

Registered number: 06588183

THE SMILE CENTRES LIMITED

UNAUDITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

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THE SMILE CENTRES LIMITED

COMPANY INFORMATION

Directors

N W Banton (appointed 19 November 2019)
S Barter (appointed 30 April 2020)
P J Conway (appointed 19 November 2019, resigned 30 April 2020)
I M Kelly (resigned 13 January 2020)
S J Preddy (resigned 19 November 2019)
G Pueyo Roberts (appointed 19 November 2019)
S L Ramage (appointed 19 November 2019)
J S H Wright

Company secretary

Bupa Secretaries Limited

Registered number

06588183

Registered office

Bupa Dental Care
Vantage Office Park
Old Gloucester Road, Hambrook
Bristol
BS16 1GW

THE SMILE CENTRES LIMITED

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THE SMILE CENTRES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The Directors present their report and the financial statements for the year ended 31 December 2019.

Principal activity

The principal activity of the Company is the operation of dental practices.

The Directors do not anticipate any material change in the Company's activities in the ensuing year.

On 27 March 2019, the entire issued share capital of Bupa Dental Services Limited, the Company's immediate parent company, was acquired by Oasis Healthcare Limited, a subsidiary of The Oasis Healthcare Group Limited.

Directors

The Directors who served during the year were:

N W Banton (appointed 19 November 2019)
P J Conway (appointed 19 November 2019, resigned 30 April 2020)
I M Kelly (resigned 13 January 2020)
S J Preddy (resigned 19 November 2019)
G Pueyo Roberts (appointed 19 November 2019)
S L Ramage (appointed 19 November 2019)
J S H Wright

Small companies note

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 9 June 2020 and signed on its behalf



J S H Wright
Director

THE SMILE CENTRES LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 £000	2018 £000
Turnover	4	1,040	1,012
Cost of sales		(613)	(811)
Gross profit		427	201
Administrative expenses		(461)	(255)
Operating loss	5	(34)	(54)
Interest payable and expenses	8	(4)	(4)
Loss before tax		(38)	(58)
Tax on loss	9	5	10
Loss for the financial year		(33)	(48)
Total comprehensive expense for the year		(33)	(48)

The notes on pages 5 to 20 form part of these financial statements.

THE SMILE CENTRES LIMITED
REGISTERED NUMBER: 06588183

BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	2019 £000	2018 £000
Fixed assets			
Intangible assets	10	1,001	1,002
Tangible assets	11	291	240
		<u>1,292</u>	<u>1,242</u>
Current assets			
Stocks	12	24	28
Debtors: amounts falling due within one year	13	256	173
Cash at bank and in hand		1	2
		<u>281</u>	<u>203</u>
Creditors: amounts falling due within one year	14	(656)	(567)
Net current liabilities		<u>(375)</u>	<u>(364)</u>
Total assets less current liabilities		<u>917</u>	<u>878</u>
Creditors: amounts falling due after more than one year	15	(57)	-
Provisions for liabilities			
Deferred tax	16	(1)	-
Other provisions	17	(14)	-
		<u>845</u>	<u>878</u>
Net assets		<u>845</u>	<u>878</u>
Capital and reserves			
Called up share capital	18	-	-
Profit and loss account		845	878
		<u>845</u>	<u>878</u>
Shareholders' funds		<u>845</u>	<u>878</u>

The members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The Company was entitled to exemption from the requirement to have an audit under section 479A of the Companies Act 2006.

The Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 9 June 2020.

J S H Wright
Director



The notes on pages 5 to 20 form part of these financial statements.

THE SMILE CENTRES LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 January 2019	-	878	878
Comprehensive expense for the year			
Loss for the year	-	(33)	(33)
At 31 December 2019	-	845	845

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 January 2018	-	926	926
Comprehensive expense for the year			
Loss for the year	-	(48)	(48)
At 31 December 2018	-	878	878

The notes on pages 5 to 20 form part of these financial statements.

THE SMILE CENTRES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. General information

The Company is a private company limited by shares and is incorporated and domiciled in England and Wales. The address of its registered office is: Bupa Dental Care, Vantage Office Park, Old Gloucester Road, Hambrook, Bristol, BS16 1GW.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The Company's financial statements are presented in Sterling, which is also the Company's functional currency, and all values are rounded to the nearest thousand pounds (£000) except where otherwise indicated.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 101 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
 - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of IAS 7 Statement of Cash Flows
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

The Company has also taken the disclosure exemptions under FRS 101 relating to the effects of new but not yet effective IFRSs.

2.3 Going concern

The financial statements have been prepared on a going concern basis as an indirect parent undertaking has stated that, subject to unforeseen circumstances, it intends to provide financial support to enable the Company to meet its liabilities as and when they fall due and the Directors reasonably believe the indirect parent undertaking would be in a position to provide this support.

THE SMILE CENTRES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.4 Impact of new international reporting standards, amendments and interpretations

IFRS 16

The Company has applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 January 2019.

The Company has adopted IFRS 16 Leases with a date of initial application of 1 January 2019. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and supersedes IAS 17 Leases, IFRIC 4 Determining Whether an Arrangement Contains a Lease, SIC 15 Operating Leases – Incentives, and SIC 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

The IAS 17 distinction between operating and finance leases is removed under IFRS 16, with all lease rights and obligations now being recognised in the statement of financial position on a similar basis to finance leases under IAS 17. A lease liability is recognised for all leases, reflecting the present value of the lease payments discounted using the relevant individual lessee company's incremental borrowing rate. The lease liability is measured at amortised cost and settled over the life of the lease. A corresponding lease asset is also recognised and depreciated over the life of the lease.

For the majority of leases, the Company has applied IFRS 16 using the modified retrospective approach, where the right-of-use assets equal the lease liabilities on transition, adjusted by the amount of any prepayments, intangible assets and onerous lease provisions. For a small proportion of leases, the right-of-use asset has been determined as if IFRS 16 had been applied since the lease commencement date but discounted using the lessee's incremental borrowing rate at the date of initial application. There is no restatement of comparative information and the cumulative effect of initially applying IFRS 16 is recognised as an adjustment to the opening balance of retained earnings.

In applying IFRS 16 on transition, the Group has used the following practical expedients permitted by the standard:

- The Group has elected not to reassess whether a contract is or contains a lease as defined in IFRS 16 at the date of initial application. For contracts entered into before the transition date, the Group relied on its assessment made when applying IAS 17 and IFRIC 4.
- For the majority of leases, reliance has been placed on previous assessments of whether leases are onerous under IAS 37 Provisions, Contingent Liabilities and Contingent Assets. For leases where the right-of-use asset has been determined as if IFRS 16 had been applied since the lease commencement date, this expedient has not been taken.
- Accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases.
- The exclusion of initial direct costs for the measurement of the right-of-use asset at transition date.

For leases previously classified as finance leases, the Company has recognised the carrying amount of the finance lease asset and liability under IAS 17 as at 31 December 2018 as the carrying amount of the right-of-use asset and the lease liability under IFRS 16 at 1 January 2019. These leases are subsequently measured under IFRS 16 principles.

Following the adoption of IFRS 16, the Company has reviewed its estimates of restoration provisions. Consequently, the provision has been increased, some of which has been expensed in the current period and the remainder adjusted to the right-of-use asset.

THE SMILE CENTRES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.4 Impact of new international reporting standards, amendments and interpretations (continued)

IFRS 16 ongoing accounting policy

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate taking into account the duration of the lease.

The lease liability is subsequently measured at amortised cost using the effective interest method, with the finance cost charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability. It is remeasured when there is a change in future lease payments arising from a change in index or rate, or if the Company changes its assessment of whether it will exercise an extension or termination option. The lease liability is recalculated using a revised discount rate if the lease term changes as a result of a modification or re-assessment of an extension or termination option.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to restore properties to their original condition, less any lease incentives received. The right-of-use asset, excluding restoration costs, is typically depreciated on a straight-line basis over the lease terms. In addition, the right-of-use asset may be adjusted for certain remeasurements of the lease liability, such as indexation and market rent review uplifts. Restoration costs included in the right-of-use asset are amortised over the same term as the corresponding provision, which may be longer than the IFRS 16 contractual lease term.

The Company has elected not to recognise the right-of-use assets and lease liabilities for short-term leases that have a term of 12 months or less or leases that are of low value (£4,000). Lease payments associated with these leases are expensed on a straight-line basis over the lease term.

2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Rendering of services

Revenue from providing services is recognised in the accounting period in which the services are rendered.

For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously.

THE SMILE CENTRES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.6 Capitalised software

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

- it is technically feasible to the software so that it will be available for use;
- *management intends to complete the software product and use or sell it;*
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- *the expenditure attributable to the software product during its development can be reliably measured.*

Directly attributable costs that are capitalised as part of the software product include the development employee costs and an appropriate portion of relevant overheads.

Computer software development costs recognised as assets are amortised over their estimated useful lives, which does not exceed five years.

2.7 Goodwill

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units. It is not amortised but is tested annually for impairment. This is not in accordance with The Large and Medium-sized Companies and Groups (Accounts and Reports) regulations 2008 which requires that all goodwill be amortised. The Directors consider that this would fail to give a true and fair view of the profit for the year and that the economic measure of performance in any period is properly made by reference only to any impairment that may have arisen. It is not practicable to quantify the effect on the financial statements of this departure.

THE SMILE CENTRES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.8 Impairment of non-financial assets excluding stocks and deferred tax assets

The carrying amounts of the Company's non-financial assets, other than, stocks and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units, or ("CGU"). Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed.

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.9 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

THE SMILE CENTRES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.9 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Leasehold improvements	- over 15 years straight line
Right-of-use assets	- over the life of the lease
Fixtures and fittings	- 3 - 15 years straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.10 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is 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.

2.11 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.12 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

THE SMILE CENTRES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.13 Financial instruments

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets and financial liabilities are initially measured at fair value.

Financial assets

All recognised financial assets are subsequently measured in their entirety at either fair value or amortised cost, depending on the classification of the financial assets.

Fair value through profit or loss

All of the Company's financial assets are subsequently measured at fair value at the end of each reporting period, with any fair value gains or losses being recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset.

Financial liabilities

Fair value through profit or loss

Financial liabilities are classified as at fair value through profit or loss, when the financial liability is held for trading, or is designated as at fair value through profit or loss. This designation may be made if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise, or the financial liability forms part of a group of financial instruments which is managed and its performance is evaluated on a fair value basis, or the financial liability forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at fair value through profit or loss. Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

At amortised cost

Financial liabilities which are neither contingent consideration of an acquirer in a business combination, held for trading, nor designated as at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. This is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate a shorter period, to the amortised cost of a financial liability.

2.14 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

THE SMILE CENTRES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.15 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.16 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.17 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

THE SMILE CENTRES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.18 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Company can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Impairment of goodwill

Goodwill is subject to an annual impairment test. When assessing impairment of goodwill, management considers factors including the future cash flow of the business, which is subject to volatility in the market. Such fluctuations can have a significant impact on the value of the assets.

4. Turnover

The whole of the turnover is attributable to the operation of dental practices.

All turnover arose within the United Kingdom.

THE SMILE CENTRES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

5. Operating loss

The operating loss is stated after charging:

	2019 £000	2018 £000
Other operating lease rentals	-	20

6. Employees

Staff costs were as follows:

	2019 £000	2018 £000
Wages and salaries	224	206
Social security costs	18	17
Cost of defined contribution scheme	7	4
	<u>249</u>	<u>227</u>

The average monthly number of employees, including the Directors, during the year was as follows:

	2019 No.	2018 No.
	<u>11</u>	<u>11</u>

7. Directors' remuneration

The Directors received no emoluments during the financial year ended 31 December 2019 for their services to the Company (2018 - £4,000).

The emoluments of the Directors for services to The Oasis Healthcare Group Limited group are disclosed in the financial statements of The Oasis Healthcare Group Limited.

8. Interest payable and similar expenses

	2019 £000	2018 £000
Bank interest payable	-	4
Finance leases and hire purchase contracts	4	-
	<u>4</u>	<u>4</u>

THE SMILE CENTRES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

9. Taxation

	2019 £000	2018 £000
Corporation tax		
Current tax on losses for the year	(8)	(7)
Total current tax	<u>(8)</u>	<u>(7)</u>
Deferred tax		
Origination and reversal of timing differences	2	(3)
Adjustments in respect of prior periods	1	-
Total deferred tax	<u>3</u>	<u>(3)</u>
Taxation on loss on ordinary activities	<u>(5)</u>	<u>(10)</u>

Factors affecting tax credit for the year

The tax assessed for the year is higher than (2018 - higher than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £000	2018 £000
Loss on ordinary activities before tax	<u>(38)</u>	<u>(58)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	(7)	(11)
Effects of:		
Expenses not deductible for tax purposes	1	1
Adjustments in respect of deferred tax of previous years	1	-
Total tax credit for the year	<u>(5)</u>	<u>(10)</u>

Factors that may affect future tax charges

A reduction in the UK corporation tax rate from 19% to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016 and the UK deferred tax asset as at 31 December 2019 has been calculated based on this rate. In the Budget on the 11 March 2020, the Chancellor announced that the UK tax rate will remain at the current rate of 19% and not reduce to 17% from 1 April 2020. This will have an effect on the Company's future tax charge.

THE SMILE CENTRES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

10. Intangible assets

	Goodwill £000	Software £000	Total £000
Cost			
At 1 January 2019	1,000	5	1,005
At 31 December 2019	<u>1,000</u>	<u>5</u>	<u>1,005</u>
Amortisation			
At 1 January 2019	-	4	4
At 31 December 2019	<u>-</u>	<u>4</u>	<u>4</u>
Net book value			
At 31 December 2019	<u>1,000</u>	<u>1</u>	<u>1,001</u>
At 31 December 2018	<u>1,000</u>	<u>2</u>	<u>1,002</u>

Amortisation is charged to administrative expenses in the Statement of Comprehensive Income.

THE SMILE CENTRES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

11. Tangible fixed assets

	Right-of-use assets £000	Fixtures and fittings £000	Leasehold improvements £000	Total £000
Cost or valuation				
At 1 January 2019	-	255	171	426
Additions	93	11	-	104
At 31 December 2019	93	266	171	530
Depreciation				
At 1 January 2019	-	138	48	186
Charge for the year on owned assets	14	28	11	53
At 31 December 2019	14	166	59	239
Net book value				
At 31 December 2019	79	100	112	291
At 31 December 2018	-	117	123	240

The net book value of owned and leased assets included as "Tangible fixed assets" in the Balance Sheet is as follows:

	2019 £000
Tangible fixed assets owned	212
Right-of-use tangible fixed assets	79
	<u>291</u>

Information about right-of-use assets is summarised below:

Net book value

	2019 £000
Property	<u>79</u>

THE SMILE CENTRES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

12. Stocks

	2019 £000	2018 £000
Raw materials and consumables	21	25
Finished goods and goods for resale	3	3
	<u>24</u>	<u>28</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

13. Debtors

	2019 £000	2018 £000
Due within one year		
Trade debtors	11	8
Amounts owed by group undertakings	196	149
Other debtors	15	7
Prepayments and accrued income	34	7
Deferred taxation	-	2
	<u>256</u>	<u>173</u>

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

14. Creditors: Amounts falling due within one year

	2019 £000	2018 £000
Bank overdrafts	-	445
Trade creditors	32	32
Amounts owed to group undertakings	544	54
Lease liabilities	13	-
Other creditors	-	15
Accruals and deferred income	67	21
	<u>656</u>	<u>567</u>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

THE SMILE CENTRES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

15. Creditors: Amounts falling due after more than one year

	2019 £000	2018 £000
Lease liabilities	57	-
	<u>57</u>	<u>-</u>

16. Deferred taxation

	2019 £000	2018 £000
At beginning of year	2	(1)
(Charged)/credited to profit or loss	(3)	3
At end of year	<u>(1)</u>	<u>2</u>

The deferred taxation balance is made up as follows:

	2019 £000	2018 £000
Accelerated capital allowances	(1)	2
	<u>(1)</u>	<u>2</u>

17. Provisions

	Restoration provision £000
Charged to profit or loss	14
At 31 December 2019	<u>14</u>

The restoration provision is in respect of dilapidations and has been discounted.

18. Share capital

	2019 £000	2018 £000
Allotted, called up and fully paid		
100 (2018 - 100) ordinary shares of £1 each	-	-
	<u>-</u>	<u>-</u>

THE SMILE CENTRES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

19. Contingent liabilities

Under a group registration, the Company is jointly and severally liable for Value Added Tax due by certain other Bupa Group undertakings.

20. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension charge amounted to £7,000 (2018 - £4,000). At the year end, there were outstanding contributions of £nil (2018 - £nil).

21. Ultimate parent company and controlling party

The Company's immediate parent company is Bupa Dental Services Limited, a company incorporated in England and Wales. The Company's ultimate parent undertaking is The British United Provident Association Limited, a company incorporated in England and Wales.

The smallest group for which group financial statements will be prepared is The Oasis Healthcare Group Limited. The largest group for which group financial statements will be prepared is The British United Provident Association Limited. The financial statements of The British United Provident Association Limited may be obtained from its registered office at 1 Angel Court, London, EC2R 7HJ.

The financial statements of The Oasis Healthcare Group Limited may be obtained from its registered office at Bupa Dental Care, Vantage Office Park, Old Gloucester Road, Hambrook, Bristol, BS16 1GW.