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Registration number: 03218406

Armada Way Specsavers Limited

Report and Financial Statements (Filleted Accounts)

for the Year Ended 28 February 2017

Armada Way Specsavers Limited

Contents

Armada Way Specsavers Limited

Company Information

Directors

Specsavers Optical Group Limited

Douglas John David Perkins

Josie Caitlin Forte

Mary Lesley Perkins

Philip Simon Gray

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

03218406

Armada Way Specsavers Limited

(Registration number: 03218406)
Balance Sheet as at 28 February 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	5	386,950	522,673
Investments	6	100	100
		387,050	522,773
Current assets			
Stocks		75,897	59,075
Debtors	7	200,491	181,145
Cash and cash equivalents	8	187	76
		276,575	240,296
Creditors: Amounts falling due within one year	9	(2,744,012)	(1,808,239)
Net current liabilities		(2,467,437)	(1,567,943)
Total assets less current liabilities		(2,080,387)	(1,045,170)
Creditors: Amounts falling due after more than one year	9	(17,618)	(45,865)
Net liabilities		(2,098,005)	(1,091,035)
Capital and reserves			
Called up share capital	12	120	120
Profit and loss account		(2,098,125)	(1,091,155)
Total equity		(2,098,005)	(1,091,035)

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 Board on .... and signed on its behalf by:

....
Director
JOSIE FORTE

For Specsavers Optical Group Limited

....
Authorised Signatory
CHRIS McKANE

The notes on pages 3 to 11 form an integral part of these financial statements.

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.

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 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.

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

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.

2 Accounting policies (continued)

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.

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 0 (2016 : 0).

5 Tangible assets

	Furniture, fittings and equipment £	Motor vehicles £	Other property, plant and equipment £	Total £
Cost or valuation				
At 1 March 2016	545,438	12,000	680,671	1,238,109
Additions	16,869	-	5,301	22,170
At 28 February 2017	562,307	12,000	685,972	1,260,279
Depreciation				
At 1 March 2016	187,031	9,000	519,405	715,436
Charge for the year	105,813	3,000	49,080	157,893
At 28 February 2017	292,844	12,000	568,485	873,329
Carrying amount				
At 28 February 2017	269,463	-	117,487	386,950
At 29 February 2016	358,407	3,000	161,266	522,673

6 Investments

	2017 £	2016 £
Investments in subsidiaries	100	100

Subsidiaries	£
Cost or valuation	
At 1 March 2015 and 28 February 2017	100
Carrying amount	
At 28 February 2017	100
At 29 February 2016	100

Armada Way Specsavers Limited

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

7 Debtors

	Note	2017 £	2016 £
Other debtors		-	30
Amounts owed by related parties	13	146,379	134,105
Prepayments		21,038	17,285
Deferred tax assets		33,074	29,725
Total trade and other debtors		200,491	181,145

Total trade and other debtors
Deferred tax assets of £33,074 (2016: £29,725) are classified as non current.

8 Cash and cash equivalents

	Note	2017 £	2016 £
Group Treasury Company	13	187	76
		187	76

9 Creditors

	Note	2017 £	2016 £
Due within one year			
Loans and borrowings	10	422,986	498,687
Trade creditors		18,499	12,935
Corporation tax liability		3	3
Taxation and social security		5,360	1,282
Amounts owed to related parties	13	2,281,530	1,279,674
Deferred Rent		15,634	15,658
		2,744,012	1,808,239
Due after one year			
Loans and borrowings	10	1,060	13,745
Deferred Rent		16,558	32,120
		17,618	45,865

10 Loans and borrowings

	Note	2017 £	2016 £
Current loans and borrowings			
Group Treasury Company loan	13	410,299	454,618
Finance lease liabilities		12,687	44,069
		422,986	498,687

	2017 £	2016 £
Non-current loans and borrowings		
Finance lease liabilities	1,060	13,745

11 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 £1,750,524 (2016: £1,895,524).

12 Share capital

Allotted, called up and fully paid shares

	2017 No.	2017 £	2016 No.	2016 £
"A" Ordinary of £0.50 each	120	60	120	60
"B" Ordinary of £0.50 each	120	60	120	60
	240	120	240	120

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.