

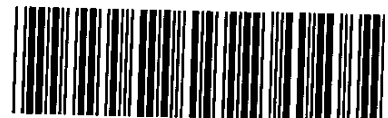
PDS Dental Laboratory Leeds Limited

Annual report and financial statements

Registered number 07198204

Year ended 31 March 2018

TUESDAY



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Strategic report for the year ended 31 March 2018

The directors present the Strategic report for the year ended 31 March 2018.

Principal activities

The principal activity of the company is the operation of a dental laboratory.

Business review

Review of the development and performance of the company

On 4 October 2018, 100% of the issued share capital of the company was acquired by Sparkle Dental Labs Limited.

During the year and until 4 October 2018 the company was 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.

Strategy and future outlook

The directors believe that the company continues to be well positioned within the group's Dental Directory division to take advantage of opportunities across the dental services market.

Financial review

The company's revenue was principally derived from the sale of crowns, bridges, dentures and other dental devices and prostheses.

Turnover for the year was £4,551,499 (period from 19 March 2016 to 31 March 2017: £5,178,177). Operating loss for the year was £533,643 (period from 19 March 2016 to 31 March 2017: £401,292). The loss for the financial year was £501,534 (period from 19 March 2016 to 31 March 2017: £370,390).

Earnings before interest, tax, depreciation and amortisation ("EBITDA") is the key indicator for the company's stakeholders. In the year EBITDA before exceptional items was a loss of £204,823 (period from 19 March 2016 to 31 March 2017: £71,796).

Principal risks and uncertainties

For the year ended 31 March 2018, and until 4 October 2018, the company's risks and uncertainties were 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, Stoneclough Road, Kearsley, Manchester, M26 1GG.

Key performance indicators

As noted above, one of the key performance indicators ("KPIs") which the directors and other stakeholders monitor is EBITDA. This is reviewed in absolute terms and in relation to budgeted and prior year comparatives.

Other KPIs used by the company include the following:

- Productivity by direct employee
- Lead times by department

The directors consider these ratios to be commercially sensitive and as a consequence details are not disclosed within this report.

Strategic report for the year ended 31 March 2018 *(continued)*

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.

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

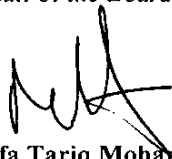
Market risk is the risk that changes in the level of market competition, or movements in foreign exchange rates will affect the company's income or costs. The company operates within markets which are subject to a high degree of competition. In addition, the cost of certain materials purchased by the company can be indirectly impacted by movements in foreign exchange rates. Both of these factors can apply pressure to the company's pricing and therefore impact margins and the ability of the company to win and retain contracts. The company principally mitigates this risk through the competitive tendering of its significant supply contracts and regular monitoring of competitor pricing.

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.

On behalf of the Board



Mustafa Tariq Mohammed

Director

28 December 2018

Directors' report for the year ended 31 March 2018

The directors present their report and the unaudited financial statements of PDS Dental Laboratory Leeds Limited for the year ended 31 March 2018.

Financial risk

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

The directors do not recommend the payment of a dividend for the year (period from 19 March 2016 to 31 March 2017: £nil).

Directors

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

M Mohammed	(appointed 5 October 2018)
S Mustafa	(appointed 5 October 2018)
J Bedford	(resigned 31 May 2018)
B Hudson	(resigned 31 December 2017)
T Riall	(appointed 31 July 2017, resigned 5 October 2018)
WHM Robson	(resigned 31 July 2017)
O Shafi Khan	(appointed 16 October 2017, resigned 5 October 2018)
A Spindler	(appointed 31 July 2017, resigned 12 October 2017)
RM Stephenson	(resigned 20 April 2018)
N Whitley	(appointed 31 July 2017, resigned 5 October 2018)

The directors benefitted from qualifying third party indemnification 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;
- 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;
- make judgements and accounting estimates that are reasonable and prudent; 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.

Directors' report for the year ended 31 March 2018

Subsequent events

On 4 October 2018, 100% of the issued share capital of the company was acquired by Sparkle Dental Labs Limited.

Audit exemption

For the year ended 31 March 2018, the company was entitled to exemption from audit under section 479A of the Companies Act 2006 as Turnstone Equityco 1 Limited has provided a guarantee over all of the outstanding liabilities of the company to the company's members and to its immediate parent, H M Logistics Limited, in accordance with section 479C of the Companies Act 2006.

On behalf of the Board



Mustafa Tariq Mohammed
Director
28 December 2018

Queens Specialist Building
Queen Street
Farnworth
Bolton
BL4 7AH

Income statement
for the year ended 31 March 2018

	<i>Note</i>	Year ended 31 March 2018	Period from 19 March 2016 to 31 March 2017
		£	£
Turnover	4	4,551,499	5,178,177
Cost of sales		(1,165,291)	(1,655,952)
Gross profit		3,386,208	3,522,225
Administrative expenses		(3,919,851)	(3,923,517)
Operating loss	5	(533,643)	(401,292)
Interest receivable and similar income	8	-	465
Interest payable and similar charges	9	(241)	(213)
Net interest (payable)/receivable		(241)	252
Loss on ordinary activities before taxation		(533,884)	(401,040)
Tax on loss on ordinary activities	10	32,350	30,650
Loss for the financial year/period		(501,534)	(370,390)

The company has no material recognised gains and losses during the current year, or previous period, other than those stated above and therefore no separate statement of total recognised gains and losses has been presented.

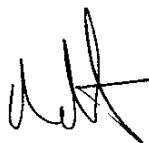
Balance sheet
at 31 March 2018

	Note	2018	2017
		£	£
Fixed assets			
Intangible assets	11	647,500	700,000
Tangible assets	12	223,139	324,346
Investments	13	1	1
		<u>870,640</u>	<u>1,024,347</u>
Current assets			
Stocks	14	238,743	319,844
Debtors	15	791,996	1,007,948
Cash at bank and in hand		146,757	197,630
		<u>1,177,496</u>	<u>1,525,422</u>
Creditors: amounts falling due within one year	16	<u>(1,826,900)</u>	<u>(1,794,675)</u>
Net current liabilities		<u>(649,404)</u>	<u>(269,253)</u>
Total assets less current liabilities		<u>221,236</u>	<u>755,094</u>
Provisions for liabilities	17	-	(32,324)
Net assets		<u>221,236</u>	<u>722,770</u>
Capital and reserves			
Called up share capital	18	1,000	1,000
Retained earnings	19	220,236	721,770
Total shareholders' funds		<u>221,236</u>	<u>722,770</u>

The notes on pages 8 to 17 form an integral part of these financial statements.

- For the financial year ended 31 March 2018, the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.
- The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.
- The directors acknowledge their responsibility for:
 - ensuring the company keeps accounting records which comply with Section 386; and
 - 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.

These financial statements on pages 5 to 17 were approved by the board of directors on December 2018 and were signed on its behalf by:



Mustafa Tariq Mohammed
Director

Statement of changes in equity
for the year ended 31 March 2018

	Called up share capital £	Retained earnings £	Total shareholders' funds £
Balance at 19 March 2016	1,000	1,092,160	1,093,160
Comprehensive expense for the period			
Loss for the financial period	-	(370,390)	(370,390)
Balance at 31 March 2017	1,000	721,770	722,770
Comprehensive expense for the year			
Loss for the financial year	-	(501,534)	(501,534)
Balance at 31 March 2018	1,000	220,236	221,236

Notes to the financial statements

1 Company information

PDS Dental Laboratory Leeds Limited (the 'company') is a private company limited by shares incorporated and domiciled in England. The address of the registered office is: Queens Specialist Building, Queen Street, Farnworth, Bolton, BL4 7AH.

The principal activity of the company is the operation of a dental laboratory.

During the year ended 31 March 2018, the company was 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

The financial statements of PDS Dental Laboratory Leeds Limited 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.

The financial statements are presented in Sterling (£).

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 relates to the company's principal activity of the sale of crowns, bridges, dentures and other dental devices and prostheses, to the extent that the company has obtained the right to the consideration. All services are provided in the United Kingdom.

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.

Notes to the financial statements *(continued)*

2 Accounting policies *(continued)*

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 which is 20 years, being the period over which the company expects to benefit from the assets acquired. The company evaluates the carrying value of goodwill when there is an indicator of impairment. When it is determined that the carrying value exceeds the recoverable amount, the excess is written off to the profit and loss account.

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	5 years
------------------------	---------

Where the residual value of an asset is material it is reviewed at the end of each financial period, 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 profit and loss account.

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 profit and loss account.

Stocks

Stocks are stated at the lower of cost and net realisable value (net realisable value is the price at which stocks can be sold after allowing for costs of realisation). Goods for resale are valued at actual cost, including the value of any trade discounts received or transport and handling costs incurred. Provision is made for obsolete, slow moving and defective stock.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Notes to the financial statements *(continued)*

2 Accounting policies *(continued)*

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, tangible assets and investments, 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 10.

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 11 and 12.

4 Turnover

Turnover arises from the sale of crowns, bridges, dentures and other dental devices or prosthesis. All services are provided in the United Kingdom.

Notes to the financial statements *(continued)*

5 Operating loss

	Year ended 31 March 2018	Period from 19 March 2016 to 31 March 2017
	£	£
<i>Operating loss is stated after charging:</i>		
Depreciation – owned assets	173,942	180,936
Amortisation of intangible assets	52,500	54,167
Operating leases – land and buildings	122,623	108,975
Exceptional items – restructuring costs	99,471	94,393

Restructuring costs

Costs incurred during the year ended 31 March 2018 and the period from 19 March 2016 to 31 March 2017 relate to the restructuring of staff and operations following the acquisition of the company by H M Logistics Limited.

6 Employees

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

	Year ended 31 March 2018	Period from 19 March 2016 to 31 March 2017
	No of employees	No of employees
Sales and administration	32	36
Engineering and training	67	87
	99	123

The aggregate payroll costs of these persons were as follows:

	Year ended 31 March 2018	Period from 19 March 2016 to 31 March 2017
	£	£
Wages and salaries	2,539,380	2,643,766
Social security costs	232,527	236,940
Other pension costs	14,505	16,521
	2,786,412	2,897,227

Notes to the financial statements *(continued)*

7 Directors' remuneration

	Year ended 31 March 2018	Period from 19 March 2016 to 31 March 2017
	£	£
Directors' emoluments	101,400	135,000
Benefits in kind	17,637	465
Contributions to defined contribution pension scheme	393	1,192
Compensation for loss of office	65,250	-
	<u>184,680</u>	<u>136,657</u>

One director accrued retirement benefits under defined contribution pension arrangements during the year ended 31 March 2018 (period from 19 March 2016 to 31 March 2017: one).

J Bedford, T Riall, WHM Robson, O Shafi Khan, A Spindler, RM Stephenson and N Whitley received no emoluments from the company for their services during the financial year (period 19 March 2016 to 31 March 2017: £nil). The emoluments received as a director of a group holding company are disclosed in the financial statements of Turnstone Equityco 1 Limited for T Riall, WHM Robson and O Shafi Khan, and in the financial statements of Petrie Tucker and Partners Limited for A Spindler and N Whitley. The emoluments received as a director of a group trading company are disclosed in the financial statements of Billericay Dental Supply Company Limited for RM Stephenson.

8 Interest receivable and similar income

	Year ended 31 March 2018	Period from 19 March 2016 to 31 March 2017
	£	£
Bank interest	-	465
	<u>-</u>	<u>465</u>

9 Interest payable and similar charges

	Year ended 31 March 2018	Period from 19 March 2016 to 31 March 2017
	£	£
Bank interest payable	241	213
	<u>241</u>	<u>213</u>

Notes to the financial statements *(continued)*

10 Tax on loss on ordinary activities

a) Analysis of tax credit for the financial year/period

	Year ended 31 March 2018	Period from 19 March 2016 to 31 March 2017
	£	£
Current tax		
Adjustment relating to the prior period	-	(6,294)
Total current tax credit for the year/period	-	(6,294)
Deferred tax		
Deferred tax credit for the year/period	(29,437)	(27,684)
Adjustment relating to the prior period	(2,913)	6,858
Impact of change in tax rate	-	(3,530)
Total deferred tax credit for the year/period	(32,350)	(24,356)
Tax on loss on ordinary activities	(32,350)	(30,650)

b) Factors affecting the tax charge for the financial year/period

The tax charge for the year is higher (period from 19 March 2016 to 31 March 2017: higher) than the standard rate of corporation tax in the UK for the year ended 31 March 2018 of 19% (period from 19 March 2016 to 31 March 2017: 20%). The differences are explained below:

	Year ended 31 March 2018	Period from 19 March 2016 to 31 March 2017
	£	£
Loss on ordinary activities before taxation	(533,884)	(401,040)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (period from 19 March 2016 to 31 March 2017: 20%)	(101,438)	(80,208)
<i>Effects of:</i>		
Expenses not deductible for tax purposes	16,943	17,734
Difference in tax rate – capital allowances	(738)	4,030
Adjustment relating to the prior period	(2,913)	564
Impact of change in tax rate	-	(3,530)
Group relief surrendered for nil consideration	55,796	30,760
Tax on loss on ordinary activities	(32,350)	(30,650)

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.

Notes to the financial statements *(continued)*

11 Intangible fixed assets

	Goodwill £
<i>Cost</i>	
At 1 April 2017 and 31 March 2018	1,050,000
	<hr/>
<i>Accumulated amortisation</i>	
At 1 April 2017	350,000
Charge for the year	52,500
	<hr/>
At 31 March 2018	402,500
	<hr/>
<i>Net book value</i>	
At 31 March 2018	647,500
	<hr/>
At 31 March 2017	700,000
	<hr/>

12 Tangible fixed assets

	Fittings and equipment £
<i>Cost</i>	
At 1 April 2017	741,929
Additions	72,735
	<hr/>
At 31 March 2018	814,664
	<hr/>
<i>Accumulated depreciation</i>	
At 1 April 2017	417,583
Charge for the year	173,942
	<hr/>
At 31 March 2018	591,525
	<hr/>
<i>Net book value</i>	
At 31 March 2018	223,139
	<hr/>
At 31 March 2017	324,346
	<hr/>

Notes to the financial statements *(continued)*

13 Investments

The company owns 100% of the ordinary share capital of its immediate subsidiary, A-List Dentistry Limited, incorporated in England. The principal activity of A-List Dentistry Limited is the operation of dental practices and the provision of materials, services and equipment to dental practices. The cost and book value of its investment at 31 March 2017 is £1. The registered office address of A-List Dentistry Limited is Queens Specialist Building, Queen Street, Farnworth, Bolton, BL4 7AH.

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

14 Stocks

	2018 £	2017 £
Goods for resale	<u>238,743</u>	<u>319,844</u>

15 Debtors

	2018 £	2017 £
Trade debtors	-	685,133
Amounts owed by group undertakings	315,639	291,685
Other debtors	432,928	-
Prepayments and accrued income	43,403	31,130
Deferred tax (note 17)	26	-
	<u>791,996</u>	<u>1,007,948</u>

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

16 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	-	416,418
Amounts owed to group undertakings	1,549,906	1,241,144
Other creditors	165,784	2,515
Corporation tax	-	20,352
Other taxation and social security	46,339	65,755
Accruals and deferred income	64,871	48,491
	<u>1,826,900</u>	<u>1,794,675</u>

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

Notes to the financial statements *(continued)*

17 Provisions for liabilities

	Deferred tax £
At 1 April 2017	32,324
Accelerated capital allowances	(29,437)
Adjustment relating to the prior period	(2,913)
Transferred to debtors (note 15)	26
	<hr/>
At 31 March 2018	-
	<hr/>

Deferred tax (asset)/provision

The elements of deferred taxation are as follows:

	2018 £	2017 £
Accelerated capital allowances	(26)	32,324
	<hr/>	<hr/>

18 Called up share capital

	2018 £	2017 £
<i>Allotted, called up and fully paid</i>		
1,000 ordinary shares of £1 each	1,000	1,000
	<hr/>	<hr/>

19 Reserves

The following describes the nature and purpose of each reserve within shareholders' funds:

Retained earnings

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

20 Financial assets and liabilities

The company has the following financial instruments:

	Note	2018 £	2017 £
Financial assets measured at amortised cost			
Trade debtors	15	-	685,133
Amounts owed by group undertakings	15	315,639	291,685
Other debtors	15	432,928	-
		<hr/>	<hr/>
		748,567	976,818
		<hr/>	<hr/>
Financial liabilities measured at amortised cost			
Trade creditors	16	-	(416,418)
Amounts owed to group undertakings	16	(1,549,906)	(1,241,144)
Other creditors	16	(165,784)	(2,515)
		<hr/>	<hr/>
		(1,715,690)	(1,660,077)
		<hr/>	<hr/>

Notes to the financial statements *(continued)*

21 Controlling party

On 4 October 2018, 100% of the issued share capital of the company was acquired by Sparkle Dental Labs Limited, a company incorporated in England. From this date onwards, the ultimate controlling party is considered to be Mr M Mohammed, a director of the company.

Until 4 October 2018, the immediate parent undertaking was H M Logistics Limited, incorporated in England.

Until 4 October 2018, the results of the company were consolidated in the financial statements of Turnstone Equityco 1 Limited, a company incorporated in England.

Turnstone Midco 2 Limited was the parent undertaking of the smallest group to consolidate these financial statements. Turnstone Equityco 1 Limited was 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.

Until 4 October 2018 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 is the controlling party of Turnstone Equityco 1 Limited.