

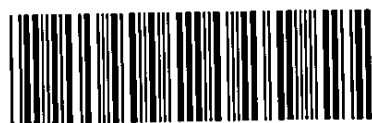
Optical Express (Southern) Limited

FINANCIAL STATEMENTS

for the year ended

1 January 2011

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COMPANIES HOUSE

Company Registration No 1873281

Optical Express (Southern) Limited

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

D Mouldsdale
J Stewart
S Mein

SECRETARY

G Murdoch

REGISTERED OFFICE

White Rose House
28A York Place
Leeds
LS1 2EZ

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 1 January 2011

PRINCIPAL ACTIVITIES

The principal activity of the Company during the year was that of opticians

REVIEW OF THE BUSINESS

Difficult economic conditions, combined with an increase in the UK VAT rate and prolonged snow and freezing weather in January and December has made 2010 a particularly challenging year. Despite this the Company has seen turnover increase year on year to £97.4M from £91.4M with EBITDA before exceptional costs increasing to £6.7M from £5.6M.

It is difficult to accurately predict what 2011 will bring as it is still uncertain what effect the government's austerity measures will have on consumer spending combined with another increase in the UK VAT rate and potential pressure on interest rates.

The directors believe that the Company's significant investment programme in new store openings, existing store refurbishments and the purchase of the most technologically advanced equipment in recent years leaves the Company well placed to maximise its return from its broad spectrum of clientele, including an ever ageing population.

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
J Stewart
S Mem

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 they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

AUDITORS

Baker Tilly UK Audit LLP has indicated its willingness to continue in office.

By order of the board



G Murdoch

Company Secretary

06/05/2011

Optical Express (Southern) Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The directors are responsible for preparing 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 Company and of the profit or loss of the Company 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 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.

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

We have audited the financial statements on pages 6 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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 directors and auditors

As more fully explained in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit

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

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 1 January 2011 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

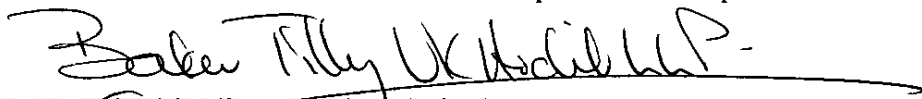
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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



ALAN AITCHISON (Senior Statutory Auditor)

For and behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants

Breckenridge House

274 Sauchiehall Street

Glasgow G2 3EH

06/05/11

Optical Express (Southern) Limited

PROFIT AND LOSS ACCOUNT

for the year ended 1 January 2011

	Notes	1 January 2011 £	26 December 2009 £
TURNOVER	1	97,375,892	91,358,862
Cost of sales		19,335,529	15,808,972
Gross profit		78,040,363	75,549,890
Administrative expenses		77,405,085	86,488,621
Other operating income	2	(51,849)	(81,251)
OPERATING PROFIT/(LOSS)	3	687,127	(10,857,480)
Analysed as			
Before exceptional items		2,709,782	2,046,373
Exceptional items – VAT	11	-	(12,496,385)
Exceptional items – Onerous Leases	14	(2,022,655)	(407,468)
Interest receivable		276	166
		687,403	(10,857,314)
Interest payable and similar charges	5	(740,809)	(807,532)
(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		(53,406)	(11,664,846)
Taxation	6	639,239	(2,831,617)
(LOSS) FOR THE FINANCIAL YEAR		(692,645)	(8,833,229)

The operating (loss) 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 1 January 2011

	1 January 2011 £	26 December 2009 £
Loss on ordinary activities before taxation	(53,406)	(11,664,846)
Difference between a historical cost depreciation charge and the actual depreciation charge calculated on the revalued amount	180,751	86,813
Historical cost loss on ordinary activities before taxation	<u>127,345</u>	<u>(11,578,033)</u>
Historical cost loss for the year after taxation	<u>(511,894)</u>	<u>(8,746,416)</u>

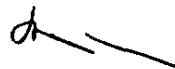
Optical Express (Southern) Limited

BALANCE SHEET

1 January 2011

	Notes	1 January 2011 £	26 December 2009 £
FIXED ASSETS			
Intangible assets	7	292,509	312,260
Tangible assets	8	19,583,984	22,527,998
Investments		130,648	94,535
		<u>20,007,141</u>	<u>22,934,793</u>
CURRENT ASSETS			
Stocks	9	4,758,371	3,543,184
Debtors	10	28,384,373	17,789,078
Cash at bank and in hand		915,008	20,264
		<u>34,057,752</u>	<u>21,352,526</u>
CREDITORS			
Amounts falling due within one year	11	51,492,171	41,520,619
NET CURRENT LIABILITIES		<u>(17,434,419)</u>	<u>(20,168,093)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,572,722</u>	<u>2,766,700</u>
CREDITORS			
Amounts falling due after more than one year	12	2,681,441	3,987,984
		<u>(108,719)</u>	<u>(1,221,284)</u>
PROVISIONS FOR LIABILITIES			
Other provision	14	2,212,678	407,468
		<u>(2,321,397)</u>	<u>(1,628,752)</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	349,459	530,210
Profit and loss account	20	(9,282,598)	(8,770,704)
SHAREHOLDERS' FUNDS	21	<u>(2,321,397)</u>	<u>(1,628,752)</u>

The financial statements on pages 6 to 17 were approved by the board of directors and authorised for issue on 6/5/11 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
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 1 January 2011

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

	1 January 2011	26 December 2009
	£	£
United Kingdom	91,869,524	86,537,502
Europe	5,506,368	4,821,360
	<u>97,375,892</u>	<u>91,358,862</u>

2 OTHER OPERATING INCOME

	1 January 2011	26 December 2009
	£	£
Rent receivable	<u>51,849</u>	<u>81,251</u>

3 OPERATING PROFIT

Operating profit is stated after charging

	1 January 2011	26 December 2009
	£	£
Amortisation	19,751	19,750
Depreciation of owned fixed assets	3,991,634	3,489,850
Auditor's remuneration		
- as auditor	46,356	23,588
Operating lease costs		
Plant and equipment	4,127,491	3,647,037
Land and Buildings	<u>15,297,599</u>	<u>15,078,212</u>

4 PARTICULARS OF EMPLOYEES

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

	1 January 2011	26 December 2009
	No	No
Production staff	43	44
Other	763	785
	<u>806</u>	<u>829</u>

The aggregate payroll costs of the above were

	1 January 2011	26 December 2009
	£	£
Wages and salaries	20,612,243	19,239,205
Social security costs	2,010,642	1,799,254
Pension costs	88,911	82,056
	<u>22,711,796</u>	<u>21,120,515</u>

Optical Express (Southern) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 1 January 2011

5 INTEREST PAYABLE AND SIMILAR CHARGES

	1 January 2011	26 December 2009
	£	£
Interest payable on bank borrowing	731,785	790,698
Other interest and similar charges payable	9,024	16,834
	<u>740,809</u>	<u>807,532</u>

6 TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	1 January 2011	26 December 2009
	£	£
Current tax		
UK Corporation tax based on the results for the year at 28% (2009 - 28%)	-	(412,974)
Adjustments in respect of previous periods - corporation tax	88,280	(97,890)
Adjustments in respect of previous periods – group relief	-	(67,803)
Overseas tax	133,373	83,354
Total current tax	<u>221,653</u>	<u>(495,313)</u>
Deferred tax		
Origination and reversal of timing differences	417,586	(2,336,304)
Tax on profit on ordinary activities	<u>639,239</u>	<u>(2,831,617)</u>

(b) Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 28% (2009- 28%)

	1 January 2011	26 December 2009
	£	£
Loss on ordinary activities before taxation	<u>(53,406)</u>	<u>(11,664,846)</u>
Loss on ordinary activities by rate of tax	(14,954)	(3,266,157)
Expenses not deductible for tax purposes	-	26,357
Depreciation in excess of capital allowances	223,083	977,159
Loss carried back	-	1,080,436
Adjustments in respect of previous periods	88,280	(165,693)
Unutilised losses carried forward	-	769,231
Utilisation of tax losses brought forward	(170,896)	-
Foreign taxation	133,373	83,354
Non taxable income	(37,233)	-
Total current tax (note 6(a))	<u>221,653</u>	<u>(495,313)</u>

Optical Express (Southern) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 1 January 2011

7 INTANGIBLE FIXED ASSETS

	Goodwill £
Cost	
At 26 December 2009	395,013
Additions	-
At 1 January 2011	<u>395,013</u>
Amortisation	
At 26 December 2009	82,753
Charge for the year	19,751
At 1 January 2011	<u>102,504</u>
Net book value	
At 1 January 2011	<u>292,509</u>
At 26 December 2009	<u>312,260</u>

8 TANGIBLE FIXED ASSETS

	Short Leasehold Properties £	Equipment £	Fixtures & Fittings £	Motor Vehicles £	Total £
Cost or valuation					
At 26 December 2009	3,168,765	6,622,903	26,993,309	267,968	37,052,945
Additions	58,782	191,662	800,888	-	1,051,332
Disposal	-	(598)	-	-	(598)
Transfers	-	(4,888)	(1,293)	-	(6,181)
At 1 January 2011	<u>3,227,547</u>	<u>6,809,079</u>	<u>27,792,904</u>	<u>267,968</u>	<u>38,097,498</u>
Depreciation					
At 26 December 2009	1,751,838	2,994,998	9,544,554	233,557	14,524,947
Charge for the year	352,641	386,507	3,245,471	7,015	3,991,634
Disposals	-	(991)	(991)	-	(1,982)
Transfers	-	(1,085)	-	-	(1,085)
At 1 January 2011	<u>2,104,479</u>	<u>3,379,429</u>	<u>12,789,034</u>	<u>240,572</u>	<u>18,513,514</u>
Net book value					
At 1 January 2011	<u>1,123,068</u>	<u>3,429,650</u>	<u>15,003,870</u>	<u>27,396</u>	<u>19,583,984</u>
At 26 December 2009	<u>1,416,927</u>	<u>3,627,905</u>	<u>17,448,755</u>	<u>34,411</u>	<u>22,527,998</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 (2009 - £699,060).

Optical Express (Southern) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 1 January 2011

9 STOCKS

	1 January 2011	26 December 2009
	£	£
Stock	<u>4,758,371</u>	<u>3,543,184</u>

10 DEBTORS

	1 January 2011	26 December 2009
	£	£
Trade debtors	461,689	492,476
Amounts owed by group undertakings	19,480,089	10,239,036
Other debtors	62,262	225,375
Deferred tax asset	838,054	1,255,640
Prepayments and accrued income	<u>7,542,279</u>	<u>5,576,551</u>
	<u>28,384,373</u>	<u>17,789,078</u>

11 CREDITORS Amounts falling due within one year

	1 January 2011	26 December 2009
	£	£
Bank loans and overdrafts	-	1,303,970
Trade creditors	5,271,563	3,435,961
Amounts owed to group undertakings	31,803,875	23,179,805
Corporation tax	426,833	394,703
Other taxation and social security	8,683,445	8,236,273
Other creditors	3,507,964	3,482,689
Accruals and deferred income	<u>1,798,491</u>	<u>1,487,218</u>
	<u>51,492,171</u>	<u>41,520,619</u>

The Optical Express Group of companies continues to be in dispute with HM Revenue and Customs in relation to the recoverability of input tax and to the Group's tax treatment of sales discounts

Input Tax

In 2010 the Group received a written decision from the tribunal hearing agreeing a revised version of our proposed special method. HM Revenue and Customs have since appealed this decision. The Group have also appealed the tribunal decision not to agree the full special method proposed. It is expected that the appeal will be heard in the last quarter of 2011.

Discounts

The Group was due to attend a tribunal hearing in relation to this dispute in September 2010. However both parties agreed to postpone the hearing to allow further time to discuss the Groups' tax treatment of sales discounts. In 2009 the directors provided in full for any potential additional tax that would be payable should the discussions not result in a settlement and a later tribunal decision goes in the favour of HM Revenue and Customs.

The directors have provided £Nil (2009 - £12,496,385) in the period regarding the recoverability of input tax and the potential additional tax on sales discounts.

The Royal Bank of Scotland plc holds a bond, floating charge and debenture over the assets of each group company.

Optical Express (Southern) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 1 January 2011

12 CREDITORS Amounts falling due after more than one year

	1 January 2011	26 December 2009
	£	£
Deferred Income	<u>2,681,441</u>	<u>3,987,984</u>

13 DEFERRED TAXATION

The movement in the deferred taxation provision during the year was

	1 January 2011	26 December 2009
	£	£
Provision brought forward	(1,255,640)	1,080,664
Over provision in prior year	-	(660,032)
Profit and loss account movement arising during the year	<u>417,586</u>	<u>(1,676,272)</u>
Provision carried forward	<u>(838,054)</u>	<u>(1,255,640)</u>

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

	1 January 2011	26 December 2009
	£	£
Excess of taxation allowances over depreciation on fixed assets	<u>(838,054)</u>	<u>(1,255,640)</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 £347,596. 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.

14 PROVISIONS FOR LIABILITIES AND CHARGES

	1 January 2011	26 December 2009
	£	£
Onerous contract		
At 26 December 2009	407,468	-
Transfer from profit & loss	2,022,655	407,468
Reversed in year	-	-
Utilised in the year	<u>(217,445)</u>	<u>-</u>
At 1 January 2011	<u>2,212,678</u>	<u>407,468</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.

Optical Express (Southern) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 1 January 2011

15 COMMITMENTS UNDER OPERATING LEASES

At 1 January 2011 the Company had annual commitments under non-cancellable operating leases as set out below

	1 January 2011		26 December 2009	
	Land and buildings £	Other £	Land and buildings £	Other £
Operating leases which expire				
Within 1 year	1,029,630	627,520	999,891	84,000
Within 2 to 5 years	2,478,605	2,231,104	1,534,456	2,968,606
After more than 5 years	12,272,889	-	13,175,265	-
	<u>15,781,124</u>	<u>2,858,624</u>	<u>15,709,612</u>	<u>3,052,606</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 wholly owned group companies

17 SHARE CAPITAL

	1 January 2011 £	26 December 2009 £
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>
	1 January 2011 £	26 December 2009 £
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 1 January 2011

19 REVALUATION RESERVE

	1 January 2011	26 December 2009
	£	£
At 26 December 2009	530,210	617,023
Transfer to the profit and loss account on realisation	(180,751)	(86,813)
At 1 January 2011	<u>349,459</u>	<u>530,210</u>

20 PROFIT AND LOSS ACCOUNT

	1 January 2011	26 December 2009
	£	£
At 26 December 2009	(8,770,704)	(24,288)
Retained (loss) for the financial year	(692,645)	(8,833,229)
Transfer from revaluation reserve	180,751	86,813
At 1 January 2011	<u>(9,282,598)</u>	<u>(8,770,704)</u>

21 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1 January 2011	26 December 2009
	£	£
Loss for the financial year	(692,645)	(8,833,229)
Opening shareholders' funds	(1,628,752)	7,204,477
Closing shareholders' funds	<u>(2,321,397)</u>	<u>(1,628,752)</u>

22 GUARANTEES AND OTHER FINANCIAL COMMITMENTS

The Royal Bank of Scotland plc holds an unlimited inter company cross guarantee between the Company and the other group companies

At the 1 January 2011 the above companies' loans and overdrafts totalled £31,094,114 (2009 £37,465,144)

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, 4th Floor, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh, EH3 9FF These companies are controlled by D Mouldsdales