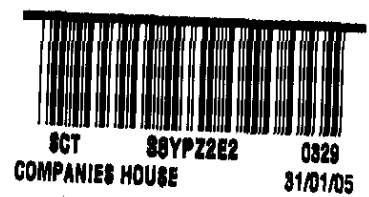


Optical Express Limited

ABBREVIATED ACCOUNTS

for the year ended

27 March 2004



Optical Express Limited

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTOR

D Mouldsdaie

SECRETARY

G Murdoch

REGISTERED OFFICE

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

AUDITORS

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

Optical Express Limited

DIRECTOR'S REPORT

The director submits his report and financial statements of Optical Express Limited for the year ended 27 March 2004.

PRINCIPAL ACTIVITIES

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

REVIEW OF THE BUSINESS

The director is satisfied with the results for the year and continues to seek increases in both turnover and profitability.

The company's balance sheet as detailed on page 8 shows a surplus of shareholders' funds amounting to £1,902,462.

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 director has recommended the following dividends:

	2004	2003
	£	£
Dividends paid on ordinary shares	<u>250,000</u>	<u>—</u>

DIRECTOR

The director who served the company during the year 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.

FIXED ASSETS

In the opinion of the director there is no significant difference between the present market value of the group's leasehold properties and the amounts at which they are stated in the accounts. Details are set out in note 7.

Optical Express 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.

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

Signed by



D Mouldsdale
Director

30/1/05
.....

Optical Express Limited

DIRECTOR'S RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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 and
- c. 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.

AUDITORS' REPORT TO OPTICAL EXPRESS LIMITED PURSUANT TO SECTION
247B
OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 6 to 17, together with the financial statements of the company for the year ended 27 March 2004 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company's members, as a body, in accordance with section 247B 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 auditors' 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 the director and the auditors

The director is responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and report our opinion to you.

Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act, and the abbreviated accounts on pages 6 to 17 are properly prepared in accordance with those provisions.

BAKER TILLY

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

31 January 2005

Optical Express Limited
ABBREVIATED PROFIT AND LOSS ACCOUNT
for the year ended 27 March 2004

	<i>Notes</i>	2004 £	2003 £
Gross profit		12,104,345	10,164,906
Administrative expenses		11,352,344	9,776,838
OPERATING PROFIT	1	752,001	388,068
Interest receivable		–	3,257
Interest payable and similar charges	3	(54,094)	(54,897)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		697,907	336,428
Taxation	4	244,125	30,492
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		453,782	305,936
Dividends	5	250,000	–
RETAINED PROFIT FOR THE FINANCIAL YEAR		203,782	305,936

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 Limited

NOTE OF HISTORICAL COST PROFITS AND LOSSES for the year ended 27 March 2004

	2004 £	2003 £
Profit on ordinary activities before taxation	697,907	336,428
Difference between a historical cost depreciation charge and the actual depreciation charge calculated on the revalued amount	14,197	8,803
Historical cost profit on ordinary activities before taxation	<u>712,104</u>	<u>345,231</u>
Historical cost profit for the year retained after taxation and dividends	<u>217,979</u>	<u>314,739</u>

Optical Express Limited
ABBREVIATED BALANCE SHEET
27 March 2004

	Notes	2004 £	2003 £
FIXED ASSETS			
Intangible assets	6	377,188	403,063
Tangible assets	7	2,343,246	2,539,323
		<u>2,720,434</u>	<u>2,942,386</u>
CURRENT ASSETS			
Stocks	8	669,923	681,050
Debtors	9	2,232,241	1,803,543
Cash at bank and in hand		7,743	7,267
		<u>2,909,907</u>	<u>2,491,860</u>
CREDITORS			
Amounts falling due within one year	10	3,379,762	3,445,393
NET CURRENT LIABILITIES		<u>(469,855)</u>	<u>(953,533)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,250,579</u>	<u>1,988,853</u>
CREDITORS			
Amounts falling due after more than one year	11	64,265	19,990
		<u>2,186,314</u>	<u>1,968,863</u>
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	13	283,852	270,183
		<u>1,902,462</u>	<u>1,698,680</u>
CAPITAL AND RESERVES			
Called up equity share capital	15	199	199
Share premium account		744,668	744,668
Revaluation reserve	16	170,326	184,523
Profit and loss account	17	987,269	769,290
SHAREHOLDERS' FUNDS	18	<u>1,902,462</u>	<u>1,698,680</u>

These abbreviated financial statements have been prepared in accordance with the special provisions for medium-sized companies under Part VII of the Companies Act 1985.

These abbreviated accounts were approved and signed by the director on 30/1/05



D Mouldale
Director

Optical Express 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*.

CASH FLOW STATEMENT

The director has taken advantage of the exemption in Financial Reporting Standard No 1 (revised) 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 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	- 10 & 20 years
Lease Premium	- Period of lease

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% 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 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.

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.

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.

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 Limited

NOTES TO THE ABBREVIATED ACCOUNTS

for the year ended 27 March 2004

1 OPERATING PROFIT

Operating profit is stated after charging:

	2004	2003
	£	£
Amortisation	25,875	25,875
Depreciation of owned fixed assets	316,318	325,142
Depreciation of assets held under hire purchase agreements	5,785	9,845
Loss on disposal of fixed assets	29,838	14,570
Auditors' remuneration		
- as auditors	11,202	8,977
Operating lease costs:		
Land and buildings	1,617,235	1,590,430
Plant and equipment	13,091	9,067
	<u>1,617,235</u>	<u>1,590,430</u>

2 PARTICULARS OF EMPLOYEES

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

	2004	2003
	No	No
Production staff	31	34
Other	255	268
	<u>286</u>	<u>302</u>

The aggregate payroll costs of the above were:

	2004	2003
	£	£
Wages and salaries	4,331,292	3,982,390
Social security costs	320,556	279,598
Other pension costs	26,418	34,306
	<u>4,678,266</u>	<u>4,296,294</u>

3 INTEREST PAYABLE AND SIMILAR CHARGES

	2004	2003
	£	£
Finance charges	15,312	8,453
Bank loan interest	35,059	46,367
Other Interest	3,723	77
	<u>54,094</u>	<u>54,897</u>

Optical Express Limited
NOTES TO THE ABBREVIATED ACCOUNTS
for the year ended 27 March 2004

4 TAX ON PROFIT ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2004 £	2003 £
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 30% (2003- 30%)	217,889	11,250
Adjustments in respect of previous periods	12,567	(7,044)
Total current tax	230,456	4,206
Deferred tax:		
Increase in deferred tax provision	13,669	26,286
Tax on profit on ordinary activities	244,125	30,492

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 30% (2003 - 30%).

	2004 £	2003 £
Profit on ordinary activities before taxation	697,907	336,428
Profit on ordinary activities multiplied by rate of tax	209,372	100,928
Expenses not deductible for tax purposes	18,319	16,599
Capital allowances in excess of depreciation	(7,457)	(22,652)
Other timing differences	(2,345)	2,719
Group relief received	—	(86,344)
Adjustments in respect of previous periods	12,567	(7,044)
Total current tax (note 4(a))	230,456	4,206

5 DIVIDENDS

The following dividends have been paid in respect of the year:

	2004 £	2003 £
Dividend paid on ordinary shares	250,000	—

Optical Express Limited
NOTES TO THE ABBREVIATED ACCOUNTS
for the year ended 27 March 2004

6 INTANGIBLE FIXED ASSETS

	Goodwill £	Lease Premium £	Total £
Cost			
At 30 March 2003 and 27 March 2004	<u>459,500</u>	<u>12,500</u>	<u>472,000</u>
Amortisation			
At 30 March 2003	63,896	5,041	68,937
Charge for the year	<u>25,181</u>	<u>694</u>	<u>25,875</u>
At 27 March 2004	<u>89,077</u>	<u>5,735</u>	<u>94,812</u>
Net book value			
At 27 March 2004	<u>370,423</u>	<u>6,765</u>	<u>377,188</u>
At 29 March 2003	<u>395,604</u>	<u>7,459</u>	<u>403,063</u>

7 TANGIBLE FIXED ASSETS

	Equipment £	Fixtures & Fittings £	Motor Vehicles £	Short Leasehold Property £	Total £
Cost or valuation					
At 30 March 2003	2,269,753	1,767,520	157,937	341,055	4,536,265
Additions	77,921	84,012	—	4,657	166,590
Disposals	(1,084)	(37,406)	(18,675)	—	(57,165)
Transfers	(10,500)	—	—	—	(10,500)
At 27 March 2004	<u>2,336,090</u>	<u>1,814,126</u>	<u>139,262</u>	<u>345,712</u>	<u>4,635,190</u>
Depreciation					
At 30 March 2003	883,880	901,447	105,852	105,763	1,996,942
Charge for the year	157,072	133,414	10,417	21,200	322,103
On disposals	(1,093)	(9,504)	(16,504)	—	(27,101)
At 27 March 2004	<u>1,039,859</u>	<u>1,025,357</u>	<u>99,765</u>	<u>126,963</u>	<u>2,291,944</u>
Net book value					
At 27 March 2004	<u>1,296,231</u>	<u>788,769</u>	<u>39,497</u>	<u>218,749</u>	<u>2,343,246</u>
At 29 March 2003	<u>1,385,873</u>	<u>866,073</u>	<u>52,085</u>	<u>235,292</u>	<u>2,539,323</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 £107,635 (2003 - £107,635).

Hire purchase agreements

Included within the net book value of £2,343,246 is £57,859 (2003 - £61,006) relating to assets held under hire purchase agreements. The depreciation charged to the abbreviated accounts in the year in respect of such assets amounted to £5,785 (2003 - £9,845).

Optical Express Limited

NOTES TO THE ABBREVIATED ACCOUNTS

for the year ended 27 March 2004

8 STOCKS

	2004	2003
	£	£
Stock	<u>669,923</u>	<u>681,050</u>

9 DEBTORS

	2004	2003
	£	£
Trade debtors	783,883	465,534
Amounts owed by group undertakings	923,499	791,733
Other debtors	92,431	106,591
Prepayments and accrued income	432,428	439,685
	<u>2,232,241</u>	<u>1,803,543</u>

10 CREDITORS: Amounts falling due within one year

	2004	2003
	£	£
Bank loans and overdrafts	1,425,976	277,698
Trade creditors	315,445	539,273
Amounts owed to group undertakings	753,003	1,269,756
Corporation tax	252,243	67,849
Other taxation and social security	252,388	1,028,793
Hire purchase agreements	89,841	17,811
Other creditors	46,830	51,087
Accruals and deferred income	244,036	193,126
	<u>3,379,762</u>	<u>3,445,393</u>

The Bank of Scotland holds a bond, floating charge and debenture over the assets of each group company, an assignation of Keyman Insurance and a personal guarantee by D Mouldsdales in its favour on account of the obligations of each group company supported by equity in properties.

11 CREDITORS: Amounts falling due after more than one year

	2004	2003
	£	£
Hire purchase agreements	<u>64,265</u>	<u>19,990</u>

Optical Express Limited

NOTES TO THE ABBREVIATED ACCOUNTS

for the year ended 27 March 2004

12 COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows:

	2004 £	2003 £
Amounts payable within 1 year	100,200	22,857
Amounts payable between 1 and 2 years	68,129	22,007
Amounts payable between 3 and 5 years	2,802	—
	<u>171,131</u>	<u>44,864</u>
Less interest and finance charges relating to future periods	(17,025)	(7,063)
	<u>154,106</u>	<u>37,801</u>
Hire purchase agreements are analysed as follows:		
Current obligations	89,841	17,811
Non-current obligations	64,265	19,990
	<u>154,106</u>	<u>37,801</u>

13 DEFERRED TAXATION

	2004 £	2003 £
The movement in the deferred taxation provision during the year was:		
Provision brought forward	270,183	243,897
Profit and loss account movement arising during the year	13,669	26,286
Provision carried forward	<u>283,852</u>	<u>270,183</u>

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

	2004 £	2003 £
Excess of taxation allowances over depreciation on fixed assets	286,824	277,115
Tax losses available	(2,972)	(6,932)
	<u>283,852</u>	<u>270,183</u>

If the revalued assets were sold at the values stated in note 4 the estimated tax payable on that individual transaction would amount to £69,000. 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 Limited

NOTES TO THE ABBREVIATED ACCOUNTS

for the year ended 27 March 2004

14 COMMITMENTS UNDER OPERATING LEASES

At 27 March 2004 the company had annual commitments under non-cancellable operating leases as set out below.

	Land and buildings	
	2004	2003
	£	£
Operating leases which expire:		
Within 1 year	11,125	10,325
Within 2 to 5 years	91,498	131,448
After more than 5 years	1,514,535	1,475,529
	<u>1,617,158</u>	<u>1,617,302</u>

15 SHARE CAPITAL

	2004	2003
	£	£
Authorised:		
999 Ordinary shares of £1 each	999	999
1 Deferred shares of £1 each	1	1
	<u>1,000</u>	<u>1,000</u>
	2004	2003
	£	£
Allotted, called up and fully paid:		
198 Ordinary shares of £1 each	198	198
1 Deferred shares of £1 each	1	1
	<u>199</u>	<u>199</u>

The rights attaching to the deferred share are as follows:

On a return of assets on 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 £1 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 Share.

The holder of the Deferred Share shall be entitled to receive notice of and attend at general meetings but shall not be entitled to vote.

16 REVALUATION RESERVE

	2004	2003
	£	£
At 30 March 2003	184,523	193,326
Transfer to the profit and loss account on realisation	(14,197)	(8,803)
At 27 March 2004	<u>170,326</u>	<u>184,523</u>

Optical Express Limited

NOTES TO THE ABBREVIATED ACCOUNTS

for the year ended 27 March 2004

17 PROFIT AND LOSS ACCOUNT

	2004	2003
	£	£
At 30 March 2003	769,290	454,551
Retained profit for the financial year	203,782	305,936
Transfer from revaluation reserve	14,197	8,803
At 27 March 2004	<u>987,269</u>	<u>769,290</u>

18 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2004	2003
	£	£
Profit for the financial year	453,782	305,936
Dividends	(250,000)	—
	<u>203,782</u>	<u>305,936</u>
Opening shareholders' equity funds	<u>1,698,680</u>	<u>1,392,744</u>
Closing shareholders' equity funds	<u>1,902,462</u>	<u>1,698,680</u>

19 CAPITAL COMMITMENTS

Amounts contracted for but not provided in the financial statements amounted to £206,313 (2003 - £Nil).

20 ULTIMATE PARENT COMPANY

The company's ultimate parent undertaking is DCM (Optical Holdings) Limited, a company incorporated in Scotland. A copy of that company's accounts is available from Companies House, 37 Castle Terrace, Edinburgh, EH1 2EB. The company is controlled by D Mouldsdaie.