

**Hebe Holdings Ltd**

**Annual report and financial  
statements**

Registered number 11771708

For the year ended 31 August 2021

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## Contents

Officers and professional advisers	1
Strategic report	2
Directors' report	4
Statement of directors' responsibilities in respect of the Strategic report, Directors' report and the financial statements	6
Independent auditor's report to the members of Hebe Holdings Ltd	7
Profit and loss account	11
Balance sheet	12
Statement of changes in equity	13
Notes	14

## **Officers and professional advisers**

### ***Directors***

Mr J Dib  
Mr D Grassby  
Mr C McLean  
Mr F Abouchalache  
Mr R Bowser  
Mr P Wilkinson

### ***Registered office***

2 Bromwich Court  
Gorsey Lane  
Coleshill  
Birmingham  
B46 1JU

### ***Banker***

Santander UK PLC  
1 Cornwall Street  
Birmingham  
B3 2DX

### ***Solicitors***

Katten Muchin Rosenman UK LLP  
Paternoster House  
65 St Paul's Churchyard  
London  
EC4M 8AB

Shoosmiths  
2 Colmore Square  
38 Colmore Circus Queensway  
Birmingham  
B4 6BJ

### ***Auditor***

Grant Thornton LLP  
17<sup>th</sup> Floor  
103 Colmore Row  
Birmingham  
B3 3AG

## Strategic report

The directors present their annual report and the audited financial statements of the company for the year ended 31 August 2021.

### Principal activity and business review

The principal activity of the Company is that of an intermediate holding company.

### Objectives and strategies

The Company is expected to continue as an intermediate holding company.

### Risks and uncertainties

As the Company focusses on trading with related companies, there are limited risks and uncertainties.

#### *Financing risk*

The Company, along with other fellow subsidiary undertakings, has guaranteed bank loans and overdrafts outstanding at the year end of £35,750,000 (2020: £31,000,000) repaid periodically and scheduled to be fully repaid by 31 January 2026. The debt provides medium term funding for the wider group and this is serviced through the cash flow generated by the trading entities, which are all indirectly wholly owned by the Company. The interest rate incurred by the Company is based on a margin above SONIA.

#### *Covid-19 considerations*

The World Health Organisation declared the outbreak of Covid-19 as a global pandemic on 11 March 2020. A significant portion of the Company's operations are delivered in customer facing, high street clinics. The services, by their nature, are performed in close proximity to the customers. As the UK government plans evolved, the decision was made to close all of the Group's clinics on 23 March 2020. The clinics' businesses remain closed until mid-June 2020 and fully re-opened in August 2020. The Skinbrands Limited business continued to trade throughout the first Covid-19 lockdown period, the ABC Lasers Ltd. business was closed and re-opened in July 2020.

A second wave of Covid-19 occurred in late 2020 resulting in the UK Government introducing a geographical tier system requiring the Group to temporarily close clinics located in Tier 4 while restricting other clinics to delivering medically led interventions. These restrictions were in place between 5 November 2020 and 2 December 2020. Covid-19 cases continued to rise and therefore more restrictive measures were implemented by the government. From the 5 January 2021 to 12 April 2021 this required a further curtailment of medically led treatments and the temporary closure of some clinics.

Given the success of the vaccine programme it is not anticipated there will be any further restrictions imposed that would lead to further lockdowns resulting in the closure of clinics.

### Measurement

The directors principally use variance analysis against budget to measure the performance of the Company, within the context of the wider Group performance.

### Performance during the year and future

The loss for the year, after taxation, amounted to £10,000 (2020: £709,000).

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Hebe Holdings Ltd  
Directors' report and financial statements  
For the year ended 31 August 2021

## **Strategic report** *(continued)*

### **Outlook for FY22 and beyond**

In determining the appropriate basis of preparation of the financial statements, the directors are required to consider whether the Company can continue in operational existence for the at least twelve months from the date of approval of the financial statements.

As an intermediate holding company, the Company is reliant on funding from its parent Group whose directors have prepared a projected cash flow for the period ending 31 August 2023. The projection has been tested with various scenarios, one of which takes into account significant but plausible changes in trading performance. The projection shows that the group should be able to meet its liabilities as they fall due for a period of at least 12 months from the date of this report and remain in compliance with its banking covenants. The Group therefore continues to adopt the going concern basis in preparing its financial statements. See note 1.3 for further details.

The Company is expected to continue to incur only interest and recover Group interest on funding loans.

By order of the Board



**C McLean**  
Director

27 June 2022

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Hebe Holdings Ltd  
Directors' report and financial statements  
For the year ended 31 August 2021

## Directors' report

The directors present their annual report and the audited financial statements of the company for the year ended 31 August 2021.

### Results and dividends

The results for the year are set out on page 11.

The directors do not recommend the payment of a dividend (2020: £Nil).

### Directors

The directors who held office during the year and since the year end were as follows:

Mr J Dib  
Mr D Grassby  
Mr F Abouchalache  
Mr R Bowser  
Mr P Wilkinson  
Mr S Mensforth (resigned 10 January 2022)  
Mr C McLean (appointed 10 January 2022)

### Charitable and political donations

The Company made no charitable donations during the current or prior years. The Company did not make any political contributions or incurred any political expenditure during the current or prior years.

### Employment of disabled persons

The company is an equal opportunity employer and makes every effort to ensure disabled persons are not discriminated against on the grounds of their disability. In the event of staff becoming disabled every effort is made to ensure their employment continues and appropriate training is arranged.

### Environmental policy

Impact on the environment is a major consideration and policies and procedures have been and continue to be drawn up to minimise our impact on the environment.

### Events subsequent to balance sheet date

There have been no material post balance sheet events which would require adjustments to these financial statements.

### Disclosure of information to auditor

The directors who held office at the date of approval of the directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

### Matters covered in the strategic report

The matters required to be disclosed under SI (2008) 410 Sch 7 are contained in the Strategic Report in accordance with s414C (11) of the Companies Act 2006, this being future developments, financial risk management, going concern and financial instruments used.

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Hebe Holdings Ltd  
Directors' report and financial statements  
For the year ended 31 August 2021

## **Directors' report** *(continued)*

### **Auditor**

In accordance with section 485 of the Companies Act 2006, the Directors have appointed Grant Thornton LLP as auditors, to fill a casual vacancy.

By order of the Board



**C McLean**  
*Director*

2 Bromwich Court  
Gorse Lane  
Coleshill  
Birmingham  
B46 1JU

27 June 2022

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Hebe Holdings Ltd  
Directors' report and financial statements  
For the year ended 31 August 2021

## **Statement of directors' responsibilities in respect of the Strategic report, Directors' report and the financial statements**

The directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

By order of the Board



**C McLean**  
Director

27 June 2022



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## **Grant Thornton LLP**

17<sup>th</sup> Floor  
103 Colmore Row  
Birmingham  
B3 3AG

### **Independent auditor's report to the members of Hebe Holdings Ltd**

#### **Opinion**

We have audited the financial statements of Hebe Holdings Ltd (the 'company') for the year ended 31 August 2021, which comprise the profit and loss account, balance sheet, statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

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## **Independent auditor's report to the members of Hebe Holdings Ltd (continued)**

### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

### **Matter on which we are required to report under the Companies Act 2006**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of directors for the financial statements**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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## **Independent auditor's report to the members of Hebe Holdings Ltd (continued)**

### **Auditor's responsibilities for the audit of the financial statements (continued)**

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### *Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud*

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework, being FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and Companies Act 2006 and the relevant tax compliance regulations in the UK. In addition, we concluded that there are certain significant laws and regulations that may have an effect on the determination of the amounts and disclosures in the financial statements, being those law and regulations relating to health and safety, employee matters, environmental and bribery and corruptions practices.
- We obtained an understanding of how the company is complying with relevant legal and regulatory frameworks by making enquiries of the management. We corroborated the results of our enquiries through our review of the minutes of the company's board meetings, and inspection of legal and regulatory correspondence.
- We assessed the susceptibility of the financial statements to material misstatements, including how fraud might occur by meeting with management to understand where it is considered there was a susceptibility of fraud. We also considered performance targets and their propensity to influence efforts made by management to manage earnings. We considered the programs and controls that the company has established to address risk identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programs and controls. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk.
- Our audit procedures involved journal entry testing, with a focus on journals indicating unusual transactions based on our understanding of the business and enquiries of management. In addition, we completed audit procedures to conclude on the compliance of disclosures in the Report and Financial statements with applicable financial reporting requirements.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud and error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with law and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- The engagement partner's assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
  - Understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation;
  - Knowledge of the industry in which the client operates; and
  - Understanding of the legal and regulatory requirements specific to the company.
- Relevant laws and regulations and potential fraud risks were communicated to all engagement team members. We remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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## **Independent auditor's report to the members of Hebe Holdings Ltd *(continued)***

### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Grant Thornton UK LLP*

Matthew Buckingham BSc ACA

Senior Statutory Auditor

for and on behalf of Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants

Birmingham

27 June 2022

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Hebe Holdings Ltd  
 Directors' report and financial statements  
 For the year ended 31 August 2021

**Profit and loss account**  
*for the year ended 31 August 2021*

	<i>Note</i>	<b>2021</b> <b>£000</b>	<b>2020</b> <b>£000</b>
Administrative expenses		<b>(10)</b>	<b>(7)</b>
<b>Operating loss</b>	<b>2</b>	<b>(10)</b>	<b>(7)</b>
Interest receivable	<b>4</b>	<b>502</b>	<b>271</b>
Interest payable	<b>5</b>	<b>(502)</b>	<b>(973)</b>
<b>Loss before taxation</b>		<b>(10)</b>	<b>(709)</b>
Taxation	<b>6</b>	<b>-</b>	<b>-</b>
<b>Loss for the financial year</b>		<b>(10)</b>	<b>(709)</b>

All results are derived from continuing activities.

There are no items of other comprehensive income in the current or prior year, other than those reflected in the profit and loss account. Accordingly, no separate statement of other comprehensive income is presented.

The notes on pages 14 to 21 form part of the financial statements.

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Hebe Holdings Ltd  
 Directors' report and financial statements  
 For the year ended 31 August 2021

**Balance sheet**  
*at 31 August 2021*

	<i>Note</i>	<b>2021</b> <b>£000</b>	<b>£000</b>	<b>2020</b> <b>£000</b>	<b>£000</b>
<b>Fixed assets</b>					
Investments	7		25,690		25,690
<b>Current assets</b>					
Debtors	8				
Amounts falling due within one year		227		528	
Amounts falling due after one year		5,333		4,565	
		<u>5,560</u>		<u>5,093</u>	
<b>Creditors: Amounts falling due within one year</b>	9	<u>(19)</u>		<u>(44)</u>	
<b>Net current assets</b>			<u>5,541</u>		<u>5,049</u>
<b>Total assets less current liabilities</b>			<u>31,231</u>		<u>30,739</u>
<b>Creditors: Amounts falling due after more than one year</b>	10		<u>(5,333)</u>		<u>(4,831)</u>
<b>Net assets</b>			<u>25,898</u>		<u>25,908</u>
<b>Capital and reserves</b>					
Called up share capital	11		15,285		15,285
Share premium			12,202		12,202
Profit and loss account			(1,589)		(1,579)
<b>Shareholder's surplus</b>			<u>25,898</u>		<u>25,908</u>

The notes on pages 14 to 21 form part of the financial statements.

These financial statements were approved by the board of directors on 27 June 2022 and signed on its behalf by:



**C McLean**  
 Director

Company registered number: 11771708

Commercial in confidence

Hebe Holdings Ltd  
 Directors' report and financial statements  
 For the year ended 31 August 2021

## Statement of changes in equity

	Called up share capital £000	Share premium £000	Profit and loss account £000	Total equity £000
Balance at 1 September 2019	1	99	(870)	(770)
<b>Comprehensive loss for the year</b>				
Loss	-	-	(709)	(709)
Total comprehensive loss for the year	-	-	(709)	(709)
<b>Investments by and distributions to owners</b>				
Issue of shares	15,284	12,103	-	27,387
Total investments by and distributions to owners	15,284	12,103	-	27,387
Balance at 31 August 2020	15,285	12,202	(1,579)	25,908
Balance at 1 September 2020	15,285	12,202	(1,579)	25,908
<b>Comprehensive loss for the year</b>				
Loss	-	-	(10)	(10)
Total comprehensive loss for the year	-	-	(10)	(10)
<b>Balance at 31 August 2021</b>	<b>15,285</b>	<b>12,202</b>	<b>(1,589)</b>	<b>25,898</b>

The notes on pages 14 to 21 form part of the financial statements.

## Notes

*(forming part of the financial statements)*

### 1 Principal accounting policies

Hebe Holdings Ltd (the "Company") is a private company incorporated, domiciled and registered in England in the UK. The registered number is 11771708 and the registered address is 2 Bromwich Court, Gorsey Lane, Coleshill, Birmingham, B46 1JU, UK.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("FRS 102"). The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The Company's parent undertaking, Hebe Topco Ltd includes the Company in its consolidated financial statements. The consolidated financial statements of Hebe Topco Ltd are prepared in accordance with FRS 102 and are available to the public and may be obtained from 2 Bromwich Court, Gorsey Lane, Coleshill, Birmingham, B46 1JU, UK. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of Hebe Topco Ltd include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- The disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have been applied consistently in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are as follows:

#### *Change in accounting policy/prior year adjustments*

There are no accounting policy or prior year adjustments in these financial statements.

#### *1.1 Accounting estimates and judgements*

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make estimates and judgements that affect the reported amount of assets and liabilities as well as the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period. Risk and uncertainties are shown in the strategic report on page 2.

#### *Judgements*

There are no critical accounting judgements (apart from those involving estimations included below) in applying the Company's accounting policies.

#### *Key sources of estimation uncertainty*

There are no critical accounting estimations in applying the Company's accounting policies.

#### *1.2 Measurement convention*

The financial statements are prepared on the historical cost basis.



**Notes** *(continued)***1 Accounting policies** *(continued)***1.3 Going concern****Going concern assessment for the company**

The Company is part of the Hebe Topco Group (the "Group"). The Company's ability to operate as a going concern is directly linked to the Group's position.

The Company is dependent on the funding from its subsidiary undertaking, Hebe Bidco Ltd to meet its liabilities as they fall due. The Company has received undertaking from its Hebe Topco, that for at least 12 months from the date of approval of these financial statements, they will continue to make available such funds as are needed by the Company and in particular will not seek repayment of the amounts currently due to the group, which at balance sheet date amounted to £5.4m. This should enable the Company to continue to trade for the foreseeable future by meeting its liabilities as and when they become due.

The Group has net current liabilities of £10.2 million, net liabilities of £46.1 million as at 31 August 2021 and a loss after tax for the year to 31 August 2021 of £19.3 million. In determining the appropriate basis of preparation of the financial statements, the directors are required to consider whether the Group can continue in operational existence for the at least twelve months from the date of approval of the financial statements.

The directors have prepared a projected cash flow for the period ending 31 August 2023. The projection has been tested with various scenarios, one of which takes into account significant but plausible changes in trading performance. The projection shows that the group should be able to meet its liabilities as they fall due for a period of at least 12 months from the date of this report and remain in compliance with its banking covenants. The Group therefore continues to adopt the going concern basis in preparing its financial statements.

**1.4 Foreign currency**

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

**1.5 Basic financial instruments****Trade and other debtors / creditors**

Trade and other debtors are recognised initially at transaction price plus attributable transaction costs. Trade and other creditors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.5 Basic financial instruments (continued)

##### *Interest-bearing borrowings classified as basic financial instruments*

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

##### *Investments in subsidiaries*

These are separate financial statements of the company. Investments in subsidiaries are carried at cost less impairment.

##### *Cash and cash equivalents*

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

##### *Derivative instruments*

The Company uses interest rate swaps to adjust interest rate exposures. Derivative financial instruments are initially measured at fair value on the date on which a derivative contract is entered into and are subsequently measured at fair value through profit and loss. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative. The fair value of interest rate swap contracts is determined by calculating the present value of the estimated future cash flows based on observable yield curves.

##### *Classification of financial instruments issued by the Group*

In accordance with FRS 102.22, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- where the instrument will or may be settled in the entity's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the entity's own equity instruments or is a derivative that will be settled by the entity exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the entity's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

#### 1.6 Expenses

##### *Interest receivable and Interest payable*

Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities and finance leases recognised in the profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy).

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable are recognised in the profit or loss as they accrue, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the company's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

Commercial in confidence

Hebe Holdings Ltd  
 Directors' report and financial statements  
 For the year ended 31 August 2021

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.7 Taxation

Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which 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. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

#### 1.8 Related party transactions

The Company has taken advantage of the exemption available in FRS 102 not to disclose transactions between the Company and its parent and 100% owned subsidiaries within the Hebe Topco Group.

### 2 Operating loss

*Operating loss is stated after charging/(crediting):*

The audit fees were borne by another group company in both the current and prior year.

### 3 Directors and employees

The company had no employees and no related salary and wage costs in either the current or prior year, as it relies on another Group company to provide operational, administrative and management costs.

The remuneration of the directors is borne Hebe Opco Ltd, another Group company.

### 4 Interest receivable

	2021 £000	2020 £000
Inter-company interest	502	271

Commercial in confidence

Hebe Holdings Ltd  
 Directors' report and financial statements  
 For the year ended 31 August 2021

**Notes (continued)****5 Interest payable**

	2021 £000	2020 £000
Finance costs on shares classified as liabilities	-	710
Inter-company interest	502	263
	<u>502</u>	<u>973</u>

**6 Taxation****(i) Total tax expenses recognised in the profit and loss account**

There is no current or deferred tax arising in either the current or prior year.

**(ii) Reconciliation of effective tax rate**

	2021 £000	2020 £000
Loss for the year	(10)	(709)
Total tax expense	-	-
Loss before tax	<u>(10)</u>	<u>(709)</u>
Tax using the UK corporation tax rate of 19% (2020: 19%)	(2)	(135)
Non-deductible expenses	-	135
Group relief claimed	2	-
Total tax	<u>-</u>	<u>-</u>

A reduction in the UK corporation tax rate from 19% to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. The March 2020 Budget announced that a rate of 19% would continue to apply with effect from 1 April 2020, and this change was substantively enacted on 17 March 2020.

An increase in the UK corporation rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. This will increase the company's future current tax charge accordingly. The deferred tax assets as at 31 August 2021 have been calculated at 25% (2020: 19%).

**7 Fixed asset investments**

	Shares in group undertakings £000
Cost and net book value At beginning and end of year	<u>25,690</u>

Commercial in confidence

Hebe Holdings Ltd  
 Directors' report and financial statements  
 For the year ended 31 August 2021

**Notes (continued)****7 Fixed asset investments (continued)**

The related undertakings at the year end are as follows:

Name	Country of incorporation	Principal activity	Class and percentage of shares held
<b>Subsidiary undertakings</b>			
Hebe Midco Ltd	England	Intermediate holding company	100% ordinary
*Hebe Finco Ltd	England	Intermediate holding company	100% ordinary
*Hebe Bidco Ltd	England	Intermediate holding company	100% ordinary
*Hebe Opco Ltd (formerly SKN Holdings Limited)	England	Intermediate holding company	100% ordinary
*Nevis Bidco Limited	England	Intermediate holding company	100% ordinary
*Adonia Medical Group Limited	England	Intermediate holding company	100% ordinary
*SKN Limited	England	Business consultancy	100% ordinary
*Lasercare Holdings (IOM) Limited	Isle of Man	Intermediate holding company	100% ordinary
*Lasercare Clinics (Harrogate) Limited	England	Provider of medical skin treatments	100% ordinary
*Advanced Laser Dermatology and Cosmetic Surgery Centres Limited	England	Intermediate Holding company	100% ordinary
*Lasertronics Limited	England	Laser rental	100% ordinary
*Laser Xpress Limited	England	Dormant	100% ordinary
*Lasercare Skin & Body Limited	England	Dormant	100% ordinary
*Skincare Express Limited	England	Dormant	100% ordinary
*Skin Laser Express Limited	England	Dormant	100% ordinary
*Lasercare Express Limited	England	Dormant	100% ordinary
*Laser Express Limited	England	Dormant	100% ordinary
*Advanced Cosmetics Limited	England	Dormant	100% ordinary
*Advanced Aesthetics Limited	England	Dormant	100% ordinary
*Advanced Skin Care Limited	England	Dormant	100% ordinary
*Advanced Cosmetic Surgery Limited	England	Dormant	100% ordinary
*Advanced Medical Beauty Limited	England	Dormant	100% ordinary
*Medical Beauty Limited	England	Dormant	100% ordinary
*Skin and Beauty Limited	England	Dormant	100% ordinary
*Cellite Clinic Limited	England	Provider of medical skin treatments	100% ordinary
*Destination Skin Group Limited	England	Provider of medical skin treatments	100% ordinary
*LCHMG Limited	England	Provider of medical skin treatments	100% ordinary
*The Mole Clinic Limited	England	Provider of medical skin treatments	100% ordinary
*ABC Lasers Ltd.	England	Provider of medical supplies	100% ordinary
*Cosmeceuticals Limited	England	Provider of medical supplies	100% ordinary
*Cosmestore Limited	England	Provider of medical supplies	100% ordinary
*Courthouse Clinics Body Limited	England	Provider of medical skin treatments	100% ordinary
*Courthouse Medispa Ltd	England	Provider of medical skin treatments	100% ordinary
*Esher Skin Rejuvenation Clinic Limited	England	Dormant	100% ordinary
*Minmar (1008) Limited	England	Dormant	100% ordinary
*Prolon UK Distribution Limited	England	Provider of medical supplies	100% ordinary
*Skinbrands Limited	England	Dormant	100% ordinary
*Vitage LED Limited	England	Research and development	100% ordinary
*Mediweight Limited	England	Provider of medical supplies	100% ordinary

\* Denotes indirect shareholding

Commercial in confidence

Hebe Holdings Ltd  
 Directors' report and financial statements  
 For the year ended 31 August 2021

**Notes (continued)****8 Debtors**

	2021 £000	2020 £000
Amounts owed by group undertakings	5,560	5,053
Other debtors and prepayments	-	40
	<u>5,560</u>	<u>5,093</u>

Included in "Amounts owed by group undertakings" above are inter-company loan notes of £5,333,000 (2020: £4,565,000) which attracts interest at 10% per annum and are due to be repaid in 2030. The balance of "Amounts owed by group undertakings" do not attract interest and, whilst payable on demand, will not be settled within 12 months of the end of the reporting year (2020: £488,000).

**9 Creditors: Amounts falling due within one year**

	2021 £000	2020 £000
Amounts owed to Group undertakings	19	42
Accruals	-	2
	<u>19</u>	<u>44</u>

The "Amounts owed to Group undertakings" are unsecured, do not incur interest and, whilst they have no fixed repayment dates, will not be paid within 12 months of the end of the reporting year (2020: £19,000).

**10 Creditors: Amounts falling due after more than one year**

	2021 £000	2020 £000
Amounts owed to Group undertakings	5,333	4,831

"Amounts owed to Group undertakings" constitute unsecured loan notes with interest at a rate of 10% per annum, payable quarterly and has a redemption date of 4 February 2030.

**11 Called up share capital**

	2021 Number	£000	2020 Number	£000
<i>Allotted, called up and fully paid:</i>				
Ordinary shares of £0.01 each	1,528,517,545	15,285	1,528,517,545	15,285

## **Notes** *(continued)*

### **11 Called up share capital** *(continued)*

#### ***Rights to dividends***

Any dividend declared in respect of Equity Shares shall require the sanction of a special resolution.

#### ***Voting rights***

The Ordinary shares are entitled to one vote per share.

#### ***Priority and amounts receivable in a winding up, reduction or return of capital***

Upon a winding up of the Company or upon a reduction or return of capital, the assets of the Company remaining after payment of its debts and liabilities and of the costs, charges and expenses of such winding up or reduction or return of capital shall be applied in aggregate of the applicable exit proceeds to be shared between the holders of the Ordinary shares.

### **12 Contingent liabilities**

The Company has no contingent liabilities at either the current or prior year end.

### **13 Related party disclosures**

During the current and prior year, there were no related party transactions to report.

### **14 Events subsequent to balance sheet date**

There have been no material post balance sheet events which would require adjustments to these financial statements.

### **15 Ultimate parent company**

The Company's ultimate parent company is Hebe Topco Ltd, which is registered in England and is the only Group within which the results of this Company are consolidated. The consolidated financial statements of Hebe Topco Ltd are available from 2 Bromwich Court, Gorsey Lane, Coleshill, Birmingham, B46 1JU.

### **16 Ultimate controlling party**

In the opinion of the directors, there is no ultimate controlling party.