

# DCM Optical Clinic PLC

## FINANCIAL STATEMENTS

for the year ended

26 December 2009

MONDAY



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COMPANIES HOUSE

Company Registration No 4488288

# DCM Optical Clinic PLC

## OFFICERS AND PROFESSIONAL ADVISERS

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### DIRECTORS

D Mouldsdaie  
J Stewart  
S Mein

### SECRETARY

G Murdoch

### REGISTERED OFFICE

White Rose House  
28A York Place  
Leeds  
LS1 2EZ

### AUDITORS

Baker Tilly UK Audit LLP  
Chartered Accountants  
Breckenridge House  
274 Sauchiehall Street  
Glasgow  
G2 3EH

# DCM Optical Clinic PLC

## DIRECTORS' REPORT

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The directors submit their report and financial statements of DCM Optical Clinic PLC for the year ended 26 December 2009

### PRINCIPAL ACTIVITIES

The principal activity of the Company during the year was that of opticians

### REVIEW OF THE BUSINESS

The turnover of the Company has reduced during the year due to the closure of trading locations, difficult trading conditions and the loss of turnover to other Group Company stores opened in the year. This loss of turnover in the year has had a direct effect on EBITDA before exceptional costs decreasing to £2M from £5.4M.

The Company had one off exceptional costs in the year of £6.9M split

- **VAT Debtor Write off £4.5M** The Group is currently in dispute with HM Revenue and Customs in relation to the proportion of recoverable input tax as a result of the partial exemption method adopted by the Group. The Group attended a tribunal hearing in June 2009 and in June 2010 and has since received a written decision from the tribunal agreeing to a revised version of our proposed special method. HM Revenue and Customs have since appealed this decision. The Group have also appealed the tribunal decision not to agree the full special method proposed. It is expected that the appeal will be heard in the last quarter of 2011. Based on this decision the directors of the Group have reassessed the likely proportion of input tax that the Group is likely to recover resulting in a write off. During the year HM Revenue and Customs has also disputed the Group's tax treatment of sales discounts. The Group was due to attend a tribunal hearing in relation to this dispute in September 2010. However both parties agreed to postpone the hearing to allow further time to discuss the Group's tax treatment of sales discounts. The directors have prudently decided to provide for the potential additional tax that would be payable should the discussions not result in a settlement and a later tribunal decision goes in the favour of HM Revenue and Customs.
- **Onerous Contract Provision £2.4M** This provision has been recognised as the expected benefits of several property leases are lower than the costs of meeting the Company's obligations under the leases.

The directors believe that the Company's significant investment programme during the year in existing store refurbishments and the purchase of the most technologically advanced equipment in recent years leaves the Company well placed to maximise its return from its broad spectrum of clientele, including an ever ageing population.

Competition, a decline in consumer confidence and the economic climate in the countries which the Company operates continue to be the main risks facing the business. The directors are confident that by constantly monitoring and reviewing business performance and actively managing its competitive strategy it will continue to be proactive in mitigating these risks.

### FUTURE DEVELOPMENTS

The Company will continue to increase its turnover and profitability through organic growth.

### RESULTS AND DIVIDENDS

The trading results for the year and the Company's financial position at the end of the year are shown in the attached financial statements.

The directors have not recommended a dividend.

# DCM Optical Clinic PLC

## DIRECTORS' REPORT

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### DIRECTORS

The directors who served the Company during the year were as follows

D Mouldsdale  
J Stewart  
S Mein

### POLICY ON THE PAYMENT OF CREDITORS

The Company's policy regarding the payment of suppliers is either to agree terms of payment in the course of business with each supplier or to make suppliers aware of the payment terms, and in either case pay in accordance with the agreed terms

During the year to 26 December 2009 the Company took an average of 39 days to settle its bills with suppliers

### DISABLED EMPLOYEES

The Company gives full and fair consideration to applications for employment by disabled persons, having regard to their respective aptitudes and abilities. The Company's policy, where applicable, includes the continued employment of those who may become disabled during their employment

### EMPLOYEE INVOLVEMENT

The Company operates employment policies designed to ensure that the Company is able to attract and retain the highest calibre of employees from all sections of the community

The Company values diversity in the workplace and is committed to providing the equality of opportunity to all employees and potential employees. It actively encourages training and skills development throughout the Company

### STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they 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 it has been communicated to the auditor

### AUDITORS

Baker Tilly UK Audit LLP has indicated its willingness to continue in office

By order of the board



G Murdoch

Company Secretary

06/05/2011

# DCM Optical Clinic PLC

## DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements 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 year. In preparing those financial statements, the director is required to

- a select suitable accounting policies and then apply them consistently,
- b make judgements and estimates that are reasonable and prudent,
- c state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- d 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the requirements of 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.

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DCM OPTICAL CLINIC PLC

We have audited the financial statements on pages 6 to 17. 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 auditor's 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 more fully explained in the Directors' Responsibilities Statement set out on page 4, 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

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/UKNP](http://www.frc.org.uk/apb/scope/UKNP).

## Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 26 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.

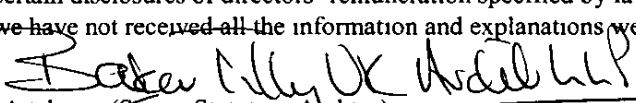
## Opinion on other matter prescribed by the Companies Act 2006

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~~

  
Alan Aitchison (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor  
Chartered Accountants  
Breckenridge House  
274 Sauchiehall Street  
Glasgow G2 3EH

06/05/11

**DCM Optical Clinic PLC**  
**PROFIT AND LOSS ACCOUNT**  
for the year ended 26 December 2009

		2009	2008
	Notes	£	£
TURNOVER	1	59,809,070	79,905,638
Cost of sales		10,106,831	12,968,933
Gross profit		49,702,239	66,936,705
Administrative expenses		56,505,696	63,431,875
Other operating income	2	(119,562)	(142,787)
OPERATING (LOSS)/PROFIT	3	(6,683,895)	3,647,617
Analysed as			
Before exceptional items		298,188	3,647,617
Exceptional items – VAT	11	(4,545,633)	-
Exceptional items – Onerous leases	14	(2,436,450)	-
Interest receivable		108	6,351
		(6,683,787)	3,653,968
Interest payable and similar charges	5	(522,054)	(1,424,521)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(7,205,841)	2,229,447
Taxation	6	(1,661,294)	863,226
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		(5,544,547)	1,366,221

The operating loss for the year arises from the Company's continuing operations

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account

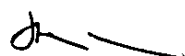
## DCM Optical Clinic PLC

## BALANCE SHEET

26 December 2009

	Notes	2009 £	2008 £
<b>FIXED ASSETS</b>			
Intangible assets	7	—	—
Tangible assets	8	11,147,274	12,181,880
		<u>11,147,274</u>	<u>12,181,880</u>
<b>CURRENT ASSETS</b>			
Stocks	9	1,001,107	1,218,927
Debtors	10	13,074,574	25,658,567
Cash at bank and in hand		6,214	4,190
		<u>14,081,895</u>	<u>26,881,684</u>
<b>CREDITORS</b>			
Amounts falling due within one year	11	22,170,748	32,391,141
<b>NET CURRENT LIABILITIES</b>		<u>(8,088,853)</u>	<u>(5,509,457)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>3,058,421</u>	<u>6,672,423</u>
<b>PROVISIONS FOR LIABILITIES</b>			
Deferred taxation	13	—	505,905
Other provisions	14	2,436,450	—
		<u>621,971</u>	<u>6,166,518</u>
<b>CAPITAL AND RESERVES</b>			
Called up equity share capital	17	50,000	50,000
Profit and loss account	18	571,971	6,116,518
<b>SHAREHOLDERS' FUNDS</b>	19	<u>621,971</u>	<u>6,166,518</u>

The financial statements on pages 6 to 17 were approved by the board of directors and authorised for issue on 6(5)11 and are signed on their behalf by



S Mein  
Director

# DCM Optical Clinic PLC

## ACCOUNTING POLICIES

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### BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention, and on a going concern basis, which is reliant on the continuing support of the other group companies and the group's bankers

### CASH FLOW STATEMENT

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the Company is wholly owned and its parent publishes a consolidated cash flow statement

### TURNOVER

Turnover for the Company's laser vision correction business represents amounts recognised on the completion of customer consultations before surgery is undertaken and on completion of surgery. For other optical business, turnover represents amounts invoiced during the year, exclusive of Value Added Tax

### GOODWILL

Where the fair value of separable net assets exceeds the fair value of the consideration for an acquired business the difference is treated as negative goodwill and is capitalised and amortised through the profit and loss account in which the non monetary assets are recovered. In the case of fixed assets this is the period over which they are depreciated and in the case of current assets, the period over which they are sold or otherwise revalued

### FIXED ASSETS

All fixed assets are initially recorded at cost

### 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% & 15% reducing balance
Fixtures & Fittings	- 15% & 25% reducing balance
Motor Vehicles	- 20% reducing balance
Leasehold Properties	- Over the term of the lease

### STOCKS

Stocks are valued at the lower of cost and net realisable value. Cost is computed on an average cost basis. Net realisable value is based on estimated selling price less the estimated cost of disposal

### HIRE PURCHASE AGREEMENT

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis

# DCM Optical Clinic PLC

## ACCOUNTING POLICIES

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### OPERATING LEASE AGREEMENTS

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

### PENSION COSTS

The Company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the Company. The annual contributions payable are charged to the profit and loss account.

### DEFERRED TAXATION

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.

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

### FINANCIAL INSTRUMENTS

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

# DCM Optical Clinic PLC

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 26 December 2009

### 1 TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the Company

An analysis of turnover is given below

	2009	2008
	£	£
United Kingdom	55,672,964	75,810,571
Europe	4,136,106	4,095,067
	<u>59,809,070</u>	<u>79,905,638</u>

### 2 OTHER OPERATING INCOME

	2009	2008
	£	£
Rent receivable	<u>119,562</u>	<u>142,787</u>

### 3 OPERATING (LOSS)/PROFIT

Operating (loss)/profit is stated after charging

	2009	2008
	£	£
Depreciation of owned fixed assets	1,638,996	1,757,060
Depreciation of assets held under hire purchase agreements	8,579	9,533
Auditor's remuneration		
- as auditor	23,601	18,240
Operating lease costs		
Plant and equipment	2,732,182	3,039,866
Land and buildings	<u>4,906,343</u>	<u>4,512,107</u>

# DCM Optical Clinic PLC

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 26 December 2009

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### 4 PARTICULARS OF EMPLOYEES

The average number of staff employed by the Company during the financial year amounted to

	2009	2008
	No	No
Production staff	13	17
Other	377	457
	<u>390</u>	<u>474</u>

The aggregate payroll costs of the above were

	2009	2008
	£	£
Wages and salaries	9,495,493	11,732,857
Social security costs	952,779	1,148,593
Pension costs	28,463	29,898
	<u>10,476,735</u>	<u>12,911,348</u>

### 5 INTEREST PAYABLE AND SIMILAR CHARGES

	2009	2008
	£	£
Interest payable on bank borrowing	517,639	1,363,935
Finance charges	1,042	4,168
Other similar charges payable	3,373	56,418
	<u>522,054</u>	<u>1,424,521</u>

# DCM Optical Clinic PLC

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 26 December 2009

#### 6 TAXATION ON ORDINARY ACTIVITIES

##### (a) Analysis of charge in the year

	2009 £	2008 £
Current tax		
UK Corporation tax based on the results for the year at 28% (2008 – 28%)	-	699,777
Group relief	-	198,245
Adjustments in respect of previous periods – corporation tax	(631,117)	24,865
Adjustments in respect of previous periods – group relief	(197,015)	(82,898)
Total current tax	(828,132)	839,989
Deferred tax		
Origination and reversal of timing differences	(833,162)	23,237
Tax on profit on ordinary activities	<u>(1,661,294)</u>	<u>863,226</u>

##### (b) Factors affecting current tax charge

The tax assessed on the (loss)/profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 28% (2008 - 28%)

	2009 £	2008 £
(Loss)/profit on ordinary activities before taxation	<u>(7,205,841)</u>	<u>2,229,447</u>
(Loss)/profit on ordinary activities by rate of tax	(2,017,635)	624,245
Expenses not deductible for tax purposes	(6,631)	6,267
Depreciation in excess of capital allowances	461,321	251,414
Adjustments in respect of previous periods – group relief	(197,015)	(82,898)
Adjustments in respect of previous periods	(631,117)	24,865
Loss carried back	931,786	-
Unutilised losses carried forward	631,160	-
Rate differences	-	16,096
Total current tax (note 6(a))	<u>(828,132)</u>	<u>839,989</u>

# DCM Optical Clinic PLC

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 26 December 2009

#### 7 INTANGIBLE FIXED ASSETS

	Negative Goodwill £
Cost	
At 27 December 2008 and 26 December 2009	<u>(5,256,791)</u>
Amortisation	
At 27 December 2008 and 26 December 2009	<u>(5,256,791)</u>
Net book value	
At 26 December 2009	<u>-</u>
At 27 December 2008	<u>-</u>

#### 8 TANGIBLE FIXED ASSETS

	Equipment £	Fixtures & Fittings £	Motor Vehicles £	Leasehold Property £	Total £
Cost					
At 27 December 2008	7,923,691	14,904,996	12,000	140,143	22,980,830
Additions	69,565	543,404	-	-	612,969
At 26 December 2009	<u>7,993,256</u>	<u>15,448,400</u>	<u>12,000</u>	<u>140,143</u>	<u>23,593,799</u>
Depreciation					
At 27 December 2008	2,741,692	7,983,230	8,784	65,244	10,798,950
Charge for the year	515,092	1,121,170	643	10,670	1,647,575
At 26 December 2009	<u>3,256,784</u>	<u>9,104,400</u>	<u>9,427</u>	<u>75,914</u>	<u>12,446,525</u>
Net book value					
At 26 December 2009	<u>4,736,472</u>	<u>6,344,000</u>	<u>2,573</u>	<u>64,229</u>	<u>11,147,274</u>
At 27 December 2008	<u>5,181,999</u>	<u>6,921,766</u>	<u>3,216</u>	<u>74,899</u>	<u>12,181,880</u>

#### Hire purchase agreements

Included within the net book value of £11,147,274 is £Nil (2008 - £10,946) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £8,579 (2008 - £9,533).

#### 9 STOCKS

	2009 £	2008 £
Stock	<u>1,001,107</u>	<u>1,218,927</u>

# DCM Optical Clinic PLC

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 26 December 2009

### 10 DEBTORS

	2009	2008
	£	£
Trade debtors	358,914	1,001,486
Amounts owed by group undertakings	4,975,852	14,808,208
Other debtors	158,706	222,564
VAT recoverable	-	561,065
Deferred tax asset	327,257	-
Prepayments and accrued income	7,253,845	9,065,244
	<u>13,074,574</u>	<u>25,658,567</u>

### 11 CREDITORS Amounts falling due within one year

	2009	2008
	£	£
Bank loans and overdrafts	41,044	823,786
Trade creditors	3,401,744	3,761,977
Amounts owed to group undertakings	11,304,086	22,491,553
Corporation tax	1,426,116	2,232,232
Other taxation and social security	4,126,820	504,358
Hire purchase agreements	-	5,234
Other creditors	946,027	1,730,619
Accruals and deferred income	924,911	841,382
	<u>22,170,748</u>	<u>32,391,141</u>

The Optical Express Group of companies is currently in dispute with HM Revenue and Customs in relation to the proportion of recoverable input tax as a result of the partial exemption method adopted by the Group. The Group attended a tribunal hearing in June 2009 and in June 2010 and has since received a written decision from the tribunal agreeing to a revised version of our proposed special method. HM Revenue and Customs have since appealed this decision. The Group have also appealed the tribunal decision not to agree the full special method proposed. It is expected that the appeal will be heard in the last quarter of 2011. Based on this decision, the directors of the Group have reassessed the likely proportion of input tax that the Group is likely to recover, resulting in a write off.

During the year HM Revenue and Customs has also disputed the Group's tax treatment of sales discounts. The Group was due to attend a tribunal hearing in relation to this dispute in September 2010. However, both parties agreed to postpone the hearing to allow further time to discuss the Groups' tax treatment of sales discounts. The directors have prudently decided to provide for the potential additional tax that would be payable should the discussions not result in a settlement and a later tribunal decision goes in the favour of HM Revenue and Customs.

The directors have provided £4,545,633 in the period regarding the recoverability of input tax and the potential additional tax on sales discounts.

The Royal Bank of Scotland plc holds a bond, floating charge and debenture over the assets of each group company.

# DCM Optical Clinic PLC

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 26 December 2009

### 12 COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows

	2009	2008
	£	£
Amounts payable within 1 year	–	5,891
Amounts payable between 1 and 2 years	–	–
Amounts payable between 3 and 5 years	–	–
	<u>–</u>	<u>5,891</u>
Less interest and finance charges relating to future periods	–	(657)
	<u>–</u>	<u>5,234</u>
Hire purchase agreements are analysed as follows		
Current obligations	–	5,234
Non-current obligations	–	–
	<u>–</u>	<u>5,234</u>

### 13 DEFERRED TAXATION

The movement in the deferred taxation provision during the year was

	2009	2008
	£	£
Provision brought forward	505,905	482,668
Profit and loss account movement arising during the year	(790,580)	15,232
Profit and loss account movement arising in the prior year	(42,582)	8,005
Provision carried forward	<u>(327,257)</u>	<u>505,905</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of

	2009	2008
	£	£
Excess of taxation allowances over depreciation on fixed assets	<u>(327,257)</u>	<u>505,905</u>

### 14 PROVISIONS FOR LIABILITIES AND CHARGES

	2009	2008
	£	£
Onerous contract		
At 27 December 2008	–	–
Transfer from profit & loss	2,436,450	–
Reversed in year	–	–
Utilised in the year	–	–
At 26 December 2009	<u>2,436,450</u>	<u>–</u>

The Onerous Contract provision represents the remaining obligations in respect of property leases which the Company is no longer deriving benefit from, net of any anticipated rental income to be received from sub-letting or assigning this lease to a third party

# DCM Optical Clinic PLC

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 26 December 2009

#### 15 COMMITMENTS UNDER OPERATING LEASES

At 26 December 2009 the Company had annual commitments under non-cancellable operating leases as set out below

	2009		2008	
	Land and buildings £	Other £	Land and buildings £	Other £
Operating leases which expire				
Within 1 year	231,530	216,000	620,004	1,900
Within 2 to 5 years	1,346,056	2,038,090	690,836	2,294,725
After more than 5 years	3,162,778	-	3,303,885	-
	<u>4,740,364</u>	<u>2,254,090</u>	<u>4,614,725</u>	<u>2,296,625</u>

#### 16 RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption granted by paragraph 3c of the Financial Reporting Standard 8 not to disclose transactions with other wholly owned group companies

#### 17 SHARE CAPITAL

	2009 £	2008 £
Authorised		
50,000 Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>
	2009 £	2008 £
Allotted, called up and fully paid		
50,000 Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

#### 18 PROFIT AND LOSS ACCOUNT

	2009 £	2008 £
At 27 December 2008	6,116,518	4,750,297
Retained (loss)/profit for the financial year	(5,544,547)	1,366,221
At 26 December 2009	<u>571,971</u>	<u>6,116,518</u>

#### 19 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2009 £	2008 £
(Loss)/profit for the financial year	(5,544,547)	1,366,221
Opening shareholders' funds	6,166,518	4,800,297
Closing shareholders' funds	<u>621,971</u>	<u>6,166,518</u>

# DCM Optical Clinic PLC

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 26 December 2009

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### 20 GUARANTEES AND OTHER FINANCIAL COMMITMENTS

The Royal Bank of Scotland plc holds an unlimited inter company cross guarantee between the Company and the other group companies

At the 26 December 2009 the Groups loans and overdrafts totalled £38,729,149 (2008 £34,917,137), excluding those of the Company

### 21 ULTIMATE PARENT COMPANY

The Company's ultimate parent undertaking is DCM (Optical Holdings) Limited, a Company incorporated in Scotland. A copy of that Company's accounts is available from Companies House, 4<sup>th</sup> Floor, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh, EH3 9FF. The Company is controlled by D Mouldsdaie