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Yeovil VE Limited

Annual report and financial statements
for the year ended 31 December 2006

Registration Number 03745276

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Yeovil VE Limited

Annual report and financial statements for the year ended 31 December 2006

	Page
Directors and advisors	1
Directors' report for the year ended 31 December 2006	2
Independent auditors' report to the members of Yeovil VE Limited	4
Profit and loss account for the year ended 31 December 2006	5
Balance sheet as at 31 December 2006	6
Notes to the financial statements for the year ended 31 December 2006	7

Yeovil VE Limited

Directors and advisors

Directors

David Smith
John Prideaux
Abbeyfield VE Limited
Linkmel VE Limited

Company secretary

Abbeyfield VE Limited

Registered office

Abbeyfield Road
Lenton Industrial Estate
Lenton
Nottingham
NG7 2SP

Auditors

PricewaterhouseCoopers LLP
Donington Court
Pegasus Business Park
Castle Donington
East Midlands
DE74 2UZ

Solicitors

Freeth Cartwright
80 Mount Street
Nottingham
NG1 6HH

Yeovil VE Limited

Directors' report for the year ended 31 December 2006

The directors present their annual report and the financial statements for the year ended 31 December 2006

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 directors who held office during the year were

David Smith
John Prideaux
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	
	2006	2005	2006	2005
	Number	Number	Number	Number
David Smith	25	25	-	-
John Prideaux	25	25	-	-
Abbeyfield VE Limited	-	-	50	50
	50	50	50	50

Yeovil VE Limited

Directors' report for the year ended 31 December 2006 (continued)

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that 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. The directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently in the preparation of the financial statements. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2006 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that 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 1985. 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.

Auditors and disclosure of information to auditors

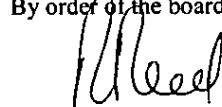
In respect of each of the persons who was a director of the company at the date at which the directors' report was approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware. Relevant information is defined as "information needed by the company's auditors in connection with preparing their report"
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

By order of the board



R Reed
Company Secretary

On behalf of Abbeyfield VE Limited

27/9/07

Independent auditors' report to the members of Yeovil VE Limited

We have audited the financial statements of Yeovil for the year ended 31 December 2006 which comprise the profit and loss account, the balance sheet, and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments made by the directors 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 other irregularity or error. 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2006 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
East Midlands

22 October 2007

Yeovil VE Limited

Profit and loss account for the year ended 31 December 2006

	Note	2006 £'000	2005 £'000
Turnover	2	749	758
Cost of sales		(144)	(148)
Gross profit		605	610
Administrative expenses		(514)	(490)
Operating profit		91	120
Interest receivable and similar income	4	4	5
Interest payable and similar charges	5	-	(2)
Profit on ordinary activities before taxation	6	95	123
Tax on profit on ordinary activities	7	(24)	(35)
Profit on ordinary activities after taxation		71	88
Dividends	8	(57)	(101)
Transferred to/(from) reserves	16	14	(13)

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

All results derive from continuing operations

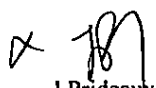
There are no material differences between the profit on ordinary activities before taxation and the profit for the year stated above and their historical cost equivalents

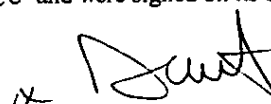
Yeovil VE Limited

Balance sheet as at 31 December 2006

	Note	2006 £'000	2005 restated £'000
Fixed assets			
Tangible assets	9	64	88
Current assets			
Stocks	10	43	45
Debtors	11	123	95
		166	140
Creditors amounts falling due within one year	12	(74)	(99)
Net current assets		92	41
Total assets less current liabilities		156	129
Provisions for liabilities and charges	14	(13)	-
Net assets		143	129
Capital and reserves			
Called up share capital	15	-	-
Profit and loss account	16	143	129
Total shareholders' Funds	17	143	129

These financial statements were approved by the board of directors on 27 Sept 07 and were signed on its behalf by


J Prideaux
Director


D Smith
Director

Yeovil VE Limited

Notes to the financial statements for the year ended 31 December 2006

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, except for the following Abbeyfield VE Limited, a related company, has control over the company's banking arrangements and hence the company's cash balance has been reclassified to amounts owed by related companies in notes 11 and 19

Basis of preparation

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

Cash flow statement (revised)

Under FRS 1 'Cash flow Statements' (revised), 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 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

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 "Deferred tax". A deferred tax asset is recognised to the extent that it is regarded as recoverable

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

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

Yeovil VE Limited

Notes to the financial statements For the year ended 31 December 2006 (continued)

2 Turnover

Turnover represents the income receivable for providing optical goods and services and is generated wholly in the United Kingdom

3 Employees and directors

	2006	2005
	£'000	£'000
Wages and salaries	186	176
Social security costs	19	18
Pension costs	6	6
	211	200

The average number of employees during the year was made up as follows

	2006	2005
	Number	Number
Management	1	1
Store retail	5	4
Store laboratory	-	1
Opticians	1	1
	7	7

Yeovil VE Limited

Notes to the financial statements For the year ended 31 December 2006 (continued)

3 Employees and directors (continued)

Directors' emoluments

The aggregate emoluments of the directors of the company were

	2006	2005
	£'000	£'000
Directors' emoluments	105	96
Company contributions to money purchase pension schemes	6	6
	111	102

Retirement benefits are accruing to two (2005 two) directors under defined contribution pension schemes

4 Interest receivable and similar income

	2006	2005
	£'000	£'000
Interest receivable from related companies	4	5

5 Interest payable and similar charges

	2006	2005
	£'000	£'000
Interest payable on finance leases	-	2

Yeovil VE Limited

Notes to the financial statements For the year ended 31 December 2006 (continued)

6 Profit on ordinary activities before taxation

This is stated after charging:

	2006	2005
	£'000	£'000
Auditors' remuneration - audit	1	1
Depreciation		
- owned assets	25	18
- leased assets	-	4
Rentals under operating leases - land and buildings	56	56

7 Tax on profit on ordinary activities

	2006	2005
	£'000	£'000
Tax on profit on ordinary activities is as follows:		
UK corporation tax at 30% (2005 30%)		
Current tax	30	36
Adjustments in respect of prior periods	(5)	-
Total current tax charge	25	36
Deferred taxation (note 13)		
Origination and reversal of timing differences	(1)	(1)
Tax on profit on ordinary activities	24	35

Yeovil VE Limited

Notes to the financial statements For the year ended 31 December 2006 (continued)

7 Tax on profit on ordinary activities (continued)

Factors affecting the tax charge for the current year

The current tax charge for the year is lower (2005 lower) than the standard rate of corporation tax in the UK of 30% (2005 30%) The differences are explained below

	2006	2005
	£'000	£'000
Current tax reconciliation		
Profit on ordinary activities before tax	95	123
Current tax at 30 % (2005 30%)	28	37
Effects of		
Expenses not deductible for tax purposes	1	4
Depreciation in excess of capital allowances	1	-
Capital allowances in excess of depreciation	-	(5)
Adjustments to tax charge in respect of prior periods	(5)	-
Total current tax	25	36

8 Dividends

	2006	2005
	£'000	£'000
Dividends paid, £1,140 per share on 'A' ordinary shares (2005 £2,020)	57	101

Yeovil VE Limited

Notes to the financial statements

For the year ended 31 December 2006 (continued)

9 Tangible fixed assets

	Leasehold improve- ments £'000	Fixtures and equipment £'000	Total £'000
Cost			
At 1 January 2006	124	165	289
Additions	-	1	1
At 31 December 2006	124	166	290
Accumulated depreciation			
At 1 January 2006	72	129	201
Charge for the year	13	12	25
At 31 December 2006	85	141	226
Net book value			
At 31 December 2006	39	25	64
At 31 December 2005	52	36	88

10 Stocks

	2006 £'000	2005 £'000
Finished goods and goods for resale	43	45

Yeovil VE Limited

Notes to the financial statements For the year ended 31 December 2006 (continued)

11 Debtors

	2006	2005
		restated
	£'000	£'000
Trade debtors	15	10
Amounts owed by related companies	81	55
Other debtors	4	7
Prepayments and accrued income	18	19
Deferred tax asset (note 13)	5	4
	123	95

12 Creditors: amounts falling due within one year

	2006	2005
		restated
	£'000	£'000
Trade creditors	18	29
Amounts owed to related companies	5	6
Corporation tax	12	22
Other creditors including taxation and social security	9	10
Accruals and deferred income	30	32
	74	99

Yeovil VE Limited

Notes to the financial statements For the year ended 31 December 2006 (continued)

13 Deferred tax asset

	2006	2005
	£'000	£'000
At 1 January	(4)	(3)
Credited to profit and loss account	(1)	(1)
At 31 December	(5)	(4)
Tax effect of timing differences because of		
	2006	2005
	£'000	£'000
Differences between accumulated depreciation and capital allowances	(5)	(4)

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

14 Provision for liabilities and charges

	Disallowed VAT provision
	£'000
As at 1 January 2006	-
Reclassified	1
Charge to profit and loss account	12
As at 31 December 2006	13

The company is making a provision in respect of the special method override notice served due to the current special method of calculating partial exemption on taxable supplies. The provision will be utilised once an agreed partial exemption rate has been settled with HM Revenue and Customs.

Yeovil VE Limited

Notes to the financial statements For the year ended 31 December 2006 (continued)

15 Called up share capital

	2006	2005
	£	£
Authorised, allotted, called up and fully paid		
50 'A' ordinary shares of £1 each	50	50
50 'B' ordinary shares of £1 each	50	50
	100	100

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.

16 Reserves

	Profit and loss account
	£'000
At 1 January 2006	129
Profit for the year	14
At 31 December 2006	143

Yeovil VE Limited

Notes to the financial statements

For the year ended 31 December 2006 (continued)

17 Reconciliation of movement in shareholders' funds

	2006	2005
	£'000	£'000
Profit for the financial year	71	88
Dividends	(57)	(101)
Net increase/(decrease) in shareholders' funds	14	(13)
Opening shareholders' funds	129	142
Closing shareholders' funds	143	129

18 Operating lease commitments

At 31 December 2006 the company had annual commitments under non-cancellable operating leases expiring as follows

	2006	2005
Land and buildings	£'000	£'000
After five years	56	56

Yeovil VE Limited

Notes to the financial statements

For the year ended 31 December 2006 (continued)

19 Related party transactions

During the accounting year ended 31 December 2006 Yeovil VE Limited entered into transactions with other members of the Vision Express (UK) Limited group, and Abbeyfield VE Limited who hold a 50% shareholding in the company. Abbeyfield VE Limited is a wholly owned subsidiary of Vision Express (UK) Limited.

	2006	2005 restated
	£'000	£'000
The value of the intercompany trading for the resale of stock items and the invoicing of service fees amounted to	225	249
At each respective year end the amounts listed below were owed by/(to) the company to/(by) the relevant related party, as disclosed:		
Vision Express (UK) Limited	6	14
Abbeyfield VE Limited	(76)	(49)
Vision Express (CLS) Limited	2	6
Vision Express Group Limited	3	2
Bournemouth VE Limited	-	2

In the period £nil (2005 £13,000) was paid to related companies (2005 Vision Express Group Limited) in respect of the purchase of fixed assets.

During the year Bournemouth VE Limited traded with Yeovil VE Limited. The intercompany trading related to stock items. At the end of 2006 Yeovil VE Ltd owed £nil (2005 £2,000) to Bournemouth VE Limited.