

**OPTICAL EXPRESS (HOLDINGS) LIMITED  
FORMERLY TRADING AS**

**OPTICAL EXPRESS (SOUTHERN) LIMITED**

**FINANCIAL STATEMENTS**

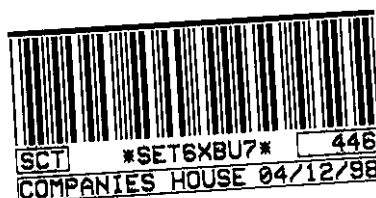
**31 DECEMBER 1997**

**Registered number: 168769**

**KIDSONS IMPEY**

**CHARTERED ACCOUNTANTS**

**Glasgow**



**OPTICAL EXPRESS (HOLDINGS) LIMITED**  
**FORMERLY TRADING AS OPTICAL EXPRESS (SOUTHERN) LIMITED**  
**FINANCIAL STATEMENTS**  
**for the period ended 31 December 1997**

**CONTENTS**

	Page
Company information	1
Directors' report	2
Statement of directors' responsibilities	3
Auditors' report	4
Profit and loss account	5
Balance sheet	6
Notes	7

**OPTICAL EXPRESS (HOLDINGS) LIMITED**  
**FORMERLY TRADING AS OPTICAL EXPRESS (SOUTHERN) LIMITED**

**COMPANY INFORMATION**

**31 December 1997**

DIRECTOR	D Mouldsdaie
SECRETARY	G Murdoch
REGISTERED OFFICE	Breckenridge House 274 Sauchiehall Street Glasgow G2 3EH
AUDITORS	Kidsons Impey Chartered Accountants Breckenridge House 274 Sauchiehall Street Glasgow G2 3EH

**OPTICAL EXPRESS (HOLDINGS) LIMITED**  
**FORMERLY TRADING AS OPTICAL EXPRESS (SOUTHERN) LIMITED**  
**DIRECTORS' REPORT**

**31 December 1997**

The director presents his report and the audited financial statements for the period ended 31 December 1997.

**Principal activity**

The company was incorporated on 4 October 1996 as Optical Express (Southern) Limited. On the 23 May 1997 the company changed its name to Optical Express (Holdings) Limited. The principal activity of the company is that of a holding company.

The company's subsidiaries during the year and there principal activities were as follows:

<u>Subsidiary</u>	<u>Principal activity</u>
Optical Express (Southern) Limited	Opticians
Specialeyes (Optical Services) Limited	Non trading
Specialeyes Holding B.V.	Non trading
Total Eyecare Limited	Opticians

Specialeyes (Optical Services) Limited and Specialeyes Holding B.V. were dissolved on the 8 September 1998 and the 1 November 1997 respectively. Total Eyecare Limited ceased trading on the 10 February 1997.

**Business review**

The company's balance sheet as detailed on page 6 shows a deficiency of shareholders' funds amounting to £138,809.

**Results and dividends**

The results for the period are shown in the profit and loss account on page 5. The director does not propose payment of an ordinary dividend.

**Directors**

The director of the company during the period and his interests in the shares of the company as recorded in the register of directors' interests were as follows

**31 December 1997**  
**Ordinary**  
**shares**

D Mouldsdales

-

D Mouldsdales is also a director of the holding company, David Mouldsdales (Holdings) Limited. The directors' interests in the shares of the holding company are disclosed in the directors' report of that entity.

continued .....

**OPTICAL EXPRESS (HOLDINGS) LIMITED**  
**FORMERLY TRADING AS OPTICAL EXPRESS (SOUTHERN) LIMITED**

**DIRECTORS' REPORT**  
(continued)

**31 December 1997**

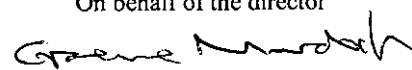
**Share capital**

The company issued one share at par during the period to create a capital base.

**Auditors**

Kidsons Impey have agreed to offer themselves for re-appointment as auditors of the company.

On behalf of the director



G Murdoch  
Secretary

Breckenridge House  
274 Sauchiehall Street  
Glasgow  
G2 3EH

25 November 1998

**OPTICAL EXPRESS (HOLDINGS) LIMITED**  
**FORMERLY TRADING AS OPTICAL EXPRESS (SOUTHERN) LIMITED**  
**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

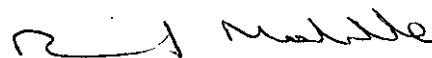
Company law requires the director to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the director is required to

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

The 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 them to ensure that the financial statements comply with the Companies Act 1985. He 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.

25 November 1998

On behalf of the director



D Moulds  
Director

**OPTICAL EXPRESS (HOLDINGS) LIMITED**  
**FORMERLY TRADING AS OPTICAL EXPRESS (SOUTHERN) LIMITED**  
**AUDITORS' REPORT**

**Auditors' report to the members of**

**Optical Express (Holdings) Limited**

We have audited the financial statements on pages 5 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

**Respective responsibilities of directors and auditors**

As described on page 3, the company's director is responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

**Basis of opinion**

We conducted our audit in accordance with Auditing Standards 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 error or other irregularity. 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 of the state of the company's affairs as at 31 December 1997 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

*Kidsons Impey*

Glasgow  
25 November 1998

Kidsons Impey  
Registered Auditors  
Chartered Accountants

**OPTICAL EXPRESS (HOLDINGS) LIMITED**  
**FORMERLY TRADING AS OPTICAL EXPRESS (SOUTHERN) LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**for the period ended 31 December 1997**

	Note	1997 £
<b>Net operating expenses</b>		
Administrative expenses		(156)
<b>Operating loss</b>		(156)
Investment income	2	1,290
Interest payable	3	(139,944)
<b>Loss on ordinary activities before taxation</b>		(138,810)
Taxation	4	-
<b>Loss on ordinary activities after taxation retained for the period</b>	11	(138,810)

Movements in reserves are shown in note 11.

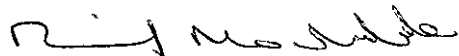
All of the company's activities were acquired during the above financial period.

There are no recognised gains and losses in 1997 other than the loss for the period.

**OPTICAL EXPRESS (HOLDINGS) LIMITED**  
**FORMERLY TRADING AS OPTICAL EXPRESS (SOUTHERN) LIMITED**  
**BALANCE SHEET**  
**at 31 December 1997**

	Note	£	1997 £
<b>Fixed assets</b>			
Investments	5		2,326,501
			<u>2,326,501</u>
<b>Current assets</b>			
Debtors	6	35,000	
Cash at bank and in hand		49,842	
		<u>84,842</u>	
<b>Creditors: amounts falling due within one year</b>	7	(1,300,152)	
<b>Net current liabilities</b>			<u>(1,215,310)</u>
<b>Total assets less current liabilities</b>			1,111,191
<b>Creditors: amounts falling due after more than one year</b>	8	(1,250,000)	
		<u>(138,809)</u>	
<b>Capital and reserves</b>			
Called up share capital	10		1
Profit and loss account	11		(138,810)
<b>Total shareholders' funds</b>	9		<u>(138,809)</u>

The financial statements on pages 5 to 10 were approved by the director on 25 November 1998 and signed by:



D Mouldsdaie  
Director

## OPTICAL EXPRESS (HOLDINGS) LIMITED

## FORMERLY TRADING AS OPTICAL EXPRESS (SOUTHERN) LIMITED

## NOTES ON FINANCIAL STATEMENTS

31 December 1997

**1 Accounting policies****Basis of accounting**

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

**Deferred taxation**

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

**Consolidation**

The company has not prepared consolidated financial statements as it is a wholly owned subsidiary of the immediate parent undertaking, David Mouldsdales (Holdings) Limited, which prepares consolidated accounts including the subsidiaries. David Mouldsdales (Holdings) Limited is a company incorporated in Scotland.

The financial statements present information about the company as an individual undertaking.

**Cash flow statement**

The company has not prepared a cash flow statement in accordance with the exemption available to wholly owned subsidiaries of EC parent undertakings, where a statement of group cash flow is included in the consolidated financial statements of the parent company.

**Going concern**

The financial statements have been prepared on a going concern basis. However, for this to be appropriate the continued support of other group companies is essential.

**2 Investment income**

	1997 £
Interest receivable	1,290
	<hr/>

**3 Interest payable**

	1997 £
Bank loan interest	139,944
	<hr/>
	139,944
	<hr/>

**OPTICAL EXPRESS (HOLDINGS) LIMITED**  
**FORMERLY TRADING AS OPTICAL EXPRESS (SOUTHERN) LIMITED**  
**NOTES ON FINANCIAL STATEMENTS**

31 December 1997

**4 Taxation**

The company has no liability for taxation.

**5 Fixed asset investments**

	<b>Investments other than loans £</b>
<b>Cost</b>	
Additions	2,326,501
31 December 1997	<u>2,326,501</u>
<b>Net book amount</b>	
31 December 1997	<u><u>2,326,501</u></u>

The company's investment comprised the following non listed company.

<b>Company</b>	<b>Class of share</b>	<b>Percentage Holding</b>
Optical Express (Southern) Limited	Ordinary	100%

**6 Debtors**

	<b>1997 £</b>
<b>Amounts falling due within one year</b>	
Amounts owed by group undertakings	35,000
	<u><u>35,000</u></u>

## OPTICAL EXPRESS (HOLDINGS) LIMITED

## FORMERLY TRADING AS OPTICAL EXPRESS (SOUTHERN) LIMITED

## NOTES ON FINANCIAL STATEMENTS

31 December 1997

7 Creditors: amounts falling due  
within one year

	1997 £
Bank loans and overdrafts	500,000
Amounts owed to group undertakings	737,032
Other creditors	48,453
Accruals and deferred income	14,667
	<u>1,300,152</u>

The bank loan is repayable in quarterly instalments of £125,000 and will be repaid on the 30 June 2001. Interest is charged at base rate plus one and three quarter percent.

The loan is secured by a bond and floating charge over the whole assets of the company.

8 Creditors: amounts falling due  
after more than one year

	1997 £
Bank loans	1,250,000
	<u>1,250,000</u>
<b>Maturity of debt</b>	
In one year or less, or on demand	
- see note 7	500,000
Between one and two years	500,000
Between two and five years	750,000
	<u>1,750,000</u>

## 9 Reconciliation of movements in shareholders' funds

	1997 £
Loss for the financial period	(138,810)
New share capital subscribed	<u>1</u>
Net subtraction from shareholders' funds	(138,809)
Opening shareholders' funds	<u>-</u>
Closing shareholders' funds	<u>(138,809)</u>

**OPTICAL EXPRESS (HOLDINGS) LIMITED**  
**FORMERLY TRADING AS OPTICAL EXPRESS (SOUTHERN) LIMITED**

**NOTES ON FINANCIAL STATEMENTS**

**31 December 1997**

**10 Called up share capital**

	Number of shares	1997 £
<b>Authorised</b>		
Ordinary share capital of £1 each	100	100
<b>Allotted called up and fully paid</b>		
Ordinary share capital of £1 each	1	1

**11 Profit and loss account**

	1997 £
Retained loss for the period	(138,810)

**12 Guarantees and other financial commitments**

The company has given an unlimited inter company cross guarantee between David Mouldsdales (Holdings) Limited, Optical Express (Southern) Limited, Optical Express (Westfield) Limited, Optical Express (Central) Limited, Optical Express (Northern) Limited, Optical Express (Gyle) Limited, Optical Express (Aberdeen) Limited, Optical Express (Leith) Limited, Optical Express (Ayr) Limited, Optical Express (Forge) Limited and Total Eyecare Limited which is supported by a bond and floating charge and debenture over the whole company assets.

At 31st December 1997 the above companies loans and overdrafts totalled £3,427,099 (1996 £916,910).

**13 Ultimate parent undertaking**

The company's ultimate holding company is David Mouldsdales (Holdings) Limited, a company incorporated in Scotland. A copy of that company's accounts are available from Companies House, 37 Castle Terrace, Edinburgh, EH1 2EB. This company is controlled by David Mouldsdales.

**14 Related parties**

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. The company had no other related party transactions during the period.