**UNITED STATES**
**SECURITIES AND EXCHANGE COMMISSION**
**WASHINGTON, DC 20549**

**FORM 10-K**

(MARK ONE)
**[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934** For The Fiscal Year Ended October 30, 2010.

**[ ] TRANSITION REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934** For The Transition Period From ____ To ____.

COMMISSION FILE NUMBER: 0-1455

**OPT-SCIENCES CORPORATION**
(Exact name of registrant as specified in its charter)

| | |
|---|---|
| **NEW JERSEY** | **21-0681502** |
| (State or other jurisdiction of incorporation or organization) | (I.R.S. Employer Identification No.) |

| | |
|---|---|
| **1912 BANNARD STREET, CINNAMINSON, NEW JERSEY** | **08077** |
| (Address of principal executive offices) | (Zip Code) |

**(856)829-2800**
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12(g) of the Act:

Common Stock, $.25 par value per share
(Title of Class)

Indicate by check mark if the registrant is a well seasoned issuer, as defined in Rule 405 of the Securities Act. YES[ ] NO☑

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Exchange Act. YES[ ] NO☑

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES☑ NO[ ]

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). YES☑ NO[ ]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.☑

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

| | | | |
|---|---|---|---|
| Large accelerated filer | ☐ | Accelerated filer | ☐ |
| Non-accelerated filer (Do not check if smaller reporting company) | ☐ | Smaller reporting company | ☑ |

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). YES[ ] NO☑

The aggregate market value of the 293,945 common shares held by non-affiliates (i.e., excluding shares held by officers, directors and each person owning 5% or more of the outstanding stock) as of the end of the last business day of the registrant's most recently completed second fiscal quarter was $3,439,157 based on the highest bid price of the stock ($11.70 per share) as quoted by the Pink Sheets, in the Non-NASDAQ over the counter market.

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date: 775,585 shares of the registrant's common stock, par value of $.25, were outstanding on December 31, 2010.

DOCUMENTS INCORPORATED BY REFERENCE

None.

OPT-SCIENCES CORPORATION AND SUBSIDIARY
FORM 10-K ANNUAL REPORT - FISCAL YEAR 2010

TABLE OF CONTENTS

## PART I

Special Note Regarding Forward Looking Statements

Certain sections of this Annual Report contain forward-looking statements. These statements relate to future events or future financial performance and involve known and unknown risks, uncertainties and other factors that may cause the Company's or its industry's actual results, levels of activity, performance or achievements to be materially different from the future results, levels of activity, performance or achievements expressed or implied by the forward-looking statements.

In some cases, you can identify forward-looking statements by words such as "may," "will," "should," "expects," "plans," "anticipates," "believes," "estimates," "predicts," "potential," or the negative of these terms or other comparable words. These statements are only predictions. Actual events or results may differ materially.

Although the Company believes that the expectations reflected in the forward-looking statements are reasonable, it cannot guarantee future results, levels of activity, performance or achievements. Moreover, neither the Company nor any person assumes responsibility for the accuracy and completeness of these forward- looking statements. The Company is under no duty to update any of the forward-looking statements after the date of this report to conform its prior statements to actual results.

## ITEM 1. BUSINESS.

### BUSINESS OF THE COMPANY.

**OVERVIEW.** Opt-Sciences Corporation, formed in 1956, conducts its business through its wholly owned subsidiary, O & S Research, Inc. Both companies are New Jersey corporations. As used in this Form 10-K, the terms “Company”, "we" or "our" refer to the combined operations of Opt-Sciences Corporation and O & S Research, Inc.

The Company deposits anti-glare and/or transparent conductive optical coatings on glass used primarily to cover instrument panels in aircraft cockpits. We also provide full glass cutting, grinding and painting operations which augment our optical coating capabilities. Most of our products are designed to enable pilots to read aircraft instruments in direct sunlight or at night or in covert situations using appropriate night vision filters. This is a niche business primarily dependent on the needs of new and used aircraft for initially installed parts, spare parts, replacements and upgrades. It requires custom manufacturing of small lots of products to satisfy specific requirements identified by our customers.

The Company’s business is highly dependent on a robust commercial, business, and regional aircraft market; to a lesser degree, it is also dependent on the military aircraft market. We generally have a four to twelve week delivery cycle depending on product complexity, available plant capacity and required lead time for specialty raw materials such as polarizers or filter glass. Our sales tend to fluctuate from quarter to quarter because all orders are custom manufactured, and customer orders are generally scheduled for delivery based on our customer's need date, not on our ability to make shipments. Since the Company has two customers that together represent approximately 69% of sales, any significant change in the requirements of either of those customers has a direct impact on our revenue for any given quarter. When one of these customers accelerates or defers a sizable order, sales for the following quarters may be adjusted as the customer reevaluates its needs. One of our largest customers has recently placed significantly higher levels of orders, as it transitions its primary manufacturing facilities to a new location. That customer plans to reduce future orders substantially as the transition process is concluded.

Based on our understanding of the industry and the needs of our customers, we expect to complete and ship approximately 50% of the Fiscal Year 2010 backlog of unshipped orders before the end of the first quarter of fiscal 2011. If we do so, we expect first quarter sales to be approximately $1,800,000. Sales for the following quarters are expected to decline substantially as one of our major customers mentioned above adjusts its inventories to more normal levels.

**CORE PRODUCTS.** The distinguishing characteristic of our business is our optical thin film coating capability. Almost all products which we offer incorporate an optical coating of some type. Our primary coatings are for aircraft cockpit display applications and consist of our anti-reflection coating used for glare reduction and our transparent conductive coating used for electromagnetic interference shielding. We apply either or both coatings to different types of glass face plates which are usually mounted on the front of liquid crystal displays (LCDs), cathode ray tubes (CRTs), light emitting diode displays (LEDs) and electromechanical displays (EMDs).

**ANCILLARY PRODUCTS AND SERVICES.** In addition to coated glass described above, we also offer a full range of other specialty instrument glass, including night vision filter glass, circular polarizers, touchpads, glass sandwiches for LCDs as well as other custom designed specialty glass components and assemblies.

**STRATEGY FOR THE FUTURE.** The Company continues to re-evaluate and adjust its growth strategy pertaining to sales and marketing, production facilities and efficiencies and our staffing methods to maximize the value of our financial and human resources.

In Fiscal Year 2010, we hired 6 production employees as sales increased over the course of the year. For Fiscal Year 2011, we expect overall sales to match Fiscal Year 2010, beginning with a very strong first quarter followed by weaker subsequent quarters. We continue to see potential for growth in our conductive coating business which is used primarily, but not exclusively, on military platforms. We expect the anti-reflective coating market to remain at current levels. We believe our future success is contingent on the timely increase of our capacity to provide conductive coatings, satisfying the needs of our current customers, securing new customers, developing new products and providing adequate staff and facilities to meet our requirements.

**MARKETING AND SALES.** Our principal sales executive is our President, who maintains regular contact with the largest customers and continually seeks to develop new customers. We do not currently employ the services of manufacturers representatives or sales personnel. O & S Research, Inc. and our products are listed in the Thomas Register. We also maintain sales websites at osresearch.com and optsciences.com. We engage in a low cost public relations and advertising program. Purchasing personnel of major corporations or governmental agencies place orders with us, based on price, delivery terms, satisfaction of technical specifications and quality of product. Procurement departments of customers ordinarily purchase products from us because we are on an approved vendor list. We enhance sales prospects by providing creative technical solutions to customer requirements. We are currently an approved vendor for major aircraft programs. We continue to be a major supplier for the anti-glare face plates covering the flat panel displays on the Boeing 777 and the 737 Next Generation models of commercial aircraft and the long range Gulfstream and Dassault Falcon business jets. We are also an approved vendor for instrument glass used on several military aircraft platforms including the C5 Galaxy and the C130. In Fiscal 2010, we derived approximately 69% of our revenues from two major customers. The loss or permanent curtailment of business with either of these companies would have a negative impact on our operating results.

**PATENTS, TRADEMARKS AND PROPRIETARY KNOWLEDGE.** We do not hold patents or have registered trademarks. However, our customers do rely on our accumulated experience and know-how in satisfying their instrument glass requirements.

**MANUFACTURING.** Our customers commonly use LCDs for aircraft cockpit instrumentation. Typically, a customer sends glass component drawings to us for manufacturing. We generally cut the glass components from larger pieces of glass which we purchase from multiple domestic sources, some on a custom basis and some on a commodity basis. The two largest suppliers of such glass to us are Europtec and Corning. We use our technology to apply a micro thin optical non-glare and/or conductive coating to the glass. Both processes utilize the deposit of a thin film of metal or metal oxide on the surface of the glass. The process takes place in a heated vacuum chamber. We heat the deposited material to over 1800 degrees Centigrade causing it to evaporate. When the metal vapor contacts the glass, it condenses forming a very thin film as hard as the original metal being evaporated. The thin films range in thickness from 250 angstroms to 1500 angstroms. After quality control tests, we ship the inspected products to our customers.

We also manufacture wedge glass lenses for electro-mechanical displays. These lenses are manufactured from large glass sheets. The raw glass is a commodity product which we can purchase from several glass manufacturers. The largest supplier of such glass to us is Schott in Germany. We cut, grind and polish the glass lenses and coat them with a micro-thin optical coating. We then ship the lenses to the customer after clearance through quality control.

**ENVIRONMENTAL MATTERS.** We believe we are in material compliance with applicable United States, New Jersey and local laws and regulations relating to the protection of the environment, and we do not devote material resources to such matters.

**COMPETITION.** Competition is based on product quality, price, reputation and ability to meet delivery deadlines. The market for our products is very competitive. The type and amount of instrument glass consumed is subject to changes in display technology and in ongoing reduction in the number of displays used on both new aircraft and retrofitted aircraft. Our competitors include JDSU, Metavac, Mod A Can, Tyrolit, Schott Glass and Hoya Optics. Our competitors generally have significantly more financial, technical and human resources than we do. Because of this, our competitors have the capacity to respond more quickly to emerging technologies and customer preferences and may devote greater resources to development, promotion and sale of their products than we can. This competition could result, and in the past has resulted, in price reductions, reduced margins and lower market share.

**EMPLOYEES.** As of October 30, 2010, we employed 49 employees, of which 44 were full time individuals and none of whom are members of organized labor. This represents an increase of 6 full time employees from the end of Fiscal 2009. We expect to make further adjustments to our employee levels based on changes in the market and our specific efforts to improve efficiencies and customer service. We believe we have a good relationship with our employees. We are subject to the federal minimum wage and hour laws and provide various routine employee benefits such as life and health insurance. We also provide a 401K Plan for the benefit of all our employees; we do not have a stock option plan. The 401K Plan includes a matching contribution from us representing $0.50 for each $1.00 an employee contributes up to 6% of the employee's base wages.

**AVAILABLE INFORMATION.** We maintain a website, optsciences.com, where you may find additional information about our Company. Company filings are also available at the Securities & Exchange Commission's website, sec.gov. On our website, optsciences.com, we provide links to our SEC filings, to the SEC itself, to Yahoo for the latest stock quotations, to our transfer agent, StockTrans, and to our manufacturing subsidiary, O & S Research, Inc.

**ITEM 1A. RISK FACTORS.** Smaller reporting companies are not required to provide the information required by this item.

**ITEM 1B. UNRESOLVED STAFF COMMENTS.** None.

**ITEM 2. PROPERTIES.**

We conduct our operations at our principal office and manufacturing facility located in the East Riverton Section of Cinnaminson, New Jersey. We own this 1.4 acre property in fee simple, and the property is not encumbered by any lien or mortgage. The cinderblock and masonry facility contains approximately 11,000 square feet of manufacturing space and approximately 1,200 square feet of office space. We also own and utilize a building containing 500 square feet of warehouse and 7,500 square feet of manufacturing space on premises adjacent to the main manufacturing facility. In addition, we lease on a year to year basis 5,000 square feet in Riverton, New Jersey for general warehouse and material storage.

**ITEM 3. LEGAL PROCEEDINGS.**

We are subject from time to time to certain claims and litigation in the ordinary course of business. It is the opinion of management that the outcome of such matters will not have a material adverse effect on our combined financial position or results of operations.

**ITEM 4. (Removed and Reserved)**

**PART II**

**ITEM 5. MARKET FOR REGISTRANTS COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES.**

Our Common Shares are not listed on an established public trading market, but are quoted by the Pink Sheets, in the non-NASDAQ over the counter market. The symbol for our shares is OPST. Only limited and sporadic trading occurs. Subject to the foregoing qualification, the following table sets forth the range of bid quotations, for the fiscal quarters indicated, as quoted by Pink Sheets LLC., and reflects inter-dealer prices, without retail mark up, mark down or commission and may not necessarily represent actual transactions.

| Fiscal 2009 | Bid Price | | Fiscal 2010 | Bid Price |
|---|---|---|---|---|
| 1st Quarter | $5.55 -- $8.50 | | 1st Quarter | $ 8.35 - $11.25 |
| 2nd Quarter | $5.25 – $6.36 | | 2nd Quarter | $10.11 - $11.70 |
| 3rd Quarter | $5.68 – $7.17 | | 3rd Quarter | $10.05 - $11.61 |
| 4th Quarter | $7.17 – $9.00 | | 4th Quarter | $10.05 - $14.50 |

As of December 31, 2010 the closing bid for the Common Stock was $11.95. The closing ask price was $13.25. The Company had 828 stockholders of record of its Common Stock as of December 31, 2010. This does not include the additional beneficial owners of our common stock who held their shares in street name as of that date.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The Company does not have any equity compensation plan in place and did not issue any equity securities to any person during Fiscal Year 2010.

DISTRIBUTIONS

We did not declare or pay any dividend on our Common Stock during Fiscal Year 2010. Although there is no prohibition on payment of dividends, we do not anticipate the payment of dividends on our Common Stock in the foreseeable future.

RECENT SALES OF UNREGISTERED SECURITIES

We did not sell unregistered securities during the three fiscal years ended October 30, 2010.

REPURCHASES OF COMMON STOCK
The Company did not repurchase any of its common stock during the year ended October 30, 2010.

**ITEM 6. SELECTED FINANCIAL DATA.**

We are not required to supply this information because we are a smaller reporting company.

**ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.**

**CRITICAL ACCOUNTING POLICIES AND ESTIMATES**

Management's discussion and analysis of financial condition and results of operations are based upon the Company's consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The preparation of these financial statements requires the Company to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. The Company bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. Specifically, inventory is estimated quarterly and reconciled at the end of the fiscal year when a detailed audit is conducted (also see Consolidated Financial Statements, Note 1. Summary of Significant Accounting Policies and Note 2. Inventories).

**GENERAL**

This Management's Discussion and Analysis as of October 30, 2010, should be read in conjunction with the audited consolidated financial statements and notes thereto set forth in this report. It also contains forward looking statements as defined in Part I hereof.

**LIQUIDITY AND CAPITAL RESOURCES.**

We have sufficient liquidity and credit to fund our contemplated capital and operating activities through Fiscal 2011.

We continue to use our working capital to finance current operations, including equipment purchases, capital improvements, inventory, payroll and accounts receivable.

Our cash increased during Fiscal 2010 to $8,398,276 from $7,606,849 at the end of Fiscal 2009. This increase was due primarily to earnings from operations. Other income increased from the prior year primarily due to the reduction in realized losses on the sale of securities. Our total current assets increased $866,761 to $10,257,594 in Fiscal 2010 from $9,390,833 in Fiscal 2009.

Because of changes in the marketplace and an increasingly competitive environment, we believe it may be necessary to make future investments in new equipment and processes to compete successfully in the aerospace and commercial display markets.

## RESULTS OF OPERATIONS: FISCAL YEAR 2010

### NET SALES

Net sales of $4,899,983 for the Fiscal Year 2010 increased $18,672 or less than 1% from Fiscal 2009. This increase was due to the substantial increase in demand for our products in the second half of FY 2010 from the steep decline of the business and commercial jet market during FY 2009 and early 2010.

### COST OF SALES

Cost of sales decreased $167,584 or 5% for Fiscal 2010 compared to Fiscal 2009. Cost of sales consists of costs to manufacture the products we ship and is comprised of raw materials, manufacturing direct labor and overhead expenses. The overhead portion of cost of sales is primarily comprised of salaries, medical and dental benefits, building expenses, production supplies, and costs related to our production, inventory control and quality departments.

### OPERATING EXPENSES

Operating expenses for Fiscal 2010 were $828,583, an increase of $48,218 or approximately 6% from Fiscal 2009. Operating expenses include both general and administrative expenses and sales and delivery expenses. Our general and administrative expenses consist of marketing and business development expenses, professional expenses, salaries and benefits for executive and administrative personnel, hiring, legal, accounting, and other general corporate expenses.

### OPERATING INCOME

Operating income increased $138,038 or approximately 28% to $627,089 in Fiscal 2010 from $489,051 in 2009. The increase from Fiscal 2009 is primarily due to the increase in productivity as sales rebounded from depressed levels.

### OTHER INCOME

Other income for Fiscal Year 2010 was $75,293 compared to a loss of $17,557 for Fiscal Year 2009. This large improvement is mainly attributable to recognition of fewer capital losses from the Company's portfolio of marketable securities.

### NET INCOME

Net income of $460,650 or $0.59 per share for Fiscal 2010 increased approximately 70% from $271,780 or $0.35 per share for Fiscal 2009 as a result of the factors described above.

### BACKLOG OF ORDERS

Our backlog of unshipped orders stood at $2,412,000 at the end of Fiscal Year 2010, up $1,393,000 from the end of Fiscal Year 2009 and up $211,000 from the end of the third quarter. Of the backlog of orders existing at year end, we expect to deliver 50% within the first quarter of Fiscal Year 2011.

## RESULTS OF OPERATIONS: FISCAL YEAR 2009

Fiscal 2009 ended with net sales of $4,881,311 a decrease of approximately $1,867,380 or 28% over Fiscal 2008. The significant decrease in total sales for 2009 over 2008 was primarily due to a steep decline in demand for business aircraft which utilize instrumentation cover glass manufactured by the Company. Operating expenses, including selling expenses, were $780,365 for Fiscal 2009, a decrease of $229,292 or 23% from Fiscal 2009. Operating income decreased $784,111 or 78% to $489,051 in

Fiscal 2009 from $1,273,162 in 2008. Other income resulted in a net loss of $17,557 primarily as a result of recognizing $148,269 in capital losses from the Company's portfolio of marketable securities. Net income after taxes of $271,780 or $0.35 per share for Fiscal 2009 decreased markedly from $858,695 or $1.11 per share for Fiscal 2008.

## INFLATION

During the three year period that ended on October 30, 2010, inflation did not have a material effect on our operating results.

## OFF BALANCE SHEET ARRANGEMENTS

We do not currently have any off balance sheet arrangements.

## COMPANY RISK FACTORS

An investment in our common stock involves investment risks. A prospective investor should evaluate all information about us and the risk factors discussed below in relation to his financial circumstances before investing in us.

1. The market price of our common stock may fluctuate significantly. In addition, since our common stock has been thinly traded, it is difficult for our shareholders to sell shares of our common stock at a predictable price.

2. Any continuation of weakness in the global economy will have negative implications for our Company. Since our products are incorporated into very expensive new and retrofitted aircraft, the lack of a strong global economy and orderly capital markets may result in reduced demand for our products.

3. Significant quarterly fluctuations in backlog and orders challenge the Company to adjust the scale of its activities to the demand for its products; the larger the fluctuations, the more difficult it is to have efficient operations.

4. Our product offerings are concentrated. During Fiscal 2010 we derived approximately 95% of our revenues from instrument glass used for avionics and related aerospace products.

5. Our revenues come from a limited number of customers, with approximately 69% of sales arising from two customers. One of those customers was recently acquired by a third party. A related change in its principal place of manufacturing has thus far resulted in a short term increase in demand for our products, which we expect will be followed by a substantial decline, as inventories in the new facility are adjusted to perceived needs.

6. For a major portion of our business, we rely on raw materials manufactured in Japan. An interruption of supplies from Japan would have a significant impact on sales and our ability to support our customers.

7. The Company purchases raw materials overseas. To the extent that the Company has entered into fixed price contracts based on U.S. Dollars and purchases raw materials in foreign markets, the Company may experience a reduction in profit margin as a result of a weakening American currency.

8. Our success depends on the efforts and expertise of our President, Anderson L. McCabe. He is our chief executive officer, our chief financial officer and our principal marketing officer. His death, disability or termination of employment would adversely affect the future of our Company. We do not have employment contracts with Mr. McCabe or other management personnel. We do not maintain key man life insurance on Mr. McCabe or other key personnel.

9. The market for our products is very competitive.

10. Purchase orders and specifications from our customers may include extensive product warranties and contractual undertakings. Accordingly, future claims by our customers may have an adverse effect on our future operating results.

11. Our industry is also subject to significant risk from outside influences, such as terrorist attacks (9/11) and biological epidemics (SARs and Avian flu outbreaks in Asia). Other factors that may in the future influence our industry are inflation, changes in diplomatic and trade relations with other countries, tariffs, trade barriers and other regulatory barriers.

12. We are controlled by our major stockholder, the Arthur John Kania Trust. The Arthur John Kania Trust, beneficially owns approximately 66% of our outstanding common stock. Such concentrated control of the Company may adversely affect the price of our common stock. Because of the high percentage of beneficial ownership, the Trustee of that Trust is able to control matters requiring the vote of stockholders, including the election of our board of directors and certain other significant corporate actions. This control could delay, defer or prevent others from initiating a potential merger, takeover or other change in our control, even if these actions would benefit our other stockholders and us. This control could adversely affect the voting and other rights of our stockholders and could depress the market price of our common stock. If you acquire common stock, you may have no effective voice in the management of the Company.

## ITEM 7A. QUANTITIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

As a smaller reporting company, we are not required to supply information on this item.

## ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

The Consolidated Financial Statements, the notes thereto, and the reports thereon by Goff Backa, Alfera & Company, LLC. dated January 18, 2011, are filed as part of this report starting on page 23 below.

## ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

None.

## ITEM 9A. CONTROLS AND PROCEDURES.

Disclosure Controls and Procedures

Under the supervision and with the participation of the Company's Chief Executive Officer and Chief Financial Officer, our management carried out an evaluation of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as such term is defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended) as of October 30, 2010. Based upon that evaluation, the Company's Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective.

Management's Annual Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining an adequate system of internal control over financial reporting, as such term is defined in Rule 13a-15(f) of the Exchange Act. Under the supervision of our Chief Executive Officer and Chief Financial Officer, our management conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the

Treadway Commission. Based on that evaluation, management concluded that, as of October 30, 2010, our internal control over financial reporting was effective.

This Annual Report does not include an attestation report of the Company's registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by the Company's registered public accounting firm pursuant to rules of the Securities and Exchange Commission that permit the Company to provide only management's report in this Annual Report.

Changes in Internal Control Over Financial Reporting

No changes in the Company's internal control over financial reporting occurred during the fourth quarter of fiscal year 2010 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

**ITEM 9B. OTHER INFORMATION.**

None.

**PART III**

**ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE.**

**INFORMATION REGARDING EXECUTIVE OFFICERS AND DIRECTORS**

Our Directors serve until the next annual meeting of stockholders, or until their successors have been elected. Our officers serve at the pleasure of the Board of Directors.

Anderson L. McCabe, 55 years old, is our President, Chief Executive Officer and Chief Financial Officer. He graduated from the University of South Carolina in 1977 and received a B.S. in Chemical Engineering. From 1977 to 1985, he was employed by United Engineers and Constructors, Inc., a subsidiary of Raytheon Corporation as a Process Engineer with managerial responsibilities. In 1986 he became our president. He has been director of the Company since 1987.

Arthur J. Kania, 79 years old, is our Secretary. He is not active in our day-to-day operations. Mr. Kania's principal occupations during the past five years have been as Principal of Trikan Associates (real estate ownership and management - investment firm); and as a partner of the law firm of Kania, Lindner, Lasak and Feeney. He has been a director of the Company since 1977.

Arthur J. Kania, Jr., 55 years old, has been a director of the Company since 1987. He is not active in our day-to-day operations. He is a principal of Trikan Associates (real estate ownership and management-investment firm) and vice-president of Newtown Street Road Associates (real estate ownership and management).

**SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE.**

Section 16(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), requires the Company's officers, directors and any person owning ten percent or more of the Company's common stock, to file in their personal capacities initial statements of beneficial ownership, statements of change in beneficial ownership and annual statements of beneficial ownership with the Securities and Exchange Commission (the "SEC"). Persons filing such beneficial ownership arrangements are required by SEC regulation to furnish to the Company copies of all such statements filed with the SEC. The rules of the SEC regarding the filing of such statements require that "late filings" of such statements be disclosed in the Company's information statement. Based solely on the Company's review of copies of such statements received by, and on representations from, the Company's existing directors and officers that no annual statements of beneficial ownership were required to be filed by such persons, the Company believes that all such statements were timely filed in 2010.

**BOARD MEETINGS AND COMMITTEES**

Audit Committee and Audit Committee Financial Expert

Our Board of Directors functions as an audit committee and performs some of the same functions as an audit committee including: (1) selection and oversight of our independent accountant; (2) establishing procedures for the receipt, retention and treatment of complaints regarding accounting, internal controls and auditing matters; and (3) engaging outside advisors. We are not a "listed company" under SEC rules and are therefore not required to have an audit committee with independent directors. Our Board of Directors does not have an independent director. Our Board of Directors has determined that each of its members is able to read and understand fundamental financial statements and has substantial relevant business and accounting experience. Accordingly, the Board of Directors believes that each of its members has sufficient knowledge and experience necessary to fulfill the duties and obligations that an audit committee would have in a company such as ours.

Board Meetings; Nominating and Compensation Committees

Given the small size of the Company and its limited staff and operations, its directors frequently make determinations informally by telephone calls or by written consent. The Board met before and after the Annual Shareholders Meeting, and at one additional time during the Fiscal Year. Each Meeting was attended by all directors. We pay each of our Directors a fixed annual stipend for acting as Director. No such payment shall preclude any director from serving us in any other capacity and receiving compensation therefor. A total of $7,500 has been paid to each director for services as director during the last fiscal year.

We are not a "listed company" under SEC rules and are therefore not required to have a compensation committee or a nominating committee. We do not currently have a compensation committee. Our Board of Directors is currently comprised of only three members, one of whom acts as Chief Executive Officer and Chief Financial Officer.

**ITEM 11. EXECUTIVE COMPENSATION.**

The following table sets forth certain summary information concerning compensation paid or accrued to its sole executive officer during the past two fiscal years.

SUMMARY COMPENSATION TABLE

| (a)<br><br>Name and<br>Principal Positions | (b)<br><br>Fiscal<br>Year | (c)<br><br>Salary (1) | (d)<br><br>Bonus | (e)<br><br>All Other<br>Compensation* | (f)<br><br>Total<br>Compensation |
|---|---|---|---|---|---|
| Anderson L. McCabe<br>President, CEO, CFO,<br>Treasurer and Director | 2010<br>2009 | $130,000<br>$130,000 | $25,000<br>$15,000 | $11,400<br>$ 9,249 | $166,400<br>$154,249 |

*Includes an annual retainer as Director of Company of $7,500 for 2010 and $5,000 for 2009 in addition to a 401K Contribution of $3,900 for 2010 and $4,249 for 2009.

OPTION/SAR GRANTS; DEFERRED EXECUTIVE COMPENSATION PLAN; EQUITY COMPENSATION PLAN

The Company did not grant restricted stock awards, stock options or stock appreciation rights during Fiscal Year 2010, nor does it have any of such awards, options or rights outstanding from prior years. The Company does not have any deferred executive compensation plan. The Company does not have any securities authorized for issuance under an equity compensation plan.

DIRECTOR COMPENSATION TABLE FOR FISCAL YEAR 2010

The following table sets forth the compensation of our non-employee directors. Our employee director, Anderson L. McCabe, receives the same compensation as the other directors for his services as director. His director fees are included in his total compensation in the Summary Compensation Table above.

| Name | Cash Retainer | Total Compensation |
|---|---|---|
| Arthur J. Kania | $7,500 | $7,500* |
| Arthur J. Kania, Jr. | $7,500 | $7,500 |

* Excludes payments for legal services to law firm of which Mr. Kania is a partner. See Certain Transactions and Relationships below.

CODE OF ETHICS

The Company's Code of Ethics is posted at its website at optsciences.com. It applies to all employees, including the CEO, CFO, principal accounting officer and persons performing similar functions.

**ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS.**

Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission and generally includes voting or investment power with respect to securities. The following table sets forth common stock ownership information as of the record date with respect to (i)each person known to us to be the beneficial owner of more than 5% of our issued and outstanding common stock; and(ii)each of our directors and executive officers.

| Name and Address of Beneficial Owner | Amount and Nature of Beneficial Owner | Percent of Class |
|---|---|---|
| Arthur John Kania Trust 3/30/67<br>Rose Sayen, Trustee<br>560 E. Lancaster Avenue, Suite 108<br>St. Davids, PA 19087-5049 | 510,853 | 66% |

Security Ownership of Directors and Officers:

| Name and Address of Beneficial Owner | Amount and Nature of Beneficial Owner | Percent of Class |
|---|---|---|
| Anderson L. McCabe<br>P.O. Box 221<br>1912 Bannard Street<br>Riverton, N.J. 08077 | 1,064(1) | * |

| | | |
|---|---|---|
| Arthur J. Kania<br>560 E. Lancaster Avenue, Suite 108<br>St. Davids, PA 19087-5049 | 23,723(1) | 3% |
| Arthur J. Kania, Jr.<br>560 E. Lancaster Avenue, Suite 108<br>St. Davids, PA 19087 | 0(1) | * |
| Directors and Officers As a Group | 24,787(1) | 3% |

*Less than 1% of the outstanding Common Stock

1. Excludes 510,853 shares (66% of the outstanding shares) owned by a trust for the benefit of Arthur J. Kania's children and a total of 10,000 shares (1.3% of the outstanding shares) owned by separate trusts for the benefit of each of Arthur J. Kania's grandchildren. Mr. Kania has no voting power or investment power with respect to such securities and disclaims beneficial ownership in all such shares. Mr. McCabe, husband of a beneficiary of the first aforementioned trust, disclaims beneficial ownership in all such shares. Arthur J. Kania, Jr., a son of Arthur J. Kania, is a beneficiary of the first aforementioned trust and father of beneficiaries of the second aforementioned trusts, but has no voting power and no investment power over such shares in said trusts and is not a beneficial owner under the applicable rules.

**ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE.**

Arthur J. Kania is the father of Arthur J. Kania, Jr. and the father-in-law of Anderson L. McCabe. Those individuals constitute the Board of Directors. Anderson L. McCabe is the sole executive officer. Rose Sayen, an employee of Arthur J. Kania, is the Trustee of the Arthur J. Kania Trust, which is the principal shareholder of the Company.

During Fiscal year 2010, we incurred legal fees of $52,500 to the firm of Kania, Lindner, Lasak and Feeney, of which Arthur J. Kania is the Senior partner. Mr. Kania does not share or participate in fees generated from the Company.

**ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES.**

| Type | 2009 | 2010 |
|---|---|---|
| Audit Fees: (1) | $34,470 | $35,535 |
| Audit Related Fees:(2) | -0- | -0- |
| Tax Fees: (3) | -0- | -0- |
| Other Fees: (4) | -0- | -0- |
| Total Fees | $34,470 | $35,535 |

(1) AUDIT FEES

This category includes the aggregate fees billed or accrued for each of the last two fiscal years for professional services rendered by the independent auditors for the audit of the Company's annual financial statements and review of financial statements included in the Company's Annual and Quarterly Reports filed with the SEC or services that are normally provided by the accountant in connection with other statutory and regulatory filings or engagements for those fiscal years.

(2) AUDIT-RELATED FEES

This category includes the aggregate fees billed in each of the last two fiscal years for services by the independent auditors that are reasonably related to the performance of the audits of the financial statements and are not reported above under “Audit Fees”.

(3) TAX FEES

This category includes the aggregate fees billed in each of the last two years for professional services rendered by the independent auditors for tax compliance, tax planning and tax advice.

(4) ALL OTHER FEES

This category includes the aggregate fees billed in each of the last two fiscal years for products and services by the independent auditors that are not reported under “Audit Fees”, “Audit Related Fees”, or “Tax Fees.”

RE-APPROVAL POLICIES AND PROCEDURES

Before the accountant is engaged by the issuer to render audit or non-audit services, the engagement is approved by the Company's Board of Directors acting as the audit committee.

**PART IV**

**ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES.**

The following exhibits are incorporated by reference or included as part of this report:

Exhibit Number Description

3.1; 3.2 Articles of Incorporation and By-Laws incorporated by reference to the Form 10-KSB filed by the registrant with the SEC on February 10, 1998 for its fiscal year ended November 1, 1997 starting on page 22.
21. List of Subsidiaries incorporated by reference to the Form 10-KSB filed by the registrant with the SEC on February 10, 1998 for its fiscal year ended November 1, 1997 starting on page 54.

31. Certification pursuant to Section 302 of the Sarbanes Oxley Act included as an exhibit to this Form 10K.

32. Certification pursuant to Section 906 of the Sarbanes Oxley Act included as an exhibit to this Form 10K.

**SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

OPT-SCIENCES CORPORATION

By: /s/ Anderson L. McCabe
Anderson L. McCabe, President
Date: January 25, 2011

Pursuant to the requirements of the Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

| **Signature** | **Title** | **Date** |
|---|---|---|
| /s/ Anderson L. McCabe<br>Anderson L. McCabe | President, CEO, CFO & Director | January 25, 2011 |
| /s/ Arthur J. Kania<br>Arthur J. Kania | Secretary & Director | January 25, 2011 |
| /s/ Arthur J. Kania, Jr.<br>Arthur J. Kania, Jr. | Director | January 25, 2011 |
| /s/ Lorraine Domask<br>Lorraine Domask | Chief Accountant | January 25, 2011 |

**SECTION 302 CERTIFICATION**

I, Anderson L. McCabe, President, Chief Executive Officer and Chief Financial Officer, certify that:

1. I have reviewed this Annual Report on Form 10-K of OPT-SCIENCES CORPORATION;

2. Based on my knowledge, this Annual Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Annual Report;

3. Based on my knowledge, the financial statements, and other financial information included in this Annual Report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(b) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting or caused such internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;

5. I have disclosed, based on my most recent evaluation of internal control of financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or person performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: January 25, 2011

By: /s/ Anderson L. McCabe
Anderson L. McCabe
President, Chief Executive Officer and
Chief Financial Officer

**SECTION 906 CERTIFICATION**

I, Anderson L. McCabe, Chief Executive Officer and Chief Financial Officer of OPT-SCIENCES CORPORATION (the "Company"), certify, pursuant to section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

(1) the Annual Report on Form 10K of the Company for the fiscal year ended October 30, 2010 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d); and (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company for the periods presented.

Date: January 25, 2011

By: /s/ Anderson L. McCabe
Anderson L. McCabe
President, Chief Executive Officer and
Chief Financial Officer

**OPT-SCIENCES CORPORATION and SUBSIDIARY**
**FINANCIAL STATEMENTS**

**Years Ended October 30, 2010 and October 31, 2009**

## TABLE OF CONTENTS

Goff
Backa
Alfera &
Company, LLC
Certified Public Accountants

3325 Saw Mill Run Blvd.
Pittsburgh, PA 15227-2736
412-885-5045
(Fax) 412-885-4870
www.gbaco.com

Report of Independent Registered Public Accounting Firm

To Stockholders and Board of Directors
OPT-Sciences Corporation

We have audited the accompanying consolidated balance sheets of OPT-Sciences Corporation and Subsidiary as of October 30, 2010 and October 31, 2009 and the related statements of operations, stockholders' equity and comprehensive income and cash flows for each of the fiscal years in the two year period ended October 30, 2010. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control over financial reporting. Accordingly, we express no opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of OPT-Sciences Corporation and Subsidiary as of October 30, 2010 and October 31, 2009 and the consolidated results of their operations and their cash flows for each of the fiscal years in the two year period ended October 30, 2010 in conformity with U.S. generally accepted accounting principles.

Goff, Backa, Alfera & company, LLC
Pittsburgh, Pennsylvania

January 25, 2011

**Opt-Sciences Corporation**
**CONSOLIDATED BALANCE SHEETS**
**The accompanying notes are an integral part of these financial statements**

**ASSETS**

| | October 30, 2010 | October 31, 2009 |
|---|---|---|
| CURRENT ASSETS | | |
| Cash and cash equivalents | $ 8,398,276 | $ 7,606,849 |
| Trade accounts receivable | 684,313 | 594,167 |
| Inventories | 634,247 | 558,609 |
| Prepaid expenses | 25,406 | 13,482 |
| Loans and exchanges | 12,543 | 10,058 |
| Prepaid income taxes | -0- | 138,200 |
| Marketable securities | 502,809 | 469,468 |
| Total current assets | 10,257,594 | 9,390,833 |
| PROPERTY AND EQUIPMENT | | |
| Land | 114,006 | 114,006 |
| Building and improvements | 606,244 | 606,244 |
| Machinery and equipment | 2,134,804 | 2,094,592 |
| Small tools | 53,580 | 53,580 |
| Furniture and fixtures | 17,712 | 10,438 |
| Office equipment | 76,742 | 82,651 |
| Automobiles | 71,211 | 71,211 |
| Total property and equipment | 3,074,299 | 3,032,722 |
| Less accumulated depreciation | 2,110,104 | 1,950,701 |
| Net property and equipment | 964,195 | 1,082,021 |
| OTHER ASSETS | | |
| Deposits | 2,837 | 2,837 |
| Total assets | $ 11,224,626 | $ 10,475,691 |

**Opt-Sciences Corporation**
**CONSOLIDATED BALANCE SHEETS**
**The accompanying notes are an integral part of these financial statements**

**LIABILITIES AND STOCKHOLDERS' EQUITY**

| | October 30, 2010 | October 31, 2009 |
|---|---|---|
| CURRENT LIABILITIES | | |
| Accounts payable – trade | $ 84,317 | $ 41,761 |
| Accrued income taxes | 124,500 | -0- |
| Accrued salaries and wages | 154,993 | 112,636 |
| Accrued professional fees | 81,138 | 69,695 |
| Deferred income taxes | 66,205 | 33,651 |
| Other current liabilities | 4,280 | 2,310 |
| Total current liabilities | 515,433 | 260,053 |
| STOCKHOLDERS' EQUITY | | |
| Common capital stock - par value $.25 per share – authorized and issued 1,000,000 shares | 250,000 | 250,000 |
| Additional paid in capital | 272,695 | 272,695 |
| Retained earnings | 10,401,501 | 9,940,851 |
| Accumulated other comprehensive income: | | |
| Unrealized holding (loss) on marketable securities | (27,785) | (60,690) |
| Less treasury stock at cost - 224,415 shares | (187,218) | (187,218) |
| Total stockholders' equity | 10,709,193 | 10,215,638 |
| Total liabilities and stockholders' equity | $11,224,626 | $10,475,691 |

**Opt-Sciences Corporation**
**CONSOLIDATED STATEMENTS OF INCOME**
**The accompanying notes are an integral part of these financial statements**

| | Fiscal Year Ended October 30, 2010 (52 weeks) | Fiscal Year Ended October 31, 2009 (52 weeks) |
|---|---|---|
| NET SALES | $ 4,899,983 | $ 4,881,311 |
| COST OF SALES | 3,444,311 | 3,611,895 |
| Gross profit on sales | 1,455,672 | 1,269,416 |
| OPERATING EXPENSES | | |
| Sales & delivery | 26,159 | 26,178 |
| General and administrative | 802,424 | 754,187 |
| Total operating expenses | 828,583 | 780,365 |
| Operating income | 627,089 | 489,051 |
| OTHER INCOME (LOSS) | 75,293 | (17,557) |
| Net Income before taxes | 702,382 | 471,494 |
| FEDERAL AND STATE INCOME TAXES | 241,732 | 199,714 |
| Net income | 460,650 | 271,780 |
| EARNINGS PER SHARE OF COMMON STOCK | 0.59 | 0.35 |
| Weighted average number of shares | 775,585 | 775,585 |

**Opt-Sciences Corporation**
**CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY AND COMPREHENSIVE INCOME**
**The accompanying notes are an integral part of these financial statements**

| | Common Stock | Paid-in Capital | Retained Earnings | Accumulated Other Comprehensive Income | Treasury Cost | Total |
|---|---|---|---|---|---|---|
| BALANCE NOVEMBER 2, 2008 | $ 250,000 | $ 272,695 | $ 9,669,071 | $ (196,971) | $(187,218) | $ 9,807,577 |
| Net income for fiscal year ended October 31, 2009 | | | 271,780 | | | 271,780 |
| Unrealized holding gains on securities arising during period, net of tax of $ 102,808 | | | | 136,281 | | 136,281 |
| TOTAL COMPREHENSIVE INCOME | | | | | | 408,061 |
| BALANCE OCTOBER 31, 2009 | $ 250,000 | $ 272,695 | $ 9,940,851 | $ (60,690) | $(187,218) | $ 10,215,638 |
| Net income for fiscal year ended October 30, 2010 | | | 460,650 | | | 460,650 |
| Unrealized holding gains on securities arising during period, net of tax of $ 24,823 | | | | 32,905 | | 32,905 |
| TOTAL COMPREHENSIVE INCOME | | | | | | 493,555 |
| BALANCE OCTOBER 30, 2010 | $ 250,000 | $ 272,695 | $ 10,401,501 | $ (27,785) | $(187,218) | $ 10,709,193 |

**Opt-Sciences Corporation**
**CONSOLIDATED STATEMENTS OF CASH FLOWS**
**The accompanying notes are an integral part of these financial statements**

| | Fiscal Year Ended October 30, 2010 (52 weeks) | Fiscal Year Ended October 31, 2009 (52 weeks) |
|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net income | $ 460,650 | $ 271,780 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation | 159,403 | 192,821 |
| Loss on sale of securities | 4,166 | 148,269 |
| Deferred income taxes | 7,730 | 43,059 |
| Decrease (increase) in: | | |
| Accounts receivable | (90,146) | 525,383 |
| Inventories | (75,638) | 52,571 |
| Prepaid expenses | (11,924) | 4,812 |
| Prepaid income taxes | 138,200 | (138,200) |
| Loans and exchanges | (2,485) | (3,290) |
| (Decrease) increase in: | | |
| Accounts payable | 42,556 | (161,521) |
| Accrued income taxes | 124,500 | (40,912) |
| Accrued salaries and wages | 42,357 | (156,122) |
| Accrued professional fees | 11,443 | 19,195 |
| Other current liabilities | 1,970 | (27,236) |
| Net cash provided by operating activities | 812,782 | 730,609 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchases of property and equipment | (41,577) | (341,430) |
| Purchases of securities | (4,778) | (66,999) |
| Proceeds from sale of securities | 25,000 | 358,669 |
| Net cash (used) by investing activities | (21,355) | (49,760) |

## Opt-Sciences Corporation
## CONSOLIDATED STATEMENTS OF CASH FLOWS
### The accompanying notes are an integral part of these financial statements

| | Fiscal Year Ended October 30, 2010 (52 weeks) | Fiscal Year Ended October 31, 2009 (52 weeks) |
|---|---|---|
| Increase in cash | $ 791,427 | $ 680,849 |
| Cash and cash equivalents at beginning of period | 7,606,849 | 6,926,000 |
| Cash and cash equivalents at end of period | $ 8,398,276 | $ 7,606,849 |
| SUPPLEMENTAL DISCLOSURES: | | |
| Interest paid | $ -0- | $ -0- |
| Income taxes paid | $ 50,611 | $ 335,767 |

NOTE 1 - Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of OPT-Sciences Corporation and its wholly owned subsidiary. All significant intercompany accounts and transactions have been eliminated.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers certificates of deposit and debt securities purchased with a maturity of three months or less to be cash equivalents.

Line of Business and Credit Concentration

The Company, through its wholly owned subsidiary, is engaged in the business of applying anti-reflective, conductive and/or other coatings to the faceplates of instruments for aircraft cockpits. The Company grants credit to companies within the aerospace industry.

Accounts Receivable

Bad debts are charged to operations in the year in which the account is determined to be uncollectible. If the allowance method for doubtful accounts were used it would not have a material effect on the financial statements.

Inventories

Raw materials are stated at the lower of average cost or market. Work in process and finished goods are stated at accumulated cost of raw material, labor and overhead, or market, whichever is lower. Market is net realizable value.

Marketable Securities

Marketable securities consist of debt and equity securities and mutual funds. Equity securities include both common and preferred stock.

Marketable Securities, continued

The Company's investment securities are classified as "available-for-sale". Accordingly, unrealized gains and losses and the related deferred income tax effects when material, are excluded from earnings and reported as a separate component of stockholders' equity as accumulated other comprehensive income. Realized gains or losses are computed based on specific identification of the securities sold.

Property and Equipment

Property and equipment are comprised of land, building and improvements, machinery and equipment, small tools, furniture and fixtures, office equipment and automobiles. These assets are recorded at cost.

Depreciation for financial statement purposes is calculated over estimated useful lives of three to twenty-five years, using the straight-line method.

Maintenance and repairs are charged to expense as incurred.

Income Taxes

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

Employee Benefit Plans

On October 1, 1998, the Company implemented a 401(k) profit sharing plan. All eligible employees of the Company are covered by the Plan. Company contributions are voluntary and at the discretion of the Board of Directors. Company contributions were $ 29,371 and $33,616 for the years ended October 30, 2010 and October 31, 2009, respectively.

Earnings per Common Share

Earnings per common share were computed by dividing net income by the weighted average number of common shares outstanding.

Revenue Recognition

The Company recognizes revenue from product sales in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 605, Revenue Recognition when products are shipped and risk of loss and title has passed to the customer.

Consideration of Subsequent Events

These financial statements were approved and authorized for issue by the Board of Directors on January 18, 2011.

NOTE 2 - Inventories

Inventories consisted of the following:

| | October 30, 2010 | October 31, 2009 |
|---|---|---|
| Raw materials and supplies | $ 175,014 | $ 221,791 |
| Work in progress | 334,370 | 182,607 |
| Finished goods | 124,863 | 154,211 |
| | $ 634,247 | $ 558,609 |

NOTE 3 - Marketable Securities

| | Amortized Cost | Gross Unrealized Gains | Gross Unrealized Losses | Fair Value |
|---|---|---|---|---|
| October 30, 2010 | | | | |
| Common stock | $ 28,578 | $ 1,284 | $ -0- | $ 29,862 |
| Preferred stock | 237,567 | 5,834 | -0- | 243,401 |
| Mutual funds | 285,409 | -0- | (55,863) | 229,546 |
| | $ 551,554 | $ 7,118 | $ (55,863) | $ 502,809 |
| October 31, 2009 | | | | |
| Common stock | $ 28,559 | $ -0- | $ (4,952) | $ 23,607 |
| Preferred stock | 237,567 | -0- | (25,279) | 212,288 |
| Municipal bonds | 40,000 | -0- | (15,880) | 24,120 |
| Mutual funds | 269,816 | -0- | (60,363) | 209,453 |
| | $ 575,942 | $ -0- | $ (106,474) | $ 469,468 |

Sales of securities available for sale during the years ended October 30, 2010 and October 31, 2009 were as follows:

| | 2010 | 2009 |
|---|---|---|
| Proceeds from sales | $ 25,000 | $ 358,669 |
| Gross realized gains | $ -0- | $ 21,966 |
| Gross realized losses | $ 4,166 | $ 170,235 |

NOTE 4 - Income Taxes

The income tax expense of the Company consists of the following:

| | 2010 | 2009 |
|---|---|---|
| Current tax expense: | | |
| Federal | $ 172,191 | $ 92,990 |
| State | 61,811 | 63,665 |
| Total | 234,002 | 156,655 |
| Deferred tax expense: | | |
| Federal | (1,638) | 55,303 |
| State | 9,368 | (12,244) |
| Total | 7,730 | 43,059 |
| Income Tax Expense | $ 241,732 | $ 199,714 |

At October 30, 2010, the Company had a deferred tax asset of $114,179 and a deferred tax liability of $180,384, resulting in a net deferred tax liability of $66,205.

At October 31, 2009, the Company had a deferred tax asset of $159,792 and a deferred tax liability of $193,443, resulting in a net deferred tax liability of $33,651.

Deferred income taxes result from significant temporary differences between income for financial reporting purposes and taxable income. These differences arose principally from the use of accelerated tax depreciation and the carry forward of capital and net operating losses.

At October 31, 2010, the Company had capital loss carry forwards of $219,160 expiring in 2011 through 2016. All of these losses are deemed to be usable before expiration.

During the year, amended tax returns were filed for the years 2006 through 2008 to take advantage of tax deductions not available at the time when the returns were initially filed. As a result, the refunds received of $44,542 reduced the income tax expense for the period and caused the effective tax rate to drop from 42.4% to 33.9% for the years ended October 30, 2010 and October 31, 2009, respectively. Interest income was also recognized on these refunds of $1,253.

NOTE 5 - Major Customers

Two customers accounted for $3,359,604 of net sales during the year ended October 30, 2010. The amount due from these customers, included in trade accounts receivable, was $525,457 on October 30, 2010.

Two customers accounted for $3,044,045 of net sales during the year ended October 31, 2009. The amount due from these customers, included in trade accounts receivable, was $386,877 on October 31, 2009.

NOTE 6 - Concentration of Credit Risk of Financial Instruments

The Company has various demand and time deposits with financial institutions where the amount of the deposits exceeds the federal insurance limits of the institution on such deposits. The maximum amount of accounting loss that would be incurred if an individual or group that makes up the concentration of the deposits failed completely to perform according to the terms of the deposit was approximately $7,500,000 on October 30, 2010.

NOTE 7 - Related Party Transactions

During fiscal years 2010 and 2009, the Company incurred legal fees of $52,500 and $47,500, respectively to the firm of Kania, Lindner, Lasak and Feeney, of which Mr. Arthur Kania, a shareholder and director, is senior partner. Of the legal fees, $52,500 and $47,500 were included in accounts payable at October 30, 2010 and October 31, 2009, respectively.

NOTE 8 - Fair Value Measurements

Effective January 1, 2008, the Company adopted FASB ASC Topic 820, Fair Value Measurements and Disclosures, which, among other things, requires enhanced disclosures about assets and liabilities carried at fair value. FASB ASC Topic 820 establishes a hierarchal disclosure framework associated with the level of pricing observability utilized in measuring assets and liabilities at fair value. There are three broad levels defined by FASB ASC Topic 820 hierarchy. The Company only has assets and liabilities falling under level I, in which quoted prices are available in active markets for identical assets or liabilities as of the reported date. See Note 3 above.