

Vision Express Group Limited

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

Registered number 02939455

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Vision Express Group Limited

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

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Vision Express Group Limited

Directors and advisers

Directors

DH Evans
J Lawson
TA Kiesselbach

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

Geldards LLP
The Arc
Enterprise Way
Nottingham
NG2 1BN

Harvey Ingram LLP
20 New Walk
Leicester
LE1 6TX

Vision Express Group 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 principal activities

The company's principal activity during the year was a management service company. No change is planned to these activities. The results of the company show a pre tax profit for the financial year of £10,874,000 (2010 £10,235,000) after the receipt of dividends of £10,600,000 (2010 £10,012,095). The company has net current assets of £15,315,000 (2010 £15,525,000).

Results and dividends

The company's operating profit for the financial year amounted to £249,000 (2010 £203,000). The profit for the financial year after taxation amounted to £10,790,000 (2010 £10,157,000).

During the year the company paid an interim dividend of £11,000,000 (2010 £9,800,000) see note 8.

Key performance indicators (KPIs)

Given the straightforward nature of the business the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

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)
T Moyles (resigned 23 June 2011)
TA Kiesselbach

Research and development activities

Although the company does not employ a dedicated research and development function, the company considers itself committed to the continual development of the optical care service, in terms of both product and process improvements.

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.

Vision Express Group Limited

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

Employees (continued)

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.

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, other than fixed term agreed exchange rates with certain group companies, to protect against foreign exchange movements.

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

Development and performance of the business during the year

As in previous years, the company has continued to provide management services on behalf of its subsidiaries and other related parties.

Future outlook

The company does not envisage any significant changes to the nature or scope of its future operations. Where appropriate, the company will continue to invest in equipment on behalf of its subsidiaries to enable them to maximise opportunities to retain and grow customer base within a competitive market.

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.

National and global economic trading conditions

The performance of the company is reliant upon income generated by management services provided to subsidiaries and related parties, and therefore reliant on their financial performance through continuing difficult economic trading conditions.

Vision Express Group 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.

Vision Express Group Limited

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

Independent auditors

A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the company 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

Vision Express Group Limited

Independent auditors' report to the members of Vision Express Group Limited

We have audited the financial statements of Vision Express Group 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 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 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.

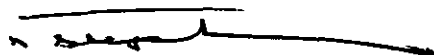
Vision Express Group Limited

Independent auditors' report to the members of Vision Express Group 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

Vision Express Group Limited

Profit and loss account for the year ended 31 December 2011

| | Note | 2011 £'000 | 2010 £'000 |
|-------------------------------------------------------------------|------|----------------|---------------|
| Turnover | 2 | 8,008 | 8,205 |
| Administrative expenses | | (7,759) | (8,002) |
| Operating profit | 6 | 249 | 203 |
| Income from shares in group undertakings | | 10,600 | 10,012 |
| Profit on ordinary activities before interest and taxation | | 10,849 | 10,215 |
| Interest receivable and similar income | 4 | 30 | 21 |
| Interest payable and similar charges | 5 | (5) | (1) |
| Profit on ordinary activities before taxation | | 10,874 | 10,235 |
| Tax on profit on ordinary activities | 7 | (84) | (78) |
| Profit for the financial year | 17 | 10,790 | 10,157 |

There were no recognised gains or losses in either the current or preceding 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

Vision Express Group Limited

Balance sheet as at 31 December 2011

Registered number 02939455

| | Note | 2011 £'000 | 2010 £'000 |
|-------------------------------------------------------|------|----------------|----------------|
| Fixed assets | | | |
| Intangible assets | 9 | 473 | 742 |
| Tangible assets | 10 | 602 | 848 |
| Investments | 11 | 6,825 | 6,825 |
| | | 7,900 | 8,415 |
| Current assets | | | |
| Stocks | 12 | 300 | 48 |
| Debtors | 13 | 2,025 | 8,368 |
| Cash at bank and in hand | | 6,611 | 339 |
| | | 8,936 | 8,755 |
| Creditors: amounts falling due within one year | 14 | (1,521) | (1,645) |
| Net current assets | | 7,415 | 7,110 |
| Net assets | | 15,315 | 15,525 |
| Capital and reserves | | | |
| Called up share capital | 16 | 2,007 | 2,007 |
| Share premium account | 17 | 13,007 | 13,007 |
| Profit and loss account | 17 | 301 | 511 |
| Total shareholders' funds | 18 | 15,315 | 15,525 |

These financial statements on page 8 to 22 were approved by the board of directors on 16 April 2012 and were signed on its behalf by



J Lawson

Director

Vision Express Group 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 of management fees receivable by the company, excluding Value Added Tax.

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

Intangible fixed assets

Intellectual property, trademarks and licences are carried at cost and are amortised on a straight-line basis over a period of 5 years.

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 and the costs attributable to bringing the asset 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, using the straight-line basis over its expected useful life, as follows:

| | |
|--------------------|-----------|
| Computer equipment | 3-5 years |
|--------------------|-----------|

Fixed asset investments

Fixed asset investments are carried at cost less provision made for impairment in the carrying value.

Impairment reviews are performed by management when there has been an indication of potential impairment.

Vision Express Group Limited

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

1 Accounting policies (continued)

Stocks

Stocks are stated at the lower of cost and net realisable value. Net realisable value is defined as expected selling price minus the cost necessary for completion. Cost is determined by a weighted average basis. A provision is made where necessary, for obsolete and defective stock.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated in sterling using the rate of exchange ruling at the balance sheet date and gains or losses on translation are included in the profit and loss account.

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 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 undiscounted basis.

Employee share option plan

The company operates an employee share option plan (ESOP). The results for the year and the assets and liabilities at the beginning and end of the period for the ESOP are incorporated within the financial statements of the company in accordance with UITF 38. The ESOP trust currently holds cash assets of £301,000 (2010: £304,000). This is included within the company's cash balance but is restricted for uses which benefit the employees of the ESOP trust.

Cash flow statement

Under Financial Reporting Standard 1 (Revised 1996) "Cash flow statement", 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.

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.

Vision Express Group Limited

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

2 Turnover

| | 2011 | 2010 |
|----------------------------|-------|-------|
| | £'000 | £'000 |
| Management fees receivable | 8,008 | 8,205 |

The company's net assets and the origin of the business is all from the United Kingdom. There is only one class of business being the provision of management services.

3 Employees and directors

The company has no employees (2010: none) other than the Directors.

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 |
| Directors' emoluments and annual performance related bonus | 203 | 263 |
| Pension contributions | 21 | 7 |
| Loss of office | - | 90 |
| | 224 | 360 |

Directors' emoluments were in respect of management services. There were no directors who exercised share options during the year (2010: one). The emoluments of the highest paid director were £165,216 (2010: £286,161). Pension contributions of £19,753 (2010: £7,229) were paid on his behalf. Retirement benefits are accruing to one (2010: one) director under the money purchase scheme.

Vision Express Group Limited

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

4 Interest receivable and similar income

| | 2011 | 2010 |
|----------------------------------|-----------|-----------|
| | £'000 | £'000 |
| Interest from group undertakings | 17 | 18 |
| Bank interest | 13 | 1 |
| Other interest – licence fees | - | 2 |
| | 30 | 21 |

5 Interest payable and similar charges

| | 2011 | 2010 |
|-----------------|-------|-------|
| | £'000 | £'000 |
| Exchange losses | 5 | 1 |

6 Operating profit

This is stated after charging:

| | 2011 | 2010 |
|--------------------------------------------------------|-------|-------|
| | £'000 | £'000 |
| Auditors' remuneration - audit | 9 | 11 |
| Depreciation on tangible fixed assets - owned assets | 352 | 830 |
| - leased assets | - | 22 |
| Amortisation on intangible fixed assets - owned assets | 294 | 637 |
| - leased assets | - | 35 |

Vision Express Group Limited

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

7 Tax on profit on ordinary activities

Analysis of tax during the year

| | 2011 | 2010 |
|------------------------------------------------|-------|-------|
| | £'000 | £'000 |
| Current tax | | |
| UK corporation tax on profit for the period | 41 | 258 |
| Adjustments to tax in respect of prior periods | - | 8 |
| Total current tax | 41 | 266 |
| Deferred tax (note 15) | | |
| Origination and reversal of timing differences | 32 | (196) |
| Adjustments to tax in respect of prior periods | 11 | 8 |
| Total tax on profit on ordinary activities | 84 | 78 |

Vision Express Group Limited

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

7 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 lower) than the 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 | 10,874 | 10,235 |
| Profit on ordinary activities before taxation multiplied by the standard rate in the UK at 26.5% (2010 28%) | 2,882 | 2,866 |
| Effects of | | |
| Non-taxable dividend received | (2,809) | (2,804) |
| Accelerated capital allowances less depreciation | (32) | 196 |
| Adjustments to tax in respect of prior periods | - | 8 |
| Total current tax charge for the year | 41 | 266 |

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 £5,000 and a reduction in the deferred tax asset to £116,000. The effect of the future proposed changes to further reduce the tax rate to 22% would be an additional tax charge of £9,000 and a reduction in the deferred tax asset to £107,000.

Vision Express Group Limited

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

8 Equity dividends

| | 2011 | 2010 |
|--------------------------------------------------------------------------------------------------------------------------------------------------|---------------|-------|
| | £'000 | £'000 |
| Dividends paid of 548.01 pence per "A" ordinary share and 548.01 pence per "B" ordinary share (2010: 488.23 pence and 488.23 pence respectively) | 11,000 | 9,800 |

9 Intangible fixed assets

| | Trademarks and licences £'000 |
|---------------------------------|-------------------------------------|
| Cost | |
| At 1 January 2011 | 4,124 |
| Additions | 25 |
| At 31 December 2011 | 4,149 |
| Accumulated amortisation | |
| At 1 January 2011 | (3,382) |
| Charge for the year | (294) |
| At 31 December 2011 | (3,676) |
| Net book value | |
| At 31 December 2011 | 473 |
| At 31 December 2010 | 742 |

Vision Express Group Limited

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

10 Tangible fixed assets

| | Computer equipment |
|---------------------------------|-------------------------------|
| | £'000 |
| <hr/> | |
| Cost | |
| At 1 January 2011 | 5,048 |
| Additions | 106 |
| At 31 December 2011 | 5,154 |
| <hr/> | |
| Accumulated depreciation | |
| At 1 January 2011 | (4,200) |
| Charge for the year | (352) |
| At 31 December 2011 | (4,552) |
| <hr/> | |
| Net book amount | |
| At 31 December 2011 | 602 |
| At 31 December 2010 | 848 |
| <hr/> | |

Vision Express Group Limited

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

11 Fixed asset investments

Investments represent the following

| | Listed investments | Investment in group undertakings | Total |
|------------------------------------------|-----------------------|----------------------------------------|-------|
| | £'000 | £'000 | £'000 |
| Cost | | | |
| At 1 January and 31 December 2011 | 5 | 6,825 | 6,830 |
| Provisions | | | |
| At 1 January and 31 December 2011 | (5) | - | (5) |
| Net book amount | | | |
| At 31 December 2010 and 31 December 2011 | - | 6,825 | 6,825 |

Subsidiary undertakings

| Subsidiary undertaking | Country of incorporation | % share holding | Class of shares held | Principal activity |
|---------------------------------------------------|--------------------------|-----------------|----------------------|-----------------------|
| Principal direct subsidiary undertaking | | | | |
| Vision Express (UK) Limited | United Kingdom | 100 | Ordinary | Optical retailer |
| | | 100 | Deferred | |
| | | 100 | Preference | |
| Vision Express Joint Ventures Limited | United Kingdom | 13 | Ordinary | Management company |
| GrandVision Retail Management | Switzerland | 100 | Ordinary | Management company |
| Principal indirect subsidiary undertakings | | | | |
| Vision Express Joint Ventures Limited | United Kingdom | 87 | Ordinary | Management company |
| Abbeyfield V E Limited | United Kingdom | 100 | Ordinary | Management company |
| Vision Express (CLS) Limited | United Kingdom | 100 | Ordinary | Contact Lens Services |

There are no other investments whose result or financial position affect the figures in the company's financial statements

The directors believe that the carrying value of the investments is supported by their underlying net assets

Vision Express Group Limited

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

12 Stocks

| | 2011 | 2010 |
|------------------|-------|-------|
| | £'000 | £'000 |
| Goods for resale | 300 | 48 |

13 Debtors

| | 2011 | 2010 |
|------------------------------------|--------------|--------------|
| | £'000 | £'000 |
| Trade debtors | 923 | 923 |
| Amounts owed by group undertakings | 978 | 7,281 |
| Other debtors | 3 | - |
| Deferred tax (note 15) | 121 | 164 |
| | 2,025 | 8,368 |

Within amounts owed by group undertakings is £nil (2010 £6,270,010) which bears interest at LIBOR less 0.25%. During 2011 the intercompany loan account has been moved into a cash pooling agreement with Bank Mendes Gans NV, which is now included within 'Cash at bank and in hand' on the balance sheet. Other amounts owed by group undertakings are non-interest bearing. All debtors are due within one year.

14 Creditors: amounts falling due within one year

| | 2011 | 2010 |
|------------------------------------|--------------|--------------|
| | £'000 | £'000 |
| Trade creditors | 23 | 14 |
| Amounts owed to group undertakings | 1,298 | 1,377 |
| Other taxation and social security | 192 | 155 |
| Corporation tax | 8 | 99 |
| | 1,521 | 1,645 |

Amounts owed to group undertakings are unsecured and non-interest bearing.

Vision Express Group Limited

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

15 Deferred tax asset

The deferred tax asset is analysed as follows

| | 2011 | 2010 |
|-------------------------------------------------|------------|------------|
| | £'000 | £'000 |
| At 1 January | 164 | - |
| Charged to the profit and loss account (note 7) | (43) | - |
| Transferred from provisions | - | 164 |
| At 31 December | 121 | 164 |

The elements of deferred taxation are as follows

| | 2011 | 2010 |
|--------------------------------------------------------------------|-------|-------|
| | £'000 | £'000 |
| Difference between accumulated depreciation and capital allowances | 121 | 164 |

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

Vision Express Group Limited

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

16 Called up share capital

| | 2011 | 2010 |
|-----------------------------------------------------------|--------------|--------------|
| | £'000 | £'000 |
| Authorised | | |
| 1,002,664 (2010 1,002,664) 'A' ordinary shares of £1 each | 1,003 | 1,003 |
| 1,997,336 (2010 1,997,336) 'B' ordinary shares of £1 each | 1,997 | 1,997 |
| | 3,000 | 3,000 |
| Allotted, called up and fully paid | | |
| 598,052 (2010 598,052) 'A' ordinary shares of £1 each | 598 | 598 |
| 1,409,217 (2010 1,409,217) 'B' ordinary shares of £1 each | 1,409 | 1,409 |
| | 2,007 | 2,007 |

In the event of a winding up the 'A' ordinary shareholders have priority over the 'B' shareholders and will be entitled to receive amounts equal to their issue price

Other than the above, the 'A' ordinary shares rank parri passu with the 'B' ordinary shares

17 Reserves

| | Share premium account | Profit and loss account |
|-------------------------------|-----------------------|-------------------------|
| | £'000 | £'000 |
| At 1 January 2011 | 13,007 | 511 |
| Profit for the financial year | - | 10,790 |
| Dividends (note 8) | - | (11,000) |
| At 31 December 2011 | 13,007 | 301 |

Vision Express Group Limited

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

18 Reconciliation of movement in total shareholders' funds

| | 2011 | 2010 |
|-------------------------------------------------|---------------|---------------|
| | £'000 | £'000 |
| Profit for the financial year | 10,790 | 10,157 |
| Dividends (note 8) | (11,000) | (9,800) |
| Net (reduction)/increase in shareholders' funds | (210) | 357 |
| Opening shareholders' funds | 15,525 | 15,168 |
| Closing shareholders' funds | 15,315 | 15,525 |

19 Related party transactions

As the company is a wholly owned subsidiary of HAL Trust the company has taken advantage of the exemption contained in Financial Reporting Standard 8 "Related party disclosure" and has therefore not disclosed transactions or balances with wholly owned entities that form part of the group. The consolidated financial statements of HAL Trust, within which this company is included, can be obtained from the address given in note 20.

In addition, during the accounting year ended 31 December 2011, Vision Express Group Limited entered into service transactions with a number of companies which are 50% owned by its fellow subsidiary undertaking Abbeyfield V E Limited.

The value of fees charged to these companies amounted to £4,981,546 (2010 £5,523,162). An amount of £922,593 (2010 £922,541) held in trade debtors is owed by these companies at 31 December 2011.

20 Ultimate parent and controlling company

The immediate parent company is Grand Vision Optique International SA, a company incorporated in France.

The company is a subsidiary of GrandVision SA, a company registered in France. The ultimate parent and controlling party is HAL Trust, a trust under Bermuda Law. 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.

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.