

**Gloucester VE Limited**

**Directors' report and accounts**

**Registered number 03089857**

**31 December 2004**



## **Contents**

Company information	1
Directors' report	2
Statement of directors' responsibilities	3
Report of the independent auditors to the members of Gloucester VE Limited	4
Profit and loss account	5
Balance sheet	6
Notes	7

## **Company information**

### **Directors**

D Keogh  
A Lewis  
Abbeyfield VE Limited

### **Company secretary**

Abbeyfield VE Limited

### **Registered office**

Abbeyfield Road  
Lenton Industrial Estate  
Lenton  
Nottingham  
NG7 2SP

### **Auditors**

KPMG LLP  
St Nicholas House  
Park Row  
Nottingham  
NG1 6FQ

### **Bankers**

HSBC Bank plc  
12 Victoria Street  
Nottingham  
NG1 2FF

### **Solicitors**

Freeth Cartwright  
80 Mount Street  
Nottingham  
NG1 6HH

## Directors' report

The directors present their report and accounts for the year ended 31 December 2004.

### Business review

The company's principal activity during the year was the provision of optical goods and services. No change is planned to these activities.

### Results and dividends

The results for the year are shown in the attached profit and loss account.

Details of dividends are shown in note 8.

### Directors

The board of directors is as follows:


D Keogh  
A Lewis  
Abbeyfield VE Limited

### Directors' interests

The directors had the following interests in the share capital of the company at the year end:

	<b>'A' Ordinary £1 shares</b>		<b>'B' Ordinary £1 shares</b>	
	<b>2004</b>	<b>2003</b>	<b>2004</b>	<b>2003</b>
	<b>Number</b>	<b>Number</b>	<b>Number</b>	<b>Number</b>
D Keogh	25	25	-	-
A Lewis	25	25	-	-
Abbeyfield VE Limited	-	-	50	50
	<hr/>	<hr/>	<hr/>	<hr/>
	50	50	50	50
	<hr/>	<hr/>	<hr/>	<hr/>

By the Order of the Board

  
**R Reed**  
*Company Secretary*

*On behalf of*  
*Abbeyfield VE Limited*

Dated: 29 September 2005

## **Statement of directors' responsibilities**

Company law requires the directors to prepare accounts 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 for that period. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts on a 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 accounts comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



**KPMG LLP**

St Nicholas House  
Park Row  
NOTTINGHAM  
NG1 6FQ

**Report of the independent auditors to the members of Gloucester VE Limited**

We have audited the accounts on pages 5 to 13.

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 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 directors and auditors**

The directors are responsible for preparing the directors' report and, as described on page 3, the accounts in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the accounts, if 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 directors' remuneration and transactions with the company is not disclosed.

**Basis of audit 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

**Opinion**

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31 December 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

**KPMG LLP**

Dated: 29 September 2005

*Chartered Accountants  
Registered Auditor*

**Profit and loss account**  
*for the year ended 31 December 2004*

	<i>Note</i>	<b>2004</b> <b>£000</b>	2003 £000
<b>Turnover</b>	2	<b>846</b>	813
Cost of sales		(177)	(166)
		<hr/>	<hr/>
<b>Gross profit</b>		<b>669</b>	647
Administrative expenses		(520)	(492)
		<hr/>	<hr/>
<b>Operating profit</b>		<b>149</b>	155
Other interest receivable and similar income	4	4	4
Interest payable and similar charges	5	-	-
		<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>	6	<b>153</b>	159
Tax on profit on ordinary activities	7	(43)	(49)
		<hr/>	<hr/>
<b>Profit on ordinary activities after taxation</b>		<b>110</b>	110
Dividends	8	(155)	(95)
		<hr/>	<hr/>
<b>(Accumulated loss)/retained profit for the year</b>	17	<b>(45)</b>	15
		<hr/> <hr/>	<hr/> <hr/>

There were no recognised gains or losses in either the current or preceding years other than those disclosed in the profit and loss account.

In both the current and preceding years, the company made no material acquisitions and had no discontinued operations.

**Balance sheet**  
*as at 31 December 2004*

	<i>Note</i>	<b>£000</b>	<b>2004 £000</b>	<b>£000</b>	<b>2003 £000</b>
<b>Fixed assets</b>					
Tangible assets	9		27		33
<b>Current assets</b>					
Stocks	10	30		33	
Debtors	11	34		34	
Cash at bank and in hand		88		79	
		<u>152</u>		<u>146</u>	
<b>Creditors: amounts falling due within one year</b>	12	<u>(117)</u>		<u>(71)</u>	
<b>Net current assets</b>			<u>35</u>		<u>75</u>
<b>Total assets less current liabilities</b>			<u>62</u>		<u>108</u>
<b>Creditors: amounts falling due after more than one year</b>	13		-		-
<b>Provisions for liabilities and charges</b>	15		-		(1)
<b>Net assets</b>			<u>62</u>		<u>107</u>
<b>Capital and reserves</b>					
Called up share capital	16		-		-
Profit and loss account	17		62		107
<b>Equity shareholders' funds</b>	18		<u>62</u>		<u>107</u>

These accounts were approved by the board of directors on 29 September 2005 and were signed on its behalf by:

X 

**D Keogh**  
*Director*



## **Notes**

*(forming part of the accounts)*

### **1 Accounting policies**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's accounts.

#### ***Basis of preparation***

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

#### ***Cash flow statement***

Under FRS 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds of its size.

#### ***Depreciation***

Depreciation is provided on all tangible and intangible fixed assets at annual rates calculated to write off the cost of each asset evenly over its expected useful life, as follows:

Leasehold improvements	- 10 years
Fixtures and equipment	- 3 - 10 years

#### ***Premiums, reverse premiums and similar incentives***

Premiums, reverse premiums and similar incentives on property leases are held on the balance sheet as deferred income or other debtors and are released to the profit and loss account on a straight line basis over the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate.

#### ***Stocks***

Stocks are stated at the lower of cost and net realisable value.

#### ***Leasing commitments***

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors. Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

#### ***Taxation***

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

#### ***Pensions***

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

#### ***Bank account***

Abbeyfield VE Limited (who hold a 50% shareholding in the company) has the legal ownership of the company's bank account. However the company is exposed to substantially all of the risks and rewards of ownership of the bank account and therefore records the balance as either cash at bank or bank overdraft in the balance sheet.

## Notes (continued)

### 2 Turnover

Turnover represents the invoiced amount of optical goods sold and services provided, excluding value added tax. Turnover received in respect of warranty agreements has been spread over the period of the warranty. Payments received for goods not collected by the year end have been excluded from turnover. All turnover arose in the UK.

### 3 Employees and directors

	2004 £000	2003 £000
<i>Staff costs (including directors):</i>		
Wages and salaries	203	183
Social security costs	18	18
Pension costs	12	10
	<hr/> 233	<hr/> 211
	<hr/> <hr/>	<hr/> <hr/>
	Number	Number
<i>The average number of employees during the year was made up as follows:</i>		
Management	2	1
Store retail	6	5
Store laboratory	-	1
Opticians	1	1
	<hr/> 9	<hr/> 8
	<hr/> <hr/>	<hr/> <hr/>
	£000	£000
Directors' emoluments	85	98
Company contributions to money purchase pension schemes	12	10
	<hr/> 97	<hr/> 108
	<hr/> <hr/>	<hr/> <hr/>

The emoluments are with respect to the management of the affairs of the company.

Retirement benefits are accruing to two (2003: two) directors under defined contribution pension schemes.

### 4 Other interest receivable and similar income

	2004 £000	2003 £000
Bank interest receivable	4	4
	<hr/>	<hr/>

### 5 Interest payable and similar charges

	2004 £000	2003 £000
Finance charges payable in respect of finance leases and hire purchase contracts	-	-
	<hr/>	<hr/>

## Notes (continued)

### 6 Profit on ordinary activities before taxation

	2004 £000	2003 £000
<i>This is stated after charging:</i>		
Auditors' remuneration - audit	1	1
Depreciation - owned assets	12	11
- leased assets	-	-
Rentals under operating leases - land and buildings	41	41
Loss on disposal of fixed assets	-	-
	<hr/>	<hr/>

### 7 Tax on profit on ordinary activities

	2004 £000	2003 £000
<i>Tax on profit on ordinary activities is as follows:</i>		
United Kingdom corporation tax at 30%		
Current tax	47	48
Adjustments in respect of prior periods	-	-
	<hr/>	<hr/>
Total current tax charge	47	48
Deferred taxation (note 15)		
Origination and reversal of timing differences	1	1
Adjustments in respect of prior periods	(5)	-
	<hr/>	<hr/>
Tax on profit on ordinary activities	43	49
	<hr/>	<hr/>

#### *Factors affecting the tax charge for the current year*

The current tax charge for the year is higher than (2003: the same as) the standard rate of corporation tax in the UK of 30% (2003: 30%). The differences are explained below:

	£000	£000
<i>Current tax reconciliation:</i>		
Profit on ordinary activities before tax	153	159
	<hr/>	<hr/>
Current tax at 30% (2003: 30%)	46	48
	<hr/>	<hr/>
<i>Effects of:</i>		
Expenses not deductible for tax purposes	2	1
Capital allowances for the year in excess of depreciation	(1)	(1)
Adjustments to tax charge in respect of prior periods	-	-
	<hr/>	<hr/>
Total current tax charge (see above)	47	48
	<hr/>	<hr/>

## Notes (continued)

### 8 Dividends

	2004 £000	2003 £000
Dividends paid on 'A' ordinary shares	127	95
Dividends proposed	28	-
	<u>155</u>	<u>95</u>

### 9 Tangible fixed assets

	Leasehold improve- ments £000	Fixtures and equipment £000	Total £000
<i>Cost:</i>			
At 1 January 2004	56	116	172
Additions	-	6	6
Disposals	-	-	-
	<u>56</u>	<u>122</u>	<u>178</u>
At 31 December 2004	56	122	178
<i>Accumulated depreciation:</i>			
At 1 January 2004	38	101	139
Charge for the year	6	6	12
Disposals	-	-	-
	<u>44</u>	<u>107</u>	<u>151</u>
At 31 December 2004	44	107	151
<i>Net book value:</i>			
At 31 December 2004	<u>12</u>	<u>15</u>	<u>27</u>
At 31 December 2003	<u>18</u>	<u>15</u>	<u>33</u>

Included in the fixed assets are the following amounts relating to assets acquired under finance leases:

	Leasehold improve- ments £000	Fixtures and equipment £000	Total £000
Cost	-	-	-
Accumulated depreciation	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net book value:</i>			
At 31 December 2004	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2003	<u>-</u>	<u>-</u>	<u>-</u>

**Notes** *(continued)*

**10 Stocks**

	<b>2004</b>	2003
	<b>£000</b>	£000
Finished goods and goods for resale	<b>30</b>	33

**11 Debtors**

	<b>2004</b>	2003
	<b>£000</b>	£000
Trade debtors	14	7
Other debtors	1	9
Prepayments and accrued income	16	18
Deferred tax asset (note 15)	3	-
	<b>34</b>	34

**12 Creditors: amounts falling due within one year**

	<b>2004</b>	2003
	<b>£000</b>	£000
Obligations under finance leases (see note 14)	-	-
Trade creditors	9	5
Amounts owed to group undertakings	16	15
Corporation tax	20	23
Other creditors including taxation and social security	13	9
Accruals and deferred income	31	19
Dividend proposed	28	-
	<b>117</b>	71

**13 Creditors: amounts falling due after more than one year**

	<b>2004</b>	2003
	<b>£000</b>	£000
Obligations under finance leases (see note 14)	-	-
Accruals and deferred income	-	-
	<b>-</b>	-

**Notes (continued)**

**14 Obligations under finance leases**

	2004 £000	2003 £000
Amounts payable within one year (note 12)	-	-
Amounts payable within two to five years (note 13)	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

**15 Provisions for liabilities and charges**

	2004 £000	2003 £000
At beginning of year	1	-
(Credited)/charged to profit and loss account	(4)	1
	<u>(3)</u>	<u>1</u>
At end of year	<u>(3)</u>	<u>1</u>
	<u>£000</u>	<u>£000</u>
<i>Tax effect of timing differences because of:</i>		
Differences between accumulated depreciation and capital allowances	(3)	1
Tax losses carried forward	-	-
	<u>(3)</u>	<u>1</u>

The deferred tax asset has been recognised within debtors (note 11).

**16 Called up share capital**

	2004 £	2003 £
<i>Authorised, allotted, called up and fully paid:</i>		
50 'A' ordinary shares of £1 each	50	50
50 'B' ordinary shares of £1 each	50	50
	<u>100</u>	<u>100</u>

Both the 'A' and 'B' ordinary shares have voting rights. The 'B' ordinary shares entitle the holders to appoint three 'B' directors, including the chairman.

The 'B' ordinary shares do not entitle the holders to receive a dividend.

On a winding up the 'A' and 'B' ordinary shares rank pari passu.

## Notes (continued)

### 17 Reserves

	Profit and loss account £000
At beginning of year	107
Loss for the year	(45)
At end of year	<u>62</u>

### 18 Reconciliation of movement in equity shareholders' funds

	2004 £000	2003 £000
Profit for the financial year	110	110
Dividends	(155)	(95)
Net change in equity shareholders' funds	<u>(45)</u>	<u>15</u>
Opening equity shareholders' funds	107	92
Closing equity shareholders' funds	<u>62</u>	<u>107</u>

### 19 Operating lease commitments

	2004 £000	2003 £000
<i>The annual commitments in respect of non-cancellable operating leases are as follows:</i>		
Land and buildings - operating leases which expire:		
Within one year	-	-
In the second to fifth years	41	-
Over five years	-	41

### 20 Related party transactions

During the accounting year ended 31 December 2004 Gloucester VE Limited entered into transactions with Vision Express (UK) Limited, Central Lab VE Limited, Vision Express (CLS) Limited, Vision Express Group Limited, who are other members of the Vision Express (UK) Limited group, and Abbeyfield VE Limited, who hold a 50% shareholding in the company. Abbeyfield VE Limited are a wholly owned subsidiary of Vision Express (UK) Limited.

The value of the intercompany trading for the resale of stock items and the invoicing of service fees amounted to £640,000 (2003: £325,000), and for fixed asset transactions amounted to £nil (2003: £nil). Amounts of £2,000 (2003: £2,000), £5,000 (2003: £5,000), £2,000 (2003: £2,000), £4,000 (2003: £4,000) and £3,000 (2003: £2,000) are owed to Vision Express (UK) Limited, Abbeyfield VE Limited, Vision Express (CLS) Limited, Vision Express Group Limited and Central Lab VE Limited respectively as at 31 December 2004.