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House

Matland Limited
ABBREVIATED FINANCIAL STATEMENTS
for the period ended
29 March 2003



INDEPENDENT AUDITORS' REPORT TO MATLAND LIMITED PURSUANT TO
SECTION
247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 4 to 6, together with the financial statements of the company for the period from 1 May 02 to 29 March 2003 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of the directors and the auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and report our opinion to you.

Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act, and the abbreviated accounts on pages 4 to 6 are properly prepared in accordance with those provisions.

Other information

On 23 January 2004 we reported, as auditors of the company, to the shareholders on the financial statements prepared under Section 226 of the Companies Act 1985 for the period from 1 May 02 to 29 March 2003, and the full text of our audit report is reproduced on pages 2 to 3 of these financial statements.

BAKER TILLY

Registered Auditor
Breckenridge House
274 Sauchiehall Street
Glasgow
G2 3EH

23 JANUARY 2004

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MATLAND LIMITED

We have audited the financial statements on pages 6 to 11.

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' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards 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 United Kingdom Auditing Standards.

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 if, in our opinion, the Directors' Report is not consistent with the financial statements, 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.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board, except that the scope of our work was limited as explained below.

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 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 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.

However, the evidence available to us was limited as we were only appointed as auditors on 21 November 2003, and during the course of our audit it came to light that the accounting systems used to record purchases, creditors and stock were not acceptable and consistent for the period from 1 May 2002 to 10 October 2002. Further, there was no system of control for this period on which we could rely for the purpose of our audit. There were no other satisfactory audit procedures that we could adopt to confirm purchases, creditors and stock were properly recorded for the period 1 May 2002 to 10 October 2002.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MATLAND
LIMITED (continued)

Qualified opinion arising from limitation in audit scope

Except for any adjustments that might have been found to be necessary had we been able to obtain sufficient evidence concerning purchases, creditors and stock for the period 1 May 2002 to 10 October 2002, in our opinion the financial statements give a true and fair view of the state of the company's affairs as at 29 March 2003 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

In respect alone of the limitation on our work relating to purchases, creditors and stock:

- We have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- We were unable to determine whether proper accounting records had been maintained.

BAKER TILLY

Registered Auditor
Breckenridge House
274 Sauchiehall Street
Glasgow
G2 3EH

23 January 2004

Matland Limited

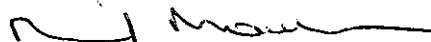
BALANCE SHEET

29 March 2003

	Notes	29 Mar 03 £	30 Apr 02 £
FIXED ASSETS	1		
Tangible assets		<u>156,803</u>	<u>170,851</u>
CURRENT ASSETS			
Stocks		11,215	21,300
Debtors		<u>28,491</u>	-
		39,706	21,300
CREDITORS amounts falling due within one year		<u>161,950</u>	<u>3,000</u>
NET CURRENT (LIABILITIES)/ASSETS		(122,244)	18,300
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>34,559</u>	<u>189,151</u>
CAPITAL AND RESERVES			
Called-up equity share capital	2	1,000	1,000
Profit and loss account		<u>33,559</u>	<u>188,151</u>
SHAREHOLDERS' FUNDS		<u>34,559</u>	<u>189,151</u>

These accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These financial statements were approved by the directors on the 22 January 2004 and are signed on their behalf by:



D Mouldsdale
Director

Matland Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention.

CASH FLOW STATEMENT

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is small.

TURNOVER

The turnover shown in the accounts represents amounts invoiced during the period.

DEPRECIATION

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Equipment - 10% straight line

STOCKS

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

GOING CONCERN

These financial statements have been prepared on a going concern basis, which is reliant on the continuing support of DCM Optical Clinic Plc.

Matland Limited

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS for the period from 1 May 2002 to 29 March 2003

1 FIXED ASSETS

	Tangible Assets £
Cost	
At 1 May 2002	192,581
Additions	<u>3,898</u>
At 29 March 2003	<u>196,479</u>
Depreciation	
At 1 May 2002	21,730
Charge for period	<u>17,946</u>
At 29 March 2003	<u>39,676</u>
Net book value	
At 29 March 2003	<u>156,803</u>
At 30 April 2002	<u>170,851</u>

2 SHARE CAPITAL

	29 Mar 03 £	30 Apr 02 £
Authorised:		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
	29 Mar 03 £	30 Apr 02 £
Allotted, called up and fully paid:		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

3 GUARANTEES AND OTHER FINANCIAL COMMITMENTS

HSBC Bank plc lodged a debenture and floating charge over the company's assets on 31 January 2002. This was satisfied on 6 March 2003. The Bank of Scotland plc lodged a debenture and floating charge over the company's assets on 22 October 2002.

4 PARENT COMPANY

The company's ultimate parent undertaking during the period to 10 October 2002 was The Health Clinic Plc. The company is now owned by Cruach Capital Limited, a company controlled by David Mouldsdales.