EYECARE PARTNERS LIMITED

ACN 006 505 880

AND ITS CONTROLLED ENTITIES

FINANCIAL REPORT

FOR THE YEAR ENDED

30 JUNE 2007

EYECARE PARTNERS LIMITED
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AND ITS CONTROLLED ENTITIES

FINANCIAL REPORT FOR THE YEAR ENDED
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EYECARE PARTNERS LIMITED
ACN 006 505 880
AND ITS CONTROLLED ENTITIES

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2007

	Notes	Consolidated Entity		Parent Entity	
		2007	2006	2007	2006
Revenue					
Sales revenue	2	-	-	-	-
Other income	2	2,832	-	2,832	-
		2,832	-	2,832	-
Cost of goods sold		-	-	-	-
Administrative Expenses		(162,925)	(167,735)	(162,925)	(167,735)
		(162,925)	(167,735)	(162,925)	(167,735)
Profit / (loss) before income tax		(160,093)	(167,735)	(160,093)	(167,735)
Income tax expense (income tax benefit)	3	-	-	-	-
Profit / (loss) from continuing operations		(160,093)	(167,735)	(160,093)	(167,735)
Profit attributable to minority interests		-	-	-	-
Profit / (loss) attributable to the members of the parent		(160,093)	(167,735)	(160,093)	(167,735)
Loss per share – basic (cents per share)	13	(0.002)	(0.002)		
Loss per share – diluted (cents per share)	13	(0.002)	(0.002)		

The accompanying notes form part of these financial statements.

EYECARE PARTNERS LIMITED
ACN 006 505 880
AND ITS CONTROLLED ENTITIES

CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2007

	Notes	Consolidated Entity		Parent Entity	
		2007	**2006**	**2007**	**2006**
CURRENT ASSETS					
Cash and cash equivalents		810,336	-	510,335	-
Receivables	4	10,322	-	310,322	-
Other current assets	5	383,081	4,991	383,081	4,991
TOTAL CURRENT ASSETS		1,203,739	4,991	1,203,738	4,991
NON-CURRENT ASSETS					
Other financial assets		-	-	1	-
Property, plant and equipment	6	20,909	-	20,909	-
TOTAL NON-CURRENT ASSETS		20,909	-	20,910	-
TOTAL ASSETS		1,224,648	4,991	1,224,648	4,991
CURRENT LIABILITIES					
Payables	7	620,198	240,448	620,198	240,448
Short-term borrowings	11(c)	1,000,000	-	1,000,000	-
TOTAL CURRENT LIABILITIES		1,620,198	240,448	1,620,198	240,448
TOTAL LIABILITIES		1,620,198	240,448	1,620,198	240,448
NET ASSETS		(395,550)	(235,457)	(395,550)	(235,457)
EQUITY					
Contributed equity	8	16,188,389	16,188,389	16,188,389	16,188,389
Reserves	10	243,600	243,600	243,600	243,600
Retained earnings	10	(16,827,539)	(16,667,446)	(16,827,539)	(16,667,446)
TOTAL EQUITY		(395,550)	(235,457)	(395,550)	(235,457)

The accompanying notes form part of these financial statements.

EYECARE PARTNERS LIMITED
ACN 006 505 880
AND ITS CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2007

	Notes	Consolidated Entity 2007	Consolidated Entity 2006	Parent Entity 2007	Parent Entity 2006
TOTAL EQUITY AT THE BEGINNING OF THE YEAR		(235,457)	(67,722)	(235,457)	(67,722)
Profit / (loss) for the year		(160,093)	(167,735)	(160,093)	(167,735)
TOTAL EQUITY AT THE END OF THE YEAR		(395,550)	(235,457)	(395,550)	(235,457)

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

EYECARE PARTNERS LIMITED
ACN 006 505 880
AND ITS CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2007

	Notes	Consolidated Entity		Parent Entity	
		2007	2006	2007	2006
CASH FLOW FROM OPERATING ACTIVITIES					
Payments to suppliers and employees		(171,587)	(46,731)	(171,587)	(46,731)
Interest received		2,832	-	2,832	-
Net cash provided by operating activities	11(a)	(168,755)	(46,731)	(168,755)	(46,731)
CASH FLOW FROM INVESTING ACTIVITIES					
Loans Advanced		-	-	(300,000)	-
Payment for property, plant and equipment		(20,909)	-	(20,909)	-
Payment for investments		-	-	(1)	-
Net cash provided by investing activities		(20,909)	-	(320,910)	-
CASH FLOW FROM FINANCING ACTIVITIES					
Proceeds from borrowings		1,000,000	46,731	1,000,000	46,731
Net cash provided by financing activities		1,000,000	46,731	1,000,000	46,731
Net increase in cash and cash equivalents	11(b)	810,336	-	510,335	-
Cash and cash equivalents at beginning of year		-	-	-	-
Cash and cash equivalents at end of the year	11(b)	810,336	-	510,335	-

The accompanying notes form part of these financial statements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

The financial report covers Eyecare Partners Limited as an individual parent entity and Eyecare Partners Limited *and controlled entities* as a consolidated entity. Eyecare Partners Limited is a company limited by shares, incorporated and domiciled in Australia.

The following is a summary of material accounting policies adopted by the consolidated entity in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Basis of preparation of the financial report

Compliance with IRFS

Australian Accounting Standards include Australian Equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures compliance with International Financial Reporting Standards (IFRS).

Historical Cost Convention

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes on assets as described in the accounting policies.

(b) Principles of Consolidation

The consolidated financial statements are those of the consolidated entity, comprising the financial statements of the parent entity and of all entities, which the Company Industries Limited controlled from time to time during the year and at balance date. The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies, which may exist.

All inter-company balances and transactions, including any unrealised profits or losses have been eliminated on consolidation.

(c) Revenue Recognition

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Risks and rewards of ownership are considered passed to the buyer at the time of delivery of the goods to the customer.

Revenue from the provision of services to customers is recognised upon delivery of the service to the customer.

Government grants received that relate to specific assets or expenses are deferred and recognised as income in the same period as the asset is consumed or when the associated expenses are incurred.

Interest revenue is recognised on a time proportional basis using the effective rate method.

Dividend revenue is recognised when the right to receive a dividend has been established. Dividends received from associates and joint ventures are accounted for in accordance with the equity method.

All revenue is stated net of the amount of goods and services tax (GST).

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Cash and cash equivalents

Cash and cash equivalents include cash on hand and at banks, short-term deposits with an original maturity of three months or less held at call with financial institutions, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

(e) Inventories

Inventories are measured at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials and consumables: purchase cost on a first-in-first-out basis;
- Finished goods and work-in-progress: cost of direct material and labour and a proportion of manufacturing overheads based on normal operating capacity.

(f) Property, plant and equipment

Cost and Valuation

Freehold land and buildings are shown at fair value less accumulated depreciation for buildings and accumulated impairment losses.

At each balance date the carrying value of each asset is reviewed to ensure that it does not differ materially from the asset's fair value at reporting date. Where necessary, the asset is revalued to reflect its fair value. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the assets.

Changes in the carrying amounts arising on revaluation of land and buildings are credited to the asset revaluation reserve in shareholders' equity after bringing to account any capital gains tax that would arise on disposal of that asset.

All other classes of property, plant and equipment are stated at cost less depreciation and any accumulated impairment losses.

Depreciation

Land is not depreciated. The depreciable amounts of all other fixed assets are depreciated on a straight-line basis over their estimated useful lives commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The useful lives for each class of assets are:

	2007	2006
Buildings:	40 years	40 years
Plant and equipment:	3 to 10 years	3 to 10 years
Leased plant and equipment:	3 to 5 years	3 to 5 years

(g) Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Finance Leases

Leases of fixed assets, where substantially all of the risks and benefits incidental to ownership of the asset, but not the legal ownership, are transferred to entities within the consolidated entity are classified as finance leases. Finance leases are capitalised, recording at the inception of the lease an asset and liability equal to the present value of the minimum lease payments, and disclosed as plant and equipment under lease.

Leased assets are depreciated over the shorter of the estimated useful life of the assets and the lease term. Lease payments are allocated between interest expense and reduction of the lease liability. The interest expense is calculated using the interest rate implicit in the lease and is included in finance costs in the Income Statement.

The cost of improvements to or on leasehold property is capitalised, disclosed as leasehold improvements, and amortised over the unexpired period of the lease or the estimated useful lives of the improvements, whichever is the shorter.

Operating Leases

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight line basis over the lease term.

(h) Impairment of assets

Assets with an indefinite useful life are not amortised but are tested annually for impairment in accordance with AASB 136. Assets subject to annual depreciation or amortisation are reviewed for impairment whenever events or circumstances arise that indicate that the carrying amount of the asset may be impaired.

An impairment loss is recognised where the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of an asset is defined as the higher of its fair value less costs to sell and value in use.

(i) Taxes

Current income tax expense or revenue is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities.

A balance sheet approach is adopted under which deferred tax assets and liabilities are recognized for temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred tax asset or liability is recognised in relation to temporary differences arising from the initial recognition of an asset or a liability if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for temporary differences and unused tax losses only when it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Employee Benefits

Liabilities arising in respect of wages and salaries, annual leave, long service leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. All other employee benefit liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date.

Share-based payments

The group will operate an employee share option plan and an employee share scheme. The bonus element over the exercise price for the grant of shares and options is recognised as an expense in the Income Statement in the period(s) when the benefit is earned.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the options at grant date. The fair value of options at grant date is determined using a Black-Scholes or bi-nominal option pricing model, and is recognised as an employee expense over the period during which the employees become entitled to the option.

The market value of shares issued to employees for no cash consideration under the employee share scheme is recognised as an expense when the employees become entitled to the shares.

(k) Financial Instruments

Classification

The group classifies its financial instruments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its financial instruments at initial recognition.

Loans and Receivables

Loan and receivables are measured at fair value at inception and subsequently at amortised cost using the effective interest rate method.

Financial Liabilities

Financial liabilities include trade payables, other creditors and loans from third parties including inter-company balances and loans from or other amounts due to Director-related entities.

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

(l) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

NOTE 2: REVENUE

	Notes	Consolidated Entity 2007	Consolidated Entity 2006	Parent Entity 2007	Parent Entity 2006
Revenues from continuing operations					
Sales Revenue					
Revenue from sale of goods		-	-	-	-
Revenue from services		-	-	-	-
		-	-	-	-
Other Income					
Interest		2,832	-	2,832	-
		2,832	-	2,832	-

NOTE 3: INCOME TAX

	Notes	Consolidated Entity 2007	Consolidated Entity 2006	Parent Entity 2007	Parent Entity 2006
(a) The components of tax expense:					
Current tax		-	-	-	-
Deferred tax		-	-	-	-
Under (over) provision in prior years		-	-	-	-
Total Income tax expense		-	-	-	-

(b) The prima facie tax, using tax rates applicable in the country of operation, on profit differs from the income tax provided in the financial statements as follows:

	Consolidated Entity 2007	Consolidated Entity 2006	Parent Entity 2007	Parent Entity 2006
Profit before tax from continuing operations	(160,093)	(167,735)	(160,093)	(167,735)
Total profit before income tax	(160,093)	(167,735)	(160,093)	(167,735)
At the statutory income tax rate of 30% (2006: 30%)	(48,028)	(50,321)	(48,028)	(50,321)
Tax effect of amounts which are not deductible in calculating taxable income				
Depreciation and amortisation	-	-	-	-
Share of net profit of associates	-	-	-	-
Other non allowable items	(1,485)	3,000	(1,485)	3,000
Under (over) provision in prior years				
Unrecognised tax losses	49,513	47,321	49,513	47,321
Income tax expense	-	-	-	-

NOTE 4: RECEIVABLES

	Notes	Consolidated Entity 2007	Consolidated Entity 2006	Parent Entity 2007	Parent Entity 2006
CURRENT					
Trade receivables		7,354	-	7,354	-
Prepayments		2,968	-	2,968	-
Related Party Receivables		-	-	300,000	-
Provision for doubtful debts		-	-	-	-
		10,322	-	310,322	-

NOTE 5: OTHER CURRENT ASSETS

	Notes	Consolidated Entity 2007	Consolidated Entity 2006	Parent Entity 2007	Parent Entity 2006
GST Receivable		46,306	4,991	46,306	4,991
Acquisition and Capital Raising Clearing		336,775	-	336,775	-
		383,081	4,991	383,081	4,991

NOTE 6: PROPERTY, PLANT AND EQUIPMENT

	Notes	Consolidated Entity 2007	Consolidated Entity 2006	Parent Entity 2007	Parent Entity 2006
Plant & Equipment					
At cost		20,909	-	20,909	-
Accumulated depreciation		-	-	-	-
Accumulated impairment losses		-	-	-	-
		20,909	-	20,909	-
Total property, plant and equipment					
Fair value		-	-	-	-
Cost		20,909	-	20,909	-
Accumulated depreciation and amortisation		-	-	-	-
Total written down amount		20,909		20,909	

(a) Reconciliations

	Consolidated Entity 2007	Consolidated Entity 2006	Parent Entity 2007	Parent Entity 2006
Plant and equipment				
Carrying amount at beginning	-	-	-	-
Additions	20,909	-	20,909	-
Disposals	-	-	-	-
Transfers between classes	-	-	-	-
Depreciation expense	-	-	-	-
Impairment	-	-	-	-
	20,909	-	20,909	-

NOTE 7: PAYABLES

	Notes	Consolidated Entity 2007	Consolidated Entity 2006	Parent Entity 2007	Parent Entity 2006
CURRENT					
Accruals		192,612	10,000	192,612	10,000
Other payables		52,586	-	52,586	-
Aggregate amounts payable to related parties		375,000	230,448	375,000	230,448
		620,198	240,448	620,198	240,448

NOTE 8: CONTRIBUTED EQUITY

	Notes	Consolidated Entity 2007	Consolidated Entity 2006	Parent Entity 2007	Parent Entity 2006
(a) Issued and paid up capital					
77,976,693 Ordinary shares fully paid		16,188,389	16,188,389	16,188,389	16,188,389

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

(b) Movements in shares on issue

There was no share capital issued during the financial year ended 30 June 2007.

(c) Share Options

Options over ordinary shares:

Employee share scheme

The company offered employee participation in short-term and long-term incentive schemes as part of the remuneration packages for the employees of the companies.

Options generally expire 3 years after issue, and have a one or two year vesting period. Exercise price equals or exceeds the market price at date of grant. The service and performance criteria vary in accordance with the role of the recipient of the grant and are determined on a case by case basis by the Directors.

No employee options were granted during the year. Since the end of the financial year, 1,500,000 (2006: NIL options) have been granted under this scheme. All of the options are for one share, have an exercise price of $0.20 per share, and expire on 30 September 2010. All of the options vest one year after the appointment of the executive or non-executive Director. The market value of ordinary Eyecare Partners Limited's shares was not quoted on 30 June 2007 (was not quoted on 30 June 2006).

Vendor Options

Since the year end, the company issued 26,197,215 options to the principal vendors. The options are for one share, have an exercise price of $0.20 per share, and expire on 30 September 2010. Half of the options vest on 30 September 2008 if the earnings per share for the financial year ended 30 June 2008 is equal to or exceeds 1.6 cents per share. The remaining options vest on 30 September 2009 if the earnings per share for the financial year ended 30 June 2009 is equal to or exceeds 2.0 cents per share.

NOTE 8: CONTRIBUTED EQUITY (CONTINUED)

Listed Options issued pursuant to Prospectus

Since the year end, the company issued 18,925,077 options to subscribers for shares under its Prospectus dated 20 June 2007, unsecured lenders and Andersen & York Financial Consulting Pty Ltd as payment for service. All of the options are for one share, expire on 30 September 2010, and have an exercise price of $0.20.

NOTE 9: DIVIDENDS PAID AND PROPOSED

No dividends have been paid or proposed by the Company since the end of the previous financial year (2006: $Nil).

NOTE 10: RESERVES AND RETAINED PROFITS

	Notes	Consolidated Entity		Parent Entity	
		2007	2006	2007	2006
Forfeited shares reserve	10(a)	243,600	243,600	243,600	243,600
		243,600	243,600	243,600	243,600
Accumulated losses	10(b)	(16,827,539)	(16,667,446)	(16,827,539)	(16,667,446)

(a) Forfeited shares reserve

(i) Nature and purpose of reserve

The forfeited shares reserve represents the amount of partially paid shares that were forfeited and cancelled as voted on at the 1996 AGM 28 November 2006.

(ii) Movements in reserve

Balance at beginning of year	243,600	243,600	243,600	243,600
Movement during the year	-	-	-	-
Balance at end of year	243,600	243,600	243,600	243,600

(b) Accumulated Losses

Balance at the beginning of year	(16,667,446)	(16,499,711)	(16,667,446)	(16,499,711)
Net profit attributable to members of Eyecare Partners Limited	(160,093)	(167,735)	(160,093)	(167,735)
Balance at end of year	(16,827,539)	(16,667,446)	(16,827,539)	(16,667,446)

NOTE 11: CASH FLOW INFORMATION

	Notes	Consolidated Entity 2007	Consolidated Entity 2006	Parent Entity 2007	Parent Entity 2006
(a) Reconciliation of the net profit/ (loss) after tax to the net cash flows from operations:					
Net profit (loss)		(160,093)	(167,735)	(160,093)	(167,735)
Changes in assets and liabilities					
Increase/(decrease) in accruals		182,612	10,000	182,612	10,000
Increase/(decrease) in amounts owing to related parties		144,552	115,995	144,552	115,995
Increase/(decrease) in trade and other creditors		52,586	-	52,586	-
(Increase)/decrease in other assets		(378,090)	(4,991)	(378,090)	(4,991)
(Increase)/decrease in receivables		(10,322)	-	(10,322)	-
Net cash flow from operating activities		(168,755)	(46,731)	(168,755)	(46,731)

	Notes	Consolidated Entity 2007	Consolidated Entity 2006	Parent Entity 2007	Parent Entity 2006
(b) Reconciliation of cash					
Cash balance comprises:					
– Cash at bank		810,336	-	510,335	-
– Bank overdraft					
Closing cash balance		810,336	-	510,335	-

(c) Credit stand-by arrangement and loan facilities
As at 30 June 2007, the consolidated entity and the parent entity had a non-interest bearing loan facility available to the extent of $1,000,000 (2006: NIL). As at 30 June 2007 the consolidated entity and parent entity have used $1,000,000 (2006: NIL) of the facility.

NOTE 12: COMMITMENTS AND CONTINGENCIES

	Notes	Consolidated Entity 2007	Consolidated Entity 2006	Parent Entity 2007	Parent Entity 2006
Lease expenditure commitments					
(a) Operating leases (non-cancellable):					
(i) A general description of the leasing arrangement					
Commercial Property Lease					
(ii) Minimum lease payments					
– Not later than one year		32,652	-	32,652	-
– Later than one year and not later than five years		-	-	-	-
– Later than five years		-	-	-	-
– Aggregate lease expenditure contracted for at reporting date		32,652	-	32,652	-

Contingent Liabilities
There are no contingent liabilities to disclose at the date of this financial report.

NOTE 13: EARNINGS PER SHARE

	2007	2006
The following reflects the income and share data used in the calculations of basic and diluted earnings per share:		
Net profit / (loss)	(160,093)	(167,735)
Adjustments:		
Earnings used in calculating basic and diluted earnings per share	(160,093)	(167,735)

	2007 No of shares	2006 No of shares
Weighted average number of ordinary shares used in calculating basic earnings per share	77,976,693	77,976,693

NOTE 14: DIRECTORS' AND EXECUTIVES' COMPENSATIONS

The names of Directors of the parent entity who have held office during the financial year are:

P F O'Mara
R E Morley
D Johnson
F MacCana

(a) Directors' remuneration
Aggregate remuneration paid to all Directors of each entity in the consolidated entity, by the entities in which they are Directors or by any related party amounts, including retirement and superannuation payments amounted to $ Nil both financial years.

(b) Executive remuneration
Aggregate remuneration paid to any executive of each entity in the consolidated entity, by the entities in which they are Directors or by any related party amounts, including retirement and superannuation payments amounted to $ Nil both financial years.

NOTE 15: DIRECTORS' AND EXECUTIVES' EQUITY HOLDINGS

(a) *Compensation Options: Granted and vested during the year (Consolidated)*

No grants of compensation options were made during the year.

(b) *Details concerning share-based compensation of Directors and executives*

No grants of compensation shares were made during the financial year.

(c) *Shares issued on exercise of compensation options (consolidated)*

No shares were issued on exercise of compensation options during the financial year.

(d) *Number of options held by Key Management Personnel (consolidated):*

	Balance 01 /07/06	*Granted as remuner-ation*	*Options exercise d**	*Net change other**	*Balance 30/6/2006*	*Total vested 30/06/06*	*Total Exercis-able 30/06/07*	*Total Unexer-cisable 30/06/07*
Directors								
P O'Mara	-	-	-	-	-	-	-	-
D Johnson	-	-	-	-	-	-	-	-
R Morley	-	-	-	-	-	-	-	-
F MacCana	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-

**Note: Net change includes options forfeit*

(e) *Number of shares held by Key Management Personnel (consolidated):*

	Balance 1/07/06	*Received as Remuneration*	*Options Exercised*	*Net change Other*	*Balance 30/06/07*
Directors					
P O'Mara	17,467,343	-	-	-	17,467,343
D Johnson	500,000	-	-	-	500,000
R Morley	-	-	-	-	-
F MacCana	-	-	-	-	-
Total	17,967,343	-	-	-	17,967,343

NOTE 16: LOANS TO KEY MANAGEMENT PERSONNEL (CONSOLIDATED)

No loans were made to key management personal during or since the end of the financial year.

NOTE 17: AUDITOR'S REMUNERATION

	Notes	Consolidated Entity 2007	Consolidated Entity 2006	Parent Entity 2007	Parent Entity 2006
Amounts received or due and receivable by Pitcher Partners for:					
An audit or review of the financial report of the entity and any other entity in the consolidated entity		18,545	56,991	18,545	56,991
Other financial services					
– Corporate secretarial services		-	-	-	-
– Taxation services		3,500	-	3,500	-
		22,045	56,991	22,045	56,991

NOTE 18: RELATED PARTY DISCLOSURES

(a) The consolidated financial statements include the financial statements of Eyecare Partners Limited and its controlled entities listed below:

	Country of Incorporation	Percentage Owned 2007	Percentage Owned 2006
Parent Entity:			
Eyecare Partners Limited	Australia		
Controlled Entities			
Eyecare Operations Pty Ltd [1]	Australia	100%	-

[1] Eyecare Operations Pty Ltd was incorporated on 11/5/07

(b) The following table provides the total amount of transactions that were entered into with related parties for the relevant financial year:

Wholly-owned group transactions

Eyecare Partners Limited established a wholly owned subsidiary Eyecare Operations Pty Ltd on 11/05/07. Its investment amounts to $1 and Eyecare Partners Limited also loaned $300,000 to Eyecare Operations Pty Ltd during the year ended 30 June 2007.

Transactions with entities with joint control or significant influence over the entity

No transactions were entered into with entities with joint control or significant influence over the entity during the financial year.

NOTE 18: RELATED PARTY DISCLOSURES (CONTINUED)

Transactions with entities with associates

No transactions were entered into with associates during the financial year.

Transactions with entities with joint ventures in which the entity is a venturer

No transactions were entered into with joint ventures during the financial year.

Transactions with Directors or Director-related entities:

During the reporting period costs were incurred in the nature of accounting, legal, lodgement and listing fees paid for, on behalf of the entity, by The O'Mara Management Trust, a related entity of Mr O'Mara. These expenses have been recorded in a Director's loan account which is disclosed in Note 7. This loan is non-interest bearing.

During the reporting period, the Company entered into a non-interest bearing loan with entities associated with Directors as follows:

Director	Entity	Loan Amount
Peter O'Mara	O'Mara Management Pty Ltd	$95,000
Peter O'Mara	Luke O'Mara Pty Ltd	$10,000
David Johnson	Karama Holdings Pty Ltd	$25,000
Finian MacCana	Lambert Superannuation Fund	$100,000

NOTE 19: SEGMENT INFORMATION

As at 30 June 2007, the consolidated entity was not operating in any business segments or geographical segments.

NOTE 20: FINANCIAL INSTRUMENTS

(i) Interest rate risk

The consolidated entity's exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised at the balance date, are as follows:

Financial Instruments	Floating interest rate		Fixed interest rate maturing in: 1 year or less		Over 1 to 5 years		More than 5 years		Non-interest bearing		Total carrying amount as per Balance Sheet		Weighted average effective interest rate	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007 %	2006 %
(i) Financial assets														
Cash	810,336	-	-	-	-	-	-	-	-	-	810,336	-	4.5%	-
Trade and other receivables									10,322	-	10,322	-	0%	-
Total financial assets	810,336	-	-	-	-	-	-	-	10,322	-	820,658	-	0%	-
(ii) Financial liabilities														
Accruals									192,612	10,000	192,612	10,000	0%	0%
Trade creditors	-	-	-	-	-	-	-	-	52,586	-	52,586	-	0%	0%
Other creditors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Aggregate amounts payable to related parties	-	-	-	-	-	-	-	-	375,000	230,448	375,000	230,448	0%	0%
Non-Interest bearing Loans	-	-	-	-	-	-	-	-	1,000,000	-	1,000,000	-	0%	0%
Foreign exchange contracts	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total financial liabilities	-	-	-	-	-	-	-	-	1,620,198	240,448	1,620,198	240,448	-	-

NOTE 20: FINANCIAL INSTRUMENTS (CONTINUED)

(ii) *Credit risk exposures*

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date of recognised financial assets is the carrying amount of those assets, net of any provisions for doubtful debts of those assets, as disclosed in Balance Sheet and Notes to the Financial Statements.

Credit risk for derivative financial instruments arises from the potential failure by counterparties to the contract to meet their obligations. The credit risk exposure to forward exchange contracts is the net fair value of these contracts.

The consolidated entity does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the consolidated entity.

Concentrations of credit risk
The consolidated entity minimises concentrations of credit risk in relation to trade receivables by undertaking transactions with a large number of customers.

(iii) *Fair values*

The fair value of financial assets and financial liabilities approximates their carrying amounts as disclosed in Balance Sheet and Notes to the financial statements.

NOTE 21: SUBSEQUENT EVENTS

(a) On 6 August 2007, the Company completed the acquisition of 16 optometry practices in the following transaction. The consideration paid is contained in the table below.

Practices	Total Consideration Payable	Issue of Shares	Issue of Options
16	**$15,719,139**	**78,591,648**	**26,197,215**

The transaction occurred in conjunction with the following events:

i. The consolidation of the issued capital of the Company on the basis that every 16 Shares became 1 Share such that the total number of Shares currently on issue was reduced from 77,976,693 to 4,873,259;

ii. The issue of 2,500,000 Shares at $0.15 each (plus 2,500,000 Options) to raise $375,000 which has been utilised in the repayment of an unsecured loan provided by a Director;

iii. The issue of 6,666,667 fully paid Shares at $0.15 each (plus 6,666,667 Options) to raise $1,000,000 which has been utilised in the repayment of an unsecured loan raised to fund the re-listing and acquisition process;

iv. The acquisition of the 16 optometry practices by the issue to the vendors of the practices of 78,591,648 Shares at 20 cents;

v. The issue of 3,000,000 Options to the Chairman, Managing Director, one Non-executive Director and other executives as a portion of their remuneration packages. The Options for the Managing Director, other executives and the non-executive Director are subject to vesting conditions and will not vest until at least 1 year after their issue;

NOTE 21: SUBSEQUENT EVENTS (CONTINUED)

vi. The issue of 26,197,215 Options to the Principal Vendors in consideration for their efforts in bringing the transaction to fulfilment. The Options have the following performance hurdles:

- 13,098,608 will vest if the EPS of the Company is equal to or greater than 1.6 cents per Share when measured for the financial year ending 30 June 2008; and
- 13,098,607 will vest if the EPS of the Company is equal to or greater than 2.00 cents per Share when measured for the financial year ending 30 June 2009;

vii. The issue of 23,976,000 Shares at an issue price of $0.20 per Share and the issue of 7,992,181 Options pursuant to a Prospectus dated 20 July 2007;

viii. The issue of 1,177,856 Shares at $0.20 per Share and the issue of 466,226 Options to Andersen & York Financial Consulting Pty Ltd for services provided in the implementation of the Transaction – allocated in part to the costs of the Acquisitions and in part to the cost of capital raising under the Prospectus;

ix. Payment of capital raising costs including underwriting, legal and accounting fees, independent accountant fees and other prospectus related costs, in total $345,563 (part in cash and part in shares and options);

x. Payment of acquisition costs including stamp duty (approximately $685,863) and advisory, accounting and legal fees in total approximately $488,095 (part in cash and part in shares and options);

xi. Goodwill on Business Combination

Set out below is a pro forma summary of the values of the assets and liabilities of the 16 optometry practices to be acquired from the various parties as if the transaction had occurred on the Effective Date 1 July 2007.

Purchase Consideration	($'s)
Acquisition Shares	15,719,139
Vendor Options	1,398,931
Transaction Costs	1,173,958
Less Entitlements Payment	(169,785)
Total Purchase Consideration and costs	18,122,243
Pro Forma assets and liabilities arising from the acquisitions	
Petty Cash	6,300
Receivables	153,454
Inventory	706,518
Investments	90,388
Plant & Equipment	1,311,423
Payables	(339,462)
Entitlements	(282,839)
Net Assets	1,645,782
Goodwill	16,476,461

The above is based on the estimated fair values of assets and liabilities of the acquired businesses as at 1 July 2007 and the purchase consideration to be paid by the Company, the final goodwill figure will be calculated in accordance with AASB3.

NOTE 21: SUBSEQUENT EVENTS (CONTINUED)

(b) On 13 August 2007, the Company completed the acquisition of 2 optometry practices in the following transaction. The consideration paid is contained in the table below.

Practices	Total Consideration Payable	Issue of Shares	Cash Consideration
2	**$1,498,414**	**3,762,853**	**$745,843**

The transaction occurred in conjunction with the following events:

i. Payment of acquisition costs including stamp duty (approximately $67,903) and advisory, accounting and legal fees in total approximately $ 14,291;

ii. Goodwill on Business Combination

Set out below is a pro forma summary of the values of the assets and liabilities of the 2 optometry practices to be acquired from the various parties as if the transaction had occurred on the Effective Date 13 August 2007.

Purchase Consideration	($'s)
Acquisition Shares	752,571
Cash	745,843
Transaction Costs	82,194
Less Entitlements Payment	(11,520)
Total Purchase Consideration and Costs	1,569,088
Pro Forma assets and liabilities arising from the acquisitions	
Petty Cash	450
Receivables	19,036
Inventory	48,930
Plant & Equipment	120,870
Payables	(37,000)
Entitlements	(21,072)
Net Assets	131,214
Goodwill	1,437,874

The above is based on the estimated fair value of assets and liabilities of the acquired businesses as at 13 August 2007 and the purchase consideration to be paid by the Company, the final goodwill figure will be calculated in accordance with AASB3.

(c) The Company's new business strategy includes the acquisition of additional optometry practices and the Company is in discussions and negotiations with prospective vendors at a variety of stages. When any of these acquisitions reaches a stage of sufficient certainty appropriate disclosures will be released to the investor market.

NOTE 22. COMPANY DETAILS

Company Secretary:
Mr David Munday

The address of the principal registered office in Australia is:

131 Martin Street
Brighton VIC 3186

Tel: 03 9530 8188
Fax: 03 9530 8199

The address of the share registry:

Computershare Investor Services Pty Limited
Yarra Falls
452 Johnson Street
Abbotsford VIC 3067

Tel: 1300 730 836
Fax: 03 9473 2529

Stock Exchange

The company was re-admitted to the Australian Stock Exchange on 9 August 2007 and the companies shares continue to be listed on the ASX.

EYECARE PARTNERS LIMITED
ACN 006 505 880
AND ITS CONTROLLED ENTITIES

SHAREHOLDING ANALYSIS

Ordinary Share Capital as at 14 August 2007

117,785,433 Fully paid ordinary shares of $0.20 are held by 1,519 individual shareholders.

All issued ordinary shares carry one vote per share.

Distribution of Holders of Equity Securities as at 14 August 2007

Range	Total Holders	Units	% Issued Capital
1 – 1,000	777	303,516	0.26
1,001 – 5,000	251	552,020	0.47
5,001 – 10,000	234	2,203,194	1.87
10,001 – 100,000	185	6,937,409	5.89
100,001 – 9,999,999,999	72	107,789,294	91.51
	1,519	**117,785,433**	**100.00**

Substantial Shareholders as at 28 August, 2007

Shareholder	Number	Percentage
Anthony & Vicki Hanks	28,346,219	24.1
Peter Rose	25,978,704	22.1
Raymond Fortescue	9,601,379	8.2
Mark Flanders	9,294,567	7.9

Twenty Largest Holders of Quoted Equity Securities

Fully Paid Ordinary Shares

Shareholder	Number	Percentage
Dr Anthony John Hanks & Mrs Vicki Joyce Hanks	23,846,219	19.62
Bipalo Pty Ltd (The Bayview A/c)	12,500,000	10.28
Bipalo Pty Ltd (P&L Rose Family A/c)	7,364,537	6.06
Jaianti Pty Ltd (Rose Superannuation Fund A/c)	6,114,167	5.03
Wetahall Pty Ltd (Strongshield Super Fund A/c)	5,509,022	4.53
Ludeba Pty Ltd (Flanders Family A/c)	5,038,348	4.15
Utada Pty Ltd (Utada Super Fund A/c)	4,500,000	3.70
Ludeba Pty Ltd (Mark H Flanders S/F A/c)	4,256,219	3.50
Wetahall Pty Ltd (The Fortescue Family A/c)	4,092,357	3.37
O’Mara Management Pty Ltd (O’Mara Management A/c)	3,133,333	2.58
Natalie Rokic Optometrist Pty Ltd	3,031,076	2.49
Tobel Pty Ltd (The Tobel A/c)	2,444,889	2.01
Many Sands Pty Ltd (Cornale A/c)	2,117,617	1.74
Raneleagh Park Pty Ltd (M C & L E Hansen A/c)	1,754,284	1.44
Springbank Cottage Pty Ltd (NA & FA Hansen Super Fund)	1,679,285	1.38
Canabolas Pty Ltd (SI & CT Hansen Family A/c)	1,504,284	1.24
Mr Mark Koszek (Koszek Family A/c)	1,356,126	1.12
Andersen & York Financial Consulting Pty Ltd	1,177,856	0.97
Mrs Leaenda Margaret Ingram	1,000,000	0.82
Loristu Pty Ltd (Max & Jenny Astri S/F A/c)	1,000,000	0.82
	93,419,619	76.85