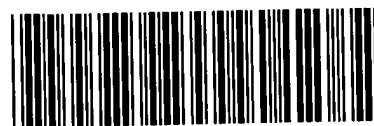


Registration number: 02230150

Croydon Specsavers Limited  
Report and Financial Statements (Filleled Accounts)  
for the Year Ended 31 March 2017

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# **Croydon Specsavers Limited**

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# **Croydon Specsavers Limited**

## **Company Information**

### **Directors**

Specsavers Optical Group Limited

Mary Lesley Perkins

Douglas John David Perkins

Mark Richard Holroyd

Clarke Samuel Longwell

William Mark Pennell

### **Company secretary**

Specsavers Optical Group Limited

### **Registered office**

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

### **Auditors**

Ernst & Young LLP  
Statutory Auditor  
London

### **Registration number**

02230150

# Croydon Specsavers Limited

**(Registration number: 02230150)**  
**Balance Sheet as at 31 March 2017**

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Tangible assets	6	207,831	213,794
Investments	7	200	200
		<u>208,031</u>	<u>213,994</u>
<b>Current assets</b>			
Stocks		74,133	54,454
Debtors	8	40,128	104,654
Cash and cash equivalents	9	3	3
		<u>114,264</u>	<u>159,111</u>
<b>Creditors: Amounts falling due within one year</b>	10	<u>(423,302)</u>	<u>(253,826)</u>
<b>Net current liabilities</b>		<u>(309,038)</u>	<u>(94,715)</u>
<b>Total assets less current liabilities</b>		(101,007)	119,279
<b>Creditors: Amounts falling due after more than one year</b>	10	<u>(2,538)</u>	<u>(219)</u>
<b>Net (liabilities)/assets</b>		<u>(103,545)</u>	<u>119,060</u>
<b>Capital and reserves</b>			
Called up share capital	13	300	300
Profit and loss account		<u>(103,845)</u>	<u>118,760</u>
<b>Total equity</b>		<u>(103,545)</u>	<u>119,060</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.

**08 MAR 2018**

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

.....  
 Director

**FOR SPECSAVERS OPTICAL GROUP LTD**

*NICOLA JOHNS.*

The notes on pages 3 to 12 form an integral part of these financial statements.

# **Croydon Specsavers Limited**

## **Notes to the Financial Statements for the Year Ended 31 March 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:

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

### **2 Dividends**

During the current financial year the company distributed dividends of £41,991 when there were insufficient distributable reserves. The company has two wholly owned subsidiaries and when the distributable reserves of the company are considered with those of the two subsidiaries, there were sufficient distributable reserves for these dividends. This combined position of positive distributable reserves existed both at March 2016 and throughout the current financial year up to the current date. The directors also note that none of the company's creditors have been adversely impacted as a result of these distributions, and controls have been enacted going forward to prevent the issue recurring in the future.

### **3 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 April 2015. An explanation of how the transition has affected the reported financial position and financial performance is given in note 17.

#### **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 £.

## **Croydon Specsavers Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2017**

#### **3 Accounting policies (continued)**

##### **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.

##### **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.

## Croydon Specsavers Limited

### Notes to the Financial Statements for the Year Ended 31 March 2017

#### 3 Accounting policies (continued)

##### 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

###### 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.

## **Croydon Specsavers Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2017**

#### **3 Accounting policies (continued)**

##### **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.

##### **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 398 of the Companies Act 2006. Accordingly these financial statements present information about the company as an individual undertaking and not about its group.



## Croydon Specsavers Limited

### Notes to the Financial Statements for the Year Ended 31 March 2017

#### 4 Audit Report

A qualified audit opinion was issued on the Report and Financial Statements by Julie Carlyle, for and on behalf of Ernst & Young LLP, Statutory Auditor in respect of disclosure in note 2 that the company paid interim dividends which exceeded distributable reserves based on the latest available interim accounts at that point of time in the amount of £41,991. The company's distributable reserves reported at the year-end was not sufficient to cover the deficit. The auditor believes the dividend distribution was not in accordance with Companies Act 2006 requirements and the issue has not been rectified in the financial statements.

#### 5 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 0 (2016 : 0).

#### 6 Tangible assets

	Furniture, fittings and equipment £	Other property, plant and equipment £	Total £
<b>Cost or valuation</b>			
At 1 April 2016	414,076	504,778	918,854
Additions	16,943	23,170	40,113
Disposals	(204,877)	(194,680)	(399,557)
At 31 March 2017	226,142	333,268	559,410
<b>Depreciation</b>			
At 1 April 2016	275,584	429,476	705,060
Charge for the year	30,641	15,435	46,076
Eliminated on disposal	(204,877)	(194,680)	(399,557)
At 31 March 2017	101,348	250,231	351,579
<b>Carrying amount</b>			
At 31 March 2017	124,794	83,037	207,831
At 31 March 2016	138,492	75,302	213,794

# Croydon Specsavers Limited

## Notes to the Financial Statements for the Year Ended 31 March 2017

### 7 Investments

	2017 £	2016 £
Investments in subsidiaries	200	200
<b>Subsidiaries</b>		£
<b>Cost or valuation</b>		
At 1 April 2015 and 31 March 2017		200
<b>Carrying amount</b>		
At 31 March 2017		200
At 31 March 2016		200

### 8 Debtors

	Note	2017 £	2016 £
Other debtors		1,300	18
Amounts owed by related parties	14	886	55,936
Prepayments		29,771	30,552
Taxation and social security		-	8,546
Deferred tax assets		8,171	9,602
Total trade and other debtors		40,128	104,654

#### Total trade and other debtors

Deferred tax assets of £8,171 (2016: £9,602) are classified as non current.

### 9 Cash and cash equivalents

	Note	2017 £	2016 £
Group Treasury Company	14	3	3
		3	3

## Croydon Specsavers Limited

### Notes to the Financial Statements for the Year Ended 31 March 2017

#### 10 Creditors

	Note	2017 £	2016 £
<b>Due within one year</b>			
Loans and borrowings	11	67,215	73,321
Trade creditors		47,204	15,217
Taxation and social security		9,712	-
Amounts owed to related parties	14	299,171	165,288
		<u>423,302</u>	<u>253,826</u>
<b>Due after one year</b>			
Loans and borrowings	11	<u>2,538</u>	<u>219</u>

#### 11 Loans and borrowings

	Note	2017 £	2016 £
<b>Current loans and borrowings</b>			
Group Treasury Company loan	14	65,331	69,399
Group Treasury Company	14	-	575
Finance lease liabilities		1,884	3,347
		<u>67,215</u>	<u>73,321</u>

	2017 £	2016 £
<b>Non-current loans and borrowings</b>		
Finance lease liabilities	<u>2,538</u>	<u>219</u>

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

#### 12 Financial commitments, guarantees and contingencies

##### Operating lease commitments

At 31 March 2017, the company had total commitments under non-cancellable operating leases over the remaining life of those leases of £139,577 (2016: £247,077).

## Croydon Specsavers Limited

### Notes to the Financial Statements for the Year Ended 31 March 2017

#### 13 Share capital

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

	2017		2016	
	No.	£	No.	£
"A" Ordinary of £0.50 each	300	150	300	150
"B" Ordinary of £0.50 each	300	150	300	150
	600	300	600	300

##### 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 Group 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.

#### 14 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 31 March 2017, are as follows:

	Parent £	Subsidiary £	Other group undertakings £
<b>2017</b>			
Assets	-	-	889
<b>2016</b>			
Assets	3	-	55,936
<b>2017</b>			
Liabilities	50,529	174,515	139,458
<b>2016</b>			
Liabilities	43,545	100,997	90,717

## **Croydon Specsavers Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2017**

#### **15 Parent and ultimate parent undertaking**

As at the year end Specsavers International Healthcare Limited was the ultimate parent company of Croydon 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 smallest and largest group of undertakings of which the company is a member and for which group financial statements are drawn up.

#### **16 Events after the reporting period**

The financial statements do not reflect dividends paid after the year ended 31 March 2017, which will be accounted for in the shareholders' equity as an appropriation of retained earnings in the year ended 31 March 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.

#### **17 Transition to FRS 102**

The company transitioned to FRS 102 from previously extant UK GAAP as at 1 April 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.

##### **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.