

Registered number: 00532006

OASIS DENTAL CARE (SOUTHERN) LIMITED

UNAUDITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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OASIS DENTAL CARE (SOUTHERN) LIMITED

COMPANY INFORMATION

Directors M L Allan (appointed 12 September 2022)
S Barter (resigned 29 November 2022)
P A Crockard
G Pueyo Roberts (resigned 31 July 2022)
S L Ramage
J S H Wright
F Zaheer (appointed 29 November 2022)

Company secretary Bupa Secretaries Limited

Registered number 00532006

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

OASIS DENTAL CARE (SOUTHERN) LIMITED

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OASIS DENTAL CARE (SOUTHERN) LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors present the Strategic Report of Oasis Dental Care (Southern) Limited (the "Company") for the year ended 31 December 2022.

Business review

The Directors manage the various businesses of The Oasis Healthcare Group Limited group (the "Group") on a group, rather than an individual basis. As such, a separate business review for the Company has not been prepared, but a group review can be found in the Strategic Report contained in the Annual Report of The Oasis Healthcare Group Limited. Neither the Strategic Report nor the Annual Report of The Oasis Healthcare Group Limited forms part of this report.

Principal risks and uncertainties

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Group and are not managed separately. Accordingly, the principal risks and uncertainties of The Oasis Healthcare Group Limited, which include those of the Company, are discussed in the Strategic Report contained in the Annual Report of The Oasis Healthcare Group Limited. Neither the Strategic Report nor the Annual Report of The Oasis Healthcare Group Limited forms part of this report.

Financial key performance indicators

The Directors of The Oasis Healthcare Group Limited manage the Group's operations on a group-wide basis. For this reason, the Company's Directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of the Company.

The development, performance and position of The Oasis Healthcare Group Limited, which includes the Company, is discussed in the Strategic Report contained in the Annual Report of The Oasis Healthcare Group Limited. Neither the Strategic Report nor the Annual Report of The Oasis Healthcare Group Limited forms part of this report.

Directors' statement of compliance with duty to promote the success of the Company

Section 172 Statement

Promoting our long-term success and sustainability

This statement sets out how the Board has acted in a way that promotes the success of the Company in achieving its purpose of helping people live longer, healthier, happier lives and making a better world. When making decisions, the Board takes into account:

- the likely long-term impact of the decision
- the interests or concerns of, and impact on, our key stakeholders
- the impact of our decisions and operations on the communities in which we operate and the environment
- the need to maintain a reputation for high standards of business conduct

Engaging with our key stakeholders

We consider the Bupa Group, our customers, people, suppliers and regulators to be our key stakeholder groups, and their views and concerns are taken into account in developing our business model and strategy.

The Board endeavours to gain an understanding of the perceptions and attitudes of each stakeholder group and the weight they give to different issues. Where the views of different stakeholder groups do not align, the Board must decide on the best course of action to promote the Company's and Bupa's long-term sustainability and success. It is important for all levels of the business to engage with stakeholder groups to gain a better understanding of their interests and concerns and the impact our decisions have on them.

More detail on how we engage with our key stakeholder groups or where to find more information is set out below.

OASIS DENTAL CARE (SOUTHERN) LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Section 172 Statement (continued)

Customers

Our ambition is to become the most trusted provider of dental care and our ambition KPIs all relate to our customers, putting them at the heart of everything we do and making them our most important stakeholder group. We are committed to providing excellent customer experience, through great service and value, frictionless access and quality dental care.

In 2022, we focused on three priorities:

1. Enhancing our customer feedback programme (our NPS system), so we can hear more from our customers
2. Driving improvements in our customers' experience
3. Creating a truly customer-obsessed culture.

Direct customer feedback is an important tool to help us improve their experience and our leaders are encouraged to use our Customer Listening app to gain insights on the issues that customers raise and to provide feedback on how customer experiences could be improved.

The Board has received regular updates during 2022 on the progress against key customer metrics, such as NPS scores, complaints and customer research to drive customer experience improvements.

People

Our people are at the heart of our business, supporting our customers every day. We want our people to feel engaged and empowered to deliver great outcomes for our customers, to feel that Bupa is a great place to work and to be healthier and happier themselves. People priorities are set on the issues important to our people. This includes our focus on driving engagement, which is owned locally right down to the individual leader level. Our employee engagement results are shared and discussed twice a year. People issues are flowed up to the Board through regular updates from the General Manager, and as part of updates to the Board from the clinical and risk & governance teams. In 2022, these covered workforce challenges, recruitment, onboarding, retention and actions taken in support of these areas. In addition, the Board also receives reports on issues raised through Bupa's Speak Up internal confidential whistleblowing service.

Regulators

Bupa's Dental Practices are regulated by care quality regulators in each operating jurisdiction as well as other relevant regulators. Regulators ultimately aim to make sure we have the risk management framework necessary to protect customers and ensure that they receive high levels of care and are treated fairly. These objectives clearly align with our strategy and customer-centric ambition.

Our regulators expect us to:

- provide high-quality, clinically robust services
- ensure we operate in a responsible and sustainable way
- have robust and effective processes and controls in place to mitigate risks to protect our customers.

We are firmly committed to achieving high standards of compliance with our regulatory obligations. Increased levels of regulation and liaison between regulators, are a continuing international trend. Therefore, we take a proactive and coordinated approach to managing the regulatory risks to which we are exposed in order to reduce the risk of our customers suffering detriment and minimising any financial or reputational impact on Bupa. We have an open and honest relationship with the care quality regulators and self-report incidents, work with the care quality regulators to ensure we meet regulatory requirements and act quickly to address any issues or concerns raised.

OASIS DENTAL CARE (SOUTHERN) LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Section 172 Statement (continued)

Suppliers

Our suppliers represent our brand and are critical to delivering a high-quality service to our customers. They include dental associates and other dental care professionals and suppliers of products and consumables to our dental practices. We are committed to:

- treating our suppliers fairly
- paying suppliers on time (as per contracted terms)
- selecting suppliers without prejudice
- supporting improvements in social, environmental and ethical practices
- using research, collaboration and innovation to accelerate sustainable dental care solutions
- maintaining a supply chain that reflects and aligns with our own standards of responsible business conduct
- actively encouraging innovation.

We work with our suppliers to ensure that they have effective controls in place to protect our customers' health and safety and the security and privacy of their data.

Our sustainability agenda includes a workstream on responsible business conduct with a key focus on responsible supply chain management, including combating modern slavery. Our latest modern slavery statement can be found on [bupa.com](https://www.bupa.com).

Communities and environment

Sustainability is reflected in the 'making a better world' part of Bupa's purpose. This demonstrates the broader role we expect to play, not only in the health of our customers and our people, but also for the health of our planet. Our approach to sustainability is focused on the intersection of human health and the health of the planet. We help to build healthier and more resilient communities and aim to have a positive impact on the environment. We have a dedicated Foundation in the UK to channel some of our investment.

Energy use and emissions data

The Company is exempt from reporting company specific information as it is a subsidiary of Bupa and consolidated reporting is included in the Annual Report and Accounts of that company. Bupa has set science-based targets for CO2 reduction and committed to reducing emissions to reach net zero by 2040 with a milestone to have cut direct emissions (scopes 1-2) by 40% by 2025.

High standards of business conduct

The Company has a robust system of governance and risk management in place and operates a 'three lines' model to identify, manage and mitigate risk, to ensure that we maintain high standards of business conduct. Bupa aims, where appropriate, to operate to the same governance standards as are required of UK public listed companies. This includes applying the UK Corporate Governance Code 2018 (the Code) to set high corporate governance standards for the Bupa group of companies.

These include governance processes around decision-making; risk appetite statements; risk policies and standards that are applied on areas including customer outcomes, people, capital management, supplier management, risk, clinical governance, data quality, information security, privacy and wellbeing, health and safety.

All papers submitted to the Board are required to include a summary of key risks, how relevant stakeholders have been considered in the proposals and the governance process undertaken prior to seeking Board approval to ensure that stakeholder interests or concerns have been considered and that proposals have been through appropriate review and approval processes prior to submission to the Board. This assists the Board in making well-informed decisions that promote the long-term, sustainable success of the business.

OASIS DENTAL CARE (SOUTHERN) LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Section 172 Statement (continued)

Board decisions and their impact on stakeholders

The table below sets out a number of decisions taken by the Board during the year and how stakeholder views' were taken into account.

| Stakeholder view | Board Decision |
|---|--|
| People Our people are the driving force behind our business and we need to take care of them so that they can enjoy longer, healthier, happier lives. We have seen increasing pressure on the capacity and resilience of our workforce from the COVID-19 pandemic, cost of living crisis and the level of change that we are asking them to undertake to achieve our strategy. | The Board regularly receives updates on issues relating to Bupa Dental Care's people. We have recognised the impact of the rising cost of living, particularly on our frontline people, by taking action on pay to help ease the cost of living and by launching healthcare benefits for employees. Long-term impact The Board believes that the investment in healthcare benefits for its employees will make a real difference to the long-term health of our people and differentiates Bupa from competitors, giving us an advantage in attracting and retaining employees. |
| Customers Our customers are looking alternative ways to access and fund dental care. They expect an easy customer journey with funding and payment options to enable access. | During the year, the Board received updates on customer metrics and feedback on our services. In response, we launched the Bupa Smile Plan which is a pay-monthly subscription product, allowing our customers to have a seamless customer journey between funding and provision. Long-term impact A regular subscription plan allows customers to spread the cost of dental care and encourages preventative dental care over the longer-term. |
| Customer, People and Suppliers We aim to offer frictionless ways to connect our customers with our services. Enabling digitisation of the customer journey allows quicker access our dental services through online booking and automates processes for our people and suppliers (including clinicians). | The Board received regular updates during the year on the implementation of the Dentally practice management system as well as enhancements to business intelligence and alignment of operating procedures. Long-term impact Investing in digitisation will help the Company meet changing customer, people and supplier expectations to interact with us more digitally and make processes more efficient, in turn helping us to provide affordable services. |

This report was approved by the board on 10 July 2023 and signed on its behalf.



J S H Wright
Director

OASIS DENTAL CARE (SOUTHERN) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors present their report and the financial statements for the year ended 31 December 2022.

Principal activity

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

On 28 March 2023, The Oasis Healthcare Group Limited, an intermediate holding company, announced plans to close, merge or sell 85 practices in total. Five dental practices out of the thirty two practices operated by the Company are included in the 85.

Results and dividends

The loss for the year, after taxation, amounted to £2,770,000 (2021 - profit £475,000).

The Company incurred significant losses in 2022, as a result of recognising £1,499,000 of asset impairments across goodwill and tangible assets, as well as accounting for an onerous lease provision of £1,804,000, resulting in a one-off total expense of £3,303,000. The impairments were the result of macroeconomic factors, as well as ongoing challenges in workforce availability. During 2022, inflation rose sharply resulting in higher central bank interest rates, leading to increased cost of capital which reduces the valuation of Dental practices for impairment testing. Furthermore, there were operational challenges, in particular below target recruitment, as well as increasing wage and energy costs, resulting in lower projected cash flows.

The Directors do not recommend the payment of a final dividend (2021 - £nil) and no dividends have been paid during the year (2021 - £nil).

Directors

The Directors who served during the year were:

M L Allan (appointed 12 September 2022)
S Barter (resigned 29 November 2022)
P A Crockard
G Pueyo Roberts (resigned 31 July 2022)
S L Ramage
J S H Wright
F Zaheer (appointed 29 November 2022)

Future developments

As the Company is an intermediate company in the Group headed by The Oasis Healthcare Group Limited, the Directors, therefore, do not believe that a discussion of future developments is necessary.

Engagement with employees

Culture and our people

The Board is responsible for ensuring that our culture is aligned with our purpose, values and strategy at all levels of the organisation. In order to do our best for our customers, we need to take care of our people, and this will lead to strong and sustainable performance to enable us to deliver our purpose.

Our culture is shaped by our values and the Bupa Code which sets out what we expect from our people to help them live our values and achieve our purpose.

OASIS DENTAL CARE (SOUTHERN) LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Engagement with employees (continued)

Culture and our people (continued)

In addition, we have a number of leadership imperatives, endorsed by the Bupa Board, encompassing a set of competencies specific to customers, people, performance and purpose. These competencies help our senior leaders to deliver performance through putting customers at the heart of everything we do and helping our people be at their best. All employees are required to complete mandatory training on the Bupa Code and other areas including information security and privacy, risk management, conflicts of interest and financial crime.

The Board monitors culture in a number of ways including direct workforce engagement and regular people-related reporting including:

- measuring our people's engagement level and how they embody Bupa's values through our People Pulse survey tool, and considering recommendations to management in response to the survey results
- receiving reports on the level and nature of customer complaints
- Leadership development, talent and succession, inclusion and diversity and employee wellbeing

Engaging our people

We believe that our people engagement mechanisms and channels, as enhanced during the year, provide an effective means of engaging with our people. Our engagement methods are described in more detail below.

Listening

We listen to our people and promote a positive, flexible working environment and an inclusive and diverse culture so everyone can be their authentic selves at work. Our People Pulse survey tool provides sophisticated insights and benchmarking with other companies, so we can learn and listen to what is of interest or concern to our people and act, where appropriate, on what our people are telling us.

We have also rolled out an interactive employee engagement platform which enables open discussion for all of our people, including front line staff without an email address. The new employee engagement platform has further enhanced our ability to engage with employees, with Executive Directors and senior management regularly posting content about initiatives or successes and can interact with our people. Examples include asking staff to give 'shout outs' to colleagues that they see living our values and going above and beyond what is expected of them, to senior executives sharing their stories on topics such as mental wellbeing and resilience. Employee forums are also still in place for areas such as training and development, IT and security and for local office issues.

Inclusion and diversity

Our approach to diversity and our philosophy is based on inclusion for all. Be You At Bupa, our employee network in the UK raises awareness and understanding of all areas of diversity and inclusion with groups focusing on topics including gender, ethnicity, LGBTQ+, mental wellbeing, ability, faith and working families. The recruitment, training, career development and promotion of all employees is based on the skills, knowledge and experience of the individual and takes no account of age, disability, race, beliefs, gender, sexual orientation or other characteristics. Should employees become disabled during employment, every effort is made to continue their employment and, if necessary, appropriate training is provided.

Having a diverse workforce and an inclusive, accessible working environment, brings fresh views to the table and reflects the customers we serve and communities within which we operate. Our sustainability and ESG agenda strategy aims to promote diversity and inclusion during 2022 by further embedding a culture that gives our people the freedom to be their whole selves at work, empower diverse and high performing teams and ensure that our people practices and policies support our people.

OASIS DENTAL CARE (SOUTHERN) LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Financial risk management

The Company's operations expose it to a variety of financial risks. The Directors of The Oasis Healthcare Group Limited manage the Group's risks at a group level rather than at an individual company level. For this reason, the Company's Directors believe that a discussion of the Company's financial risks is not appropriate here. The principal risks and uncertainties of The Oasis Healthcare Group Limited group, which include those of the Company, are disclosed within the Directors' Report in the Group's financial statements which does not form part of these financial statements.

This report was approved by the board on 10 July 2023 and signed on its behalf.



J S H Wright
Director

OASIS DENTAL CARE (SOUTHERN) LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

| | Note | 2022 £000 | 2021 £000 |
|--|-------------|----------------------|----------------------|
| Turnover | 4 | 29,891 | 28,653 |
| Cost of sales | | (15,627) | (15,413) |
| Gross profit | | 14,264 | 13,240 |
| Administrative expenses | | (15,345) | (13,025) |
| Exceptional administrative expenses | 5 | (1,804) | - |
| Other operating income | | 63 | 44 |
| Operating (loss)/profit | 6 | (2,822) | 259 |
| Tax on (loss)/profit | 8 | 52 | 216 |
| (Loss)/profit for the financial year | | (2,770) | 475 |
| Total comprehensive (expense)/income for the year | | (2,770) | 475 |

The notes on pages 11 to 23 form part of these financial statements.

OASIS DENTAL CARE (SOUTHERN) LIMITED
REGISTERED NUMBER: 00532006

BALANCE SHEET
AS AT 31 DECEMBER 2022

| | Note | 2022 £000 | 2021 £000 |
|--|------|---------------|---------------|
| Fixed assets | | | |
| Intangible assets | 9 | - | 467 |
| Tangible assets | 10 | 3,774 | 4,973 |
| | | <u>3,774</u> | <u>5,440</u> |
| Current assets | | | |
| Stocks | 11 | 457 | 456 |
| Debtors: amounts falling due within one year | 12 | 42,600 | 37,714 |
| Cash at bank and in hand | 13 | 38 | 20 |
| | | <u>43,095</u> | <u>38,190</u> |
| Creditors: amounts falling due within one year | 14 | (32,173) | (27,968) |
| Net current assets | | <u>10,922</u> | <u>10,222</u> |
| Total assets less current liabilities | | <u>14,696</u> | <u>15,662</u> |
| Provisions for liabilities | | | |
| Other provisions | 16 | (1,804) | - |
| Net assets | | <u>12,892</u> | <u>15,662</u> |
| Capital and reserves | | | |
| Called up share capital | 17 | 7,500 | 7,500 |
| Profit and loss account | 18 | 5,392 | 8,162 |
| Shareholders' funds | | <u>12,892</u> | <u>15,662</u> |

The Directors consider that the Company is entitled to exemption from the requirement to have an audit under the provisions of section 479A of the Companies Act 2006.

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 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 10 July 2023.



J S H Wright
Director

The notes on pages 11 to 23 form part of these financial statements.

OASIS DENTAL CARE (SOUTHERN) LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

| | Called up share capital £000 | Profit and loss account £000 | Total equity £000 |
|---|---|---|------------------------------|
| At 1 January 2021 | 7,500 | 7,687 | 15,187 |
| Comprehensive income for the year | | | |
| Profit for the year | - | 475 | 475 |
| At 1 January 2022 | 7,500 | 8,162 | 15,662 |
| Comprehensive expense for the year | | | |
| Loss for the year | - | (2,770) | (2,770) |
| At 31 December 2022 | 7,500 | 5,392 | 12,892 |

The notes on pages 11 to 23 form part of these financial statements.

OASIS DENTAL CARE (SOUTHERN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland 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 102 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 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of The Oasis Healthcare Group Limited as at 31 December 2022 and these financial statements may be obtained from Bupa Dental Care, Vantage Office Park, Old Gloucester Road, Hambrook, Bristol, BS16 1GW.

2.3 Going concern

The financial statements have been prepared on a going concern basis as the Company is in a position to meet its obligations as they fall due.

OASIS DENTAL CARE (SOUTHERN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.4 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:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.5 Intangible assets

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the Statement of Comprehensive Income over its estimated economic life.

2.6 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.

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.

Depreciation is provided on the following basis:

| | |
|------------------------|-------------------------------|
| Leasehold improvements | - over 15 years straight line |
| 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 profit or loss.

OASIS DENTAL CARE (SOUTHERN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.7 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.8 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.

2.9 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.

2.10 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.

OASIS DENTAL CARE (SOUTHERN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.11 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.12 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.13 Operating leases: the Company as lessee

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

2.14 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 profit or loss 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.

OASIS DENTAL CARE (SOUTHERN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.15 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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, 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.

2.16 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

OASIS DENTAL CARE (SOUTHERN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

Due to the nature of the Company's business, the Directors do not consider there to be key judgments or sources of estimation uncertainty in preparing the financial statements.

4. Turnover

The whole of the turnover is attributable to the one principal activity of the Company being the operation of dental practices.

All turnover arose within the United Kingdom.

5. Exceptional items

| | 2022 £000 | 2021 £000 |
|-------------------------|--------------|--------------|
| Onerous lease provision | 1,804 | - |

6. Operating (loss)/profit

The operating (loss)/profit is stated after charging:

| | 2022 £000 | 2021 £000 |
|-------------------------------|--------------|--------------|
| Other operating lease rentals | 1,070 | 1,101 |

7. Employees

Staff costs were as follows:

| | 2022 £000 | 2021 £000 |
|-------------------------------------|--------------|--------------|
| Wages and salaries | 6,838 | 6,353 |
| Social security costs | 458 | 392 |
| Cost of defined contribution scheme | 150 | 143 |
| | 7,446 | 6,888 |

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

| | 2022 No. | 2021 No. |
|--|-------------|-------------|
| | 349 | 365 |

OASIS DENTAL CARE (SOUTHERN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

8. Taxation

| | 2022 £000 | 2021 £000 |
|---|--------------|--------------|
| Corporation tax | | |
| Current tax on losses/profits for the year | (164) | 110 |
| Adjustments in respect of previous periods | (23) | (8) |
| Total current tax | (187) | 102 |
| Deferred tax | | |
| Origination and reversal of timing differences | 96 | (68) |
| Changes to tax rates | 32 | (243) |
| Adjustments in respect of prior periods | 7 | (7) |
| Total deferred tax | 135 | (318) |
| Taxation on loss/profit on ordinary activities | (52) | (216) |

Factors affecting tax credit for the year

The tax assessed for the year is higher than (2021 - lower than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

| | 2022 £000 | 2021 £000 |
|---|--------------|--------------|
| (Loss)/profit on ordinary activities before tax | (2,822) | 259 |
| (Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%) | (536) | 49 |
| Effects of: | | |
| Expenses not deductible for tax purposes | 509 | 36 |
| Adjustments in respect of deferred tax of prior periods | 7 | (7) |
| Adjustments in respect of current income tax of prior periods | (23) | (8) |
| Non-assessable income | (41) | (25) |
| Changes in tax rates | 32 | (261) |
| Total tax credit for the year | (52) | (216) |

Factors that may affect future tax charges

The UK corporation tax rate will increase from 19% to 25% with effect from 1 April 2023. Deferred tax on temporary differences expected to reverse after this date are recognised at 25%.

OASIS DENTAL CARE (SOUTHERN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

9. Intangible assets

| | Goodwill £000 |
|-------------------------------------|--------------------------|
| Cost | |
| At 1 January 2022 | 6,600 |
| Disposals | (5,694) |
| At 31 December 2022 | <u>906</u> |
| Amortisation | |
| At 1 January 2022 | 6,133 |
| Charge for the year on owned assets | 46 |
| On disposals | (5,694) |
| Impairment charge | 421 |
| At 31 December 2022 | <u>906</u> |
| Net book value | |
| At 31 December 2022 | <u>-</u> |
| At 31 December 2021 | <u>467</u> |

During 2022, inflation rose sharply resulting in higher central bank interest rates, leading to increased cost of capital which reduces the valuation of Dental practices for impairment testing. Furthermore, there were operational challenges, in particular below target recruitment, as well as increasing wage and energy costs, resulting in lower projected cash flows.

Management have reviewed the key assumptions within impairment assessments and considered the macro-economic impacts as well as ongoing challenges in workforce availability. The review resulted in an impairment charge of £421,000 (2021- £nil) being recognised in the Statement of Comprehensive Income.

OASIS DENTAL CARE (SOUTHERN) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

10. Tangible fixed assets

| | Fixtures and fittings £000 | Leasehold improvements £000 | Total £000 |
|-------------------------------------|---|--|-----------------------|
| Cost or valuation | | | |
| At 1 January 2022 | 10,043 | 7,602 | 17,645 |
| Additions | 627 | 321 | 948 |
| Disposals | (251) | (424) | (675) |
| At 31 December 2022 | <u>10,419</u> | <u>7,499</u> | <u>17,918</u> |
| Depreciation | | | |
| At 1 January 2022 | 7,521 | 5,151 | 12,672 |
| Charge for the year on owned assets | 617 | 309 | 926 |
| Disposals | (219) | (313) | (532) |
| Impairment charge | 542 | 536 | 1,078 |
| At 31 December 2022 | <u>8,461</u> | <u>5,683</u> | <u>14,144</u> |
| Net book value | | | |
| At 31 December 2022 | <u>1,958</u> | <u>1,816</u> | <u>3,774</u> |
| At 31 December 2021 | <u>2,522</u> | <u>2,451</u> | <u>4,973</u> |

During 2022, inflation rose sharply resulting in higher central bank interest rates, leading to increased cost of capital which reduces the valuation of Dental practices for impairment testing. Furthermore, there were operational challenges, in particular below target recruitment, as well as increasing wage and energy costs, resulting in lower projected cash flows.

Management have reviewed the key assumptions within impairment assessments and considered the macro-economic impacts as well as ongoing challenges in workforce availability. The review resulted in an impairment charge of £1,078,000 (2021- £nil) being recognised in the Statement of Comprehensive Income.

OASIS DENTAL CARE (SOUTHERN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

11. Stocks

| | 2022 £000 | 2021 £000 |
|-------------------------------------|----------------------|----------------------|
| Raw materials and consumables | 423 | 417 |
| Finished goods and goods for resale | 34 | 39 |
| | 457 | 456 |

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

12. Debtors

| | 2022 £000 | 2021 £000 |
|------------------------------------|----------------------|----------------------|
| Due within one year | | |
| Trade debtors | 1,051 | 1,094 |
| Amounts owed by group undertakings | 39,767 | 34,751 |
| Other debtors | 411 | 350 |
| Prepayments and accrued income | 418 | 431 |
| Deferred taxation | 953 | 1,088 |
| | 42,600 | 37,714 |

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

13. Cash and cash equivalents

| | 2022 £000 | 2021 £000 |
|--------------------------|----------------------|----------------------|
| Cash at bank and in hand | 38 | 20 |

OASIS DENTAL CARE (SOUTHERN) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

14. Creditors: Amounts falling due within one year

| | 2022 | 2021 |
|------------------------------------|---------------|-------------|
| | £000 | £000 |
| Trade creditors | 1,269 | 1,129 |
| Amounts owed to group undertakings | 27,283 | 24,967 |
| Accruals and deferred income | 3,621 | 1,872 |
| | 32,173 | 27,968 |

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

15. Deferred taxation

| | 2022 | 2021 |
|--------------------------------------|--------------|-------------|
| | £000 | £000 |
| At beginning of year | 1,088 | 770 |
| (Charged)/credited to profit or loss | (135) | 318 |
| At end of year | 953 | 1,088 |

The deferred tax asset is made up as follows:

| | 2022 | 2021 |
|--------------------------------|-------------|-------------|
| | £000 | £000 |
| Accelerated capital allowances | 907 | 1,058 |
| Goodwill and intangible assets | 46 | 30 |
| | 953 | 1,088 |

OASIS DENTAL CARE (SOUTHERN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

16. Provisions

| | Onerous lease provision £000 |
|----------------------------|---------------------------------------|
| At 1 January 2022 | - |
| Charged to profit or loss | 1,804 |
| At 31 December 2022 | 1,804 |

The onerous lease provision has been determined after reviewing the lease end date for each practice and calculating the expected discounted cashflows for that period. If negative cashflows arose, an onerous lease provision was accounted for, taking the lower of the 'value in use' and the lease liability.

17. Share capital

| | 2022 £000 | 2021 £000 |
|---|--------------|--------------|
| Allotted, called up and fully paid | | |
| 7,500,000 (2021 - 7,500,000) ordinary shares of £1 each | 7,500 | 7,500 |

18. Reserves

Profit and loss account

The profit and loss account represents the accumulated profits, losses and distributions of the Company.

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 £150,000 (2021 - £143,000). At the year end, there were outstanding contributions of £nil (2021 - £nil).

OASIS DENTAL CARE (SOUTHERN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

21. Commitments under operating leases

At 31 December 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

| | 2022 £000 | 2021 £000 |
|--|--------------|--------------|
| Not later than 1 year | 761 | 795 |
| Later than 1 year and not later than 5 years | 1,886 | 2,232 |
| Later than 5 years | 555 | 850 |
| | <u>3,202</u> | <u>3,877</u> |

22. Ultimate parent company and controlling party

The Company's immediate parent company is Oasis Dental Care (Southern) Holdings 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.

23. Post balance sheet events

On 28 March 2023, The Oasis Healthcare Group Limited, an intermediate holding company, announced plans to close, merge or sell 85 practices in total.