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Registration number: 02844649

Brentwood Specsavers Limited
Report and Financial Statements (Filleled Accounts)
for the Year Ended 28 February 2017

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Brentwood Specsavers Limited

Contents

Company Information	1
Balance Sheet	2
Notes to the Financial Statements	3 to 10

Brentwood Specsavers Limited

Company Information

Directors

Specsavers Optical Group Limited

Mary Lesley Perkins

Manoj Patel

Company secretary

Specsavers Optical Group Limited

Registered office

22 High Street
Parkway
Solent Business Park
Brentwood
Essex
CM14 4AB

Auditors

Ernst & Young LLP
Statutory Auditor
London

Registration number

02844649

Brentwood Specsavers Limited
(Registration number: 02844649)
Balance Sheet as at 28 February 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	5	66,541	80,878
Current assets			
Stocks		31,478	27,005
Debtors	6	47,784	45,857
Cash and cash equivalents	7	276,640	299,078
		355,902	371,940
Creditors: Amounts falling due within one year	8	(143,644)	(128,254)
Net current assets		212,258	243,686
Total assets less current liabilities		278,799	324,564
Creditors: Amounts falling due after more than one year	8	(4,775)	(9,427)
Net assets		274,024	315,137
Capital and reserves			
Called up share capital	11	100	100
Profit and loss account		273,924	315,037
Total equity		274,024	315,137

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.

Approved and authorised by the director on **27 NOV 2017**



Director **NIGEL LEWIS.**

FOR SPECSAVERS OPTICAL GROUP LTD

Brentwood Specsavers Limited

Notes to the Financial Statements for the Year Ended 28 February 2017

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:

22 High Street
Parkway
Solent Business Park
Brentwood
Essex
CM14 4AB

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.

The company transitioned from previously extant UK GAAP to FRS 102 as at 1 March 2015. An explanation of how the transition has affected the reported financial position and financial performance is given in note 15.

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 is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes. 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.

Brentwood Specsavers Limited

Notes to the Financial Statements for the Year Ended 28 February 2017

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 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

Brentwood Specsavers Limited

Notes to the Financial Statements for the Year Ended 28 February 2017

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.

Brentwood Specsavers Limited

Notes to the Financial Statements for the Year Ended 28 February 2017

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.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the Company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

3

Audit Report

An unqualified audit opinion was issued on the Report and Financial Statements by Julie Carlyle, for and on behalf of Ernst & Young LLP, Statutory Auditor.

4 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 21 (2016 - 21).

5 Tangible assets

	Furniture, fittings and equipment £	Other property, plant and equipment £	Total £
Cost or valuation			
At 1 March 2016	133,274	208,244	341,518
Additions	-	11,684	11,684
Disposals	(29,681)	(12,717)	(42,398)
At 28 February 2017	103,593	207,211	310,804
Depreciation			
At 1 March 2016	108,100	152,540	260,640
Charge for the year	9,665	16,356	26,021
Eliminated on disposal	(29,681)	(12,717)	(42,398)
At 28 February 2017	88,084	156,179	244,263
Carrying amount			
At 28 February 2017	15,509	51,032	66,541
At 29 February 2016	25,174	55,704	80,878

Brentwood Specsavers Limited

Notes to the Financial Statements for the Year Ended 28 February 2017

6 Debtors

	Note	2017 £	2016 £
Trade debtors		31,085	31,064
Other debtors		-	101
Amounts owed by related parties	12	2,782	886
Prepayments		4,674	4,504
Accrued income		5,863	6,827
Deferred tax assets		3,380	2,475
Total trade and other debtors		<u>47,784</u>	<u>45,857</u>

Total trade and other debtors

Deferred tax assets of £3,380 (2016: £2,475) are classified as non current.

7 Cash and cash equivalents

	Note	2017 £	2016 £
Cash on hand		16,256	14,384
Group Treasury Company	12	<u>260,384</u>	<u>284,694</u>
		<u>276,640</u>	<u>299,078</u>

8 Creditors

	Note	2017 £	2016 £
Due within one year			
Loans and borrowings	9	12,158	14,963
Trade creditors		17,497	11,564
Corporation tax liability		19,207	15,511
Taxation and social security		9,516	6,256
Amounts owed to related parties	12	62,631	58,854
Customer deposits		14,053	13,121
Deferred income		8,582	7,985
		<u>143,644</u>	<u>128,254</u>
Due after one year			
Loans and borrowings	9	<u>4,775</u>	<u>9,427</u>

Brentwood Specsavers Limited

Notes to the Financial Statements for the Year Ended 28 February 2017

9 Loans and borrowings

	Note	2017 £	2016 £
Current loans and borrowings			
Finance lease liabilities		12,158	14,963
		2017 £	2016 £
Non-current loans and borrowings			
Finance lease liabilities		4,775	9,427

10 Financial commitments, guarantees and contingencies

Operating lease commitments

At 28 February 2017, the company had total commitments under non-cancellable operating leases over the remaining life of those leases of £155,995 (2016: £190,995).

Pension contributions

Contributions in relation to the defined contribution pension scheme totalling £217 were outstanding at the year end (2016: £217). The assets of the scheme are held separately from those of the Company in an independently administered fund.

11 Share capital

Allotted, called up and fully paid shares

	2017		2016	
	No.	£	No.	£
"A" Ordinary of £0.50 each	100	50	100	50
"B" Ordinary of £0.50 each	100	50	100	50
	200	100	200	100

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 Optical Superstores 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.

Brentwood Specsavers Limited

Notes to the Financial Statements for the Year Ended 28 February 2017

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 2017, are as follows:

	Parent £	Other group undertakings £
2017		
Assets	1,625	261,541
	Parent £	Other group undertakings £
2016		
Assets	528	285,052
	Parent £	Other group undertakings £
2017		
Liabilities	30,681	31,950
	Parent £	Other group undertakings £
2016		
Liabilities	28,275	30,579

The dividends value shown above differs from the value of total dividends paid per the statement of changes in equity as it excludes those dividends paid to Specsavers Optical Superstores as it is not a director of the company.

13 Parent and ultimate parent undertaking

As at the year end Specsavers International Healthcare Limited was the ultimate parent company of Brentwood 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 International Healthcare Limited is also the largest group of undertakings of which the company is a member and for which group financial statements are drawn up. The smallest group in which the company's financial statements are consolidated is Specsavers Optical Superstores Limited.

Brentwood Specsavers Limited

Notes to the Financial Statements for the Year Ended 28 February 2017

14 Events after the reporting period

The financial statements do not reflect dividends paid after the year ended 28 February 2017, which will be accounted for in the shareholders' equity as an appropriation of retained earnings in the year ended 28 February 2018. 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.

15 Transition to FRS 102

The company transitioned to FRS 102 from previously extant UK GAAP as at 1 March 2015. The impact of the transition is detailed below.

Transitional relief

Lease incentives

The company has not applied paragraphs 20.15A or 20.25A to lease incentives where the lease commenced before the date of transition to FRS 102. It has continued to recognise any residual benefit or cost associated with these lease incentives on the same basis that applied prior to transition to FRS 102.

Changes in accounting policy

The following were changes in accounting policies arising from the transition to FRS 102:

Reclassification of cash and cash equivalents

Balances due from Specsavers Finance (Guernsey) Limited, the Group Treasury Company were reclassified from debtors to cash and cash equivalent under the new FRS 102, 'the Financial Reporting Standard applicable to the UK and Republic of Ireland'. Balances due to Specsavers Finance (Guernsey) Limited remain within creditors but are still deemed to be cash and cash equivalent.

Lease premiums

Lease premiums were shown as tangible fixed assets under previously extant UK GAAP. In accordance with FRS 102, lease premiums have been reclassified from tangible fixed assets to prepayments.

Holiday pay accrual

The company has assessed the requirements of paragraph 28.6 (Recognition and measurement: Short-term compensated absences) which relates to holiday that was earned but not taken at the date of the balance sheet. It has been concluded that adjustments needed in relation to this requirement are immaterial and so have not been made.