

Report of the Members and

Financial Statements for the Year Ended 28 February 2020

for

Haine & Smith Partnership LLP



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for the Year Ended 28 February 2020

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Haine & Smith Partnership LLP

General Information

for the Year Ended 28 February 2020

DESIGNATED MEMBERS:

M J S Saunders
Ms A L Davey

REGISTERED OFFICE:

Unit 7-8 Salisbury Road Business Park
Pewsey
Wiltshire
SN9 5PZ

REGISTERED NUMBER:

OC343092 (England and Wales)

AUDITORS:

Moore
Chartered Accountants and Statutory Auditor
30 Gay Street
Bath
BA1 2PA

Report of the Members
for the Year Ended 28 February 2020

The members present their report with the financial statements of the LLP for the year ended 28 February 2020.

PRINCIPAL ACTIVITY

The principal activity of the LLP in the year under review was that of opticians.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DESIGNATED MEMBERS

The designated members during the year under review were:

M J S Saunders

Ms A L Davey

RESULTS FOR THE YEAR AND ALLOCATION TO MEMBERS

The profit for the year before members' remuneration and profit shares was £569,441 (2019 - £580,620 profit).

MEMBERS' INTERESTS

A level of monthly drawings is set at the start of each financial year and further adjustments are made once the results for the year and allocations of profit are finalised. Profit share is based on residual profit after members' salaries in accordance with the profit share agreement.

The level of members capital is determined at admission to the partnership and from time to time by the designated members. Members are required to contribute to the LLP's capital in accordance with their profit share percentage. The amount is repayable in stages upon retirement.

Where members drawings impede the working capital requirements of the LLP, the working capital requirements take precedence and the drawings are not permitted.

STATEMENT OF MEMBERS' RESPONSIBILITIES

The members are responsible for preparing the Report of the Members and the financial statements in accordance with applicable law and regulations.

Legislation applicable to limited liability partnerships requires the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under legislation applicable to limited liability partnerships the members 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 LLP and of the profit or loss of the LLP for that period. In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the LLP will continue in business.

Report of the Members

for the Year Ended 28 February 2020

STATEMENT OF MEMBERS' RESPONSIBILITIES - continued

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and enable them to ensure that the financial statements comply with the Companies Act 2006 as applied to LLPs by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. They are also responsible for safeguarding the assets of the LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

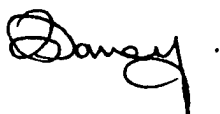
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the members are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the LLP's auditors are unaware, and each member has taken all the steps that he or she ought to have taken as a member in order to make himself or herself aware of any relevant audit information and to establish that the LLP's auditors are aware of that information.

AUDITORS

The auditors, Moore, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE MEMBERS:



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Ms A L Davey - Designated member

Date: 17th December 2020

**Report of the Independent Auditors to the Members of
Haine & Smith Partnership LLP**

Opinion

We have audited the financial statements of Haine & Smith Partnership LLP (the 'LLP') for the year ended 28 February 2020 which comprise the Income Statement, Balance Sheet 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 LLP's affairs as at 28 February 2020 and of its profit 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 as applied to LLPs by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the LLP 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 have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the LLP's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The members are responsible for the other information. The other information comprises the information in the Report of the Members, but does not include the financial statements and our Report of the Auditors 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.

**Report of the Independent Auditors to the Members of
Haine & Smith Partnership LLP**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 as applied to LLPs 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
- we have not received all the information and explanations we require for our audit; or
- the members were not entitled to prepare the financial statements in accordance with the small LLPs regime.

Responsibilities of members

As explained more fully in the Statement of Members' Responsibilities set out on pages two and three, the members 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 members determine 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 members are responsible for assessing the LLP'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 members either intend to liquidate the LLP or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 a Report of the Auditors 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.

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. This description forms part of our Report of the Auditors.

Report of the Independent Auditors to the Members of
Haine & Smith Partnership LLP

Use of our report

This report is made solely to the LLP's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to LLPs by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the LLP's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the LLP and the LLP's members as a body, for our audit work, for this report, or for the opinions we have formed.



Daniel Slocombe (Senior Statutory Auditor)
for and on behalf of Moore
Chartered Accountants and Statutory Auditor
30 Gay Street
Bath
BA1 2PA

Date: 21st December 2020

Income Statement
for the Year Ended 28 February 2020

	Notes	28.2.20 £	28.2.19 £
TURNOVER		7,918,220	7,745,048
Cost of sales		2,448,936	2,368,989
GROSS PROFIT		5,469,284	5,376,059
Administrative expenses		4,953,092	4,853,939
		516,192	522,120
Other operating income		51,975	55,021
OPERATING PROFIT		568,167	577,141
Interest receivable and similar income		1,274	3,479
PROFIT FOR THE FINANCIAL YEAR BEFORE MEMBERS' REMUNERATION AND PROFIT SHARES		569,441	580,620
PROFIT FOR THE FINANCIAL YEAR BEFORE MEMBERS' REMUNERATION AND PROFIT SHARES		569,441	580,620
Members' remuneration charged as an expense	5	(538,892)	(645,107)
PROFIT/(LOSS) FOR THE FINANCIAL YEAR AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS		30,549	(64,487)


The notes form part of these financial statements

Balance Sheet
28 February 2020

	Notes	28.2.20 £	28.2.19 £
FIXED ASSETS			
Intangible assets	6	122,208	138,323
Tangible assets	7	2,186,745	2,199,377
		<u>2,308,953</u>	<u>2,337,700</u>
CURRENT ASSETS			
Stocks		219,702	185,560
Debtors	8	850,949	819,598
Cash at bank and in hand		351,166	340,483
		<u>1,421,817</u>	<u>1,345,641</u>
CREDITORS			
Amounts falling due within one year	9	868,731	888,094
NET CURRENT ASSETS		<u>553,086</u>	<u>457,547</u>
TOTAL ASSETS LESS CURRENT LIABILITIES and NET ASSETS ATTRIBUTABLE TO MEMBERS		<u>2,862,039</u>	<u>2,795,247</u>
LOANS AND OTHER DEBTS DUE TO MEMBERS	11	<u>2,862,039</u>	<u>2,795,247</u>
TOTAL MEMBERS' INTERESTS			
Loans and other debts due to members	11	2,862,039	2,795,247
Amounts due from members	8	(262,823)	(521,602)
		<u>2,599,216</u>	<u>2,273,645</u>

The financial statements have been prepared in accordance with the provisions applicable to LLPs subject to the small LLPs regime.

The financial statements were approved by the members of the LLP and authorised for issue on 17th December 2020 and were signed by:



Ms A L Davey - Designated member

The notes form part of these financial statements

Notes to the Financial Statements
for the Year Ended 28 February 2020

1. STATUTORY INFORMATION

Haine & Smith Partnership LLP is registered in England and Wales. The LLP's registered number and registered office address can be found on the General Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the requirements of the Statement of Recommended Practice, Accounting by Limited Liability Partnerships. The financial statements have been prepared under the historical cost convention.

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.

The presentation currency of the financial statements is Pound Sterling (£).

Going concern

The members of the LLP are confident that the business will continue to trade profitably despite the difficult operating conditions that it has been working under since the Covid 19 pandemic impacted on the UK, and the lockdown period subsequent to the balance sheet date.

The members have produced and reviewed forecasts for the next 12 months which consider 3 potential scenarios. In all instances the members believe that the LLP will be able to continue to operate as a going concern and that they will be able to meet their liabilities as they fall due for a period of at least 12 months from the date of approving these financial statements. Results for the post year end trading period show a positive performance has been achieved since lockdown restrictions were eased. The LLP has also benefitted from government support measures and obtained external finance, which will ensure it will be able to trade through the next year and beyond.

Notes to the Financial Statements - continued
for the Year Ended 28 February 2020

2. ACCOUNTING POLICIES - continued

Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

Useful economic life of tangible fixed assets

The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

Stock provisioning

Goods sold are subject to changing customer demands and market trends. As a result it is necessary to consider the recoverability of the cost of stock held and whether a provision is required. When calculating the stock provision, management considers the nature and condition of the stock, as well as applying assumptions around anticipated saleability of stock.

Turnover

Turnover is measured at the fair value of the consideration receivable, net of discounts and value added taxes. Turnover includes revenue earned from the sale of goods and from the rendering of services, namely the sale of sight and hearing tests, glasses, contact lenses and accessories.

Turnover is recognised when the significant risks and rewards of ownership of the goods and services have transferred to the buyer.

Goodwill

Goodwill relates to the acquisition of a business and is measured at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation is charged so as to allocate the cost of goodwill less residual value over its estimated useful life, using the straight-line method. Goodwill is amortised over 10 years.

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

If the net fair value of the identifiable assets and liabilities acquired exceeds the cost of a business combination, the excess up to the fair value of non-monetary assets acquired is recognised in profit or loss in the periods in which the non-monetary assets are recovered. Any excess exceeding fair value of non-monetary assets acquired is recognised in the income statement in the periods expected to be benefitted.

Notes to the Financial Statements - continued
for the Year Ended 28 February 2020

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Short leasehold	- 15% on cost
Fixtures and fittings	- 25% on cost and 10% on cost
Motor vehicles	- 20% on reducing balance

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Stocks are recognised as an expense in the period in which the related revenue is recognised.

Cost includes the purchase price, including all costs directly attributable to bringing the stock to its present location and condition.

At the end of each reporting period stocks are assessed for impairment. If an item of stock is impaired, the identified stock is reduced to its selling price less costs to complete and sell and an impairment is recognised in the profit and loss account. Where a reversal of the impairment is recognised the impairment charge is reversed, up to the original impairment loss, and is recognised as a credit in the profit and loss account.

In some cases the LLP has access to consignment stock. Where the nature of this arrangement transfers the risks and rewards to the LLP, which in substance gives the LLP control over the stock during the consignment period and liabilities in respect of holding costs, the LLP recognises this stock in the balance sheet together with an equivalent liability.

Leases

Lease are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the LLP. All other leases are classified as operating leases.

Assets held under finance leases are recognised initially at the fair value of the leased asset (or, if lower, the present value of the minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation using the effective interest method so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are deducted in measuring profit or loss. Assets held under finance leases are included in tangible fixed assets and depreciated and assessed for impairment losses in the same way as owned assets.

Rentals payable under operating leases are charged to the profit or loss on a straight-line basis over the lease term.

The aggregate benefit of lease incentives are recognised as a reduction to the expense recognised over the lease term on a straight line basis.

Notes to the Financial Statements - continued
for the Year Ended 28 February 2020

2. ACCOUNTING POLICIES - continued

Employee benefits

The LLP provides a range of benefits to employees, including paid holiday arrangements and defined contribution pension plans.

Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

Defined contribution pension plans

The LLP operates a defined contribution pension plan for its employees. A defined contribution plan is a pension plan under which the LLP pays fixed contributions into a separate entity. Once the contributions have been paid the LLP has no further payment obligations. The obligations are recognised as an expense when they are due. Amounts not paid are shown in creditors in the balance sheet. The assets of the plan are held separately from the LLP in independently administered funds.

Annual bonus plan

The LLP operates an annual bonus plan for employees. An expense is recognised in the profit and loss account when the LLP has a legal or constructive obligation to make payments under the plan as a result of past events and a reliable estimate of the obligation can be made.

Impairment of assets

At each reporting date fixed assets are reviewed to determine whether there is an indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in the income statement.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the income statement.

Notes to the Financial Statements - continued
for the Year Ended 28 February 2020

2. ACCOUNTING POLICIES - continued

Members' drawings and the subscription and repayment of members' capital

In accordance with the LLP agreement there are two classes of capital namely:

- Property Capital which carried the right to receive property capital profits or losses (in the proportions of Property Capital contributed) by way of prior charges to the exclusion of any other Partners who do not hold Property Capital; and
- Equity Capital

HS Optical Limited alone holds Property Capital and is referred to as the 'Property Capital Partner'.

The property capital profits and capital losses and liabilities for each accounting period belong to the Property Capital Partner in priority to all other profits of the LLP.

All other profits and losses of an income nature for each accounting period belong to the LLP and are payable by the LLP to the Partners or by the Partners to the LLP (as the case may be):-

- firstly in payment to the Partners of their salary entitlement for the period concerned; and
- secondly in relation to any balance of trading profits in the proportions as determined by each individual Partner's percentage share of trading profit and equity capital as established in the LLP agreement.

Drawings are treated as payments on account of profit allocation and are only repayable to the LLP in so far as there are insufficient profits to allocate against such drawings. Any drawings in excess of total profits allocated would be included within 'amounts due from members' within debtors.

The capital requirements of the partnership are determined by the members and are reviewed regularly. Each member is required to subscribe a proportion of this capital. Interest is paid on the outstanding capital amount. On leaving the partnership, a member's capital is repaid within a timescale set by the other members.

Provisions

Provisions are recognised when the LLP has a present obligation (legal or constructive) as a result of a past event, it is probable that the LLP will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as a finance cost in the income statement in the period it arises.

The LLP recognises a provision for annual leave accrued by employees as a result of services rendered in the current period, and which employees are entitled to carry forward and use within the next 12 months. The provision is measured at the salary cost payable for the period of absence.

Notes to the Financial Statements - continued
for the Year Ended 28 February 2020

3. EMPLOYEE INFORMATION

The average number of employees during the year was 155 (2019 - 150).

4. AUDITORS' REMUNERATION

	28.2.20	28.2.19
	£	£
Fees payable to the LLP's auditors for the audit of the LLP's financial statements	9,250	8,750

5. INFORMATION IN RELATION TO MEMBERS

	28.2.20	28.2.19
	£	£
Members' remuneration charged as an expense		
Partners' salaries	538,892	645,107

6. INTANGIBLE FIXED ASSETS

	Goodwill
	£
COST	
At 1 March 2019	
and 28 February 2020	209,703
AMORTISATION	
At 1 March 2019	71,380
Amortisation for year	16,115
At 28 February 2020	87,495
NET BOOK VALUE	
At 28 February 2020	122,208
At 28 February 2019	138,323

Notes to the Financial Statements - continued
for the Year Ended 28 February 2020

7. TANGIBLE FIXED ASSETS

	Freehold property £	Short leasehold £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1 March 2019	1,692,457	721,437	1,595,465	238,105	4,247,464
Additions	-	13,982	113,472	-	127,454
Disposals	-	-	-	(16,565)	(16,565)
At 28 February 2020	1,692,457	735,419	1,708,937	221,540	4,358,353
DEPRECIATION					
At 1 March 2019	-	647,842	1,275,739	124,506	2,048,087
Charge for year	-	20,785	96,313	22,699	139,797
Eliminated on disposal	-	-	-	(16,276)	(16,276)
At 28 February 2020	-	668,627	1,372,052	130,929	2,171,608
NET BOOK VALUE					
At 28 February 2020	1,692,457	66,792	336,885	90,611	2,186,745
At 28 February 2019	1,692,457	73,595	319,726	113,599	2,199,377

8. DEBTORS

	28.2.20 £	28.2.19 £
Amounts falling due within one year:		
Trade debtors	141,606	130,349
Amounts due from members	262,823	521,602
Other debtors	51,803	28,269
Prepayments and accrued income	152,918	123,243
	609,150	803,463
Amounts falling due after more than one year:		
Other debtors	241,799	16,135
Aggregate amounts	850,949	819,598

Notes to the Financial Statements - continued
for the Year Ended 28 February 2020

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	28.2.20	28.2.19
	£	£
Trade creditors	600,895	575,911
Social security and other taxes	55,018	52,635
VAT	1,087	-
Other creditors	144,613	182,786
Accruals and deferred income	67,118	76,762
	<u>868,731</u>	<u>888,094</u>

10. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	28.2.20	28.2.19
	£	£
Within one year	262,380	262,380
Between one and five years	604,491	705,121
In more than five years	-	161,750
	<u>866,871</u>	<u>1,129,251</u>

11. LOANS AND OTHER DEBTS DUE TO MEMBERS

In the event of winding up, loans and other debts due to members and members' other interests rank subordinate to other unsecured creditors.

12. RELATED PARTY DISCLOSURES

During the financial year there were no transactions with related parties.

13. POST BALANCE SHEET EVENTS

In January 2020 the World Health Organisation announced a global emergency with regards to the COVID-19 pandemic.

Subsequent to the year end the UK was placed under lockdown and these restrictions to trade have had some impact on the day to day operations of the business and its finances.

The members are confident, however that the LLP will continue to operate successfully throughout this difficult trading period.