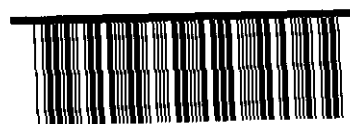


Yeovil VE Limited

Directors' report and accounts

Registered number 3754276

31 December 2000



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COMPANIES HOUSE

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05/09/01

Report and accounts

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Company information

Directors

Jan Prideux
David Smith
Abbeyfield VE Limited
Linkmel VE Limited

Company secretary

Abbeyfield VE Limited

Registered office

Abbeyfield Road
Lenton Industrial Estate
Lenton
Nottingham
NG7 2SP

Auditors

KPMG
St Nicholas House
Park Row
Nottingham
NG1 6FQ

Bankers

HSBC Bank plc
6 Victoria Street
Nottingham
NG1 2FF

Solicitors

Eversheds
10 Newhall Street
Birmingham
B3 3LX

Directors' report

The directors present their report and accounts for the year ended 31 December 2000.

Principal activity and business review

The company commenced trading on 22 January 2000. The principal activity is the provision of optical goods and services.

Results and dividends

The profit after taxation amounted to £12,000.

The directors do not recommend the payment of any dividend.

Directors

The board of directors is as follows:

J Prideux	- appointed 22 January 2000
D Smith	- appointed 22 January 2000
Abbeyfield VE Limited	
Linkmel VE Limited	

Directors' interests

The directors have the following interests in the share capital of the company:

	‘A’ Ordinary £1 shares		‘B’ Ordinary £1 shares	
		On 31 Dec 99 or date of appointment		On 31 Dec 99 or date of appointment
	31 Dec 00 Number	Number	31 Dec 00 Number	Number
J Prideux	25	25	-	-
D Smith	25	25	-	-
Abbeyfield VE Limited	-	-	50	50
Linkmel VE Limited	-	-	-	-
	<u>50</u>	<u>50</u>	<u>50</u>	<u>50</u>

Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By the Order of the Board



R Reed
Company Secretary

25 July 2001

On behalf of
Abbeyfield VE Limited

Statement of directors' responsibilities

Company law requires the directors to prepare accounts 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 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.



St Nicholas House
Park Row
NOTTINGHAM
NG1 6FQ

Report of the auditors to the members of Yeovil VE Limited

We have audited the accounts on pages 5 to 13.

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. 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 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG

25 July 2001

*Chartered Accountants
Registered Auditors*

Profit and loss account
for the year ended 31 December 2000

	<i>Notes</i>	Year to 31 Dec 00 £000	Period to 31 Dec 99 £000
Turnover	2	530	-
Cost of sales		(105)	-
Gross profit		425	-
Administrative expenses		(393)	-
Operating profit		32	-
Other interest receivable and similar income	4	-	-
Interest payable and similar charges	5	(12)	-
Profit on ordinary activities before taxation	6	20	-
Tax on profit on ordinary activities	7	(8)	-
Profit on ordinary activities after taxation		12	-
Dividends	8	-	-
Retained profit for the financial period	17	12	-

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

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

Balance sheet
at 31 December 2000

	<i>Notes</i>	£000	2000 £000	£000	1999 £000
Fixed assets					
Tangible assets	9		236		-
Current assets					
Stocks	10	37		-	
Debtors	11	33		-	
		<u>70</u>		<u>-</u>	
Creditors: amounts falling due within one year	12	<u>(223)</u>		<u>-</u>	
Net current liabilities			<u>(153)</u>		<u>-</u>
Total assets less current liabilities			<u>83</u>		<u>-</u>
Creditors: amounts falling due after more than one year	13		<u>(69)</u>		<u>-</u>
Provisions for liabilities and charges	15		<u>(2)</u>		<u>-</u>
Net assets			<u>12</u>		<u>-</u>
Capital and reserves					
Called up share capital	16		-		-
Profit and loss account	17		12		-
Equity shareholders' funds	18		<u>12</u>		<u>-</u>

These accounts were approved by the board of directors on 25 July 2001 and were signed on its behalf by:

J PRIDEAUX
~~J Prideaux~~
 Director

D Smith
 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.

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

Reverse premiums and similar incentives

Reverse premiums and similar incentives on property leases are treated as deferred income 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.

Foreign currency

All foreign exchange differences are taken to the profit and loss account in the year in which they arise.

Leasing commitments

Assets acquired under finance leases are capitalised in the balance sheet and are depreciated over their useful lives. The interest element of the lease obligations is charged to the profit and loss account on a sum of the digits basis.

Operating lease rentals are charged to the profit and loss account over the lease term.

Taxation

The charge for taxation is based on the profit for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred taxation only to the extent that it is probable that an actual liability will crystallise.

Set up costs

Capital costs associated with the opening of new stores are capitalised in the balance sheet and depreciated over the useful life of the asset. Other incidental costs are written off to the profit and loss account in the period in which they are incurred.

Notes (continued)

1 Accounting policies (continued)

Pensions

The company operates a defined contribution scheme.

Pension cost charges in the accounts represent contributions payable in the accounting period. The company provides no other post retirement benefits to its employees.

Cash flow statement

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

2 Turnover

Turnover represents the invoiced amount of optical goods sold and services provided, excluding value added tax. The company turnover split by geographical location is shown below:

	Year to 31 Dec 00 £000	Period to 31 Dec 99 £000
United Kingdom	530	-

3 Employees and directors

	Year to 31 Dec 00 £000	Period to 31 Dec 99 £000
<i>Staff costs (including directors):</i>		
Wages and salaries	139	-
Social security costs	12	-
Other pension costs	-	-
	151	-
	Number	Number
<i>The average number of employees during the period was made up as follows:</i>		
Store retail	4	-
Store laboratory	2	-
Opticians	2	-
	8	-
	£000	£000
Directors' remuneration	81	-

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

Notes (continued)

4 Other interest receivable and similar income

	Year to 31 Dec 00 £000	Period to 31 Dec 99 £000
Bank interest	-	-
	<u> </u>	<u> </u>

5 Interest payable and similar charges

	Year to 31 Dec 00 £000	Period to 31 Dec 99 £000
On bank overdraft	5	-
On finance leases	7	-
	<u> </u>	<u> </u>
	12	-
	<u> </u>	<u> </u>

6 Profit on ordinary activities before taxation

	Year to 31 Dec 00 £000	Period to 31 Dec 99 £000
<i>This is stated after charging:</i>		
Auditors' remuneration - audit	1	-
Depreciation - owned assets	15	-
- leased assets	15	-
Rentals under operating leases - land and buildings	35	-
	<u> </u>	<u> </u>

7 Tax on profit on ordinary activities

	Year to 31 Dec 00 £000	Period to 31 Dec 99 £000
<i>Tax on profit on ordinary activities is as follows:</i>		
United Kingdom corporation tax at 30%		
Current	6	-
Deferred	2	-
	<u> </u>	<u> </u>
	8	-
	<u> </u>	<u> </u>

8 Dividends

	Year to 31 Dec 00 £000	Period to 31 Dec 99 £000
Dividends paid	-	-
Dividends proposed	-	-
	<u> </u>	<u> </u>
	-	-
	<u> </u>	<u> </u>

Notes (continued)

9 Tangible fixed assets

	Leasehold improve- ments £000	Fixtures and equipment £000	Total £000
<i>Cost:</i>			
At 1 January 2000	-	-	-
Additions	123	143	266
Disposals	-	-	-
At 31 December 2000	123	143	266
<i>Accumulated depreciation:</i>			
At 1 January 2000	-	-	-
Charge for the period	11	19	30
Disposals	-	-	-
At 31 December 2000	11	19	30
<i>Net book value:</i>			
At 31 December 2000	112	124	236
At 31 December 1999	-	-	-

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

	Fixtures and equipment £000
Cost	99
Accumulated depreciation	(15)
<i>Net book value:</i>	
At 31 December 2000	84
At 31 December 1999	-

10 Stocks

	2000 £000	1999 £000
Finished goods and goods for resale	37	-

Notes (continued)

11 Debtors

	2000 £000	1999 £000
Trade debtors	4	-
Other debtors	15	-
Prepayments and accrued income	14	-
	<u>33</u>	<u>-</u>

12 Creditors: amounts falling due within one year

	2000 £000	1999 £000
Bank overdraft	93	-
Obligations under finance leases (note 14)	16	-
Trade creditors	8	-
Amounts owed to group undertakings	39	-
Corporation tax	6	-
Other creditors including taxation and social security	54	-
Accruals and deferred income	7	-
	<u>223</u>	<u>-</u>

Included within 'other creditors including taxation and social security' is £30,000 (1999: £nil) due to the directors of the company.

13 Creditors: amounts falling due after more than one year

	2000 £000	1999 £000
Obligations under finance leases (note 14)	69	-
Other creditors	-	-
	<u>69</u>	<u>-</u>

14 Obligations under finance leases

	2000 £000	1999 £000
Amounts payable within one year (note 12)	16	-
Amounts payable within 2 to 5 years (note 13)	69	-
	<u>85</u>	<u>-</u>

Notes (continued)

15 Provisions for liabilities and charges

	2000		1999	
	Amount provided £000	Amount not provided £000	Amount provided £000	Amount not provided £000
<i>Tax effect of timing differences because of:</i>				
Excess of tax allowances over depreciation	2	-	-	-
	<u>2</u>	<u>-</u>	<u>-</u>	<u>-</u>
			2000 £000	1999 £000
Opening balance			-	-
Charged to profit and loss account			2	-
Closing balance			<u>2</u>	<u>-</u>

16 Called up share capital

	2000 £	1999 £
<i>Authorised:</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>
	<u>£</u>	<u>£</u>
<i>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 a director to be chairman. In the case of an equality of votes, the chairman is entitled to a casting vote in addition to any other vote he may have.

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

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

Notes (continued)

17 Reserves

	Profit and loss account £000
At 1 January 2000	-
Profit for the year	12
At 31 December 2000	12

18 Reconciliation of movement in shareholders' funds

	Year to 31 Dec 00 £000	Period to 31 Dec 99 £000
Profit for the financial period	12	-
Net addition to shareholders' funds	12	-
Opening shareholders' funds	-	-
Closing shareholders' funds	12	-

19 Operating lease commitments

	2000 £000	1999 £000
<i>The annual commitments in respect of operating leases are as follows:</i>		
Land and buildings: Leases expiring after five years	42	-

20 Related party transactions

During the accounting year ended 31 December 2000 Yeovil VE Limited entered into transactions with Vision Express (UK) Limited, another member of the UK group, and Abbeyfield VE Limited who hold a 50% shareholding in the company.

The value of the intercompany trading for the resale of stock items and the invoicing of service fees amounted to £402,000 (1999: £nil), and for fixed asset transactions amounted to £3,000 (1999: £nil). Amounts of £3,000 (1999: £nil) and £36,000 (1999: £nil) are still owed to Vision Express (UK) Limited and Abbeyfield VE Limited respectively as at 31 December 2000.

21 Ultimate holding and controlling company

The intermediate holding company is Abbeyfield VE Limited, a company incorporated in England. A copy of their accounts can be obtained from the UK Registrar of Companies, Cardiff.

The ultimate holding and controlling company is GrandVision SA, a company incorporated in France. A copy of their accounts can be obtained from Tour Utopia - Cedex 3810, 92071 Paris La Defense, Paris, France.