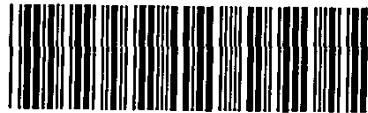


Abbeyfield V.E. Limited

Directors report and financial statements
for the year ended 31 December 2011

Registered number 03104285

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Abbeyfield V.E. Limited

Directors' report and financial statements for the year ended 31 December 2011

Contents

	Page
Directors and advisers	1
Directors' report for the year ended 31 December 2011	2
Independent auditors' report to the members of Abbeyfield V E Limited	7
Profit and loss account for the year ended 31 December 2011	9
Balance sheet as at 31 December 2011	10
Notes to the financial statements for the year ended 31 December 2011	11

Abbeyfield V.E. Limited

Directors and advisers

Directors

DH Evans
J Lawson
TA Kiesselbach
B MacKenzie
M Flint
CA Pugh

Company secretary

CL Hesketh

Registered office

Abbeyfield Road
Lenton Industrial Estate
Lenton
Nottingham
NG7 2SP

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Donington Court
Pegasus Business Park
Castle Donington
East Midlands
DE74 2UZ

Bankers

HSBC Bank plc
12 Victoria Street
Nottingham
NG1 2FF

Solicitors

Harvey Ingram LLP
20 New Walk
Leicester
LE1 6TX

Geldards LLP
The Arc
Enterprise Way
Nottingham
NG2 1BN

Abbeyfield V.E. Limited

Directors' report for the year ended 31 December 2011

The directors present their annual report and the audited financial statements of the company for the year ended 31 December 2011

Business review and principle activities

The company's principal activity during the year continued to be the management of an optical retail group. No change is planned to these activities.

The company's main income streams continue to be from charging management fees to Joint Venture Vision Express stores. During the year, total income fell, in line with a reduction in the overall number of Joint Venture stores, detailed below.

The results of the company show a profit on ordinary activities before taxation of £3,964,000 (2010 £2,678,000), after charging exceptional costs of £nil (2010 £1,900,000). The company has net assets of £3,892,000 (2010 £3,142,000).

During 2011, 2 franchise stores transferred to Joint Venture stores, 1 new store opened, 2 stores were closed and 3 stores transferred to Abbeyfield's parent company to become company owned stores, with a slight reduction in the cost base to support the remaining stores.

Future developments in the business

The directors are currently reviewing a number of stores, with a view to transfer to the Vision Express (UK) Ltd estate. In particular, these initially include loss making stores and stores without partners. The effect of these transfers would be to substantially reduce the level of fees receivable into Abbeyfield V E Ltd, with an associated reduction in cost.

Key performance indicators (KPIs)

Total number of trading stores, Joint Venture and Franchise, end of December 2011 was 130, compared to 134 at prior year end.

With this statistic, plus comments above, given the straightforward nature of the business, the company's directors are of the opinion that analysis using more KPIs is not necessary for an understanding of the development, performance or position of the business.

Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks.

Risks are reviewed by the Board, and appropriate processes put into place to monitor and mitigate them. If more than one event occurs, it is possible that the overall effect of such events would compound the possible adverse effects on the company.

The key business risks affecting the company are set out below.

National and global economic trading conditions

The overall performance of the stores from which the company derives fees, is dependent, to some degree, upon the overall national economy, although balanced by the fundamental need of customers.

Abbeyfield V.E. Limited

Directors' report for the year ended 31 December 2011 (continued)

Principal risks and uncertainties (continued)

for optical care and services. The risk of continuous difficult economic trading conditions is partly mitigated by continued management focus and tactical change to deliver services and product in line with the customer changing needs, driving competitive advantage.

Amount owed by Joint Venture Stores

The company continues to loan funds to Joint Venture companies, in which it has an investment, as disclosed in note 13 to the accounts.

Whilst the company actively manages the risks associated in loans to these businesses, the ultimate recovery of these debts remains reliant on the performance of the individual Joint Venture companies.

Business interruption

The company has a risk associated with potential interruption to business either at its national support office or in its associated stores. This risk is mitigated through an effective disaster recovery plan, supplemented by appropriate insurance coverage.

Regulatory changes

During the year the company settled its long standing VAT dispute with Her Majesty's Revenue and Customs (HMRC). The overall performance of the company is however dependent upon any future regulatory changes which may be imposed by either HMRC or other Government or Regulatory bodies.

Results and dividends

The company's operating profit (before exceptional items) for the year amounted to £3,904,000 (2010 £4,090,000).

During the year, exceptional items of £nil were charged (2010 £1,900,000), relating to trading support into certain Joint Venture stores (note 3).

The profit for the financial year after taxation amounted to £2,950,000 (2010 £769,000).

During the year the company paid an interim dividend of £2,200,000 (2010 £2,000,000) see note 9.

Financial risk management

The company's operations expose it to a variety of financial risks that include the effects of credit risk, liquidity risk, and interest rate risk. The directors actively manage these risks by monitoring levels of risk and related costs. No derivatives are used to protect against foreign exchange movements, as the company has limited foreign exchange risk.

The company has implemented policies to ensure that appropriate credit checks are carried out on potential customers before credit sales are made.

The company has both interest bearing assets and interest bearing liabilities. Interest bearing assets

Abbeyfield V.E. Limited

Directors' report for the year ended 31 December 2011 (continued)

Financial risk management (continued)

include amounts held within intra-group pooling arrangements and cash balances, all of which earn interest at floating interest rates. When necessary, the company utilises overdraft facilities designed to ensure the company has sufficient available funds for its operations and its required level of working capital. Floating rate interest rates also apply to this. The directors will revisit the appropriateness of this policy should the company's operations change in size or nature.

Donations

The company did not make any donations to charity in the year (2010 £nil)

Directors

The directors who held office during the year and up to the date of signing the financial statements were

DH Evans	
J Lawson	(appointed 23 June 2011)
C A Pugh	(appointed 14 April 2011)
K Tomlinson	(appointed 8 November 2011 and resigned 6 December 2011)
T Moyles	(resigned 23 June 2011)
TA Kiesselbach	
W MacKenzie	(resigned 8 September 2011)
AP Fewkes	(resigned 31 March 2011)
M Flint	(appointed 15 December 2011)

Employees

Our policy is to fulfil our obligations under current employment legislation. Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that all employees be given equal opportunities in respect of training, career development and promotion.

It is also our policy to carry on business so as to avoid causing any unnecessary or unacceptable safety risks to any of our employees.

The company places considerable value on the involvement of its employees and has continued its practice of keeping them informed on matters affecting them as employees and on the various factors affecting the performance of the company. There are a variety of mechanisms implemented to achieve this, including manager briefings, newsletter publications and attendance at annual conferences. Wherever possible, the company also actively consults employees, or their representatives, on a regular basis so that the views of employees can be taken into account in making decisions that are likely to affect their interest.

It is company policy that there shall be no discrimination in respect of age, sex, colour, religion, race, nationality or ethnic origin and that equal opportunity shall be given to all employees.

Abbeyfield V.E. Limited

Directors' report for the year ended 31 December 2011 (continued)

Statement of directors' responsibilities

The directors are responsible for preparing the directors' 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 prepared 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 judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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.

Statement of disclosure of information to auditors

In the case of each director in office at the date the directors' report is approved, the following applies:

- (a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- (b) he 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.

Abbeyfield V.E. Limited

Directors' report for the year ended 31 December 2011 (continued)

Independent 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

This report has been prepared in accordance with the special provisions relating to medium-sized companies within part 15 of the Companies Act 2006

By order of the Board



CL Hesketh
Company secretary
16 April 2012

Abbeyfield V.E. Limited

Independent auditors' report to the members of Abbeyfield V.E. Limited

We have audited the financial statements of Abbeyfield V E Limited for the year ended 31 December 2011 which comprise the Profit and Loss account, the Balance Sheet and the related notes. 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)

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 5, 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 and express an opinion on 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 Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

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.

In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2011 and of its profit 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.


Abbeyfield V.E. Limited

Independent auditors' report to the members of Abbeyfield V.E. Limited (continued)

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



Neil Stephenson (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
East Midlands

16 April 2012

Abbeyfield V.E. Limited

Profit and loss account for the year ended 31 December 2011

Registered number 03104285

	Note	2011 £'000	2010 £'000
Turnover	2	11,174	11,955
Administrative expenses		(7,270)	(7,865)
Exceptional administrative expenses	3	-	(1,900)
Total administrative expenses		(7,270)	(9,765)
Operating profit	7	3,904	2,190
Income from shares in group undertakings		7	-
Profit on ordinary activities before interest and taxation		3,911	2,190
Interest receivable and similar income	5	281	550
Interest payable and similar charges	6	(228)	(62)
Profit on ordinary activities before taxation		3,964	2,678
Tax on profit on ordinary activities	8	(1,014)	(1,909)
Profit for the financial year	18	2,950	769

There were no recognised gains or losses in either the current or preceding financial year other than those disclosed in the profit and loss account, and therefore no separate statement of total recognised gains and losses has been presented

All results derive from continuing operations

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

Abbeyfield V.E. Limited

Balance sheet as at 31 December 2011

Registered number 03104285

	Note	2011 £'000	2010 £'000
Fixed assets			
Tangible assets	10	3	3
Investments	11	15	15
		18	18
Current assets			
Assets held for resale	12	525	190
Debtors (including amounts greater than one year £909,000 (2010 £934,000))	13	24,330	21,646
Cash at bank and in hand		-	275
		24,855	22,111
Creditors: amounts falling due within one year	15	(19,771)	(17,232)
Net current assets		5,084	4,879
Total assets less current liabilities		5,102	4,897
Provisions for liabilities	16	(1,210)	(1,755)
Net assets		3,892	3,142
Capital and reserves			
Called up share capital	17	-	-
Profit and loss account	18	3,892	3,142
Total shareholders' funds	19	3,892	3,142

These financial statements on pages 9 to 27 were approved by the Board of directors on 16 April 2012 and were signed on its behalf by


J Lawson
Director

Abbeyfield V.E. Limited

Notes to the financial statements for the year ended 31 December 2011

1 Accounting policies

The financial statements have been prepared in accordance with the Companies Act 2006 and applicable UK accounting and financial reporting standards. A summary of the more important accounting policies, which have been applied consistently throughout the year, is set out below.

Basis of preparation

These financial statements have been prepared on the going concern basis and under the historical cost convention.

Exemption from preparing group financial statements

The company is exempt from the requirement to prepare group financial statements by virtue of section 400 of the Companies Act 2006 as it is a wholly owned subsidiary of Grand Vision BV, a company incorporated in Schiphol, which prepares group financial statements which incorporate this entity.

Turnover

Turnover represents the invoiced amount for management services provided, excluding value added tax, and retrospective discount income from Joint Ventures stores suppliers.

Turnover is only recognised in the profit and loss account in the year to which it relates, any revenue relating to future periods is held within the balance sheet awaiting release into the correct accounting period.

Exceptional items

Income and costs which are both material and non-recurring, whose significance is sufficient to warrant separate disclosure in the financial statements, are referred to as exceptional.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation.

Cost includes the original purchase price of the asset plus non-recoverable value added tax and the costs attributable to bringing the assets to its working condition for its intended use.

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	3-5 years

Fixed asset investments

Fixed asset investments are stated at cost less provision for impairment.

Abbeyfield V.E. Limited

Notes to the financial statements for the year ended 31 December 2011 (continued)

1 Accounting policies (continued)

Impairment

Tangible assets, intangible assets and investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. When a review of impairment is conducted, the recoverable amount is assessed by reference to the net present value of expected future cash flows of the relevant income generating unit, or disposal value if higher. The discount rate applied is based upon the Company's weighted average cost of capital with appropriate adjustment for the risks associated with the relevant business. When it is determined that the carrying value exceeds the recoverable amount, the excess is written off to the profit and loss account.

Asset held for resale

Assets are classified as held for resale if their carrying amount will be recovered through sale rather than continuing use. Assets held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Provisions

Provisions are recognised when

- The Company has a present legal or constructive obligation as a result of past events,
- It is more likely than not that an outflow of resources will be required to settle the obligation, and
- The amount can be reliably estimated.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Taxation

The charge for taxation is based on the results for the year as adjusted for disallowable items and timing differences. Full provision is made for deferred tax on all material timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in the obligation to pay more or the right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of 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 an undiscounted basis.

Abbeyfield V.E. Limited

Notes to the financial statements for the year ended 31 December 2011 (continued)

1 Accounting policies (continued)

Pensions

Pension cost charges in the financial statements represent contributions payable to employee's money purchase pension schemes. The company provides no other post retirement benefits to its employees. Assets are held separately in an independently administered fund.

Cash flow statement

Under Financial Reporting Standard 1 (Revised 1996) "Cash flow statements", the Company is exempt from the requirement to prepare a cash flow statement on the grounds that the ultimate parent undertaking includes the company in its own published consolidated financial statements.

2 Turnover

All turnover relates to the company's principal activity which is the management of a retail group, and arose within the United Kingdom.

3 Exceptional administrative expenses

	2011	2010
	£'000	£'000
Trading support into certain Joint Venture Stores	-	1,900

Exceptional items charged in the period of £nil (2010: £1,900,000), have an associated profit and loss tax creditor of £nil (2010: £nil), which has been reflected in the tax charge within the current year.

During 2010, the company incurred a total of £1,900,000 in providing trading support to 5 Joint Venture stores, as part of its compliance with a constructive obligation in respect of bank overdrafts for its joint venture investments. This was targeted as commercial support for those Joint Venture stores in transition between old and new partners and in difficulty of being unable to meet future ongoing obligations.

Abbeyfield V.E. Limited

Notes to the financial statements for the year ended 31 December 2011 (continued)

4 Employees and directors

	2011	2010
	£'000	£'000
Staff costs (including directors)		
Wages and salaries	1,128	1,326
Social security costs	128	146
Pension costs (note 21)	43	45
	1,299	1,517

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

	2011	2010
	Number	Number
Management (including directors)	12	18
Administration	19	18
	31	36

Directors' emoluments

Remuneration for directors of the company is borne by other group companies and recharges were made for their services to the company. The aggregate amount of recharges and emoluments in respect of services to the company was

	2011	2010
	£'000	£'000
Aggregate emoluments and annual performance related bonus	147	200
Compensation for loss of office	-	10
Company contributions to money purchase pension schemes	3	3
	150	213

Abbeyfield V.E. Limited

Notes to the financial statements for the year ended 31 December 2011 (continued)

4 Employees and directors (continued)

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

	2011	2010
	Number	Number
Retirement benefits are accruing to the following number of directors under		
Group defined contribution scheme	2	3

5 Interest receivable and similar income

	2011	2010
	£'000	£'000
Interest on amounts owed by Joint Ventures	253	524
Joint Venture loan interest	25	26
Intercompany loan interest	3	-
	281	550

Interest on amounts owed by Joint Ventures stores is as a result of a consolidated banking arrangement between the Joint Venture stores and Abbeyfield V E Limited

6 Interest payable and similar charges

	2011	2010
	£'000	£'000
Intercompany loan interest	51	30
Interest on bank loans and overdrafts	36	-
Interest on amounts owed to Joint Ventures	33	32
Interest on settlement of VAT dispute with HMRC	108	-
	228	62

Abbeyfield V.E. Limited

Notes to the financial statements for the year ended 31 December 2011 (continued)

7 Operating profit

This is stated after charging

	2011	2010
	£'000	£'000
Auditors' remuneration - audit	14	11
Depreciation - owned tangible fixed assets	3	5
Loss making store provision (note 16)	1,443	889
Disallowed value added tax provision (note 16)	-	304

8 Tax on profit on ordinary activities

	2011	2010
	£'000	£'000
Current tax		
UK corporation tax on profits for the year	1,009	1,529
Adjustments to tax in respect of prior years	2	379
Total current tax	1,011	1,908
Deferred taxation (note 14)		
Origination and reversal of timing differences	2	1
Adjustment in respect of prior year	1	-
Total tax on profit on ordinary activities	1,014	1,909

Abbeyfield V.E. Limited

Notes to the financial statements for the year ended 31 December 2011 (continued)

8 Tax on profit on ordinary activities (continued)

Factors affecting the tax for the current year

The current tax charge for the year is lower (2010 higher) than the standard average rate of corporation tax in the UK of 26.5% (2010 28%). The differences are explained below

	2011	2010
	£'000	£'000
Current tax reconciliation		
Profit on ordinary activities before taxation	3,964	2,678
Profit on ordinary activities before taxation multiplied by the standard rate in the UK at 26.5% (2010 28%)	1,050	750
Effects of		
(Income)/Expenses not (chargeable)/deductible for tax purposes	(39)	780
Adjustments to tax in respect of prior years	2	379
Capital allowances in excess of depreciation	(2)	(1)
Total current tax charge	1,011	1,908

The main rate of corporation tax in the United Kingdom reduced from 28% to 26% effective from 1 April 2011. The Finance Act 2011 also included legislation to reduce the rate to 25% from 1 April 2012. As these changes had been substantively enacted at 31 December 2011, the deferred tax balances have been re-measured at 25%.

In addition to the changes in rate of Corporation tax disclosed above a number of further changes to the UK Corporation tax system were announced in the March 2012 UK Budget Statement. A resolution passed by Parliament on 26 March 2012 reduced the main rate of corporation tax to 24% from 1 April 2012. Legislation to reduce the main rate of corporation tax from 24% to 23% from 1 April 2013 is expected to be included in the Finance Act 2012. A further reduction to the main rate is also proposed to reduce the rate to 22% from 1 April 2014. None of these rate reductions had been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements.

The effect of the additional reduction in the corporation tax rate to 24% enacted by Parliament on 26 March 2012 would be a tax charge of £300 and a reduction in the deferred tax asset to £7,700. The effect of the future proposed changes to further reduce the tax rate to 22% would be an additional tax charge of £700 and a reduction in the deferred tax asset to £7,000.

Abbeyfield V.E. Limited

Notes to the financial statements for the year ended 31 December 2011 (continued)

9 Dividends

	2011	2010
	£'000	£'000
Dividends paid on 'A' ordinary shares - £44,000 per share (2010 £40,000 per share)	2,200	2,000

10 Tangible fixed assets

	Leasehold improve- ments £'000	Fixtures and equipment £'000	Total £'000
Cost			
At 1 January 2011	62	184	246
Additions	-	3	3
At 31 December 2011	62	187	249
Accumulated depreciation			
At 1 January 2011	62	181	243
Charge for the year	-	3	3
At 31 December 2011	62	184	246
Net book value			
At 31 December 2011	-	3	3
At 31 December 2010	-	3	3

Abbeyfield V.E. Limited

Notes to the financial statements for the year ended 31 December 2011 (continued)

11 Fixed asset investments

	2011	2010
	£'000	£'000
Investments at cost	15	15

All investments are held at cost, there are no provisions against these investments

The directors consider the value of investments to be supported by their underlying assets

Investments at cost	Country of Incorporation	% of holding	Class of shares	% of holding	Class of shares	Principal activity
Altrincham V E Limited	United Kingdom	100%	Ordinary A	100%	Ordinary B	Non trading
Ashford V E Limited	United Kingdom	100%	Ordinary A	100%	Ordinary B	Non trading
Bangor V E Limited	United Kingdom	100%	Ordinary A	100%	Ordinary B	Optical retailer
Bournemouth V E Limited	United Kingdom	100%	Ordinary A	100%	Ordinary B	Non trading
Cwmbran V E Limited	United Kingdom	100%	Ordinary A	100%	Ordinary B	Non trading
Hereford V E Limited	United Kingdom	100%	Ordinary A	100%	Ordinary B	Non trading
Huddersfield V E Limited	United Kingdom	100%	Ordinary A	100%	Ordinary B	Non trading
Kilmarnock V E Limited	United Kingdom	100%	Ordinary A	100%	Ordinary B	Non trading
Morpeth V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Tunbridge Wells V E Limited	United Kingdom	100%	Ordinary A	100%	Ordinary B	Non trading
Warrington V E Limited	United Kingdom	100%	Ordinary A	100%	Ordinary B	Non trading
Andover V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Ashbourne V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Ashby de la Zouch V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Athlone V E Limited	Republic of Ireland	-	Ordinary A	100%	Ordinary B	Optical retailer
Ayr V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Ballymena V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Banbury V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Barnet V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Barnstaple V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Basildon V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Beeston V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Belper V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Berwick upon Tweed V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Beverley V E Limited	United Kingdom	100%	Ordinary A	100%	Ordinary B	Optical retailer
Bexleyheath V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Bicester V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Bishops Stortford V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Blackburn V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Boston V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Braintree V E Limited	United Kingdom	100%	Ordinary A	100%	Ordinary B	Optical retailer
Brentwood V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Burton upon Trent V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Bury St Edmunds V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Buxton V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Byers Road V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Camberley V E Limited	United Kingdom	100%	Ordinary A	100%	Ordinary B	Optical retailer
Canterbury V E Limited	United Kingdom	100%	Ordinary A	100%	Ordinary B	Non trading
Central Lab V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Chesterfield V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Chiswick V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer

Abbeyfield V.E. Limited

Notes to the financial statements for the year ended 31 December 2011 (continued)

11 Fixed asset investments (continued)

Investments at cost	Country of Incorporation	% of holding	Class of shares	% of holding	Class of shares	Principal activity
Crewe V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Clapham Common V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Dunfermline V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Durham V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Eastbourne V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Eastleigh V E Limited	United Kingdom	100%	Ordinary A	100%	Ordinary B	Optical retailer
Edgware V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Enfield V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Evesham V E Limited	United Kingdom	100%	Ordinary A	100%	Ordinary B	Non trading
Falkirk V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Fareham V E Limited	United Kingdom	100%	Ordinary A	100%	Ordinary B	Non trading
Farnham V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Gloucester V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Goring by Sea (Batemans) Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Grantham V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Greenock V E Limited	United Kingdom	50%	Ordinary A	100%	Ordinary B	Optical retailer
Halifax V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Hampstead V E Limited	United Kingdom	100%	Ordinary A	100%	Ordinary B	Non trading
Harborne V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Harlow V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Harrogate V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Hastings V E Limited	United Kingdom	100%	Ordinary A	100%	Ordinary B	Optical retailer
Hemel Hempstead V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Hinckley V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Hornchurch V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Horsham V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Hounslow V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Huntingdon V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Kendal V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Kettering V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Kidderminster V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Kings Lynn V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Colgan Optical Services Limited (now Kirkcaldy V E Limited)	United Kingdom	100%	Ordinary A	100%	Ordinary B	Optical retailer
Lancaster V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Leamington Spa V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Lewisham V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Lichfield V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Lincoln V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Lisburn V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Livingston V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Llandudno V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Loughborough V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Loughton V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Lowestoft V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Luton V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Macclesfield V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Maidenhead V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Mansfield V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Market Harborough V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Melton Mowbray V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer

Abbeyfield V.E. Limited

Notes to the financial statements for the year ended 31 December 2011 (continued)

11 Fixed asset investments (continued)

Investments at cost	Country of Incorporation	% of holding	Class of shares	% of holding	Class of shares	Principal activity
Newport V E Limited	United Kingdom	100%	Ordinary A	100%	Ordinary B	Optical retailer
Newry V E Limited	United Kingdom	100%	Ordinary A	100%	Ordinary B	Non trading
Newton Abbey V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Newton Abbott V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Northwich V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Nuneaton V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Perth V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Petersfield V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Rayleigh V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Redhill V E Limited	United Kingdom	100%	Ordinary A	100%	Ordinary B	Optical retailer
Ruislip V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Rochdale V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Rotherham V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Rugby V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Salisbury V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Scarborough V E Limited	United Kingdom	100%	Ordinary A	100%	Ordinary B	Non trading
Scunthorpe V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Shrewsbury V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Skipton V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
South Shields V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Southport V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Spalding V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
St Helens V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Stafford V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Staines V E Limited	United Kingdom	100%	Ordinary A	100%	Ordinary B	Non trading
Stamford V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Stevenage V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Stirling V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Stockton V E Limited	United Kingdom	100%	Ordinary A	100%	Ordinary B	Non trading
Sutton Coldfield V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Swiss Cottage V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Tamworth V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Taunton V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Torquay V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Truro (Batemans) Limited	United Kingdom	100%	Ordinary A	100%	Ordinary B	Optical retailer
Truro V E Limited	United Kingdom	100%	Ordinary A	100%	Ordinary B	Optical retailer
Wakefield V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Wells V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Welwyn Garden City V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
West Bridgford V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Westwood Cross V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Weymouth V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Whiteleys V E Limited	United Kingdom	100%	Ordinary A	100%	Ordinary B	Optical retailer
Whitehaven V E Limited	United Kingdom	100%	Ordinary A	100%	Ordinary B	Optical retailer
Widnes V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Wilmslow V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Winchester V E Limited	United Kingdom	100%	Ordinary A	100%	Ordinary B	Optical retailer
Woking V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Wood Green V E Limited	United Kingdom	100%	Ordinary A	100%	Ordinary B	Optical retailer
Worksop V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer

Abbeyfield V.E. Limited

Notes to the financial statements for the year ended 31 December 2011 (continued)

11 Fixed asset investments (continued)

Investments at cost	Country of Incorporation	% of holding	Class of shares	% of holding	Class of shares	Principal activity
Woking (Batemans) V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Worthing V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Woking (Batemans) V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer
Yeovil V E Limited	United Kingdom	-	Ordinary A	100%	Ordinary B	Optical retailer

No shares in Abbeyfield V E Limited are held by or on behalf of any of these entities

Within all of these investments (known as 'investee undertakings')

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.

12 Assets held for resale

	2011	2010
	£'000	£'000
Edgware V E Limited 'A' shares	447	190
Woodgreen V E Limited 'A' shares	20	-
Whiteleys V E Limited 'A' shares	58	-
	525	190

Subsequent to the year end date, in 2012, the trade and assets of these companies have now been transferred to Vision Express (UK) Limited for £525,000

Abbeyfield V.E. Limited

Notes to the financial statements for the year ended 31 December 2011 (continued)

13 Debtors

	2011	2010
	£'000	£'000
Amounts falling due within one year		
Trade debtors	539	303
Unsecured amounts owed by group undertakings	198	153
Amounts owed by Joint Ventures	22,624	20,004
Other debtors	52	241
Deferred tax (note 14)	8	11
	23,421	20,712
Amounts falling due after more than one year		
Amounts owed by Joint Ventures	909	934
	24,330	21,646

14 Deferred tax asset

	2011	2010
	£'000	£'000
At 1 January	(11)	(12)
Charged to the profit and loss account (Note 8)	3	1
At 31 December	(8)	(11)
Tax effect of timing differences because of		
	2011	2010
	£'000	£'000
Excess of capital allowances over depreciation	(8)	(11)

The deferred tax asset has been recognised within debtors (note 13)

Abbeyfield V.E. Limited

Notes to the financial statements for the year ended 31 December 2011 (continued)

15 Creditors: amounts falling due within one year

	2011	2010
	£'000	£'000
Bank overdraft	8,724	-
Trade creditors	24	46
Amounts owed to group undertakings	1,004	5,849
Amounts owed to Joint Ventures	8,612	9,240
Corporation tax	801	1,515
Other taxation and social security	56	42
Accruals	550	540
	19,771	17,232

During 2011 the intercompany loan account has been transferred into a cash pooling agreement with Bank Mendes Gans NV, and is now shown within the 'Bank overdraft' amount shown above

Within amounts owed to group undertakings is £nil (2010 £5,277,000) which bears interest at LIBOR plus 0.60%

Other amounts owed to group undertakings are non-interest bearing. All amounts owed to group undertakings are unsecured. Amounts owed to Joint Ventures are interest bearing and all amounts are unsecured.

Abbeyfield V.E. Limited

Notes to the financial statements for the year ended 31 December 2011 (continued)

16 Provisions for liabilities

	Loss making store provision	Disallowed value added tax provision	Total
	£'000	£'000	£'000
As at 1 January 2011	1,460	295	1,755
Charge to profit and loss account (note 7)	1,443	-	1,443
Utilisation of provision	(1,693)	(295)	(1,988)
As at 31 December 2011	1,210	-	1,210

The company has a constructive obligation in respect of the bank overdraft and property leases for its Joint Venture investments. The above provision represents the expected cost to the company in respect of that obligation. No discounting has been applied in calculating the provision. The actual amount to be paid, and the timing of payments, is dependent on the future trading performance of the Joint Venture investments.

The previously on-going VAT dispute with Her Majesty's Revenue and Customs has been settled, and all provisions previously made have now been actualised.

17 Called up share capital

	2011	2010
	£	£
Authorised, allotted and fully paid		
50 (2010 50) 'A' ordinary shares of £1 each	50	50
50 (2010 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*.

Abbeyfield V.E. Limited

Notes to the financial statements for the year ended 31 December 2011 (continued)

18 Profit and loss account

	£'000
At 1 January 2011	3,142
Profit for the financial year	2,950
Dividends (note 9)	(2,200)
At 31 December 2011	3,892

19 Reconciliation of movement in total shareholders' funds

	2011	2010
	£'000	£'000
Profit for the financial year	2,950	769
Dividends (note 9)	(2,200)	(2,000)
Net addition to/(reduction in) shareholders' funds	750	(1,231)
Opening shareholders' funds	3,142	4,373
Closing shareholders' funds	3,892	3,142

20 Contingent liabilities

A number of the investee undertakings have recorded net liabilities during the start up period due to losses incurred. In order to prepare those accounts on a going concern basis, this company has provided letters of support to certain investee undertakings, which commit this company to providing financial support into the foreseeable future. The net liabilities of these investee undertakings as at 31 December 2011 were £12,480,000 (2010 £12,388,000).

21 Pensions

The company contributes to a defined contribution pension scheme. The pension cost charged for the year represents contributions payable by the company to the scheme and amounted to £43,000 (2010 £45,000). No contributions are prepaid or outstanding at the year end (2010 £nil).

Abbeyfield V.E. Limited

Notes to the financial statements for the year ended 31 December 2011 (continued)

22 Related party transactions

As the company is a wholly owned subsidiary of GrandVision BV the company has taken advantage of the exemption contained in Financial Reporting Standard Number 8, "Related party disclosure" and has therefore not disclosed transactions or balances with wholly owned entities which form part of the group. The consolidated accounts of GrandVision BV within which this company is included, can be obtained from the address in note 23.

In addition, during the year ended 31 December 2011 Abbeyfield V E Limited has entered into transactions with a number of investee undertakings, as listed in note 11, which are 50% owned by Abbeyfield V E Limited and are not consolidated in the accounts of GrandVision BV.

The value of the intercompany trading income for the invoicing of service fees and interest amounted to £9,025,169 (2010 £9,789,000), interest receivable amounted to £253,000 (2010 £524,000) and interest payable amounted to £33,000 (2010 £32,000).

An amount of £7,000 (2010 £nil) was received in respect of dividend income from investee undertakings.

An amount of £23,533,000 (2010 £20,938,000) was owed by the investee undertakings as at 31 December 2011. An amount of £8,612,000 (2010 £9,240,000) was owed to the investee undertakings as at 31 December 2011.

23 Ultimate parent and controlling company

The immediate parent company is Vision Express (UK) Limited, a company incorporated in Great Britain. A copy of their accounts can be obtained from Abbeyfield Road, Lenton, Nottingham, NG7 2SP.

The ultimate parent and controlling company is HAL Trust, a trust under Bermuda Law.

The smallest group into which the results of the company are consolidated is that headed by GrandVision BV, whose consolidated financial statements are available at the following address: WTC Schiphol, Tower G-5, Schiphol, Boulevard 117, 1118BG Schiphol.

The largest group in which results of the company are consolidated is that headed by HAL Trust whose financial statements are available to the public from Millennium Tower, Weena 696, 3012, CN Rotterdam, The Netherlands.