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Yeovil VE Limited

Annual report and financial statements
for the year ended 31 December 2007

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Yeovil VE Limited
Annual report and financial statements
for the year ended 31 December 2007

	Page
Company information	1
Directors' report for the year ended 31 December 2007	2
Independent auditors' report to the members of Yeovil VE Limited	4
Profit and loss account for the year ended 31 December 2007	5
Balance sheet as at 31 December 2007	6
Cash flow statement for the year ended 31 December 2007	7
Notes to the financial statements for the year ended 31 December 2007	8

Yeovil VE Limited
Company Information

Directors

David Smith
John Prideaux
Abbeyfield VE Limited
Linkmel VE Limited

Secretary

Abbeyfield VE Limited

Auditors

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

Solicitors

Freeth Cartwright
80 Mount Street
Nottingham
NG1 6HH

Registered office

Abbeyfield Road
Lenton Industrial Estate
Lenton
Nottingham
NG7 2SP

Registered number

03745276

Yeovil VE Limited
Directors' Report
for the year ended 31 December 2007

The directors present their annual report and the financial statements for the year ended 31 December 2007

Principal activities and future developments

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 16.

Directors

The following directors held office during the year:

David Smith
John Prideaux
Abbeyfield VE Limited
Linkmel VE Limited

Statement of disclosure of information to auditors

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

So far as each director is aware, there is no relevant information of which the company's auditors are unaware, and

Each director has taken all the steps he ought to have taken in his duty as a director in order to make himself aware of any relevant audit information and establish that the company's auditors are aware of that information.

Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office.

Yeovil VE Limited
Directors' Report
for the year ended 31 December 2007(continued)

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 these financial statements, the directors are required to

- select suitable accounting policies and then 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, in which case there should be supporting assumptions or qualifications as necessary.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

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.

This report was approved by order of the board

R Reed

On behalf of Abbeyfield VE Limited
Company Secretary

R Reed
25/4/08

**Independent auditors' report
to the members of Yeovil VE Limited**

We have audited the financial statements of Yeovil VE Limited for the year ended 31 December 2007 which comprise the Profit and Loss account, the Balance Sheet, the Cash Flow Statement 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 2007 and of its profit and cash flows 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

10 October 2008

Yeovil VE Limited
Profit and loss account
for the year ended 31 December 2007

	Note	2007 £'000	2006 £'000
Turnover	2	823	749
Cost of sales		(164)	(144)
Gross profit		659	605
Administrative expenses		(551)	(514)
Operating profit	4	108	91
Interest receivable and similar income	5	6	4
Interest payable and similar charges	6	(2)	-
Profit on ordinary activities before taxation		112	95
Tax on profit on ordinary activities	7	(37)	(24)
Profit on ordinary activities after taxation	14	75	71

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

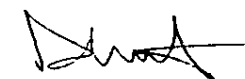
All results derive from continuing operations

There are no 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 2007

	Note	2007 £'000	2006 £'000
Fixed assets			
Tangible assets	8	<u>39</u>	<u>64</u>
		39	64
Current assets			
Stock - goods for resale		43	43
Debtors	9	<u>108</u>	<u>123</u>
		151	166
Creditors: amounts falling due within one year	10	<u>(82)</u>	<u>(74)</u>
Net current assets		69	92
Total assets less current liabilities		<u>108</u>	<u>156</u>
Provisions for liabilities and charges	12	(24)	(13)
Net assets		<u>84</u>	<u>143</u>
Capital and reserves			
Called up share capital	13	-	-
Profit and loss account	14	84	143
Total shareholders' funds	15	<u>84</u>	<u>143</u>

These financial statements were approved by the board of directors on 25/9/08 and were signed on its behalf by



David Smith
Director



Jon Prideaux
Director



Yeovil VE Limited
Cash flow statement
for the year ended 31 December 2007

		2007		2006	
	Note	£'000	£'000	£'000	£'000
Net cash inflow from operating activities	17		157		115
Return on investments and servicing of finance					
Interest received		6		4	
Interest paid		(2)		-	
Net cash inflow from returns on investments and servicing of finance			4		4
Taxation			(32)		(35)
Capital expenditure and financial investment					
Purchase of tangible fixed assets		-		(1)	
Net cash (outflow) for capital expenditure and financial investment			-		(1)
Dividend paid to shareholders			(134)		(57)
(Decrease)/increase in cash	18		(5)		26

As discussed in note 1, the parent company acts as the Company's bankers. The decrease in cash is represented within the movement in amounts owed by the parent company as disclosed in note 8.

Yeovil VE Limited
Notes to the financial statements
for the year ended 31 December 2007

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

The company has adopted the amendment to FRS 3 'Reporting Financial Performance' The effect of this is that dividends paid have been removed from the face of the profit and loss account and are shown as a movement in equity only

Cash at bank and in hand

Abbeyfield VE Limited, the immediate parent undertaking, has control over the company's banking arrangements and hence the company's cash balance has been included in amounts owed by parent company in notes 9 and 20

Basis of preparation

These financial statements have been prepared on the going concern basis, in accordance with the Companies Act 1985 and applicable accounting standards and under the historical cost accounting rules

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

Stock is valued at the lower of cost and net realisable value

Leasing and hire purchase 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

Deferred 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

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 contribution payable to the scheme in respect of the accounting period

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

Yeovil VE Limited
Notes to the financial statements
for the year ended 31 December 2007

2 Turnover

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

3 Employee and directors

	2007 £'000	2006 £'000
Wages and salaries	213	186
Social security costs	22	19
Pension costs	6	6
	<u>241</u>	<u>211</u>

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

	2007 Number	2006 Number
Management	1	1
Store retail	7	5
Opticians	1	1
	<u>9</u>	<u>7</u>

The aggregate emoluments of the directors of the company were

	2007 £'000	2006 £'000
Directors' emoluments	124	105
Company contributions to defined contribution pension schemes	6	6
	<u>130</u>	<u>111</u>

Number of directors to whom benefits accrued under defined contribution pension schemes

<u>2</u>	<u>2</u>
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4 Operating profit

This is stated after charging

	2007 £'000	2006 £'000
Auditors' remuneration - audit	1	1
Depreciation of owned fixed assets	25	25
Rentals under operating leases - land and buildings	56	56

5 Interest receivable and similar income

	2007 £'000	2006 £'000
Interest receivable from parent company	6	4
	<u>6</u>	<u>4</u>

Yeovil VE Limited
Notes to the financial statements
for the year ended 31 December 2007

6 Interest payable and similar charges	2007 £'000	2006 £'000
Interest payable on amounts owed to parent company	<u>2</u>	<u>-</u>
	<u>2</u>	<u>-</u>

7 Taxation	2007 £'000	2006 £'000
UK corporation tax at 30% (2006 30%)	35	30
Current tax	1	(5)
Adjustments to tax in respect of prior periods	<u>36</u>	<u>25</u>
Deferred tax (note 11)	1	(1)
Origination and reversal of timing differences	<u>37</u>	<u>24</u>
Tax on profit on ordinary activities		

Factors affecting the tax charge for the current year

The current tax charge for the year is higher (2006 lower) than the standard rate of corporation tax in the UK of 30% (2006 30%) The differences are explained below

Current tax reconciliation	2007 £'000	2006 £'000
Profit on ordinary activities before tax	<u>112</u>	<u>95</u>
Current tax at 30% (2006 30%)	<u>34</u>	<u>28</u>
Effects of		
Expenses not allowable for tax purposes	2	1
Accelerated capital allowances	(1)	1
Adjustments to tax in respect of prior periods	<u>1</u>	<u>(5)</u>
Total current tax	<u>36</u>	<u>25</u>

Factors affecting future tax charges

With effect from 1 April 2008, the rate at which corporation tax is charged decreased from 30% to 28% The effect of this will be quantified in the 2008 financial statements

Yeovil VE Limited
Notes to the financial statements
for the year ended 31 December 2007

8 Tangible fixed assets

	Leasehold Improvements £'000	Fixtures and equipment £'000	Total £'000
Cost			
At 1 January 2007	124	166	290
At 31 December 2007	124	166	290
Depreciation			
At 1 January 2007	85	141	226
Charge for the year	13	12	25
At 31 December 2007	98	153	251
Net book value			
At 31 December 2007	26	13	39
At 31 December 2006	39	25	64

9 Debtors

	2007 £'000	2006 £'000
Trade debtors	7	15
Amounts owed by parent company	76	81
Other debtors	3	4
Prepayments and accrued income	18	18
Deferred tax (note 11)	4	5
	108	123

10 Creditors amounts falling due within one year

	2007 £'000	2006 £'000
Trade creditors	19	18
Amounts owed to parent company	7	5
Corporation tax	16	12
Other creditors including taxation and social security	8	9
Accruals and deferred income	32	30
	82	74

Yeovil VE Limited
Notes to the financial statements
for the year ended 31 December 2007

11 Deferred tax (asset)

	2007 £'000	2006 £'000
At 1 January	(5)	(4)
Charged/(credited) to profit and loss account	1	(1)
At 31 December	<u>(4)</u>	<u>(5)</u>
Tax effect of timing differences because of		
Differences between accumulated depreciation and capital allowances	<u>(4)</u>	<u>(5)</u>
The deferred tax asset has been recognised within debtors (note 9)		

12 Provisions for liabilities and charges

Disallowed VAT provision

	£'000
As at 1 January 2007	13
Charged to profit and loss account	11
As at 31 December 2007	<u>24</u>

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.

13 Called up share capital

	2007 £	2006 £
Authorised, allotted, called up and fully paid		
50 'A' Ordinary shares of £1 each	50	50
50 'B' Ordinary shares of £1 each	<u>50</u>	<u>50</u>
	<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.

14 Reserves

Profit and loss account
£'000

As at 1 January 2007	143
Transferred to reserves	75
Dividends	(134)
As at 31 December 2007	<u>84</u>

Yeovil VE Limited
Notes to the financial statements
for the year ended 31 December 2007

15 Reconciliation of movement in shareholders' funds	2007	2006
	£'000	£'000
Profit for the financial year	75	71
Dividends	(134)	(57)
Net (decrease)/ increase in shareholders' funds	(59)	14
Opening shareholders' funds	143	129
Closing shareholders' funds	84	143

16 Dividends	2007	2006
	£'000	£'000
Dividends paid on 'A' ordinary shares - £2,680 per share (2006 £1,140)	134	57
	134	57

17 Cash flow from operating activities		
Reconciliation of operating profit to net cash inflow from operating activities		
Continuing Operations	2007	2006
	£'000	£'000
Operating profit	108	91
Depreciation charge	25	25
Decrease in stocks	-	2
Decrease /(increase) in debtors	9	(1)
Increase/(decrease) in creditors	4	(15)
Increase in provisions	11	13
Net cash inflow from continuing operations	157	115

18 Reconciliation of movement in net cash	As at 1 Jan	Non cash flow	Cash flow	As at 31 Dec
	2007			2007
	£'000	£'000	£'000	£'000
Amounts owed by parent company	81	-	(5)	76
	81	-	(5)	76

19 Other financial commitments	2007	2006
	£'000	£'000
At the year end the company had annual commitments under non-cancellable operating leases expiring as set out below		
Land and Buildings	56	56
in over five years	56	56

Yeovil VE Limited
Notes to the financial statements
for the year ended 31 December 2007

20 Related parties

During the year ended 31 December 2007 Yeovil VE Limited entered into transactions with other members of the Vision Express (UK) Limited group, and Abbeyfield VE Limited, the immediate parent company. Abbeyfield VE Limited is a wholly owned subsidiary of Vision Express (UK) Limited.

	2007 £'000	2006 £'000
The value of the intercompany trading for the resale of stock items and the invoicing of service fees amounted to	264	225

At each respective year end the amounts listed below were owed from/(to) the company to/(from) the relevant related party, as disclosed

Vision Express (UK) Limited	8	6
Abbeyfield VE Limited	(69)	(76)
Vision Express (CLS) Limited	2	2
Vision Express Group Limited	4	3

21 Parent and ultimate parent company

The company is a subsidiary of Abbeyfield VE Limited a company registered in the UK. The ultimate controlling party and ultimate parent company is HAL trust, a trust under Bermuda Law. Hal Trust's financial statements are available to the public from Millennium Tower, Weena 696, 3012, CN Rotterdam, The Netherlands.