

COMPANY REGISTRATION NUMBER: 10805938

ABC Optical Limited
Filleted Unaudited Financial Statements
For the period ended
31 October 2018



DEBERE LIMITED
Chartered Accountants
Swallow House
Parsons Road
Washington
Tyne and Wear
NE37 1EZ

ABC Optical Limited

Financial Statements

Period from 6 June 2017 to 31 October 2018

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ABC Optical Limited
Officers and Professional Advisers

Director	Mr S Carr
Business address	21 Beacon Street Gateshead Tyne and Wear NE9 5XN
Registered office	Swallow House Parsons Road Washington Tyne & Wear NE37 1EZ
Accountants	Debere Limited Chartered Accountants Swallow House Parsons Road Washington Tyne and Wear NE37 1EZ
Bankers	Santander UK Plc 6 South Administration Block Bridle Road Bootle Merseyside L30 4GB

ABC Optical Limited

Chartered Accountants Report to the Director on the Preparation of the Unaudited Statutory Financial Statements of ABC Optical Limited

Period from 6 June 2017 to 31 October 2018

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of ABC Optical Limited for the period ended 31 October 2018, which comprise the statement of financial position and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at www.icaew.com/en/membership/regulations-standards-and-guidance.

This report is made solely to the director of ABC Optical Limited in accordance with the terms of our engagement letter dated 22 October 2018. Our work has been undertaken solely to prepare for your approval the financial statements of ABC Optical Limited and state those matters that we have agreed to state to you in this report in accordance with ICAEW Technical Release 07/16 AAF as detailed at www.icaew.com/compilation. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than ABC Optical Limited and its director for our work or for this report.

It is your duty to ensure that ABC Optical Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of ABC Optical Limited. You consider that ABC Optical Limited is exempt from the statutory audit requirement for the period.

We have not been instructed to carry out an audit or a review of the financial statements of ABC Optical Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.



DEBERE LIMITED
Chartered Accountants

Swallow House
Parsons Road
Washington
Tyne and Wear
NE37 1EZ

28 February 2019

ABC Optical Limited
Statement of Financial Position
31 October 2018

	Note	31 Oct 18 £
Fixed assets		
Intangible assets	5	171,000
Tangible assets	6	78,142
		<u>249,142</u>
Current assets		
Stocks		21,023
Debtors	7	14,589
Cash at bank and in hand		42,296
		<u>77,908</u>
Creditors: amounts falling due within one year	8	68,692
Net current assets		<u>9,216</u>
Total assets less current liabilities		258,358
Creditors: amounts falling due after more than one year	9	247,815
Provisions		1,838
Net assets		<u><u>8,705</u></u>
Capital and reserves		
Called up share capital		2
Profit and loss account		<u>8,703</u>
Shareholders funds		<u><u>8,705</u></u>

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of comprehensive income has not been delivered.

For the period ending 31 October 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the period in question in accordance with section 476;
- The director acknowledges his responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The statement of financial position
continues on the following page.

The notes on pages 5 to 10 form part of these financial statements.

ABC Optical Limited

Statement of Financial Position *(continued)*

31 October 2018

These financial statements were approved by the board of directors and authorised for issue on 28 February 2019, and are signed on behalf of the board by:



Mr S Carr
Director

Company registration number: 10805938

The notes on pages 5 to 10 form part of these financial statements.

ABC Optical Limited

Notes to the Financial Statements

Period from 6 June 2017 to 31 October 2018

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Swallow House, Parsons Road, Washington, Tyne & Wear, NE37 1EZ.

2. Statement of compliance

ABC Optical Limited supplies the retail of optical products and services.

The company incorporated on 6 June 2017.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors

Creditors are recognised where the company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement after allowing for any trade discounts due.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied and services rendered, stated net of discounts and of Value Added Tax.

ABC Optical Limited

Notes to the Financial Statements *(continued)*

Period from 6 June 2017 to 31 October 2018

3. Accounting policies *(continued)*

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent 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 using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Goodwill

Goodwill arises on business acquisitions and represents the excess of the cost of the acquisition over the company's interest in the net amount of the identifiable assets, liabilities and contingent liabilities of the acquired business.

Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. It is amortised on a straight-line basis over its useful life. Where a reliable estimate of the useful life of goodwill or intangible assets cannot be made, the life is presumed not to exceed ten years.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Goodwill - 10% straight line

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

ABC Optical Limited

Notes to the Financial Statements *(continued)*

Period from 6 June 2017 to 31 October 2018

3. Accounting policies *(continued)*

Tangible assets *(continued)*

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Plant and machinery	- 25% reducing balance
Fixtures and fittings	- 20% reducing balance
Equipment	- 33% straight line

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

ABC Optical Limited

Notes to the Financial Statements *(continued)*

Period from 6 June 2017 to 31 October 2018

3. Accounting policies *(continued)*

Finance leases and hire purchase contracts *(continued)*

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. Employee numbers

The average number of persons employed by the company during the period amounted to 5.

ABC Optical Limited

Notes to the Financial Statements *(continued)*

Period from 6 June 2017 to 31 October 2018

5. Intangible assets

	Goodwill £
Cost	
Additions	190,000
At 31 October 2018	<u>190,000</u>
Amortisation	
Charge for the period	19,000
At 31 October 2018	<u>19,000</u>
Carrying amount At 31 October 2018	<u>171,000</u>

6. Tangible assets

	Plant and machinery £	Fixtures and fittings £	Equipment £	Total £
Cost				
At 6 June 2017	—	—	—	—
Additions	74,595	714	12,797	88,106
At 31 October 2018	<u>74,595</u>	<u>714</u>	<u>12,797</u>	<u>88,106</u>
Depreciation				
At 6 June 2017	—	—	—	—
Charge for the period	6,387	47	3,530	9,964
At 31 October 2018	<u>6,387</u>	<u>47</u>	<u>3,530</u>	<u>9,964</u>
Carrying amount At 31 October 2018	<u>68,208</u>	<u>667</u>	<u>9,267</u>	<u>78,142</u>

7. Debtors

	31 Oct 18 £
Trade debtors	1,527
Other debtors	13,062
	<u>14,589</u>

Short term debtors are measured at transaction price, less any impairment.

ABC Optical Limited

Notes to the Financial Statements *(continued)*

Period from 6 June 2017 to 31 October 2018

8. Creditors: amounts falling due within one year

	31 Oct 18
	£
Trade creditors	20,620
Accruals and deferred income	2,021
Corporation tax	6,742
Social security and other taxes	853
Obligations under finance leases and hire purchase contracts	14,456
Other creditors	24,000
	<u>68,692</u>

Short term creditors are measured at the transaction price.

9. Creditors: amounts falling due after more than one year

	31 Oct 18
	£
Obligations under finance leases and hire purchase contracts	55,515
Other creditors	192,300
	<u>247,815</u>

Long term creditors are measured at the transaction price.

10. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	31 Oct 18
	£
Not later than 1 year	15,240
Later than 1 year and not later than 5 years	60,020
	<u>75,260</u>

11. Director's advances, credits and guarantees

During the period the director entered into the following advances and credits with the company:

	31 Oct 18			
	Balance brought forward	Advances/ (credits) to the director	Amounts repaid	Balance outstanding
	£	£	£	£
Mr S Carr	—	(18,553)	18,553	—