

DBG Topco Limited

Company Number: 07128317

Annual report and financial statements - 31 March 2021

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DBG Topco Limited

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DBG Topco Limited

Strategic report

For the year ended 31 March 2021

The directors present their Strategic report for the year ended 31 March 2021.

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 2021 nor during the year to 31 March 2020. 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. Routine dental treatments were stopped from 23 March 2020 and were subsequently restarted, with modifications in operating procedures, from 8 June 2020. See subsequent events section for the impact this reduction in dental activity has had on the DD division.

Strategy and future outlook

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

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.

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.

DBG Topco Limited
Strategic report
For the year ended 31 March 2021

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. New customers are subject to external credit checks using the main agencies. Credit terms are negotiated individually and subsequently monitored closely by the credit control team. The company has no significant concentration of credit risk as third party exposure is spread over a number of customers.

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

Covid-19

As dental practices reduced their purchasing of materials and equipment during the Covid-19 lockdown, the DD division utilised its skill set in sourcing key elements of PPE such as masks, gloves and aprons. While this provides part of their normal core service to dental practices, the focus switched to sourcing larger amounts of items to meet the demand for large orders from the NHS supply chain and other public authorities.

On behalf of the Board



B Goodger
Director

Date: 21 December 2021

DBG Topco Limited
Directors' report
For the year ended 31 March 2021

The directors present their report and the unaudited financial statements for the year ended 31 March 2021 (2020: audited).

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:

GP Adams
B Goodger
NK Pandya (appointed 27 November 2020)
T Riall

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

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.

Audit exemption

For the year ended 31 March 2021, 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 in accordance with section 479C of the Companies Act 2006.

On behalf of the Board



B Goodger
Director

Date: 21 December 2021

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

DBG Topco Limited
Income statement
For the year ended 31 March 2021

	Note	2021 £	2020 £
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

DBG Topco Limited
Balance sheet
As at 31 March 2021

	Note	2021 £	2020 £
Fixed assets			
Investments	6	576,240	576,240
Total fixed assets		<u>576,240</u>	<u>576,240</u>
Current assets			
Debtors	7	77,560	77,560
Total current assets		<u>77,560</u>	<u>77,560</u>
Current liabilities			
Creditors: amounts falling due within one year	8	70,560	70,560
Total current liabilities		<u>70,560</u>	<u>70,560</u>
Net current assets		<u>7,000</u>	<u>7,000</u>
Total assets less current liabilities		<u>583,240</u>	<u>583,240</u>
Net assets		<u>583,240</u>	<u>583,240</u>
Capital and reserves			
Called up share capital	9	102,106	102,106
Share premium account	10	481,134	481,134
Total capital and reserves		<u>583,240</u>	<u>583,240</u>

The notes on pages 7 to 11 form an integral part of these financial statements.

- (a) For the financial year ended 31 March 2021 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.

DBG Topco Limited's company number is 07128317.

These financial statements on pages 5 to 11 were approved by the board of directors on 21 December 2021 and were signed on its behalf by:



 B Goodger
 Director

Date: 21 December 2021

DBG Topco Limited
Notes to the financial statements
For the year ended 31 March 2021

1. Company information

The financial statements cover DBG Topco Limited as an individual entity. The financial statements are presented in Pound sterling, which is DBG Topco 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 Republic of 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.

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.

DBG Topco Limited
Notes to the financial statements
For the year ended 31 March 2021

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 amounts owed by group undertakings, borrowings and cash and bank balances, in accordance with section 11 and 12 of FRS102 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 £Nil in respect of the year ended 31 March 2021 has been borne by a fellow group undertaking (2020: £440).

DBG Topco Limited
Notes to the financial statements
For the year ended 31 March 2021

5. Directors and employees

The directors received no emoluments from the company for their services during the financial year (2020: £nil). The emoluments received as a director of a group trading company are disclosed in the financial statements of DD Products and Services Ltd (formerly Billericay Dental Supply Co. Limited) for GP Adams and B Goodger, and in the financial statements of Turnstone Equityco 1 Limited for T Riall.

The company has no other employees (2020: none).

6. Investments

£

Investments at cost and net book value in subsidiary undertakings

At 31 March 2020 and 31 March 2021

576,240

The company owns 100% of the ordinary share capital of its immediate subsidiary undertaking, DBG Acquisitions Limited.

The company owns (either directly or indirectly) 100% of the ordinary share capital of all of the companies listed 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
DBG Acquisitions Limited	Non-trading	England
DBG (UK) Limited	Healthcare goods and services	England
DBG Subsidiary Limited	Dormant	England
TAG Medical Limited	Medical equipment and testing	England

The registered office address of DBG (UK) Limited and DBG Subsidiary Limited is Europa House, Europa Trading Estate, Stoneclough Road, Kearsley, Manchester, M26 1GG.

The registered office address of DBG Acquisitions Limited and TAG Medical Limited is 6 Perry Way, Witham, England, CM8 3SX.

7. Debtors

	2021	2020
	£	£
Amounts owed by group undertakings	<u>77,560</u>	<u>77,560</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.

DBG Topco Limited
Notes to the financial statements
For the year ended 31 March 2021

8. Creditors: amounts falling due within one year

	2021 £	2020 £
Amounts owed to group undertakings	<u>70,560</u>	<u>70,560</u>

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

9. Called up share capital

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

	2021 No. of shares	2021 £	2020 No. of shares	2020 £
Ordinary shares of £1 each	<u>102,106</u>	<u>102,106</u>	<u>102,106</u>	<u>102,106</u>

10. Share premium account

The amount subscribed for share capital in excess of nominal value less any costs directly attributable to the issue of new shares.

11. Financial assets and liabilities

The company has the following financial instruments:

	2021 £	2020 £
Financial assets measured at amortised cost		
Amounts owed by group undertakings (note 7)	<u>77,560</u>	<u>77,560</u>

	2021 £	2020 £
Financial liabilities measured at amortised cost		
Amounts owed to group undertakings (note 8)	<u>(70,560)</u>	<u>(70,560)</u>

12. Controlling party

The immediate parent undertaking is Healthcare Buying Group 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.

At the 31 March 2021 and up to 16 August 2021 the ultimate controlling party was 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 was the controlling party of Turnstone Equityco 1 Limited. Following the Palamon transaction, the controlling party from 16 August 2021 is considered by the directors to be ADP Primary Care Acquisitions Limited.

DBG Topco Limited
Notes to the financial statements
For the year ended 31 March 2021

13. Events after the reporting period

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.