

Integrated Dental Holdings Limited

Company Number 03147164

Annual report and financial statements - 31 March 2020

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Integrated Dental Holdings Limited
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Integrated Dental Holdings Limited
Strategic report
For the year ended 31 March 2020

The directors present their Strategic report for the year ended 31 March 2020.

Principal activities

The principal activity of the company is to act as an investment holding company.

The company did not trade in the year to 31 March 2020 nor during the year to 31 March 2019. Accordingly, the company has no items of other comprehensive income during the current or previous year and therefore no statement of changes in equity has been presented.

Business review

Review of the development and performance of the company

The company is a member of the group of companies headed by Turnstone Equityco 1 Limited ('the group'). The principal activities of the group are the operation of dental practices and the provision of materials, services and equipment to dental practices.

The group is organised into two distinct business units, {my}dentist and DD divisions, which provide a range of National Health Service ('NHS') and private dental services from practices throughout the United Kingdom along with support services to other third party dental practices and the wider healthcare sector.

From mid-March 2020 the UK was subject to lockdown measures which were implemented to slow the spread of the Covid-19 outbreak. On 23 March 2020, {my}dentist took the decision, for the safety of patients and staff, to stop all non-emergency treatments across all practices in the group. Routine dental treatment was allowed to restart, with modifications in operating procedures, from 8 June 2020. See subsequent events section for more details.

Strategy and future outlook

The company is expected to remain an investment holding company in the forthcoming year.

Events after the reporting period

On 28 May 2021, the group announced that a binding share purchase agreement had been entered into for Palamon Capital Partners and the management team to acquire The Carlyle Group's shareholding in the company's ultimate parent undertaking, Turnstone Equityco 1 Limited ('the Palamon transaction'). On 16 August 2021, the transaction was completed and a full refinancing of the group's third party borrowings was finalised.

Principal risks and uncertainties

The company's risks and uncertainties are integrated with the principal risks and uncertainties of the group. Accordingly, the principal risks and uncertainties of Turnstone Equityco 1 Limited, which includes those of the company, are discussed in the Strategic report in the financial statements of Turnstone Equityco 1 Limited which does not form part of this report.

The consolidated financial statements of Turnstone Equityco 1 Limited are publicly available and may be obtained from the Company Secretary, Turnstone Equityco 1 Limited, Europa House, Europa Trading Estate, Stoneclough Road, Kearsley, Manchester, M26 1GG.

Integrated Dental Holdings Limited

Strategic report

For the year ended 31 March 2020

Subsequent events - Impact of the coronavirus pandemic

The Covid-19 coronavirus outbreak has had a significant impact on the group post year end.

During March, {my}dentist practices moved quickly from normal operations to following restrictions where only emergency procedures with no aerosol generating procedures ("AGP") could be provided to patients. During the nationwide lockdown period, dental practices were still staffed, with most practices operating a telephone only triage system and emergency cases referred into the network of NHS Urgent Dental Care Centres (UDCs). {my}dentist operated over 70 UDCs from its practices. No private dentistry was carried out during this period and therefore private revenues came to a halt. NHS England confirmed that mixed NHS and private practices could claim for furloughed workers in proportion to the private income of the practice and {my}dentist placed just under 25% of practice staff on furlough and claimed under the Coronavirus Job Retention Scheme.

The NHS have stated that FY2020 UDA delivery would be measured with any shortfall in March delivery due to Covid-19 related practice closures to be replaced by March 2019 performance.

As the lockdown conditions eased, the CDO in England announced on 28 May 2020 that dental practices in England could restart face-to-face care with effect from 8 June 2020. {my}dentist delayed restarting activity until 15 June 2020 to enable practices to fully train staff on new Standard Operating Procedures (SOPs) including staggered appointment times, social distancing and personal protective equipment. Protective screens, hand sanitiser stations and social distancing vinyls were installed in practices and surgeries were reviewed for air flow and suction capacity. From 1 July 2020 all treatment options including AGPs are being performed in practice subject to PPE, however a downtime fallow period is required in surgery after a treatment involving AGP.

A key focus of the business during the pandemic was to maintain communication with all stakeholders – patients, self-employed clinicians, practice and Support Centre staff, the NHS and industry bodies. Regular email and video communications have been made available to keep groups updated with information relevant to their situation such as pay, infection control procedures and Personal Protective Equipment (PPE) for clinicians and oral health advice for patients. Management have also been in close contact with the NHS across the regions, the Association of Dental Groups (ADG) and the British Dental Association (BDA) on the approach of dentistry to the lockdown and then on restart procedures.

Post year end, NHS contractual payments have continued to be made each month to dental practices at 1/12th of the annual contract value on condition that practices were operational and self-employed clinicians and staff continued to be paid in line with contract. An abatement to the UDA contract will be made for variable costs, such as laboratories and materials, that will not be incurred while practices were running as triage facilities and therefore at lower activity levels. The level of abatement in England has been set at 16.75% from 1 April 2020 to 7 June 2020 and at 0% from 8 June 2020 provided that 20% of usual patient activity is completed from the end of July 2020. NHS Wales have confirmed that the abatement will be 20% in Q1 FY2021 reducing to 10% in Q2 and that UDA completion will not be monitored for Q1. Payments in Scotland and Northern Ireland have continued at 80% of normal levels.

During the second lockdown period in November 2020, following guidance from the CDO, dental practices remained open for all treatments. {my}dentist has now invested £1.25m in installing air filtration units in all practices which allows the fallow time between appointments to be reduced to ten minutes. This will allow an increased number of appointments to be made available and will increase patient access to care.

Financial risk management

The Board of Directors has overall responsibility for the establishment and oversight of the company's risk management framework. The company's activities expose it to a variety of financial risks: credit risk, liquidity risk, market risk and inflation risk.

The company's risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities.

Integrated Dental Holdings Limited
Strategic report
For the year ended 31 March 2020

Financial risk management *(continued)*

Credit risk

Credit risk is the risk of financial loss to the company if a customer fails to meet its contractual obligations. The nature of the company's contract with the NHS Region means that credit risk is minimised for a significant proportion of the company's revenue. The patient's contribution to NHS charges is usually collected before treatment in order to minimise risk to the company, however a risk may arise if treatment plans change and additional charges are not collected at the time of the appointment.

Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.

Market risk

Market risk is the risk that changes in foreign exchange rates and interest rates will affect the company's income or costs.

The company has limited currency risk as all operations are carried out in the United Kingdom and all income and expenses are denominated in Sterling. However, as materials are principally sourced by other group companies from suppliers internationally, the company is indirectly exposed to currency risk as prices are adjusted to reflect currency movements. The group mitigates this risk through the use of, for example, derivative financial instruments such as foreign currency forward contracts or option contracts. This risk is also managed through competitive tendering for the group's significant supply contracts.

Inflation risk

Inflation risk is the risk that the cost of key services and products procured by the company will rise with inflation and affect the company's income. The rates paid under the terms of the company's NHS contract are reviewed on an annual basis and, over the course of the past few years, the annual uplifts have typically been lower than the rate of both RPI and CPI.

The company undergoes a regular review of key suppliers through its procurement programme to mitigate cost increases, using tendering processes where possible. In addition, the group seeks to rationalise its supplier base to benefit from its scale.

Covid-19

The Covid-19 pandemic has had a significant impact on our patients, our clinicians and employees and our suppliers with the extent dependent on any recurrence and consequent lockdown measures whether local or national. The severity of the economic effect, levels of unemployment, and the speed and nature of the recovery will all impact on performance over the near future. Within {my}dentist, the revised operating procedures required for healthcare settings including additional personal protective equipment (PPE) requirements, the higher costs of PPE and the fallow period requirements between patient appointments will impact on productivity and the potential revenue an individual surgery can generate. There is also uncertainty over the speed at which patients will want to return to medical settings and the availability of clinicians and staff where medical conditions mean they are unwilling to risk returning to practice. While restrictions were placed on practices during March to June 2020, the NHS across the UK provided financial support to the industry by continuing monthly contract payments.

From the period where restrictions were placed on practice operations by the NHS, a leadership team group met regularly, first to prepare and implement guidance on how practices moved from routine treatment to telephone triage only, then to work on identifying suitable practices that could operate as UDCs for the NHS, and to build a set of comprehensive operating procedures that could be implemented when practices could reopen. A key element of the response to the situation was to maintain communications with clinicians, practice staff and patients including providing guidance on oral health maintenance while face-to-face treatment was not possible. Weekly cash flow models were also prepared for the Executive team in response to changing scenarios to evaluate financial impacts and to assess potential mitigation options.

Integrated Dental Holdings Limited
Strategic report
For the year ended 31 March 2020

Financial risk management *(continued)*

Covid-19 *(continued)*

Over the next year, practice operating procedures will continue to evolve in line with feedback from clinicians and practice staff and guidance from Public Health England and the NHS. Modelling will also continue on Covid-19 scenarios to identify and evaluate financial impacts.

Section 172(1) statement

The directors of the company must act in accordance with the duties detailed in section 172 of the Companies Act 2006:

“A director of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole and in doing so have regard (amongst other matters to) –

- the likely consequences of any decision in the long term,
- the interests of the company’s employees,
- the need to foster the company’s business relationships with suppliers, customers and others,
- the impact of the company’s operations on the community and the environment,
- the desirability of the company maintaining a reputation for high standards of business conduct, and
- the need to act fairly as between members of the company.”

The directors, at Group and company level, are conscious of the impact their decisions have on employees, patients of the {my} dentist practices, clinicians, the NHS, communities, suppliers, regulators, investors and the environment. The directors’ focus on engagement with all stakeholders and this informs the group’s decision-making process.

Consequences of decisions in the long term

The company has the following key strategies:

- To maintain the highest clinical standards by developing best-in-class clinical pathways and procedures to deliver consistent, high quality and ethical dental care
- To improve clinician and nurse resourcing and retention
- To optimise practice productivity
- To grow our private business through affordable and specialist options
- To ensure every practice is sustainable for the future
- To ensure cost efficiency across the group

The directors believe these are critical long-term factors for the success of the company. Plans for strategic investment to support these goals within the {my} dentist division include the creation of Advanced Oral Health Centres (AOHCs) to increase the availability of specialist treatments including implants and the launch of {my} options to provide an affordable private treatment option for patients.

The group aims to operate and develop its businesses including the company in a way that supports current needs and provides a platform for future development. This decision-making process takes into account the relevant economic, environmental and social factors to sustain the group and company for the long term. Part of this decision-making process includes resource allocation decisions over where to invest capital to generate the best return to underpin long term operational requirements.

Engaging with our people

As a healthcare business, it is critical that we maintain the highest possible clinical standards and our people, including our self-employed clinicians, are key to this objective. The directors and executive management team want our people to be engaged in the success of their practice and to strive to provide the best possible patient care.

The Group Chief Executive Officer, Managing Director for {my} dentist, and the Group Clinical Director all regularly hold area meetings for clinicians and practice employees to gather feedback on potential improvements, to listen to perspectives from practices and to empower practice teams.

Integrated Dental Holdings Limited

Strategic report

For the year ended 31 March 2020

Section 172(1) statement (continued)

{my}dentist wide “Great Place to Work” (for employees) and “Great Place to Practise” (for clinicians) surveys are run regularly using consistent question patterns in order to track progress against key issues for my team, my manager, my career, my engagement and my ideas. Localised feedback from the surveys are then used to develop action plans which are aligned with wider divisional focus areas. Survey results from previous years have led to the restructuring of the Nurse career path, the introduction of Practice Manager development programmes, the launch of our Clinical Excellence awards and a reorganisation of the practice Facilities telephone helpdesk. The analysis for each survey is presented to the Group Board, executive management and the {my}dentist senior leadership team. It is also reviewed against the current strategic goals of the business.

The annual {my}dentist clinical conference provides a forum for clinicians to meet, attend continuing professional development seminars led by industry experts and gain an insight into the development of the group. It also provides an opportunity for clinicians to highlight the positive changes their work can have on patients.

During the first coronavirus lockdown in March 2020 to June 2020, our practices were still open for telephone triage appointments and face to face for urgent treatment and were staffed on a rota basis. However, as private dental treatment could not be delivered, in accordance with BDA guidance a proportion of our workforce in line with our private turnover was placed on furlough. Priority was given for employees who were shielding or had relatives who required support. Furloughed staff were paid at 80% of normal salary. Office based employees, where possible, all moved to working remotely using technology solutions and working flexibly around domestic circumstances. Practices reopened for pre-booked appointments only from July 2020 and have remained open through subsequent UK lockdowns in November 2020 and January 2021.

Further information is provided in the Strategic Report section “People”.

Understanding the views of all of our stakeholders and fostering of business relationships

Engaging stakeholders and developing meaningful partnerships is essential for long term business success. The company is engaged in regular and open dialogue with relevant stakeholders to understand perspectives, expectations, concerns and needs.

The group and company maintain a wide range of relationships in the dental and healthcare sector in order to ensure they are able to plan effectively for the future. Relationships are maintained with the NHS at a regional and national level to understand commissioning requirements, with the BDA to understand clinicians key interests, with the Department of Health, with Members of Parliament with an interest in dentistry, with the UK dental schools to understand the aspirations of future clinicians and with suppliers to work on the future of dentistry including digital transformation. The group is also a founder member of the Association of Dental Groups and through this works with other dental corporates in the UK on issues that affect the industry as a whole.

Impact of the company's operations on the community and environment

The company aims to deliver outstanding care to its patients, ensuring great clinical outcomes along a patient journey.

Feedback is collected from patients as part of the company's NHS contractual commitments which generates a “Friends and Family test” recommendation that is published on the NHS website for each practice. The {my}dentist website also includes a section for reviews and ratings and Practice Managers provide responses to feedback and take action when issues are raised. {my}dentist also has a dedicated Patient Support team who assist practices in dealing with any issues or complaints raised by patients.

Further information is provided in the Strategic Report section “Social matters” and “Environmental impact.”

Integrated Dental Holdings Limited
Strategic report
For the year ended 31 March 2020

Section 172(1) statement *(continued)*

Maintaining a reputation for high standards of business conduct

The group and company operate in a highly regulated environment. This level of regulation is critical as it ultimately aims to protect patients and to ensure they receive the right level of care and are treated fairly. The company's approach aligns with the strategy to maintain the highest clinical standards. In order to maintain compliance, {my}dentist operates a bespoke system of monitoring progress against practice targets which is reviewed alongside practice financial performance by operational management.

Alongside clinical compliance, our Health and Safety specialists assist practices in maintaining a safe environment for patients and employees. The processes and procedures in place at {my}dentist have led to the team being presented with the "Commended in the Healthcare Services Sector" award at the Royal Society for the Prevention of Accidents (RoSPA) Health and Safety Awards.

The group is partly funded through debt securities listed on The International Stock Exchange. Quarterly briefing presentations are held for bondholders to discuss developments in the group over the last three months in an open and transparent way. This also provides an opportunity for questions to be raised with the Chief Executive Officer and Chief Financial Officer. All significant announcements are published on the {my}dentist website.

The need to act fairly as between members of the company

After weighing up all relevant factors, the directors consider which course of action best enables delivery of the group's strategy for the long term, taking into consideration the impact on stakeholders.

On behalf of the Board



R Storah
Director

27 August 2021

Integrated Dental Holdings Limited
Directors' report
For the year ended 31 March 2020

The directors present their report and the audited financial statements for the year ended 31 March 2020.

Financial risk management

Please refer to the Strategic report for a description of the company's financial risk management processes.

Future developments

Please refer to the strategy and future outlook section of the Strategic report for a description of future developments.

Proposed dividend

There were no dividends paid, recommended or declared during the current or previous financial year.

Directors

The directors who held office during the financial year and to the date of this report are as follows:

C Davies	
S Letters	
S Melton	
B Moroney	
NK Pandya	(appointed 27 November 2020)
M Prasad	
T Riall	
R Stora	(appointed 5 April 2019)
N Whitley	
O Shafi Khan	(resigned 5 April 2019)

The directors benefitted from qualifying third party indemnity provisions in place during the financial year and to the date of this report.

Going concern

The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the ultimate parent company Turnstone Equityco 1 Limited. The directors have received confirmation that Turnstone Equityco 1 Limited intend to support the company for at least one year after these financial statements are signed, and therefore the going concern of the company is dependent on the going concern of the parent company. In making their assessment of the going concern of the parent company, the directors of the parent company have considered the recent Palamon Transaction, the recent refinancing of the Group's external debt, and the preparation of both a base case and a severe but plausible downside case.

Events after the reporting period

Please refer to the Strategic report for details of the impact of the Covid-19 pandemic.

On 28 May 2021, the group announced that a binding share purchase agreement had been entered into for Palamon Capital Partners and the management team to acquire The Carlyle Group's shareholding. On 16 August 2021, the transaction was completed and a full refinancing of the Group's third party borrowings was finalised.

Employee engagement

The company has no employees and therefore has nothing to report in respect of employee engagement activity during the year.

Integrated Dental Holdings Limited
Directors' report
For the year ended 31 March 2020

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

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

Independent auditors

PricewaterhouseCoopers LLP have indicated their willingness to continue in office and a resolution that they be reappointed as auditors will be proposed at the annual general meeting.

On behalf of the Board



R Stora
Director

27 August 2021

Europa House
Europa Trading Estate
Stoneclough Road
Kearsley
Manchester
M26 1GG

Integrated Dental Holdings Limited
Independent auditors' report to the members of Integrated Dental Holdings Limited
For the year ended 31 March 2020

Report on the audit of the financial statements

Opinion

In our opinion, Integrated Dental Holdings Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the Balance sheet as at 31 March 2020; the Income statement for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company'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.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Integrated Dental Holdings Limited
Independent auditors' report to the members of Integrated Dental Holdings Limited
For the year ended 31 March 2020

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 March 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

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.

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 an auditors' 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Randal Casson (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester
27 August 2021

Integrated Dental Holdings Limited
Income statement
For the year ended 31 March 2020

	Note	2020 £'000	2019 £'000
Result before tax on ordinary activities		-	-
Tax on ordinary activities		-	-
Result after tax on ordinary activities for the year		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		-	-

The above income statement should be read in conjunction with the accompanying notes

Integrated Dental Holdings Limited
Balance sheet
As at 31 March 2020

	Note	2020 £'000	2019 £'000
Fixed assets			
Investments	6	10,000	10,000
Total fixed assets		<u>10,000</u>	<u>10,000</u>
Current assets			
Debtors	7	29,227	29,227
Cash at bank and in hand		891	21
Total current assets		<u>30,118</u>	<u>29,248</u>
Current liabilities			
Creditors: amounts falling due within one year	8	21,855	20,985
Total current liabilities		<u>21,855</u>	<u>20,985</u>
Net current assets		<u>8,263</u>	<u>8,263</u>
Total assets less current liabilities		<u>18,263</u>	<u>18,263</u>
Net assets		<u>18,263</u>	<u>18,263</u>
Capital and reserves			
Called up share capital	9	758	758
Capital reduction reserve	10	499	499
Merger reserve	11	6,590	6,590
Capital redemption reserve	12	525	525
Retained earnings	13	9,891	9,891
Total capital and reserves		<u>18,263</u>	<u>18,263</u>

The notes on pages 14 to 19 form an integral part of these financial statements.

Integrated Dental Holdings Limited's company number is 03147164.

These financial statements on pages 12 to 19 were approved by the board of directors on 27 August 2021 and were signed on its behalf by:



R Storah
Director

27 August 2021

The above balance sheet should be read in conjunction with the accompanying notes

Integrated Dental Holdings Limited
Notes to the financial statements
For the year ended 31 March 2020

1. Company information

The financial statements cover Integrated Dental Holdings Limited as an individual entity. The financial statements are presented in Pound sterling, which is Integrated Dental Holdings Limited's functional and presentation currency.

The company is a private company limited by shares, incorporated in the United Kingdom and domiciled in England. Its registered office is Europa House, Europa Trading Estate, Stoneclough Road, Kearsley, Manchester, M26 1GG.

The principal activity of the company is to act as an investment holding company.

The company is a member of the group of companies headed by Turnstone Equityco 1 Limited ('the group'). The principal activities of the group are the operation of dental practices and the provision of materials, services and equipment to dental practices.

2. Accounting policies

Basis of preparation

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – The Financial Reporting Standard applicable in the United Kingdom and Ireland ('FRS 102'), and with the Companies Act 2006.

The company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the company as an individual undertaking and not about its group.

These financial statements are prepared on a going concern basis, under the historical cost convention.

The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the ultimate parent company Turnstone Equityco 1 Limited. The directors have received confirmation that Turnstone Equityco 1 Limited intend to support the company for at least one year after these financial statements are signed, and therefore the going concern of the company is dependent on the going concern of the parent company. In making their assessment of the going concern of the parent company, the directors of the parent company have considered the recent Palamon Transaction, the recent refinancing of the Group's external debt, and the preparation of both a base case and a severe but plausible downside case.

A summary of the more important accounting policies, which have been applied on a consistent basis, is set out below.

Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions which have been complied with, including notification of, and no objection to, the use of the exemptions by the company's shareholders.

The company has taken advantage of the following exemptions:

- from preparing a statement of cash flows, on the basis that it is a qualifying entity and that the company's cash flows are included within the consolidated cash flow statement for the group;
- from preparing a reconciliation of the number of shares outstanding at the beginning and end of the financial year;
- from disclosing the compensation paid to the company's key management personnel; and
- from disclosing related party transactions between wholly owned entities that are part of the Turnstone Equityco 1 Limited group of companies.

Investments

Investments held as fixed assets are stated at historical purchase cost less amounts written off for impairment.

Long-term intercompany balances, which have been generated by the holding company funding the subsidiaries' acquisitions of dental practices, are treated as investments in the balance sheet.

Integrated Dental Holdings Limited
Notes to the financial statements
For the year ended 31 March 2020

2. Accounting policies (continued)

Impairment of investments

At each reporting date investments are reviewed to determine whether there is any indication that they have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected investment is estimated as the higher of its fair value less costs to sell or the value in use. This is then 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 investment 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 investment in prior years. A reversal of an impairment loss is recognised immediately in the income statement.

Financial instruments

Basic financial assets and liabilities, including trade and other receivables, trade and other payables, amounts owed to and by group undertakings and cash balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the income statement. If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the income statement.

3. Significant accounting judgements and estimates

In preparing the financial statements, the directors are required to make significant judgements and estimates. The principal areas of the financial statements where judgements and estimates have been made are:

Impairment of investments

At each reporting date investments are reviewed to determine whether there is any indication that they have suffered an impairment loss. In determining whether there is an indication of impairment a number of judgemental factors must be considered, including an estimate of the future economic benefits that can be derived from those assets and current market conditions.

Carrying value of financial assets and liabilities

At the end of each reporting period, the directors assess the carrying value of financial assets for objective evidence of impairment. In addition, where financial assets or liabilities constitute a financing arrangement, the value of the asset or liability is measured by reference to the present value of the estimated future cash flows. Both of these estimates require the future cash flows arising from the financial assets or liabilities to be estimated and an appropriate discount rate to be selected.

4. Auditors' remuneration

Auditors' remuneration of £250 in respect of the year ended 31 March 2020 has been borne by a fellow group undertaking (2019: £350).

Integrated Dental Holdings Limited
Notes to the financial statements
For the year ended 31 March 2020

5. Directors and employees

The directors received no emoluments from the company for their services during the financial year (2019: £nil). The emoluments received as a director of a group trading company are disclosed in the financial statements of Petrie Tucker and Partners Limited for C Davies, S Letters, S Melton, B Moroney, M Prasad, R Storah and N Whitley, and in the financial statements of Turnstone Equityco 1 Limited for T Riall and O Sha fi Khan.

The company has no other employees (2019: none).

6. Investments

	2020 £'000	2019 £'000
Investments at cost in subsidiary undertakings		
Investments in subsidiary undertakings	25,000	25,000
Provision against amounts owed by subsidiary undertakings	(15,000)	(15,000)
	<u>10,000</u>	<u>10,000</u>

The company owns 100% of the ordinary share capital of each of its immediate subsidiary undertakings as set out in the table below.

All of the subsidiary companies are incorporated in the United Kingdom.

In the opinion of the directors, the value of the company's investments in its subsidiaries is not less than the amount at which it is shown in the balance sheet.

Name of subsidiary	Principal activity	Domiciled in	Note
Du Toit and Burger Partnership (Harwich) Ltd	Dental practices	England	a
Du Toit and Burger Partnership (Ipswich) Ltd	Dental practices	England	a
Du Toit and Burger Partnership (Silvertown) Ltd	Dental practices	England	a
Du Toit and Burger Partnership (Stratford) Ltd	Dental practices	England	a
Du Toit and Burger Partnership (Sudbury) Ltd	Dental practices	England	a
Du Toit and Burger Partnership Limited	Dental practices	England	a
Euxton (No 1) Limited	Dental practices	England	a
Fallowfield (No 1) Limited	Dental practices	England	a
Ffolliot Bird Associates Limited	Dental practices	England	a
First Choice Dental Limited	Dental practices	England	a
Padgate (No 1) Limited	Dental practices	England	a
Petrie Tucker and Partners Limited	Dental practices	Scotland	b,c
Westhoughton (No 1) Limited	Dental practices	England	a

Notes

a. The registered address of subsidiaries domiciled in England is Europa House, Europa Trading Estate, Stoneclough Road, Kearsley, Manchester, M26 1GG.

b. The registered address of subsidiaries domiciled in Scotland is 1 Johnston Street, Paisley, Renfrewshire, PA1 1XQ.

c. Countries of operation are England, Scotland and Wales.

Integrated Dental Holdings Limited
Notes to the financial statements
For the year ended 31 March 2020

6. Investments (continued)

In addition to the limited companies listed above, the company controls the following partnerships, all of which are engaged in dental practice activities, through the appointment of members of the management team as partners, acting on behalf of the company:

Name of partnership

1 A Group Dental Practice Partnership
Ardent Dental Care Practice Partnership
Armley Dental Practice Partnership
Aspire Dental Practice Partnership
*Avante Dental Care Practice Partnership
Avondale Dental Practice Partnership
Bank House Dental Practice Partnership
*Berwick Dental Practice Partnership
Bolton and Bury Dental Practice Partnership
Brassey Avenue Dental Practice Partnership
Brinsworth Lane Dental Care Partnership
Brixton Hill Dental Practice Partnership
Broadwalk Dental Centre Partnership
Carcroft Dental Practice Partnership
Castle View House Dental Practice Partnership
*Central Dental Practice Partnership
Chequer Hall Dental Practice Partnership
Colne & Earby Dental Practice Partnership
Cottage Dental Practice Partnership
Crown Dental Practice Partnership
Dalton Dental Surgery Partnership

Effingham Square Dental Practice Partnership

Finchley Dental Care Practice Partnership
Florence House Dental Practice Partnership
Front Street Dental Practice Partnership
Green Lane Dental Practice Partnership

Hampton Court Dental Centre Partnership
Harbour Dental Practice Partnership
Haslingden Dental Surgery Partnership
Hayle Dental Practice Partnership
Heaton Road and Blakelaw Dental Practice Partnership
Henfield Dental Practice Partnership
High Street Dental Practice Partnership
Hollinwood Dental Practice Partnership
*Ingleby Meadow Dental Practice Partnership
Jefferies Reed and Associates
JF Scott Dental Surgeon Partnership
Kettering Central Dental Practice Partnership
Lambert Coutts & Associates Dental Practice Partnership
Low Fell Dental Practice Partnership
Mayo Dental Clinic Partnership
Mill Dental Practice Partnership
Mostyn House Dental Practice Partnership
Mount Folly Square Dental Practice Partnership
Narborough Road South Dental Practice Partnership
*Newcastle and Wallsend Dental Practice Partnership

Name of partnership

Red Rose Dental Group
Rhyland Abergele Elwy Dental Partnership
Ripponden Road Dental Practice Partnership
Risley Hill Dental Centre Partnership
River Wye Dental Practice Partnership
Roe Lane Family Dental Practice Partnership
Severn Street Dental Practice Partnership
Shaw Family Dental Practice Partnership
SK Dental Staines Road Dental Practice Partnership
Sneyd Green Dental Practice Partnership
South England Dental Practice Partnership
Spital Hill Dental Surgery Practice Partnership
Stanhope Road Dental Practice Partnership
The Bell Lane Practice
The Boulevard Dental Practice Partnership
The Burnby Dental Practice Partnership
The Burnham Dental Practice Partnership
The Caulfield Dental Surgery Partnership
The Church House Dental Practice Partnership
*The Cowpen and Waterloo Dental Practice Partnership
The Crab Tree Lane and Church Street Dental Practice Partnership
The Crossgates Lane and Chapeltown Road Dental Practice Partnership
The Dental Surgery Partnership
The Fairfield Dental Practice Partnership
The Gairloch House Dental Practice Partnership
The Grainger Stockton, Birtley and Stanley Dental Practice Partnership
The Haverflatts Lane Dental Practice Partnership
The Helston Dental Practice Partnership
The Kenton Park Dental Practice Partnership
The Killingworth Dental Practice Partnership
The Kings Norton Dental Practice Partnership
The Lacey Dental Practice Partnership
The Loddon Dental Practice Partnership
The London Road Dental Practice Partnership
The Lyppard Dental Centre Practice Partnership
The Marden House Dental Practice Partnership
The Peterborough Dental Practice Partnership
The Peterlee Dental Practice Partnership
The Pon Dental Surgery Dental Practice Partnership
The Sea Road Dental Practice Partnership
The Severnside Dental Practice Partnership
The Southwick and Whitburn Dental Practice Partnership
The Trevergie Dental Practice Partnership
The Warner Street Dental Practice Partnership
Tower Gardens Dental Practice Partnership
Trinity Terrace Dental Practice Partnership

Integrated Dental Holdings Limited
Notes to the financial statements
For the year ended 31 March 2020

6. Investments (continued)

Name of partnership	Name of partnership
North Marine Road Dental Practice Partnership	VI Dental Centre Partnership
Northgate Dental Health Practice Partnership	* West Lodge Dental Practice Partnership
Old Brewery Yard Dental Practice Partnership	Westbury Park Dental Practice Partnership
Picton Road Dental Practice Partnership	Whiston Village Dental Practice Partnership
Railway Road Dental Practice Partnership	Woodview Dental Health Practice Partnership

All of the above partnerships have their registered office address at: Europa House, Europa Trading Estate, Stoneclough Road, Kearsley, Manchester, M26 1GG.

**The NHS contract within this partnership has been novated into a group company on 1 April 2020 and has therefore ceased to trade from that date.*

7. Debtors

	2020	2019
	£'000	£'000
Amounts owed by group undertakings	<u>29,227</u>	<u>29,227</u>

Amounts owed by group undertakings are unsecured, are not subject to an interest charge and are repayable on demand. While the amounts owed by group undertakings are repayable on demand, it is not expected that they will be settled within 12 months.

8. Creditors: amounts falling due within one year

	2020	2019
	£'000	£'000
Amounts owed to group undertakings	<u>21,855</u>	<u>20,985</u>

Amounts owed to group undertakings are unsecured, are not subject to an interest charge and are repayable on demand.

9. Called up share capital

The allotted, called up and fully paid share capital is as follows:

	2020	2020	2019	2019
	No. of shares	£'000	No. of shares	£'000
Ordinary shares of £0.025 each	<u>30,312,384</u>	<u>758</u>	<u>30,312,384</u>	<u>758</u>

10. Capital reduction reserve

The reserve arose as a result of a capital reduction which was approved by the High Court on 21 April 2004.

11. Merger reserve

The merger reserve arose as a result of shares issued to fund the acquisition of Whitecross Group Limited on 30 October 2000.

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12. Capital redemption reserve

The capital redemption reserve is a statutory, non-distributable reserve which arose through the redemption and cancellation of the company's own shares between 1996 and 2000.

13. Retained earnings

Cumulative net gains and losses recognised in the company income statement or through equity.

14. Financial assets and liabilities

The company has the following financial instruments:

	2020 £'000	2019 £'000
Financial assets measured at amortised cost		
Amounts owed by group undertakings (note 7)	29,227	29,227
	2020 £'000	2019 £'000
Financial liabilities measured at amortised cost		
Amounts owed to group undertakings (note 8)	(21,855)	(20,985)

15. Controlling party

The immediate parent undertaking is IDH Acquisitions Limited, incorporated in the United Kingdom.

The results of the company are consolidated in the financial statements of Turnstone Equityco 1 Limited, a company incorporated in the United Kingdom.

Turnstone Midco 2 Limited is the parent undertaking of the smallest group to consolidate these financial statements. Turnstone Equityco 1 Limited is the parent undertaking of the largest group to consolidate these financial statements. The consolidated financial statements of both Turnstone Midco 2 Limited and Turnstone Equityco 1 Limited are publicly available and may be obtained from Turnstone Equityco 1 Limited, Europa House, Stoneclough Road, Kearsley, Manchester, M26 1GG.

The ultimate controlling party is considered by the directors to be CEP III Participations S.a.r.l. SICAR, an investment vehicle for The Carlyle Group. CEP III Participations S.a.r.l. SICAR is the controlling party of Turnstone Equityco 1 Limited.

16. Events after the reporting period

Please refer to the Strategic report for details of the impact of the Covid-19 pandemic.

On 16 August 2021, following the completion of the Palamon transaction, the immediate parent undertaking of Turnstone Equityco 1 Limited was ADP Primary Care Acquisitions Limited. The controlling party from 16 August 2021 is considered by the directors to be ADP Primary Care Acquisitions Limited.