

Registration number: 04922272

Canterbury Specsavers Hearcare Limited

Unaudited Financial Statements (Filleled Accounts)

for the Year Ended 29 February 2020



Canterbury Specsavers Hearcare Limited

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Canterbury Specsavers Hearcare Limited

Company Information

Directors	Jason Patrick Oliver Gillan Specsavers Hearcare Group Limited Michelle Tracy Merner Samantha Michelle Williams Sean Conrad McGibney
Company secretary	Specsavers Hearcare Group Limited
Registered office	Forum 6 Parkway Solent Business Park Whiteley, Fareham United Kingdom PO15 7PA
Registration number	04922272

Canterbury Specsavers Hearcare Limited

(Registration number: 04922272)
Balance Sheet as at 29 February 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	4	15,927	10,280
Current assets			
Stocks	5	24,470	19,429
Debtors	6	23,438	32,672
Cash and cash equivalents	7	8,450	47,074
		<u>56,358</u>	<u>99,175</u>
Creditors: Amounts falling due within one year	8	<u>(66,041)</u>	<u>(94,195)</u>
Net current (liabilities)/assets		<u>(9,683)</u>	<u>4,980</u>
Total assets less current liabilities		6,244	15,260
Creditors: Amounts falling due after more than one year	8	<u>(1,225)</u>	<u>(3,337)</u>
Net assets		<u><u>5,019</u></u>	<u><u>11,923</u></u>
Capital and reserves			
Called up share capital	11	120	120
Profit and loss account		<u>4,899</u>	<u>11,803</u>
Total equity		<u><u>5,019</u></u>	<u><u>11,923</u></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.

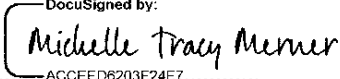
For the year ending 29 February 2020 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

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.

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

DocuSigned by:

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 Director
 Michelle Tracy Merner

The notes on pages 3 to 14 form an integral part of these financial statements.

Canterbury Specsavers Hearcare Limited

Notes to the Financial Statements for the Year Ended 29 February 2020

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 £.

Canterbury Specsavers Hearcare Limited

Notes to the Financial Statements for the Year Ended 29 February 2020

2 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 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 hearing aids which have not been collected or payments in relation to hearing aid servicing, some or all of which is to be provided in a future period. 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.

Canterbury Specsavers Hearcare Limited

Notes to the Financial Statements for the Year Ended 29 February 2020

2 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.

Deferred revenue

Deferred revenue in respect of bundled sales of hearing aids and four years' batteries is calculated using the underlying cost prices of the elements in the bundle, management deem this to be the best estimation of the fair value split.

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

Furniture, fittings and equipment

Other property, plant and equipment

Depreciation method and rate

14-25% on cost

14-33% on cost

Canterbury Specsavers Hearcare Limited

Notes to the Financial Statements for the Year Ended 29 February 2020

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.

Canterbury Specsavers Hearcare Limited

Notes to the Financial Statements for the Year Ended 29 February 2020

2 Accounting policies (continued)

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.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 3 (2019: 2).

Canterbury Specsavers Hearcare Limited

Notes to the Financial Statements for the Year Ended 29 February 2020

4 Tangible fixed assets

	Furniture, fittings and equipment £	Other property, plant and equipment £	Total £
Cost or valuation			
At 1 March 2019	35,732	25,330	61,062
Additions	-	9,101	9,101
Disposals	(206)	(8,308)	(8,514)
At 29 February 2020	<u>35,526</u>	<u>26,123</u>	<u>61,649</u>
Depreciation			
At 1 March 2019	35,732	15,050	50,782
Charge for the year	-	3,454	3,454
Eliminated on disposal	(206)	(8,308)	(8,514)
At 29 February 2020	<u>35,526</u>	<u>10,196</u>	<u>45,722</u>
Carrying amount			
At 29 February 2020	<u>-</u>	<u>15,927</u>	<u>15,927</u>
At 28 February 2019	<u>-</u>	<u>10,280</u>	<u>10,280</u>

5 Stocks

	2020 £	2019 £
Finished goods and goods for resale	24,470	18,753
Work in progress	-	676
	<u>24,470</u>	<u>19,429</u>

Canterbury Specsavers Hearcare Limited

Notes to the Financial Statements for the Year Ended 29 February 2020

6 Debtors

	Note	2020 £	2019 £
Trade debtors		4,478	-
Other debtors		1,466	3,703
Amounts owed by related parties	12	16,361	27,593
Prepayments		1,044	953
Deferred tax assets		89	423
<i>Total trade and other debtors</i>		<u>23,438</u>	<u>32,672</u>

Total trade and other debtors

Deferred tax assets of £89 (2019: £423) are classified as non current.

7 Cash and cash equivalents

	Note	2020 £	2019 £
Cash on hand		50	11,294
Group Treasury Company	12	8,400	35,780
		<u>8,450</u>	<u>47,074</u>

8 Creditors

	Note	2020 £	2019 £
Due within one year			
Loans and borrowings	9	6,239	7,103
Trade creditors		1,812	9,683
Corporation tax liability		2,738	7,526
Taxation and social security		3,749	3,034
Other creditors		4,957	10,580
Amounts owed to related parties	12	42,134	54,936
Deferred income		4,412	1,333
		<u>66,041</u>	<u>94,195</u>
Due after one year			
Loans and borrowings	9	-	2,075
Deferred income		1,225	1,262
		<u>1,225</u>	<u>3,337</u>

Canterbury Specsavers Hearcare Limited

Notes to the Financial Statements for the Year Ended 29 February 2020

9 Loans and borrowings

	Note	2020 £	2019 £
Current loans and borrowings			
Finance lease liabilities		6,239	2,490
Loans with related parties	12	-	2,432
Directors' loans	12	-	2,181
		<u>6,239</u>	<u>7,103</u>
		2020 £	2019 £
Non-current loans and borrowings			
Finance lease liabilities		-	2,075

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

10 Financial commitments, guarantees and contingencies

Pension contributions

Contributions in relation to the defined contribution pension scheme totalling £417 were outstanding at the year end (2019: £135). The assets of the scheme are held separately from those of the Company in an independently administered fund.

Canterbury Specsavers Hearcare Limited

Notes to the Financial Statements for the Year Ended 29 February 2020

11 Share capital

Allotted, called up and fully paid shares

	2020		2019	
	No.	£	No.	£
"A" Ordinary of £0.50 each	120	60	120	60
"B" Ordinary of £0.50 each	120	60	120	60
	<u>240</u>	<u>120</u>	<u>240</u>	<u>120</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 29 February 2020, are as follows:

	Parent £	Other group undertakings £
2020		
Assets	-	24,761
	<u>-</u>	<u>24,761</u>
2019		
Assets	-	63,373
	<u>-</u>	<u>63,373</u>
2020		
Liabilities	11	42,123
	<u>11</u>	<u>42,123</u>
2019		
Liabilities	3,608	53,760
	<u>3,608</u>	<u>53,760</u>

Canterbury Specsavers Hearcare Limited**Notes to the Financial Statements for the Year Ended 29 February 2020**

12 Related party transactions (continued)

Directors' loans

	At 1 March 2019 £	Advances/ credits £	Repayments £	Other £	Written off £	Waived £	At 29 February 2020 £
2020 Jason Patrick Oliver Gillan							
	<u>1,636</u>	<u>30</u>	<u>(1,666)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Samantha Michelle Williams							
	<u>545</u>	<u>-</u>	<u>(545)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Mary Margaret Goodland							
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Hadrian Leonard Gregory Harris							
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	At 1 March 2018 £	Advances/ credits £	Repayments £	Other £	Written off £	Waived £	At 28 February 2019 £
2019 Jason Patrick Oliver Gillan							
	<u>-</u>	<u>3,343</u>	<u>(1,707)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,636</u>
Samantha Michelle Williams							
	<u>-</u>	<u>545</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>545</u>
Mary Margaret Goodland							
	<u>-</u>	<u>1,707</u>	<u>(1,707)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Hadrian Leonard Gregory Harris							
	<u>-</u>	<u>3,413</u>	<u>(3,413)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Canterbury Specsavers Hearcare Limited

Notes to the Financial Statements for the Year Ended 29 February 2020

12 Related party transactions (continued)

Unless otherwise agreed by the Shareholders each Loan advanced to the Company under clause 2.1.4 of the standard shareholders agreement shall:

1. not bear interest until 12 months after the date on which such Loan is advanced to the Company.
2. shall bear interest at a fixed rate equal to the standard Specsavers Finance (Guernsey) Limited rate published from time to time, discounted by 1%. Such interest to be compounded and capitalised into such Loan, to be payable in equal monthly instalments with the first interest payment being due on the date which is one month following the period of 12 months after the date on which such Loan is advanced to the Company.
3. subject to clause 2.4 of the standard shareholders agreement be repaid to the relevant Shareholder pro rata over the period of 36 months by equal monthly payments starting on the date which is one month following the period of 12 months after the date on which such Loan is advanced to the Company.

All other directors' loans shall be repayable on demand or according to defined terms as per the agreement.

13 Parent and ultimate parent undertaking

As at the year end Specsavers International Healthcare Limited was the ultimate parent company of Canterbury Specsavers Hearcare 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 Canterbury Specsavers Hearcare Limited is a member. Specsavers UK Holdings Limited registered office is:

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

Canterbury Specsavers Hearcare Limited

Notes to the Financial Statements for the Year Ended 29 February 2020

14 Events after the reporting period

If dividends were paid after the year ended 29 February 2020, which will be accounted for in the shareholders' equity as an appropriation of retained earnings in the year ended 28 February 2021, 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.

Subsequent to the balance sheet date, the World Health Organization declared a global pandemic on 11 March 2020 due to the ongoing effects of COVID-19. The store remained open in some capacity, complying with the relevant restrictions and government advice in place at the time. Consequently there has been a reduction in the company's revenue which cannot be reliably estimated, however the company continues to trade and the directors do not expect the going concern status of the company to be affected.