

Registration number 7630156

OPTALIS LIMITED
FINANCIAL STATEMENTS
FOR THE PERIOD FROM 11 MAY 2011 TO 31 MARCH 2012

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OPTALIS LIMITED
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OPTALIS LIMITED
COMPANY INFORMATION

Directors	A Pickup P J Martin J Carney M Le Jakobsen R A Pitts S P Weeks
Registered office	Civic Offices Shute End Wokingham Berkshire RG40 1BN
Solicitors	Field Seymour Parkes LLP 1 London Road Reading Berkshire RG1 4QW
Bankers	Natwest Bank plc 5 Broad Street Wokingham RG40 1AX
Auditors	Hazlewoods LLP Windsor House Bayshill Road Cheltenham GL50 3AT

OPTALIS LIMITED
DIRECTORS' REPORT
FOR THE PERIOD ENDED 31 MARCH 2012

The directors present their report and the financial statements for the period from 11 May 2011 to 31 March 2012

Principal activity

The principal activity of the company is the provision of a variety of care and support services to adults with a disability and older people

Incorporation

The company was incorporated on 11 May 2011 and commenced trading on 6 June 2011

Directors of the company

The directors who held office during the period were as follows

D M Walsh (appointed 11 May 2011 and resigned 19 January 2012)

C R Dove-Dixon (appointed 11 May 2011 and resigned 09 February 2012)

M Marsden (appointed 11 May 2011 and resigned 23 June 2011)

M H W Moon (appointed 09 June 2011 and resigned 24 February 2012)

K I McKenzie (appointed 09 June 2011 and resigned 22 September 2011)

A M Ghose - Company secretary and director (appointed 08 February 2012 and resigned 20 June 2012)

A Pickup (appointed 08 February 2012)

P J Martin (appointed 08 February 2012)

M Marsden (appointed 22 September 2011 and resigned 26 April 2012)

The following directors were appointed after the period end

J Carney (appointed 26 April 2012)

M Le Jakobsen (appointed 26 April 2012)

R A Pitts (appointed 26 April 2012)

S P Weeks (appointed 26 April 2012)

Business review

Fair review of the business

The company was formed in May 2011 and commenced trading in June 2011 as a Local Authority Trading Company by Wokingham Borough Council (Council) as part of its strategic drive to become a commissioning-led organisation and protect its adult social care services from becoming outmoded, expensive and under-used. The Council also has ambitions for the company to grow and provide services to other local authorities. Whilst the results for the first period of trading reflect the need to incur professional and consultancy costs to establish the new business, trading profit was ahead of the first period results anticipated in the original business case.

The results for the period, which are set out in the profit and loss account, show turnover for the period of £7,903,511 and a loss before taxation of £166,902. At 31 March 2012, the company had net liabilities of £3,796,802, including a pension liability of £3,713,000 which is the subject of a guarantee from Wokingham Borough Council. The directors of the company consider that the financial position at the period end is satisfactory.

OPTALIS LIMITED
DIRECTORS' REPORT
FOR THE PERIOD ENDED 31 MARCH 2012

Given the nature of the business, the company's directors are of the opinion that key performance indicators are important. The company uses a number of indicators to monitor and improve development and performance of the position of the business. Indicators are reviewed and altered to meet changes both in the internal and external environments. The directors do not consider the inclusion of an analysis using key performance indicators to be necessary to assist users of the financial statements in their understanding of the financial performance or position of the company.

Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks. The key business risks and uncertainties affecting the company are considered to relate to the continued provision of adequate government funding and the ongoing compliance with current and future legislation affecting the sector.

The company's principal source of revenue is a contract with the Council to provide a range of adult care and support services. The original term of the contract expires on 6 June 2014 but can be extended by a further two years on the exercise of an option between the company and the Council.

Financial instruments

Objectives and policies

The directors constantly monitor the company's trading results and revise projections as appropriate to ensure that the company can meet its future obligations as they fall due.

Price risk, credit risk, liquidity risk and cash flow risk

The business' principal financial instruments comprise bank balances, trade debtors and trade creditors. The main purpose of these instruments is to finance the business' operations.

The financial results reflect the pension scheme liability related to former Council employees that are members of the Berkshire Local Government Pension Scheme (LGPS) and who transferred to the company in June 2011. At transfer, there was a deficit of £1 874m which has risen by £1 839m during the past nine months. The company has been given a guarantee by the Council that the LGPS' administrators are indemnified by the Council against any shortfall of payments of pension contributions and associated pension liabilities. In addition, WBC will support the cash balances of the company whilst it remains a wholly owned subsidiary of the Council.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.

Trade creditors' liquidity risk is managed by ensuring sufficient funds are available to meet amounts due. The business manages the liquidity risk by ensuring that there are sufficient funds to meet the payments.

Employment of disabled persons

The company's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

OPTALIS LIMITED
DIRECTORS' REPORT
FOR THE PERIOD ENDED 31 MARCH 2012

Employee involvement

The company's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests

Information of matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the company's performance

Future developments

The external commercial environment is expected to remain competitive going forward. However, the directors remain confident and presently see no reason why the company should not be able to improve its current level of performance in the future

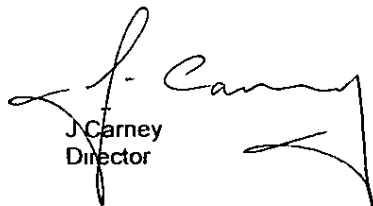
Disclosure of information to the auditors

Each director has taken the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditors are unaware of.

Reappointment of auditors

Hazlewoods LLP were appointed auditors to the company during the year and have expressed their willingness to continue in office.

Approved by the Board on 17-09-12 and signed on its behalf by


J. Carney
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OPTALIS LIMITED

We have audited the financial statements of Optalis Limited for the period from 11 May 2011 to 31 March 2012, set out on pages 8 to 23. 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 explained more fully in the Statement of Directors' Responsibilities (set out on page 7), 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 (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. 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 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 31 March 2012 and of its loss for the period 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 period for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
OPTALIS LIMITED**

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


Andrew Brooks (Senior Statutory Auditor)
For and on behalf of Hazlewoods LLP, Statutory Auditors

Windsor House
Bayshill Road
Cheltenham
GL50 3AT

Date

19 September 2012.

OPTALIS LIMITED

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 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 apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent, 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.

OPTALIS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 31 MARCH 2012

	Note	11 May 2011 to 31 March 2012 £
Turnover	2	7,903,511
Cost of sales		<u>(5,979,840)</u>
Gross profit		1,923,671
Administrative expenses		<u>(2,045,573)</u>
Operating loss	3	(121,902)
Interest payable and similar charges	6	<u>(45,000)</u>
Loss on ordinary activities before taxation		(166,902)
Tax on loss on ordinary activities	7	<u>-</u>
Loss for the financial period	11	<u><u>(166,902)</u></u>

Turnover and operating profit derive wholly from continuing operations

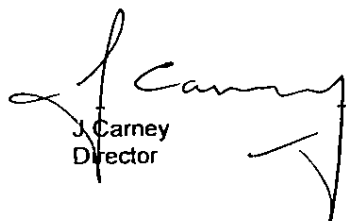
OPTALIS LIMITED
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE PERIOD FROM 11 MAY 2011 TO 31 MARCH 2012

	Note	11 May 2011 to 31 March 2012 £
Loss for the financial period		(166,902)
Actuarial loss recognised on defined benefit pension scheme	11	(1,756,000)
Recognition of pension scheme liability associated with employees transferring from previous employer in June 2011	11	<u>(1,874,000)</u>
Total recognised gains and losses relating to the period		<u><u>(3,796,902)</u></u>

OPTALIS LIMITED
 (REGISTRATION NUMBER: 7630156)
BALANCE SHEET
AS AT 31 MARCH 2012

	Note	31 March 2012 £
Current assets		
Debtors	8	183,454
Cash at bank and in hand		<u>84,756</u>
		268,210
 Creditors Amounts falling due within one year	9	<u>(352,012)</u>
Net liabilities excluding pension liability		(83,802)
 Net pension liability		<u>(3,713,000)</u>
Net liabilities		<u>(3,796,802)</u>
 Capital and reserves		
Called up share capital	10	100
Profit and loss account	11	<u>(3,796,902)</u>
Shareholders' deficit	12	<u>(3,796,802)</u>

Approved by the Board and authorised for issue on 17-09-12 and signed on its behalf by


 J. Carney
 Director

OPTALIS LIMITED
CASH FLOW STATEMENT
FOR THE PERIOD FROM 11 MAY 2011 TO 31 MARCH 2012

Reconciliation of operating loss to net cash flow from operating activities

	11 May 2011 to 31 March 2012 £
Operating loss	(121,902)
Increase in debtors	(183,454)
Increase in creditors	352,012
Difference between defined benefit pension charge and cash contributions	38,000
Net cash inflow from operating activities	<u>84,656</u>

Cash flow statement

	11 May 2011 to 31 March 2012 £
Net cash inflow from operating activities	<u>84,656</u>
Net cash inflow before management of liquid resources and financing	84,656
Financing	
Issue of shares	<u>100</u>
Increase in cash	<u>84,756</u>

Reconciliation of net cash flow to movement in net debt

	Note	11 May 2011 to 31 March 2012 £
Increase in cash		<u>84,756</u>
Movement in net debt	14	84,756
Net funds/(debt) at start of period	14	-
Net funds at end of period	14	<u>84,756</u>

OPTALIS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2012

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention

Going concern

The company relies on a contract with Wokingham Borough Council to provide certain services to the council for a minimum period of three years from 6 June 2011. If the contract were to be withdrawn, this would significantly affect the ability of the company to continue to trade. The directors maintain close contact with Wokingham Borough Council who have confirmed that they will use reasonable endeavours to support Optalis Limited as a going concern as per existing contractual arrangements. In addition, Wokingham Borough Council has provided a guarantee that it will support the pension scheme liability of the company if required to do so. Therefore the directors consider that it is appropriate to prepare the accounts on a going concern basis.

Turnover

Turnover represents amounts chargeable in respect of the provision of social care services. Where the amount received relates to a period which covers the balance sheet date, that amount is apportioned over the period to which it relates.

Deferred tax

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date, except as required by FRS19.

Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted at the balance sheet date.

Operating leases

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as 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. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

OPTALIS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2012

Pensions

The company operates a defined contribution pension scheme. Contributions are recognised in the profit and loss account in the period in which they become payable in accordance with the rules of the scheme.

The company also operates a defined benefit pension scheme providing benefits based on final pensionable pay.

The assets of the schemes are held separately from those of the company, being invested by investment management companies. Contributions to the scheme are paid by the company. Scheme assets are measured at fair values. Scheme liabilities are measured on an actuarial basis using the projected unit method or attained age method, and are discounted at appropriate high quality corporate bond rates.

The net surplus or deficit, adjusted for deferred tax, is presented separately from other net assets on the balance sheet. A net surplus is recognised only to the extent that it is recoverable by the company.

2 Turnover

The total turnover of the company for the period has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating loss

Operating loss is stated after charging

**11 May 2011
to 31 March
2012
£**

Auditor's remuneration - The audit of the company's annual accounts

9,000

OPTALIS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2012

4 Particulars of employees

The average number of persons employed by the company (including directors) during the period, analysed by category was as follows

	11 May 2011 to 31 March 2012 No
Administration and support	24
Care workers	264
Brokerage	43
	<hr/>
	331

The aggregate payroll costs were as follows

	11 May 2011 to 31 March 2012 £
Wages and salaries	4,503,488
Social security costs	336,283
Staff pensions (Defined benefit)	584,000
Staff pensions (Defined contribution)	51,356
	<hr/>
	5,475,127

OPTALIS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2012

5 Directors' remuneration

The directors' remuneration for the period was as follows

	11 May 2011 to 31 March 2012 £
Remuneration	<u>47,048</u>

During the period the number of directors who were receiving benefits and share incentives was as follows

	11 May 2011 to 31 March 2012 No.
Accruing benefits under money purchase pension scheme	<u>1</u>

6 Interest payable and similar charges

	11 May 2011 to 31 March 2012 £
Pension scheme other finance costs	<u>45,000</u>

OPTALIS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2012

7 Taxation

Factors affecting current tax charge for the period

Tax on loss on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 26%

The differences are reconciled below

	11 May 2011 to 31 March 2012 £
Loss on ordinary activities before taxation	(166,902)
Corporation tax at standard rate	(43,395)
Losses not utilised	43,395
Total current tax	-

8 Debtors

	31 March 2012 £
Trade debtors	42,412
Amounts owed by group undertakings	6,932
Other debtors	120,556
Prepayments and accrued income	13,554
	<u>183,454</u>

9 Creditors Amounts falling due within one year

	31 March 2012 £
Trade creditors	35,721
Other creditors	258,110
Accruals and deferred income	58,181
	<u>352,012</u>

OPTALIS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2012

10 Share capital

Allotted, called up and fully paid shares

	31 March 2012	
	No.	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>

New shares allotted

During the period 100 Ordinary shares having an aggregate nominal value of £100 were allotted for an aggregate consideration of £100. The shares were allotted on incorporation to the company's immediate and only parent undertaking.

11 Reserves

	Profit and loss account £
Loss for the period	(166,902)
Actuarial loss on pension schemes, guaranteed by shareholder	(1,756,000)
Recognition of pension scheme liability associated with employees transferring from previous employer in June 2011	<u>(1,874,000)</u>
At 31 March 2012	<u>(3,796,902)</u>

12 Reconciliation of movement in shareholders' funds

	11 May 2011 to 31 March 2012 £
Loss attributable to the members of the company	(166,902)
Other recognised gains and losses relating to the period	(3,630,000)
New share capital subscribed	<u>100</u>
Net reduction to shareholders' funds	<u>(3,796,802)</u>
Shareholders' deficit at end of period	<u>(3,796,802)</u>

OPTALIS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2012

13 Pension schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £51,356.

Introduction

The company also operates a defined benefit pension scheme where it is not the principal employer. Pension benefits are provided by the Local Government Pension Scheme ("the LGPS") to employees of Optalis Limited ("the Employer") as at 31 March 2012.

The following figures and disclosures have been prepared by the scheme actuary in accordance with Financial Reporting Standard 17 (FRS17) and International Accounting Standard 19 (IAS19).

Demographic/Statistical Assumptions

The company has adopted a set of demographic assumptions that are consistent with those used for the formal funding valuation as at 31 March 2010. The post retirement mortality tables adopted were the SAPS tables allowing for long cohort projection with a minimum 2.25% p.a. improvement for members who had retired by 31 March 2010 and a minimum of 1% p.a. for those that had not.

The assumed life expectations from age 65 are:

Life Expectancy from age 65 (years)

		31 March 2012
Retiring Today	Males	23.0
	Females	25.6
Retiring in 20 years	Males	25.0
	Females	27.6

The following assumptions were made:

Members will exchange half of their commutable pension for cash at retirement.

Active members will retire one year later than they are first able to do so without reduction.

OPTALIS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2012

Financial Assumptions

The financial assumptions used for the purposes of the IAS19 calculations are as follows

Assumptions as at	31 March 2012		06 June 2011	
	% p a	Real	% p a	Real
RPI Increases	3.30%	-	3.50%	-
CPI increases	2.50%	-0.80%	2.70%	-0.80%
Salary Increases	4.45%	1.15%	4.75%	1.25%
Pension Increases	2.50%	-0.80%	2.70%	-0.80%
Discount Rate	4.60%	1.26%	5.30%	1.74%

These assumptions are set with reference to market conditions at 31 March 2012. The discount rate is the yield on the iBoxx AA rated over 15 year corporate bond index as at this date which has been chosen to meet the requirements of IAS19. The RPI increase assumption is set based on the difference between conventional gilt yields and index-linked gilt yields at the accounting date using data published by the Bank of England. This measure has historically overestimated future increases in the RPI and so we have made a deduction of 0.25% to get the RPI assumption of 3.3%. As future pension increases are expected to be based on CPI rather than RPI, a further assumption about CPI which is that it will be 0.8% below RPI i.e. 2.5% has been made.

Salary increases are then assumed to be 1.15% above RPI in addition to a promotional scale. This is a slightly lower long-term assumption than last year to reflect the continuing climate of low salary increases.

Expected Return on Assets

The expected return on assets is based on the long-term future expected investment return for each asset class as at the beginning of the period (i.e. as at 7 June 2011 for the period to 31 March 2012). The returns on gilts and other bonds are assumed to be the gilt yield and corporate bond yield respectively at the relevant date. The returns on equities and property are then assumed to be a margin above gilt yields.

The following expected returns have been adopted

Asset Class	Expected Return at	
	1 April 2012	7 June 2011
	% p a	% p a
Equities	6.7%	7.5%
Other Bonds	4.6%	5.3%
Property	4.8%	5.6%
Cash	3.0%	3.0%
Alternative Assets	5.0%	5.0%
Total	<u>5.4%</u>	<u>5.8%</u>

OPTALIS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2012

The estimated asset allocation for Optalis Limited as at 31 March 2012 is as follows

Employer Asset Share - Bld Value	31 March 2012	
	£'000	%
Equities	3,016	35%
Other Bonds	2,154	25%
Property	862	10%
Cash	172	2%
Alternative Assets	2,413	28%
Total	8,617	100%

The final asset allocation of the Fund assets as at 31 March 2012 is likely to be different from that shown due to estimation techniques

Based on the above, the Employer's share of the assets of the Fund is approximately 1%

Results and Disclosures

The results of the actuary's calculations for the period ended 31 March 2012 are set out in Appendix 1 The estimated net liability as at 31 March 2012 is £3,713,000

In addition

Appendix 2 sets out the profit and loss account costs for the period ended 31 March 2012

Appendix 3 details a reconciliation of assets and liabilities during the period

Appendix 4 shows the sensitivity analysis to a change in discount rate

Appendix 5 shows the balance sheets for the previous 4 years (where available)

Appendix 6 shows the Statement of Recognised Income and Expense

Appendix 7 contains the estimates of the projected profit and loss account costs for the year ending 31 March 2013. No allowance has been made for the costs of any early retirements or augmentations which may occur over the year and whose additional capitalised costs would be included in the liabilities. It is only an estimate therefore actual experience over the year is likely to differ. Balance sheet projections have not been provided on the basis that they will depend upon market conditions and the asset value of the Scheme at the end of the following year.

Appendix 1 Balance Sheet Disclosure as at 31 March 2012

	31 Mar 2012	06 Jun 2011
	£000	£000
Net pension liability as at		
Present Value of Funded Obligation	12,330	9,860
Fair Value of Scheme Assets (bid value)	8,617	7,986
Net Liability	3,713	1,874

OPTALIS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2012

Appendix 2 Profit & Loss Account Costs for the period to 31 March 2012

The amounts recognised in the profit and loss statement are	Period to 31 March 2012
	£000
Current service cost	584
Interest on obligation	441
Expected return on Scheme assets	(396)
Total	<u>629</u>
Actual return on Scheme assets	(18)

Appendix 3. Asset and Benefit Obligation Reconciliation

Reconciliation of opening & closing balances of the present value of the defined benefit obligation	Period to 31 March 2012
	£000
Opening Defined Benefit Obligation	9,860
Service cost	584
Interest cost	441
Actuarial losses	1,341
Estimated benefits paid (net of transfers in)	(103)
Contributions by Scheme participants	<u>207</u>
Closing Defined Benefit Obligation	<u>12,330</u>
Reconciliation of opening & closing balances of the fair value of Scheme assets	Period to 31 March 2012
	£000
Opening fair value of Scheme assets	7,986
Expected return on Scheme assets	396
Actuarial losses	(415)
Contributions by employer (including unfunded)	546
Contributions by Scheme participants	207
Estimated benefits paid (net of transfers in and including unfunded)	<u>(103)</u>
Fair value of Scheme assets at end of period	<u>8,617</u>

OPTALIS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2012

	Period to 31 March 2012
	£000
Reconciliation of opening & closing surplus	
Surplus (Deficit) at beginning of the period	(1,874)
Current Service Cost	(584)
Employer Contributions	546
Other Finance Income	(45)
Actuarial losses	(1,756)
Surplus (Deficit) at end of the period	<u>(3,713)</u>

Appendix 4 Sensitivity Analysis

The following table sets out the impact of a small change in the discount rates on the defined benefit obligation and projected service cost along with a +/- 1 year age rating adjustment to the mortality assumption

Sensitivity Analysis	£000	£000	£000
Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present Value of Total Obligation	11,975	12,330	12,695
Projected Service Cost	798	829	861
Adjustment to mortality age rating assumption	+1 Year	None	-1 Year
Present Value of Total Obligation	11,906	12,330	12,759
Projected Service Cost	792	829	866

Appendix 5 Amounts for the Current Period

	Period to 31 March 2012
	£000
Amounts for the current and previous periods	
Defined Benefit Obligation	(12,330)
Scheme assets	8,617
Surplus (Deficit)	(3,713)
Experience adjustments on Scheme assets	(415)
Percentage of assets	(4.8%)
Cumulative Actuarial Gains and Losses	(1,756)

OPTALIS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2012

Appendix 6 Statement of Recognised Income and Expense

Statement of Recognised Income and Expense	Period to 31 March 2012
	£000
Actual Return less expected return on pension scheme assets	(415)
Experience gains and losses	-
Changes in assumptions underlying the present value of the scheme liabilities	(1,341)
Actuarial losses in pension scheme	<u>(1,756)</u>

Appendix 7 Projected Pension Expense for the year to 31 March 2013

Projections for the year to 31 March 2013	Year to 31 March 2013
	£000
Service Cost	829
Interest Cost	592
Return on assets	(490)
Total	<u>931</u>
Employer Contributions	604

Note that these figures exclude the capitalised cost of any early retirements or augmentations which may occur after 31 March 2012. These projections are based on the assumptions as at 31 March 2012, as described in the note above.

14 Analysis of net debt

	At 11 May 2011 £	Cash flow £	At 31 March 2012 £
Cash at bank and in hand	-	84,756	84,756
Net funds	<u>-</u>	<u>84,756</u>	<u>84,756</u>

15 Related party transactions

The company has taken advantage of the exemption in FRS8 "Related Party Disclosures" from disclosing transactions with other members of the group.

16 Control

The company is controlled by Wokingham Borough Council, which owns the entire issued share capital of the company.