optical Express (Southern) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 27 December 2008

13 COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows:

	2008	2007
	£	£
Amounts payable within 1 year	8,808	142,190
Amounts payable between 1 and 2 years	-	1,000
	<u>8,808</u>	<u>143,190</u>
Less interest and finance charges relating to future periods	(710)	(16,660)
	<u>8,098</u>	<u>126,530</u>
Hire purchase agreements are analysed as follows:		
Current obligations	8,098	125,530
Non-current obligations	-	1,000
	<u>8,098</u>	<u>126,530</u>

14 DEFERRED TAXATION

The movement in the deferred taxation provision during the year was:

	2008	2007
	£	£
Provision brought forward	1,108,556	661,461
Profit and loss account movement arising during the year	(27,892)	447,095
Provision carried forward	<u>1,080,664</u>	<u>1,108,556</u>

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

	2008	2007
	£	£
Excess of taxation allowances over depreciation on fixed assets	<u>1,080,664</u>	<u>1,108,556</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 £359,000. 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 year ended 27 December 2008

15 COMMITMENTS UNDER OPERATING LEASES

At 27 December 2008 the company had annual commitments under non-cancellable operating leases as set out below.

	2008		2007	
	Land and buildings £	Other £	Land and buildings £	Other £
Operating leases which expire:				
Within 1 year	628,005	-	234,250	-
Within 2 to 5 years	1,368,656	2,848,663	1,379,160	1,267,920
After more than 5 years	10,633,510	-	9,598,880	-
	<u>12,630,171</u>	<u>2,848,663</u>	<u>11,212,290</u>	<u>1,267,920</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

	2008 £	2007 £
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>
	2008 £	2007 £
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>

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.

18 SHARE PREMIUM ACCOUNT

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

Optical Express (Southern) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 27 December 2008

19 REVALUATION RESERVE

	2008	2007
	£	£
At 29 December 2007	718,670	840,113
Transfer to the profit and loss account on realisation	(101,647)	(121,443)
At 27 December 2008	<u>617,023</u>	<u>718,670</u>

20 PROFIT AND LOSS ACCOUNT

	2008	2007
	£	£
At 29 December 2007	(738,438)	(749,762)
Retained profit for the financial year	612,503	291,881
Equity dividend paid	-	(402,000)
Transfer from revaluation reserve	101,647	121,443
At 27 December 2008	<u>(24,288)</u>	<u>(738,438)</u>

21 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2008	2007
	£	£
Profit for the financial year	612,503	291,881
Equity dividend paid	-	(402,000)
Opening shareholders' funds	6,591,974	6,702,093
Closing shareholders' funds	<u>7,204,477</u>	<u>6,591,974</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 27 December 2008 the above companies' loans and overdrafts totalled £36,231,411 (2007: £23,598,854).

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 these companies accounts are available from Companies House, 37 Castle Terrace, Edinburgh, EH1 2EB. These companies are controlled by D Mouldsdale.