

Company Registration No. 1310079

Oakley (UK) Limited

Report and Financial Statements

31 December 2009



Oakley (UK) Limited

Report and financial statements 2009

Contents	Page
Officers and professional advisers	1
Directors' report	2
Statement of directors' responsibilities	4
Independent auditors' report	5
Profit and loss account	6
Balance sheet	7
Notes to the accounts	8

Oakley (UK) Limited

Report and financial statements 2009

Officers and professional advisers

DIRECTORS

D Gordon
G Lee (resigned 29/05/2009)
P Ansell
J Tennyson
J Pollard
R Shields

Secretary

P Ansell

Registered Office

Icon House
Icknield Way
Letchworth
Herts
SG6 1GD

Bankers

National Westminster

Solicitors

Foreman Laws

Auditors

Deloitte LLP
Chartered Accountants & Statutory Auditors
St Albans, United Kingdom

Oakley (UK) Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2009

Principal Activities

Oakley (UK) Ltd is a wholly owned subsidiary of Oakley Inc, a company incorporated in the United States of America. Oakley Inc merged with Luxottica Group S p A on 14 November 2007

The company's principal activity is the marketing and distribution of Oakley branded products in the UK and Ireland. There have not been any significant changes in the company's principal activities during the year. The directors, at the date of this report, are not aware of any significant changes in the company's activities in the next year.

Business Review

As shown in the Profit and Loss account on page 6, sales for the year ended 31 December 2009 were £29,357,003 compared with £26,296,124 for the prior year, an 11.2% increase year on year.

Gross margin for the year was 38.14% compared to 41.46% in the prior year. Loss before taxation was £2,771,031, compared with a profit of £130,978 in the prior year. The loss is the result of restructuring the business and some activities moving to other Oakley centres in Switzerland and Ireland.

The Balance Sheet on page 7 of the financial statements shows a decrease of £1,357,154 in stock levels, a decrease in cash on hand of £218,259 and a decrease in creditors falling due in one year of £217,092. With an increase in fixed assets of £160,463 and a decrease in debtors of £180,077 there is an overall decrease in shareholder's funds of £2,048,893.

Details of the number of employees and related costs can be found in note 3 on page 10 of the financial statements.

Principal risks and uncertainties

The current economic uncertainty has increased the competitive pressures in the UK retail market and the continuing uncertainty in financial markets provides challenges for 2010. The directors are fully aware of the sensitivities of the retail market and consider they have taken and will continue to take steps to address them.

Cash flow risk

The company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates. Oakley UK Ltd does not currently engage in hedging activities in compliance with group policy.

Credit risk

Oakley UK's principal financial assets are bank balances and debtors. The amounts presented in the balance sheet are net of allowances for doubtful debtors. The company has no significant concentration of credit risk.

Liquidity risk

Working capital requirements are funded principally from retained profits. The company holds no external loans.

Further consideration of the uncertainty presented by the current economic conditions is explained in note 1 of the financial statements.

Going concern

The current economic conditions create uncertainty particularly over (a) the level of demand for Oakley products, and (b) the exchange rate between sterling and the US dollar and thus the consequence of the cost of purchases.

Oakley is restructuring its European activities, as a result some business operations will be moved to facilities in Switzerland and Ireland. This will have the effect of reducing the cost base going forward.

Oakley Inc, the parent company, has issued a letter of financial support to ensure that Oakley UK will be able to meet its liabilities as they fall due. As such the directors have assurance that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they adopt the going concern basis in preparing the annual report and accounts.

Oakley (UK) Limited

Directors' report

Environment

The company recognises the importance of its environmental responsibilities, monitors its impact on the environment and implements policies to reduce any damage that it might cause

Review of developments and future prospects

The company intends to continue its present management policies for the foreseeable future

Results and Dividends

The results for the year are set out on page 6

The directors do not recommend payment of a final dividend (2008 £nil) No interim dividend was paid in 2009 (2008 £nil)

Directors

The present membership of the board, and all the directors who served during the year, are set out on page 1

Charitable contributions

During the year the company made charitable donations to local and national charities of £584 (2008 £1,073)

Statement of disclosure to auditor

Each of the persons who are directors at the time when the directors' report is approved, confirm that

- (a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and
- (b) the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006

Auditors

Deloitte LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting

Approved by the Board of Directors
and signed on behalf of the Board



P Ansell

Director

23rd February 2010

Oakley (UK) Limited

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 financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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

Oakley (UK) Limited

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OAKLEY (UK) LIMITED

We have audited the financial statements of Oakley (UK) Limited for the year ended 31 December 2009 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 21. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

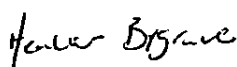
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



Heather Bygrave (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
St Albans, UK

23 FEBRUARY 2010

Oakley (UK) Limited

Profit and Loss account Year ended 31 December 2009

	Note	2009 £	2008 £
Turnover: continuing operations	2	29,357,003	26,296,124
Cost of sales		(18,160,986)	(15,393,152)
Gross profit		11,196,017	10,902,972
Administrative expenses		(12,323,342)	(10,053,910)
Other operating expenses (net)		(75,840)	(777,262)
Operating (loss)/profit: continuing operations	5	(1,203,165)	71,800
Costs of a fundamental restructuring of continuing operations	6	(1,573,595)	-
(Loss)/Profit on ordinary activities before finance charges		(2,776,760)	71,800
Interest receivable and similar income	7	5,729	59,178
(Loss)/Profit on ordinary activities before taxation		(2,771,031)	130,978
Tax on profit on ordinary activities	8	722,138	(37,345)
(Loss)/Profit on ordinary activities after taxation for the financial year	16	(2,048,893)	93,633

There are no recognised gains and losses other than those passing through the profit and loss account accordingly no statement of total recognised gains and losses has been presented

Oakley (UK) Limited

Balance sheet 31 December 2009

	Note	2009 £	2008 £
Fixed assets			
Tangible assets	9	3,364,603	3,204,140
Current assets			
Stocks	10	1,665,520	3,022,674
Debtors	11	4,119,968	4,300,045
Cash at bank and in hand		1,154,035	1,372,294
		<u>6,939,523</u>	<u>8,695,013</u>
Creditors: amounts falling due within one year	12	<u>(5,817,687)</u>	<u>(6,034,779)</u>
Net current assets		<u>1,121,836</u>	<u>2,660,234</u>
Total assets less current liabilities		<u>4,486,439</u>	<u>5,864,374</u>
Creditors: amounts falling due after one year	13	(263,542)	(307,583)
Provisions for liabilities & charges	14	<u>(1,176,666)</u>	<u>(461,667)</u>
Net assets		<u>3,046,231</u>	<u>5,095,124</u>
Capital and reserves			
Called up share capital	15	1,000	1,000
Profit and loss account	16	<u>3,045,231</u>	<u>5,094,124</u>
Shareholders' funds	17	<u>3,046,231</u>	<u>5,095,124</u>

These financial statements of Oakley (UK) Ltd, registered number 1310079 were approved by the Board of Directors on 23 February 2010

Signed on behalf of the Board of Directors



P Ansell

Director

Oakley (UK) Limited

Notes to the accounts

Year ended 31 December 2009

1. Accounting policies

The financial statements are prepared in accordance with the Companies Act 2006 in addition to applicable United Kingdom accounting standards. The particular accounting policies adopted are described below.

Going concern

The current economic conditions create uncertainty particularly over (a) the level of demand for Oakley products, and (b) the exchange rate between sterling and the US dollar and thus the consequence of the cost of purchases.

Oakley is restructuring its European activities, as a result some business operations will be moved to facilities in Switzerland and Ireland. This will have the effect of reducing the cost base going forward.

Oakley Inc, the parent company, has issued a letter of financial support to ensure that Oakley UK will be able to meet its liabilities as they fall due. As such the directors have assurance that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they adopt the going concern basis in preparing the annual report and accounts.

Accounting convention

The financial statements are prepared under the historical cost convention.

Turnover represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts, VAT and other sales-related taxes.

The company has taken advantage of the exemption in Financial Reporting Standard No. 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking whose cash flows are disclosed in its parent company's group accounts.

Tangible fixed assets

Depreciation is provided on cost in equal annual instalments over the estimated useful lives of the assets. The rates of depreciation are as follows:

Leasehold improvements	Over the term of the lease (if the assets are integral to the premises) otherwise over 5 years
Display stands	Over 4 years
Motor vehicles	Over 5 years (company cars over 4 years)
Fixtures & fittings	Over 7 years (included in fixtures and fittings is computer equipment which is being depreciated over 4 years, excluding laptops which are depreciated over 3 years)

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is determined on an average cost basis and includes transport, freight and duty costs. Net realisable value is based on estimated selling price less all further costs to completion including relevant marketing, selling and distribution costs.

Leases

Rentals under operating leases are charged on a straight line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

Oakley (UK) Limited

Notes to the accounts

Year ended 31 December 2009

Pension costs

The company operates a defined contribution scheme and the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

2. Turnover

All turnover is derived from the principal activity of the company.

	2009 £	2008 £
Geographical market (destination)		
United Kingdom	27,554,209	23,733,388
Rest of EU	1,721,359	2,496,976
Outside of EU	81,435	65,760
	<u>29,357,003</u>	<u>26,296,124</u>

Oakley (UK) Limited

Notes to the accounts Year ended 31 December 2009

3. Information regarding directors and employees

	2009 £	2008 £
Directors' remuneration		
Emoluments for qualifying services	626,329	677,662
Company Pension contributions to money purchase scheme	67,001	64,013
	<u>693,330</u>	<u>741,675</u>
 Remuneration disclosed above include the following amounts payable to the highest paid director		
Emoluments for qualifying services	220,785	177,884
Company pension contributions to money purchase schemes	23,859	15,948
	<u>244,644</u>	<u>193,832</u>
 Average number of persons employed	No.	No.
Directors	5	6
Sales	121	102
Administration	28	38
	<u>154</u>	<u>146</u>
	2009 £	2008 £
Staff costs during the year		
Wages and salaries	3,735,821	3,838,977
Social security costs	475,974	460,707
Other Pension costs	134,364	136,362
	<u>4,346,159</u>	<u>4,436,046</u>

Oakley (UK) Limited

Notes to the accounts Year ended 31 December 2009

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 4 (2008 4)

4. Transactions with directors

	Purchases during 2009 £	Purchases during 2008 £	Balance at 31 December 2009 £	Balance at 31 December 2008 £
P Ansell	428	509	-	-
J Tennyson	543	406	-	-
J Pollard	3,267	2,676	-	-
G Lee	105	444	-	75

This represents purchases of Oakley products during the year which is offered to all employees

5. Operating profit

	2009 £	2008 £
Operating profit is after charging / (crediting):		
Depreciation and amortisation	706,891	570,363
Loss on foreign exchange transactions	114,925	616,933
Operating lease rentals – other	2,049,183	1,152,817
Operating lease rentals – plant and machinery	692,806	388,843
Fees payable to the company's auditors for the audit of the company's annual accounts	19,250	16,250
(Profit)/Loss on disposal of tangible assets	15,216	(51,641)

6. Exceptional items reported after operating profit

	2009 £	2008 £
Redundancy and out placement costs	1,323,578	-
Onerous lease	145,017	-
Dilapidations	105,000	-
	1,573,595	-

The costs of a fundamental restructuring of continuing operations arose in respect of certain European business activities being moved to facilities in Switzerland and Ireland, which has had a material effect on the nature and focus of the company's operations

7. Interest receivable and other income

	2009 £	2008 £
Bank interest	2,787	55,698
Other interest	2,942	3,480
	5,729	59,178

Oakley (UK) Limited

Notes to the accounts Year ended 31 December 2009

8. Tax on profit on ordinary activities

Current tax charge	2009	2008
	£	£
United Kingdom corporation tax at 28% (2008- 28.5%) based on the profit for the year	(15,000)	-
Adjustments in respect of prior periods	1,891	(15,389)
Total current tax charge/(credit)	(13,109)	(15,389)
Deferred taxation		
Origination and reversal of timing differences	(708,928)	63,682
Adjustments in respect of prior periods	-	(10,948)
Total deferred tax charge/(credit)	(709,029)	52,734
Tax on profit on ordinary activities	(722,138)	37,345
Factors affecting the tax charge for the year		
(Loss)/Profit on ordinary activities before taxation	(2,771,031)	130,978
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28% (2008 – 28.5%)	(775,889)	37,329
Effects of		
Expenses not deductible for tax purposes	18,552	4,840
Income not taxable for corporation tax purposes	-	(28,780)
Non qualifying depreciation	32,081	37,387
Capital allowances in excess of depreciation	22,921	(65,053)
Other short term timing differences	26,615	233
Losses carried forward	661,720	-
Rate difference in respect of losses carried back	(1,000)	14,044
Adjustments to tax charge in respect of previous periods	1,891	(15,389)
Other tax adjustments	-	-
	(13,109)	(15,389)
Current tax charge	-	-

Oakley (UK) Limited

Notes to the accounts Year ended 31 December 2009

9. Tangible fixed assets

	Assets under construction £	Leasehold improve- ments £	Display stands £	Fixtures & fittings £	Motor vehicles £	Total £
Cost						
At 1 January 2009	44,306	3,278,991	1,230,862	985,863	64,056	5,604,078
Additions	50,738	420,933	372,492	61,635	-	905,798
Transfers	(44,306)	44,306	-	-	-	-
Disposals	-	-	(400,375)	(53,497)	(49,221)	(503,093)
At 31 December 2009	50,738	3,744,230	1,202,979	994,001	14,835	6,006,783
Accumulated depreciation						
At 1 January 2009	-	1,077,980	570,429	724,535	26,995	2,399,939
Charge for the year	-	292,887	298,240	102,826	12,938	706,891
Eliminated on disposal	-	-	(379,565)	(53,497)	(31,588)	(464,650)
At 31 December 2009	-	1,370,867	489,104	773,864	8,345	2,642,180
Net book value						
At 31 December 2009	50,738	2,373,363	713,875	220,137	6,490	3,364,603
At 31 December 2008	44,306	2,201,012	660,433	261,328	37,061	3,204,140

10. Stocks

	2009 £	2008 £
Finished goods and goods for resale	1,665,520	3,022,674

11. Debtors

	2009 £	2008 £
Trade debtors	2,368,229	2,966,118
Amounts owed by parent company	613,643	606,229
Current corporation tax	15,000	153,838
Other debtors	4,900	7,100
Prepayments and accrued income	454,875	566,760
Deferred tax asset – see note 13	663,321	-
	4,119,968	4,300,045

Oakley (UK) Limited

Notes to the accounts Year ended 31 December 2009

12. Creditors: amounts falling due within one year

	2009 £	2008 £
Bank overdraft	-	223,366
Trade creditors	407,118	953,380
Amounts owed to group undertakings		
Subsidiaries	4,306,361	3,808,728
Other taxes and social security	411,433	354,333
Accruals and deferred income	692,775	694,972
	<u>5,817,687</u>	<u>6,034,779</u>

13. Creditors: amounts falling due after one year

	2009 £	2008 £
Deferred income	263,542	307,583
	<u>263,542</u>	<u>307,583</u>

14. Provisions for liabilities

	Deferred taxation £	Product warranties £	Other £	Total £
At 1 January 2009	45,607	361,523	54,537	461,667
Charged to profit and loss	-	-	844,990	844,990
Released in the year	(45,607)	(84,384)	-	(129,991)
	<u>-</u>	<u>277,139</u>	<u>899,527</u>	<u>1,176,666</u>
At 31 December 2009	-	277,139	899,527	1,176,666

Product warranties

£277,139 is a provision for the authorised return of product from customer. This is a rolling provision that is reviewed and recalculated on a monthly basis.

Other

£899,527 is a redundancy and lease commitment provision for the restructure of the business due to be completed on 31 March 2010.

Oakley (UK) Limited

Notes to the accounts Year ended 31 December 2009

14. Provisions for liabilities (continued) Deferred tax

	2009 £	2008 £
Brought forward	45,607	(7,127)
Accelerated capital allowances	-	63,911
Tax losses available	663,321	-
Other timing differences	-	(229)
Prior year changes	(45,607)	(10,948)
Carried forward	<u>663,321</u>	<u>45,607</u>

The deferred tax asset which has been recognised, £663,321, is primarily in respect of trading losses generated in the current year which are available to carry forward and offset against future profits arising from the same trade. The company has a history of generating taxable profits and the losses arising in the current year are predominantly as a result of non-recurring restructuring expenses. Once the current restructuring exercise has been completed the management team expect the business to return to profitability and it is anticipated that sufficient taxable profits will be generated in future periods against which these losses will be utilised.

15. Called up share capital

	2009 £	2008 £
Authorised:		
10,000 ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
Called up, allotted and fully paid		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

16. Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 January 2009	5,094,124
Loss for the year	<u>(2,048,893)</u>
Balance at 31 December 2009	<u>3,045,231</u>

17. Reconciliation of movements in shareholders' funds

	2009 £	2008 £
Profit/(Loss) for the financial year	(2,048,893)	93,633
Opening shareholders' funds	<u>5,095,124</u>	<u>5,001,491</u>
Closing shareholders' funds	<u>3,046,231</u>	<u>5,095,124</u>

Oakley (UK) Limited

Notes to the accounts Year ended 31 December 2009

18. Financial commitments

At 31 December 2009 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2010

	Land and buildings 2009 £	Land and buildings 2008 £	Other 2009 £	Other 2008 £
Operating Leases which expire				
- within one year	125,000	-	-	-
- between two to five years	289,183	365,115	692,806	388,843
- after five years	1,635,000	1,360,000	-	-
	<u>2,049,183</u>	<u>1,725,115</u>	<u>692,806</u>	<u>388,843</u>

19. Capital commitments

At 31 December 2009 the company had no capital commitments (2008 £nil)

20. Parent company

The immediate parent undertaking is Oakley Inc a company incorporated in the USA Following Oakley Inc's merger with Luxottica S p A on 14 November 2007 the ultimate parent undertaking and controlling party is Luxottica S p A of Milan, Italy Luxottica S p A is the parent undertaking of the largest group of undertakings for which group financial statements are drawn up and of which the reporting company is a member Consolidated accounts can be obtained from Luxottica Group S p A of Via C Cantù, 2, 20123 Milan Italy Oakley Inc is the parent undertaking of the smallest group of undertakings for which group financial statements are drawn up and of which the reporting company is a member

21. Related party transactions

Transactions with directors of the company are disclosed in note 4

During the year the group sold goods in the ordinary course of business to two Luxottica owned companies, Sunglass Hut UK Ltd for £55,031 (2008 £11,887) and to Optika Holding Ltd for £288,083 (2008 £468,297) The balance due from Sunglass Hut UK Ltd at 31 December 2009 was £9,335 (2008 £692) The balance due from Optika Holdings Ltd at 31 December 2009 was £nil (2008 £37,146) These amounts are included within amounts owed by group undertakings in note 11