ADP Ashford Ltd

Company Number 06353838

Annual report and financial statements - 31 March 2019

ADP Ashford Ltd
Contents
For the year ended 31 March 2019

ADP Ashford Ltd
Strategic report
For the year ended 31 March 2019

The directors present their Strategic report for the year ended 31 March 2019.

Principal activities

Until 31 march 2018, the principal activity of the company was the provision of dental services. On 1 April 2018, the trade, assets and liabilities of the company were transferred to IDH Limited, ADP Ashford Ltd's immediate parent undertaking, at the net book value of £193,033. Following this transaction, the company is dormant.

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 and provides 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.

Strategy and future outlook

The company is expected to remain dormant in the forthcoming year.

Financial review

The company did not trade during the year ended 31 March 2019. During the year ended 31 March 2018, the majority of the company's revenue was derived from a fixed income contract with the NHS Region.

Turnover for the year was £nil (2018: £530,225). The result before tax on ordinary activities for the year was £nil (2018: profit of £9,179). The result for the financial year was £nil (2018: profit of £11,794).

Earnings before interest, tax, depreciation and amortisation ("EBITDA") is the key indicator for the company's stakeholders. In the year EBITDA was £nil (2018: £48,863).

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.

On behalf of the Board

R Storah
Director

18 December 2019

ADP Ashford Ltd
Directors' report
For the year ended 31 March 2019

The directors present their report and the unaudited financial statements for the year ended 31 March 2019.

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	
B Moroney	
M Prasad	
R Storah	(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.

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.

ADP Ashford Ltd
Directors' report
For the year ended 31 March 2019

Audit exemption

For the year ended 31 March 2019, the company was entitled to exemption from audit under section 479A of the Companies Act 2006 as Turnstone Midco 2 Limited has provided a guarantee over all of the outstanding liabilities of the company to the company's immediate parent and sole member, IDH Limited, in accordance with section 479C of the Companies Act 2006.

On behalf of the Board

R Storah
Director

18 December 2019

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

ADP Ashford Ltd
Income statement
For the year ended 31 March 2019

	Note	2019 £	2018 £
Turnover	4	-	530,225
Cost of sales		-	(288,297)
Gross result/profit		-	241,928
Administrative expenses		-	(232,749)
Profit before tax on ordinary activities	5	-	9,179
Tax on ordinary activities	8	-	2,615
Result/profit after tax on ordinary activities for the year		-	11,794
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		-	11,794

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

ADP Ashford Ltd
Balance sheet
As at 31 March 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	9	-	214,055
Tangible assets	10	-	134,676
Total fixed assets		-	348,731
Current assets			
Stocks	11	-	8,550
Debtors	12	600,941	423,300
Total current assets		600,941	431,850
Current liabilities			
Creditors: amounts falling due within one year	13	-	176,415
Total current liabilities		-	176,415
Net current assets		600,941	255,435
Total assets less current liabilities		600,941	604,166
Non-current liabilities			
Provisions for liabilities	14	-	3,225
Total non-current liabilities		-	3,225
Net assets		600,941	600,941
Capital and reserves			
Called up share capital	15	100	100
Retained earnings	16	600,841	600,841
Total capital and reserves		600,941	600,941

The notes on pages 9 to 16 form an integral part of these financial statements.

(a) For the financial year ended 31 March 2019 the company was entitled to exemption from audit under section 479A of the Companies Act 2006.
(b) The member has not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.
(c) The directors acknowledge their responsibility for:
  i) ensuring the company keeps accounting records which comply with Section 386; and
  ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year, and of its profit or loss for the financial year in accordance with the requirements of the Companies Act relating to accounts, so far as is applicable to the company.

ADP Ashford Ltd's company number is 06353838.

These financial statements on pages 6 to 16 were approved by the board of directors on 18 December 2019 and were signed on its behalf by:

R Storah
Director

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

ADP Ashford Ltd
Statement of changes in equity
For the year ended 31 March 2019

	Called up share capital £	Retained earnings £	Total capital and reserves £
Balance at 1 April 2017	100	589,047	589,147
Result/profit after tax on ordinary activities for the year	-	11,794	11,794
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	11,794	11,794
Balance at 31 March 2018	100	600,841	600,941

	Called up share capital £	Retained earnings £	Total capital and reserves £
Balance at 1 April 2018	100	600,841	600,941
Result/profit after tax on ordinary activities for the year	-	-	-
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	-	-
Balance at 31 March 2019	100	600,841	600,941

The above statement of changes in equity should be read in conjunction with the accompanying notes

ADP Ashford Ltd
Notes to the financial statements
For the year ended 31 March 2019

1. Company information

The financial statements cover ADP Ashford Ltd as an individual entity. The financial statements are presented in Pound sterling, which is ADP Ashford Ltd'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.

Until 31 March 2018, the principal activity of the company was the provision of dental services. Following the transfer of the trade, assets and liabilities of its dentistry business to IDH Limited on 1 April 2018, the company is dormant.

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.

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

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.

Turnover

Turnover represents the income received in the ordinary course of business for dentistry goods or services provided to the extent that the company has obtained the right to consideration. NHS turnover is recognised based on the volume of dental activity delivered in the contract period. Amounts received from the NHS in advance of dental activity delivered are held on the balance sheet within deferred income. Turnover from orthodontic treatment is recognised based on the stage of the completion reached during the course of treatment.

2. Accounting policies (continued)

Taxation

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantially enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated. Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Goodwill

Purchased goodwill (representing the excess of the fair value of the consideration and associated costs over the fair value of the separable net assets acquired, including intangible assets) arising in respect of business combinations is capitalised. Positive goodwill is amortised to nil by equal annual instalments over its estimated useful life.

The company has not applied section 19 of FRS 102 to business combinations which occurred prior to the transition date of 1 April 2014, in accordance with the transitional exemption permitted under FRS 102.

Goodwill arising prior to the transition date is amortised over a useful life of 20 years. The useful lives reflect the period over which the company expects to benefit from the assets acquired.

In calculating the goodwill, the total consideration, both actual and deferred, is taken into account. Where the deferred consideration is contingent and dependent upon future trading performance, an estimate of the present value of the likely consideration payable is made. This contingent deferred consideration is re-assessed annually and corresponding adjustment is made to the goodwill arising on acquisition.

On the subsequent disposal or termination of a business acquired, the profit or loss on disposal or termination is calculated after charging the unamortised amount of any related goodwill.

Tangible assets and depreciation

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost of each asset less expected residual value over its expected useful life as follows:

Fittings and equipment	4-10 years

Where the residual value of an asset is material it is reviewed at the end of each financial year, to ensure that it has been depreciated on an appropriate basis.

Impairment of fixed assets

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

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

2. Accounting policies (continued)

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to sell. Dental practice consumables are valued at the weighted average purchase cost during the financial year. Average purchase cost is calculated to take account of trade discounts received and transport and handling costs incurred. Provision is made for obsolete, slow moving and defective stock.

Leases

Operating lease rentals are charged to the income statement on a straight line basis over the period of the lease.

Pensions

The company makes contributions to the National Employment Savings Trust ('NEST'), a defined contribution pension scheme, on behalf of its employees. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions are charged to the income statement in the period to which they relate.

Provisions

Provisions are recognised when the company has a present obligation as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

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 fixed assets

At each reporting date, fixed assets, including goodwill and tangible assets, are reviewed to determine whether there is any indication that those assets 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 the assets and current market conditions.

Income tax

The current income tax provision directly relates to the actual tax payable on the group's profits. Assumptions and judgements are made in applying tax laws to the taxable profits in any given period in order to calculate the tax charge for that year, including any deferred income tax element. Where the eventual tax paid or reclaimed is different to the amounts originally estimated, or where deferred tax estimates are revised, the difference will be charged or credited to the income statement in the period in which it is determined. See also note 8.

3. Significant accounting judgements and estimates (continued)

Useful economic lives of fixed assets

Fixed assets including goodwill and tangible assets are amortised over their useful economic lives. Useful lives are based on management's estimates of the period over which the assets will generate income. Useful lives are periodically reviewed for their continued appropriateness. Changes to estimates can result in changes in the carrying values and hence change the amounts charged to the income statement in particular periods which could be significant. More details, including carrying values, are included in notes 9 and 10.

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. Turnover

Turnover in the previous year relates to the company's principal activity of the operation of dental practices. All services are provided in the United Kingdom.

5. Result/profit before tax on ordinary activities

	2019 £	2018 £
Result/profit before tax on ordinary activities after charging:		
Depreciation - owned assets	-	17,152
Amortisation of intangible assets	-	22,532
Operating leases - land and buildings	-	23,596

6. Employees

The average monthly number of persons employed by the company (excluding directors), during the financial year was made up as follows:

	2019	2018
Surgery staff	-	6
Administration staff	-	6
Average number of employees	-	12

The aggregate payroll costs of these persons were as follows:

	2019 £	2018 £
Wages and salaries	-	143,510
Social security costs	-	7,328
Other pension costs	-	697
Total employee benefits expense	-	151,535

7. Directors' remuneration

The directors received no emoluments from the company for their services during the financial year (2018: £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, B Moroney, M Prasad, N Whitley and O Shafi Khan.

8. Tax on ordinary activities

a) Analysis of tax credit for the financial year

	2019 £	2018 £
Deferred tax		
Deferred tax credit for the year	-	(2,606)
Adjustment relating to the prior year	-	(9)
Total deferred tax credit for the year	-	(2,615)
Tax on ordinary activities	-	(2,615)

b) Factors affecting the tax credit for the financial year

The tax charge for the year is equal to (2018: lower than) the standard rate of corporation tax in the UK for the year ended 31 March 2019 of 19% (2018: 19%). The differences are explained below:

	2019 £	2018 £
Result/profit before tax on ordinary activities	-	9,179
Tax at the statutory tax rate of 19%	-	1,744
Expenses not deductible for tax purposes	-	604
Difference in tax rate - capital allowances	-	(112)
Adjustment relating to the prior year	-	(9)
Group relief claimed for nil consideration	-	(4,842)
Tax on ordinary activities	-	(2,615)

The main rate of corporation tax reduced from 20% to 19% with effect from 1 April 2017. A further reduction in the main rate of corporation tax to 17% from 1 April 2020 was substantively enacted on 15 September 2016 and the deferred tax asset has been re-measured accordingly.

9. Intangible assets

	Goodwill £
Cost	
At 1 April 2018	450,644
Transferred to fellow group undertaking	(450,644)
At 31 March 2019	-
Accumulated amortisation	
At 1 April 2018	236,589
Transferred to fellow group undertaking	(236,589)
At 31 March 2019	-
Net book value	
At 31 March 2019	1
At 31 March 2018	214,055

10. Tangible assets

	Fittings and equipment £
Cost	
At 1 April 2018	303,872
Transferred to fellow group undertaking	(303,872)
At 31 March 2019	-
Accumulated depreciation	
At 1 April 2018	169,196
Transferred to fellow group undertaking	(169,196)
At 31 March 2019	-
Net book value	
At 31 March 2019	1
At 31 March 2018	134,676

11. Stocks

	2019 £	2018 £
Dental practice consumables	-	8,550

12. Debtors

	2019 £	2018 £
Amounts owed by group undertakings	600,941	407,908
Deferred tax	-	13,076
Prepayments and accrued income	-	2,316
	600,941	423,300

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

Deferred tax

The movement on deferred tax in the financial year is analysed as follows:

	Deferred tax £
At 1 April 2018	13,076
Transferred to fellow group undertaking	(13,076)
At 31 March 2019	-

The elements of deferred taxation are as follows:

	2019 £	2018 £
Accelerated capital allowances	-	13,076

13. Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	-	8,478
Accruals and deferred income	-	167,937
	-	176,415

14. Provisions for liabilities

	Dilapidations £
At 1 April 2018	3,225
Transferred to fellow group undertaking	(3,225)
At 31 March 2019	-

Dilapidations

Provision has been made for the costs associated with contractual obligations to return the practice to its original condition at the end of the lease.

15. Called up share capital

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

	2019 No. of shares	2019 £	2018 No. of shares	2018 £
Ordinary shares of £1 each	100	100	100	100

16. Retained earnings

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

17. Commitments

The company had the following future minimum lease payments under non-cancellable operating leases at the balance sheet date are as follows:

	2019 £	2018 £
Land and buildings		
Within one year	-	23,500
Between one and five years	-	52,421
	-	75,921

18. Financial assets and liabilities

The company has the following financial instruments:

	2019 £	2018 £
Financial assets measured at amortised cost		
Amounts owed by group undertakings (note 12)	600,941	407,908

	2019 £	2018 £
Financial liabilities measured at amortised cost		
Amounts owed to group undertakings (note 13)	-	(8,478)
Accruals and deferred income (note 13)	-	(167,937)
	-	(176,415)

19. Controlling party

The immediate parent undertaking is IDH 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.