

Registration number: 02070593

# Frome Specsavers Limited

Report and Unaudited Financial Statements (Filleled Accounts)

for the Year Ended 28 February 2019

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**Frome Specsavers Limited**  
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## **Frome Specsavers Limited**

### **Company Information**

<b>Directors</b>	Specsavers Optical Group Limited Martyn Hywel Thomas Mary Lesley Perkins Richard Frederick Goring
<b>Company secretary</b>	Specsavers Optical Group Limited
<b>Registered office</b>	Forum 6 Parkway Solent Business Park Whiteley, Fareham United Kingdom PO15 7PA
<b>Registration number</b>	02070593

**Frome Specsavers Limited**  
**(Registration number: 02070593)**  
**Balance Sheet as at 28 February 2019**

	Note	28 February 2019 £	28 February 2018 £
<b>Fixed assets</b>			
Tangible assets	4	541,886	142,246
Investments	5	<u>100</u>	<u>100</u>
		<u>541,986</u>	<u>142,346</u>
<b>Current assets</b>			
Stocks		65,613	60,612
Debtors	6	78,109	104,864
Cash and cash equivalents	7	<u>26</u>	<u>3,611</u>
		143,748	169,087
<b>Creditors: Amounts falling due within one year</b>	8	<u>(810,729)</u>	<u>(337,398)</u>
<b>Net current liabilities</b>		<u>(666,981)</u>	<u>(168,311)</u>
<b>Total assets less current liabilities</b>		(124,995)	(25,965)
<b>Creditors: Amounts falling due after more than one year</b>	8	<u>(46,551)</u>	<u>-</u>
<b>Net liabilities</b>		<u>(171,546)</u>	<u>(25,965)</u>
<b>Capital and reserves</b>			
Called up share capital	11	100	100
Profit and loss account		<u>(171,646)</u>	<u>(26,065)</u>
<b>Total equity</b>		<u>(171,546)</u>	<u>(25,965)</u>

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities. The Company has elected not to file a Profit and Loss Account.

For the year ending 28 February 2019 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

24/10/2019 | 10:58 BST

Approved and authorised by the Board on ..... and signed on its behalf by:

DocuSigned by:

*Martyn Hywel Thomas*  
 7998284E60724C8  
 Director Martyn Hywel Thomas

The notes on pages 3 to 10 form an integral part of these financial statements.

## **Frome Specsavers Limited**

### **Notes to the Financial Statements for the Year Ended 28 February 2019**

#### **1 General information**

The company is a private company limited by share capital incorporated in the United Kingdom.

The address of its registered office is:

Forum 6  
Parkway  
Solent Business Park  
Whiteley, Fareham  
United Kingdom  
PO15 7PA

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **Statement of compliance**

These financial statements have been prepared in accordance with the provisions of Financial Reporting Standard 102 Section 1A – small entities.

##### **Basis of preparation**

The financial statements have been prepared under the historical cost convention.

The financial statements are prepared in sterling which is the functional currency of the company and are rounded to the nearest £.

##### **Revenue recognition**

Revenue is recognised to the extent that the Company obtains the right to consideration in exchange for its performance. Revenue represents the amount charged, net of value added tax, by the company as a wholesaler for goods provided to the company's retail subsidiary during the period. The following criteria must also be met before revenue is recognised:

Revenue from the sale of goods and services is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on dispatch of the goods, or when services are provided and the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Deferred revenue arises when cash is received in advance of revenue being earned, either in the form of deposits received for spectacles which have not been collected or direct debit payments received for contact lenses in advance of delivery of the lenses to the customer. Deferred revenue is a liability on the Balance Sheet until it is earned.

## Frome Specsavers Limited

### Notes to the Financial Statements for the Year Ended 28 February 2019

#### 2 Accounting policies (continued)

##### **Tax**

Current tax is provided at amounts expected to be paid (or recovered) using tax rates and laws which have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences which are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements, except that unrelieved tax losses and other deferred tax assets are recognised only to the extent that the directors consider that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

##### **Key areas of estimation uncertainty and judgments**

##### **Impairment of non-financial assets**

Where there are indicators of impairment of individual assets, the company performs impairment tests based on fair value less costs to sell or a value in use calculation. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction on similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the company is not yet committed to or significant future investments that will enhance the performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash flows and the growth rate used for extrapolation purposes.

##### **Taxation**

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies.

##### **Tangible fixed assets**

Tangible assets are stated in the Balance Sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

##### **Depreciation**

Depreciation is provided on a straight line basis at the following rates in order to write off the cost less estimated residual value of each asset over its' estimated useful life (or if held under a finance lease, over the lease term, whichever is the shorter):

Asset class	Depreciation method and rate
Furniture, fittings and equipment	14-25% on cost
Motor vehicles	25% on cost
Other property, plant and equipment	14-33% on cost

## **Frome Specsavers Limited**

### **Notes to the Financial Statements for the Year Ended 28 February 2019**

#### **2 Accounting policies (continued)**

##### **Impairment of non-financial assets**

The company assesses at each reporting date whether an asset may be impaired. If any such indication exists the company estimates the recoverable amount of the asset. If it is not possible to estimate the recoverable amount of the individual asset, the company estimates the recoverable amount of the cash generating unit to which the asset belongs. The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value in use. If the recoverable amount is less than its carrying amount, the carrying amount of the asset is impaired and it is reduced to its recoverable amount through an impairment in profit and loss unless the asset is carried at a revalued amount where the impairment loss of a revalued asset is a revaluation decrease. An impairment loss recognised for all assets is reversed in a subsequent period if and only if the reasons for the impairment loss have ceased to apply.

##### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value. The directors have included the balances owed to and from Specsavers Finance (Guernsey) Limited, the Group Treasury Company within cash equivalents. If the overall cash balance with the Group Treasury Company is overdrawn, this is classified as a current liability alongside any other overdrawn external cash balances.

##### **Short term debtors and creditors**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other operating expenses.

##### **Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the weighted average method. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

##### **Hire purchase and leasing commitments**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over the useful life of the asset in the same manner as other property, plant and equipment. A corresponding liability is recognised for the lower of the fair value of the leased asset and the present value of the minimum lease payments in the balance sheet. Lease payments are apportioned between the reduction of the lease liability and finance charges in the profit and loss account, so as to achieve a constant rate of interest on the remaining balance of the liability.

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease. Lease incentives are recognised over the lease term on a straight line basis.

##### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

## Frome Specsavers Limited

### Notes to the Financial Statements for the Year Ended 28 February 2019

#### 2 Accounting policies (continued)

##### Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

##### Dividend Income

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably).

##### Investments

Investments held as fixed assets are stated at cost less provision for any permanent diminution in value.

##### Group Accounts

The Group is small sized and as a result the parent company has taken advantage of the exemption available not to prepare statutory consolidated financial statements granted under Section 399 of the Companies Act 2006. Accordingly these financial statements present information about the company as an individual undertaking and not about its group.

#### 3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 0 (2018 : 0).

#### 4 Tangible assets

	Furniture, fittings and equipment £	Other property, plant and equipment £	Total £
<b>Cost or valuation</b>			
At 1 March 2018	190,073	381,116	571,189
Additions	354,309	132,157	486,466
Disposals	(57,570)	(8,808)	(66,378)
At 28 February 2019	<u>486,812</u>	<u>504,465</u>	<u>991,277</u>
<b>Depreciation</b>			
At 1 March 2018	113,161	315,782	428,943
Charge for the year	57,520	29,306	86,826
Eliminated on disposal	(57,570)	(8,808)	(66,378)
At 28 February 2019	<u>113,111</u>	<u>336,280</u>	<u>449,391</u>
<b>Carrying amount</b>			
At 28 February 2019	<u><u>373,701</u></u>	<u><u>168,185</u></u>	<u><u>541,886</u></u>
At 28 February 2018	<u><u>76,912</u></u>	<u><u>65,334</u></u>	<u><u>142,246</u></u>



## Frome Specsavers Limited

### Notes to the Financial Statements for the Year Ended 28 February 2019

#### 5 Investments

	2019 £	2018 £
Investments in subsidiaries	<u>100</u>	<u>100</u>
<b>Subsidiaries</b>		<b>£</b>
<b>Cost or valuation</b>		
At 1 September 2017 and 28 February 2019		<u>100</u>
<b>Carrying amount</b>		
At 28 February 2019		<u>100</u>
At 28 February 2018		<u>100</u>

#### 6 Debtors

	Note	28 February 2019 £	28 February 2018 £
Other debtors		257	-
Amounts owed by related parties	12	46,113	88,023
Prepayments		31,623	7,430
Taxation and social security		116	-
Deferred tax assets		<u>-</u>	<u>9,411</u>
Total trade and other debtors		<u>78,109</u>	<u>104,864</u>

#### **Total trade and other debtors**

Deferred tax assets of £Nil (2018: £9,411) are classified as non current.

#### 7 Cash and cash equivalents

	Note	28 February 2019 £	28 February 2018 £
Group Treasury Company	12	<u>26</u>	<u>3,611</u>
		<u>26</u>	<u>3,611</u>

## Frome Specsavers Limited

### Notes to the Financial Statements for the Year Ended 28 February 2019

#### 8 Creditors

	Note	28 February 2019 £	28 February 2018 £
<b>Due within one year</b>			
Loans and borrowings	9	634,660	209,570
Trade creditors		9,847	11,198
Taxation and social security		-	313
Amounts owed to related parties	12	123,070	116,317
Accrued expenses		43,152	-
		<u>810,729</u>	<u>337,398</u>
<b>Due after one year</b>			
Deferred Rent		<u>46,551</u>	<u>-</u>

#### 9 Loans and borrowings

	Note	28 February 2019 £	28 February 2018 £
<b>Current loans and borrowings</b>			
Group Treasury Company loan	12	516,832	88,625
Finance lease liabilities		-	3,117
Other related party loans	12	<u>117,828</u>	<u>117,828</u>
		<u>634,660</u>	<u>209,570</u>

Included within Other related party loans is an amount of £117,828 which is owed to Specsavers UK Holdings Limited, a non-director. In the prior year this amount was owed to Specsavers Optical Superstores Limited, also a non-director.

The finance lease liabilities shown within the loans and borrowings notes are secured against the underlying assets.

#### 10 Financial commitments, guarantees and contingencies

##### Operating lease commitments

At 28 February 2019, the company had total commitments under non-cancellable operating leases over the remaining life of those leases of £699,167 (2018: £84,756).

## Frome Specsavers Limited

### Notes to the Financial Statements for the Year Ended 28 February 2019

#### 11 Share capital

##### Allotted, called up and fully paid shares

	28 February 2019		28 February 2018	
	No.	£	No.	£
"A" Ordinary of £0.50 each	100	50	100	50
"B" Ordinary of £0.50 each	100	50	100	50
	<u>200</u>	<u>100</u>	<u>200</u>	<u>100</u>

##### Rights, preferences and restrictions

In accordance with the Articles of Association the following rights attach to shares: a) to "A" shares, the right to receive that part (including the whole) of the profits of the company which the directors shall, from time to time, determine to distribute as dividends. b) to "B" shares, the right to appoint the chairman of the board of directors and of the general meeting of the company. The "B" shares are held by Specsavers UK Holdings Limited. In all other respects both classes of share carry equal rights over the assets of the company, subject to those provisions as laid out in the shareholders' agreement.

#### 12 Related party transactions

During the year the company entered into transactions, in the ordinary course of business, with other related parties. Trading balances outstanding at 28 February 2019, are as follows:

	Parent £	Subsidiary £	Other group undertakings £
<b>2019</b>			
Assets	<u>62</u>	<u>45,957</u>	<u>120</u>
<b>2018</b>			
Assets	<u>-</u>	<u>87,096</u>	<u>4,538</u>
<b>2019</b>			
Liabilities	<u>149,829</u>	<u>-</u>	<u>607,901</u>
<b>2018</b>			
Liabilities	<u>31,860</u>	<u>-</u>	<u>173,082</u>

## **Frome Specsavers Limited**

### **Notes to the Financial Statements for the Year Ended 28 February 2019**

#### **13 Parent and ultimate parent undertaking**

As at the year end Specsavers International Healthcare Limited was the ultimate parent company of Frome Specsavers Limited. Mr and Mrs Perkins have the controlling interest in the ordinary share capital of Specsavers International Healthcare Limited, the ultimate parent company. Specsavers International Healthcare Limited is a Guernsey registered company and its accounts are not available to the public.

Specsavers UK Holdings Limited is the parent company of the smallest group for which consolidated financial statements are drawn up and in which Frome Specsavers Limited is a member. Specsavers UK Holdings Limited registered office is:

Forum 6  
Parkway  
Solent Business Park  
Whiteley  
Fareham  
Hampshire  
PO15 7PA

#### **14 Events after the reporting period**

If dividends were paid after the year ended 28 February 2019, which will be accounted for in the shareholders' equity as an appropriation of retained earnings in the year ended 29 February 2020, the financial statements do not reflect these. The company has controls in place to ensure that there are sufficient retained earnings to cover dividend payments based on the latest available management information at the dividend declaration date so that the company remains in a net asset position.

The cost of disclosing and repeatedly updating the quantum of these dividends, right up to the date of signing the financial statements, is therefore considered to exceed any benefit to the users thereof.