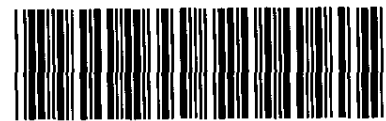


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Registration number: 05947797

SOUTHERN DENTAL LIMITED
ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2017

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SOUTHERN DENTAL LIMITED

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COMPANY INFORMATION

Directors

P Keegans
R Rattan
G Grant
R Ingham
S Cowley
J Lacerda Angelo

Registered Office

Staverton Court
Staverton
Cheltenham
Gloucestershire
GL51 0UX

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
The Portland Building
25 High Street
Crawley
West Sussex
RH10 1BG

Bankers

Santander UK plc
100 Ludgate Hill
London
EC4M 7RE

SOUTHERN DENTAL LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2017

The directors present their business review for the year ended 31 March 2017.

Business strategy

Southern Dental Limited owns and manages a chain of dental practices in the UK, focussed primarily in the south of England. The Group's practices offer a mixture of NHS and private treatment to patients. There were no acquisitions in the year to 31 March 2017 (2016: none) as management concentrated on integrating businesses acquired in previous years. The overall revenue mix of 77% NHS and 23% private in the year to 31 March 2017 is consistent with that achieved in the prior year.

Business review

Group operating loss £1,166,000 (2016: profit of £72,000) reflects the impact of total depreciation, loss on disposal of fixed assets, amortisation and impairment charges of £6,929,000 (2016: £7,368,000) and exceptional transaction related charges of £376,000 (2016: £nil).

EBITDA (pre-exceptional charges) of £6,139,000 (2016: £7,440,000) represents a decrease of £1,301,000 over the prior year. This reduction comes against a backdrop of an increase in revenue of 1.9% and reflects the impact of a fall in gross margin of 1.8% and continued investment in the Group's central infrastructure. The decline in gross margin was largely a function of increased use of locum dentists during the year (locum fees increased year on year by £1,399,000) whilst the increase in central costs was driven by headcount and clinical compliance (payroll and compliance costs were a combined £1,009,000 ahead of prior year).

At 31 March 2017 the Group reported net liabilities of £2,481,000 (2016: net assets of £603,000). Current liabilities includes £44,548,000 (2016: £42,374,000) due to the Group's immediate parent company in respect of the intra-group financing structure. Following the acquisition of the Group by Jacobs Holding AG ("Jacobs") on 21 April 2017 all bank and third party debt owing by the Group's parent companies was repaid, providing the Group with a committed and stable capital structure.

Future developments

The Group was acquired by Jacobs on 21 April 2017. The acquisition was accompanied by the introduction of a new management team to the business, this management team comes with significant experience of the dental market. Jacobs is committed to the development of a world class pan-European dental business, and Southern Dental is a key part of that development. The acquisition business plan includes significant development in both the existing Southern Dental business (in terms of infrastructure, clinicians and support staff) and in growing the Group through a return to acquisition.

NHS commitment

Southern Dental is committed to being one of the major providers of NHS and private / independent dentistry in the UK. Our strategy is to provide care to all patients by increasing access to services and reducing health inequalities. This will be achieved by delivering high quality dental care via a strong clinical team who always put the patient's wellbeing in focus.

Additional services

We continue to be the primary choice for our patients in the UK and continue to work closely with the NHS commissioning bodies to increase access for our patients through our practices.

We offer the whole range of dental treatments including implants, orthodontics, endodontics, periodontics, sedations, domiciliary, and minor oral surgery on behalf of the NHS.

Investing in quality and compliance

The Group continued to work closely with the Care Quality Commission ('CQC') and NHS England during the year to make sure that we are providing dentistry to a standard defined as "Best Practice". This requires constant improvements to processes and procedures, training of clinical staff and support staff and the upgrading of surgeries, equipment and decontamination rooms.

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2017 (CONTINUED)**

Investing in quality and compliance (continued)

We have a continuous programme of investing in our practices for compliance but also providing high quality dental care in superb facilities. We have shown good levels of compliance with Care Quality Commission standards. We have ensured that the processes and procedures are applied across all our practices to ensure the level of compliance and quality in order to maintain high quality dentistry being delivered in a safe environment.

We value the opinion of our patients and workforce and by listening to them we continue to tailor services for our patients needs but at the same time offering our personnel a great place to work.

Principal risks and uncertainties

Regulatory risks

The Group operates in a regulatory environment that encompasses health and safety, quality of care, the storage and distribution of controlled drugs and medicines, the disposal of hazardous waste and data protection. The Group's dental practices are subject to regular review by the Care Quality Commission ("CQC") and could be closed if compliance with CQC guidelines cannot be demonstrated. The Group is able to respond to and comply with regulatory changes through its dedicated clinical compliance team.

Availability of clinicians and qualified staff

The Group requires qualified clinicians, hygienists and nurses in order to care for its patient base. The availability of clinicians and qualified staff, particularly from the UK and Europe is critical to enable the Group to satisfy patient demand and to fulfil NHS contracts. The Group seeks to manage the risk associated with clinician recruitment and retention through offering attractive reward structures, access to training and development programmes and clinical support and mentoring. The decision to withdraw from membership of the EU may impact upon the supply of clinicians from the EU and the Board continue to monitor the situation closely.

NHS England contracts

The Group derives approximately 77% of its revenue from NHS England contracts. These contracts require the Group to deliver at least 96% of the contracted UDA's to prevent breach. Under the terms of the contracts repeated breaches of a contract can lead to that contract being withdrawn. The Board monitor contract delivery closely to ensure that targets are met, and appropriate resource is provided to ensure delivery.

The NHS is currently trialling prototypes of a revised contract, designed to increase the focus on disease prevention rather than treatment delivery. The Board is monitoring the progress of this work to ensure that the Group is properly equipped to adapt to contract changes as and when they are introduced.

Key performance indicators

Key performance indicators (KPIs) include:

EBITDA (Earnings before interest, tax, depreciation, amortisation) on normalised earnings.
Staff retention percentages.
Dentist retention percentages.
NHS activity performance against contract.

The directors consider these ratios to be commercially sensitive. As a consequence of this sensitivity, the ratios are not published in this report.

This Strategic Report was approved by the Board on 22 December 2017. On behalf of the Board



Gregor Grant
Director
22 December 2017

SOUTHERN DENTAL LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2017

The directors present their report and consolidated audited financial statements of Southern Dental Limited ('the Company') for the year ended 31 March 2017.

Principal activity

The principal activity of the Company during the year was to act as a holding company. The principal activity of the group of companies owned by Southern Dental Limited ('the Group') is the operation of dental practices.

The Group provides a range of NHS and private dental services from practices located in the South of England.

Future developments

Details of the Group's future developments are provided in the Strategic Report on page 3.

Dividends

There were no dividends paid in the year under review (2016: £nil).

Results

The loss for the financial year was £3,084,000 (2016: loss of £1,658,000). This loss is after charging depreciation, loss on disposal of assets, amortisation and impairment charges of £6,929,000 (2016: £7,368,000), transaction related exceptional costs of £376,000 and net finance costs of £2,166,000 (2016: £2,129,000). Further details of the Group's financial performance during the year are provided in the Strategic Report.

Post balance sheet events

On 21 April 2017 the Southern Dental Group was acquired by Jacobs as part of Jacobs' strategy to build a world class pan European dental business. Jacobs is a global professional investment firm whose sole economic beneficiary is the Jacobs Foundation, one of the world's leading charitable foundations dedicated to child and youth development.

Directors

The directors who held office during the year and up to the date of signing the financial statements, unless otherwise stated, were:

P Keegans (Appointed 21 April 2017)
R Rattan (Appointed 21 April 2017)
G Grant (Appointed 21 April 2017)
R Ingham (Appointed 21 April 2017)
S Cowley (Appointed 21 April 2017)
J Lacerda Angelo (Appointed 21 April 2017)

Dr M Eyrumlu (DDS) (Resigned 21 April 2017)
Dr A Eyrumlu (DDS) (Resigned 21 April 2017)
Dr H Shakir (DDS) (Resigned 21 April 2017)

Employees

Southern Dental Limited is grateful to have a great team of high quality and hardworking dentists, hygienists, nurses, receptionists, managers and support staff.

During the course of the year the Company has provided information on the development of the business and its financial performance through a number of mechanisms, including regular practice manager meetings and the group wide intranet.

We continue to engage with our dentists and other clinical staff by providing them induction, audits, hands on training and through continuing professional development to ensure quality of our services. By providing our practice with a strong and robust support structure this will enable our dentists and other clinical staff to do what they do best - providing high quality dental care at all times.

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2017 (CONTINUED)**

Employees (continued)

All practical arrangements are made to accommodate disabled persons into employment. Should an employee become disabled whilst in the Company's employment every effort is taken to retain and/or transfer to alternative jobs as appropriate. All employees, regardless of disabilities are eligible for appropriate training, career development and promotion opportunities.

Going concern

The directors believe that preparing the financial statements on a going concern basis is appropriate. As at the statement of financial position date the Group was financed by term loans and revolving loan facilities provided by its bankers which were subject to covenants tested on a quarterly basis. Following the acquisition of the Group on 21 April 2017 by Jacobs all third party debt was repaid, with the acquisition of the Group and the repayment of its borrowings being funded wholly from Jacobs Group internal resources. As at the date of approval of the annual report Colosseum Dental Group AS (an intermediate holding company) has re-financed the acquisition debt with a third party provider. The directors have considered the cash flow forecasts of the Group for a period of 12 months from the date of approval of the financial statements and have received assurance from Colosseum Dental Group AS that they will not seek repayment of the intra-group funding provided. On this basis, the directors have concluded that they have a reasonable expectation that the Group will continue in operational existence for the foreseeable future and therefore continue to apply the going concern basis in the preparation of the annual financial statements.

Financial instruments

Objectives and policies

The Group finances its operations largely through intra-group lending.

The Group and its parent companies in turn use various financial instruments in the form of cash, third party bank debt and other items, such as trade receivables and trade payables that arise directly from its operations. The main purpose of these financial instruments is to fund the Group's operations.

The existence of these financial instruments exposes the Group to a number of financial risks. The main risks arising from the Group's financial instruments are liquidity risk, interest rate risk and credit risk. The directors review and agree policies for managing each of these risks.

The Group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash safely and profitably. Short-term flexibility is achieved by use of overdraft facilities.

Interest rate risk is managed by the use of interest rate SWAP's to fix the wider Group's interest rate on bank borrowings.

Credit risk is the risk of financial loss to the Group if a customer fails to meet its contractual obligations. The nature of the Group's contracts with NHS England means that credit risk is minimised for a significant proportion of the Group's revenue. The patient's contribution to NHS charges is usually collected before treatment in order to minimise risk to the Group. Payment is also requested in advance for major courses of private treatment.

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2017 (Continued)**

Statement of directors' responsibilities in respect of the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group and company 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 group and company and of the profit or loss of the group and 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 group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to the auditors

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the Group and Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Group and Company's auditors are aware of that information.

Appointment of auditors

A resolution to reappoint PricewaterhouseCoopers LLP as the Company's auditors will be proposed at the next annual general meeting.

This report was approved by the board on 22 December 2017.

On behalf of the Board:



Gregor Grant
Director
22 December 2017

Independent auditors' report to the members of Southern Dental Limited

Report on the financial statements

Our opinion

In our opinion, Southern Dental Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 March 2017 and of the group's loss and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The financial statements, included within the Annual Report, comprise:

- the consolidated statement of financial position and company statement of financial position as at 31 March 2017;
- the consolidated income statement and consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of cash flows for the year then ended;
- the consolidated statement of changes in equity and company statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the group, the company and their environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors' Report. We have nothing to report in this respect.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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
- the company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Independent auditors' report to the members of Southern Dental Limited (continued)

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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.

What an audit of financial statements involves

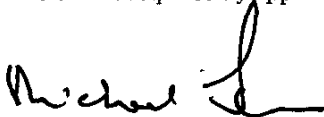
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the group's and the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Strategic Report and Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.



Michael Jones (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Gatwick
22 December 2017

**CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2017**

		Year ended 31 March 2017 £'000	Year ended 31 March 2016 £'000
	Note		
Revenue	2	48,608	47,705
Cost of sales		(25,296)	(23,985)
Gross profit		23,312	23,720
Administrative expenses:			
Before exceptional expenses		(24,228)	(23,821)
Exceptional administrative expenses		(376)	-
Total administrative expenses		(24,604)	(23,821)
Other operating income		126	173
Operating (loss) / profit	3	(1,166)	72
Finance income	6	30	21
Finance costs	7	(2,196)	(2,150)
Net interest expense		(2,166)	(2,129)
Loss before taxation		(3,332)	(2,057)
Tax on loss	8	248	399
Loss for the financial year		(3,084)	(1,658)

The Company has elected to take the exemption under section 408 of The Companies Act 2006 not to present a Company Income Statement.

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2017**

	Year ended 31 March 2017 £'000	Year ended 31 March 2016 £'000
Loss for the financial year	(3,084)	(1,658)
Total comprehensive expense for the year	(3,084)	(1,658)

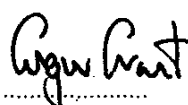
SOUTHERN DENTAL LIMITED

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2017**

	Note	31 March 2017 £'000	31 March 2016 £'000
Non-current assets			
Intangible assets	9	25,758	31,129
Property, plant and equipment	10	4,705	5,426
Deferred taxation	17	346	98
		30,809	36,653
Current assets			
Inventories	12	316	328
Trade and other receivables	13	19,185	10,304
Cash at bank and in hand		974	5,363
		20,475	15,995
Trade and other payables: amounts falling due within one year	14	(53,750)	(52,042)
Net current liabilities		(33,275)	(36,047)
Total assets less current liabilities		(2,466)	606
Trade and other payables: amounts falling due after more than one year	15	(15)	(3)
Net (liabilities) / assets		(2,481)	603
Equity			
Called up share capital	18	2	2
Share premium reserve		3,958	3,958
Capital distribution account		(1,409)	(1,409)
Other reserves		296	296
Accumulated losses		(5,328)	(2,244)
Total equity		(2,481)	603

The notes form an integral part of these financial statements.

The Group financial statements on pages 10 to 34 were approved by the Board of Directors on 22 December 2017 and signed on its behalf by:



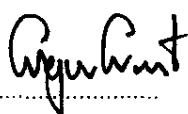
Gregor Grant
 Director

**COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2017**

		31 March 2017 £'000	31 March 2016 £'000
Non-current assets	Note		
Intangible assets	9	147	79
Property, plant and equipment	10	345	478
Investments	11	10,073	10,073
Deferred taxation	17	15	-
		10,580	10,630
Current assets			
Inventories	12	-	-
Trade and other receivables	13	16,811	10,243
Cash at bank and in hand		415	3,678
		17,226	13,921
Trade and other payables: amounts falling due within one year	14	(55,842)	(45,352)
Net current liabilities		(38,616)	(31,431)
Total assets less current liabilities		(28,036)	(20,801)
Trade and other payables: amounts falling due after more than one year	15	(15)	(3)
Deferred taxation	17	-	(24)
Net liabilities		(28,051)	(20,828)
Equity			
Called up share capital	18	2	2
Share premium account		3,958	3,958
Other reserves		296	296
Accumulated losses		(32,307)	(25,084)
Total equity		(28,051)	(20,828)

The notes form an integral part of these financial statements.

The Group financial statements on pages 10 to 34 were approved by the Board of Directors on 22 December 2017 and signed on its behalf by:



Gregor Grant
Director

SOUTHERN DENTAL LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2017**

	Called up share capital £'000	Share Premium account £'000	Capital distribution account £'000	Other reserves £'000	Accumulated losses £'000	Total equity £'000
Balance as at 1 April 2015	2	3,958	(1,409)	296	(586)	2,261
Loss for the financial year	-	-	-	-	(1,658)	(1,658)
Total comprehensive expense for the year	-	-	-	-	(1,658)	(1,658)
Balance as at 31 March 2016	2	3,958	(1,409)	296	(2,244)	603
Loss for the financial year	-	-	-	-	(3,084)	(3,084)
Total comprehensive expense for the year	-	-	-	-	(3,084)	(3,084)
Balance as at 31 March 2017	2	3,958	(1,409)	296	(5,328)	(2,481)

SOUTHERN DENTAL LIMITED**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2017**

	Called up share capital £'000	Share Premium account £'000	Capital distribution account £'000	Other reserves £'000	Accumulated losses £'000	Total equity £'000
Balance as at 1 April 2015	2	3,958	-	296	(17,798)	(13,542)
Loss for the financial year	-	-	-	-	(7,286)	(7,286)
Total comprehensive expense for the year	-	-	-	-	(7,286)	(7,286)
Balance as at 31 March 2016	2	3,958	-	296	(25,084)	(20,828)
Loss for the financial year	-	-	-	-	(7,223)	(7,223)
Total comprehensive expense for the year	-	-	-	-	(7,223)	(7,223)
Balance as at 31 March 2017	2	3,958	-	296	(32,307)	(28,051)

SOUTHERN DENTAL LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2017**

	Year ended 31 March 2017 £'000	Year ended 31 March 2016 £'000
Cash flow from operating activities		
Operating (loss) / profit	(1,166)	72
Depreciation, amortisation and impairment charges	6,884	7,368
Loss on disposal of fixed assets	45	-
Decrease / (increase) in inventories	12	(124)
Decrease in receivables	782	294
(Decrease) / increase in payables	(476)	2,930
Net cash from operating activities	6,081	10,540
Taxation recovered / (paid)	18	(77)
Net cash generated from operating activities	6,099	10,463
Cash flow from investing activities		
Interest received	30	21
Purchase of property, plant and equipment	(691)	(1,135)
Purchase of intangibles - computer software	(122)	(74)
Purchase of subsidiary, net of cash acquired	-	(569)
(Payment out)/Deferred consideration	-	(547)
Net cash used in investing activities	(783)	(2,304)
Cash flow from financing activities		
Finance charges	-	(58)
Hire purchase creditor and finance lease interest	(22)	(13)
Decrease in intercompany loans in the year	(9,589)	(6,402)
Repayment of capital element of finance lease contracts	(21)	(82)
Increase in directors' current account	(73)	(579)
Net cash used in financing activities	(9,705)	(7,134)
Net (decrease) / increase in cash and cash equivalents	(4,389)	1,025
Cash and cash equivalents at the beginning of the year	5,363	4,338
Cash and cash equivalents at the end of the year	974	5,363
Cash and cash equivalents consists of:		
Cash at bank and in hand	974	5,363
Cash and cash equivalents	974	5,363

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

1 Accounting policies

General information

Southern Dental Limited ("The Company") is a private company limited by shares and is incorporated in England. The address of the registered office is, Staverton Court, Staverton, Cheltenham, Gloucestershire, GL51 0UX.

Southern Dental Limited owns and manages a chain of dental practices in the UK, focussed primarily in the south of England. The Group's practices offer a mixture of NHS and private treatment to patients.

Statement of compliance

The consolidated and individual financial statements of Southern Dental Limited have been prepared in compliance with United Kingdom Accounting Standards, including FRS 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' (FRS 102) and the Companies Act 2006.

Basis of preparation

The principal accounting policies applied in the preparation of these consolidated and separate financial statements are set out below. Accounting policies have been applied consistently across the Group, unless otherwise stated.

These consolidated financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value. The preparation of financial statements requires the use of certain critical account estimates. It also requires management to exercise its judgement in the process of applying the Group accounting policies.

The Company has taken advantage of the exemption in section 408 of the Companies Act from presenting an individual income statement.

Basis of consolidation

The Group consolidated financial statements include the financial statements of the Company and all of its subsidiary undertakings.

A subsidiary is an entity controlled by the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Where the group owns less than 50% of the voting powers of an entity but controls the entity by virtue of an agreement with other investors which give it control of the financial and operating policies of the entity it accounts for that entity as a subsidiary.

All intra-Group transactions, balances, income and expenses are eliminated on consolidation. Adjustments are made to eliminate the profit or loss arising on transactions with associates to the extent of the Group's interest in the entity.

Going concern

At 31 March 2017, the Group has net current liabilities of £33,275,000 (2016: £36,047,000) after taking into account Group payables of £44,548,000 (2016: £42,374,000). At 31 March 2017 the Group and Company were financed through intercompany borrowings from the Group's immediate parent company Tempire Investments Limited. Tempire Investments and its parent companies were in turn financed through term loans and revolving facilities provided by the Group's bankers. Following the acquisition of the Group by Jacobs on 21 April 2017 all bank and third party debt was repaid, with the acquisition and re-financing funded entirely through Jacobs internal resources. As at the date of approval of the annual report Colosseum Dental Group AS (an intermediate holding company) has re-financed the acquisition debt with a third party provider.

The directors have considered the working capital generation of the Group for a period of 12 months from the date of approval of the financial statements and have received assurances from Colosseum Dental Group AS that they will not seek repayment of the intra-group funding provided. On this basis, the directors have concluded that they have a reasonable expectation that the Group will continue in operational existence for the foreseeable future and therefore continue to apply the going concern basis in the preparation of the annual financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017 (CONTINUED)**

1 Accounting policies (continued)

Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, if certain conditions, have been complied with, including notification of and no objection to, the use of exemptions by the Company's shareholders. A qualifying entity is defined as a member of a group that prepares publicly available financial statements, which give a true and fair view, in which that member is consolidated.

As a qualifying entity, the Company has taken advantage of the following exemptions in its separate financial statements:

- i) from the requirement to present a reconciliation of the number of shares outstanding at the beginning and end of the year as required by paragraph 4.12(a)(iv) of FRS 102;
- ii) from the requirement to disclose the key management personnel compensation in total as required by paragraph 33.7 of FRS 102; and
- iii) Certain financial instrument disclosures providing equivalent disclosures are included in the consolidated financial statements of the group in which the entity is consolidated. (FRS 102 para 11.39 – 11.48A, 12.26 – 12.29).

Revenue

Revenue represents the fair value of consideration received or receivable in the ordinary course of business for dentistry goods or services provided to the extent that the Group has obtained the right to consideration. Revenue derived from NHS contracts is recognised on the volume of dental activity delivered in the financial year. Revenue from all private dental work is recognised on the completion of each piece of treatment carried out.

Employee benefits

The Group provides a range of benefits to employees, including paid holiday arrangements, share based payments and defined contribution pension plans.

i) Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits are recognised as an expense in the year in which the service is received.

ii) Defined contribution pension plans

The Group operates a defined contribution pension scheme. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the statement of financial position. The assets of the plan are held separately from the Group in independently administered funds.

iii) Annual bonus plans

The Group operates a number of annual bonus plans for certain employees. An expense is recognised in the income statement when the Group has a legal or constructive obligation to make payment under the plans as a result of past events and a reliable estimation of the obligation can be made.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017 (CONTINUED)**

1 Accounting policies (continued)

Taxation

Taxation expense/(income) for the year comprises current and deferred tax recognised in the reporting year. Tax is recognised in the consolidated income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

i) Current tax

Current tax is the amount of income tax payable/(receivable) in respect of the taxable profit/(loss) for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the year end.

ii) Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in years different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

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

Business combinations and goodwill

Business combinations are accounted for by applying the purchase method.

The cost of a business combination is the fair value of the consideration given, liabilities incurred or assumed and of equity instruments issued plus the costs directly attributable to the business combination. Where control is achieved in stages the cost is the consideration at the date of each transaction.

On acquisition of a business, fair values are attributed to the identifiable assets, liabilities and contingent liabilities unless the fair value cannot be measured reliably, in which case the value is incorporated in goodwill. Where the fair value of contingent liabilities cannot be reliably measured, they are disclosed on the same basis as other contingent liabilities.

Goodwill recognised represents the excess of the fair value and directly attributable costs of the purchase consideration over the fair values to the group's interest in the identifiable net assets, liabilities and contingent liabilities acquired.

On acquisition, goodwill is allocated to cash-generating units ('CGU's') that are expected to benefit from the combination.

Goodwill is amortised over its expected useful life. Where the Group is unable to make a reliable estimate of useful life, goodwill is amortised over a period not exceeding 10 years. Goodwill is assessed for impairment when there are indicators of impairment and any impairment is charged to the income statement. Reversals of impairment are recognised when the reasons for the impairment no longer apply.

SOUTHERN DENTAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017 (CONTINUED)

1 Accounting policies (continued)

Intangible fixed assets

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated, using the straight-line method, to allocate the depreciable amount of the assets to their residual values over their estimated useful lives, as follows:

Computer software – 3 to 5 years

Amortisation is charged to administrative expenses in the income statement.

Where factors, such as technological advancement or changes in market price indicate that residual value or useful life have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances.

The assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired.

Costs associated with maintaining computer software are recognised as an expense as incurred.

Property, plant and equipment

Property, plant and equipment are recorded at their purchase price together with any incidental costs of provision less depreciation and where applicable impairment charges. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use.

Depreciation is provided on property, plant and equipment so as to write off the cost or valuation, less any estimated residual value, over their expected useful life as follows:

Short leasehold improvements	Straight line over the life of the lease
Plant and machinery	Straight line over a period of 5-10 years
Fixtures and fittings	Straight line over a period of 10 years
Office equipment	Straight line over a period of 5 years
Motor vehicles	25% reducing balance

Repairs, maintenance and minor inspection costs are expensed as incurred.

Property, plant and equipment are de-recognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the consolidated income statement.

Leased assets

At inception, the company assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

i) Finance leased assets

Leases of assets that transfer substantially all the risks and rewards incidental to ownership are classified as finance leases.

Finance leases are capitalised at commencement of the lease as assets at the fair value of the leased asset or, if lower, the present value of the minimum lease payments calculated using the interest rate implicit in the lease.

Where the implicit rate cannot be determined the Group's incremental borrowing rate is used. Incremental direct costs, incurred in negotiating and arranging the lease, are included in the cost of the asset.

The capital element of lease obligations is recorded as a liability on inception of the arrangement. Lease payments are apportioned between capital repayment and finance charge, using the effective interest rate method, to produce a constant rate of charge on the balance of the capital repayments outstanding.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017 (CONTINUED)**

1 Accounting policies (continued)

Leased assets (continued)

Assets held under hire purchase agreements are capitalised as tangible fixed assets and are depreciated over their useful economic lives. The capital element of future finance payments is included within payables. Finance charges are allocated to accounting periods over the length of the contract and represent a constant proportion of the balance of capital repayments outstanding.

ii) Operating leased assets

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

iii) Lease incentives

Incentives received to enter into a finance lease reduce the fair value of the asset and are included in the calculation of present value of minimum lease payments.

Incentives received to enter into an operating lease are credited to the income statement, to reduce the lease expense, on a straight-line basis over the period of the lease.

Impairment of non-financial assets

At each reporting sheet date, non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash generating unit) is compared to the carrying amount of the asset (or asset's cash generating unit).

The recoverable amount of the asset (or asset's cash generating unit) is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's (or asset's cash generating unit) continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the profit or loss, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in the income statement.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior years. A reversal of an impairment loss is recognised in the income statement.

Goodwill is allocated on acquisition to the cash generating unit expected to benefit from the synergies of the combination. Goodwill is included in the carrying value of cash generating units for impairment testing.

Investments in subsidiary undertakings

Investments in subsidiary undertakings are stated at cost less any provisions for impairment.

Inventories

Inventories are valued at the lower of cost and estimated selling price less cost to complete and sell. Inventories are recognised as a cost of sales in the year in which the related revenue is recognised.

At the end of each reporting period inventories are assessed for impairment. If an item of inventory is impaired, the identified inventory is reduced to its selling price less costs to complete and sell and an impairment charge is recognised in the income statement. Where a reversal of the impairment is required the impairment charge is reversed, up to the original impairment loss, and is recognised as a credit in the income statement.

SOUTHERN DENTAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017 (CONTINUED)

1 Accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

Financial assets and liabilities

Financial instruments

The Group and Company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

i) Financial assets

Basic financial assets, including trade and other trade receivables and cash and bank 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.

If there is 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.

Financial assets are de-recognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) *despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.*

ii) Financial liabilities

Basic financial liabilities, including trade and other payables are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments encoding intercompany borrowing are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Changes in the fair value of derivatives are recognised in the income statement in finance costs or income as appropriate.

The Southern Dental group does not currently hold derivatives.

Financial liabilities are de-recognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Pensions

The Group operates a defined contribution pension scheme. Contributions are recognised in the income statement in the year in which they become payable in accordance with the rules of the scheme.

Partnerships and Trust Deeds

Certain members of group management have joined partnerships or act on behalf of the Group in the acquisition of the trade and assets of certain businesses. Group management holds their interest under a Trust Deed on behalf of group companies. All trading under these arrangements are included in the consolidated financial statements to reflect the substance of these arrangements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017 (CONTINUED)**

1 Accounting policies (continued)

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Related party transactions

The Group discloses transactions with related parties which are not wholly owned within the same group. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the directors, separate disclosure is necessary to understand the effect of the transactions on the Group's financial statements.

Critical judgements in applying the Group's accounting policies

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Key accounting estimate and assumptions

The Group makes estimates and assumptions about the future. The resulting accounting estimates will, by definition seldom equal the actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Impairment of intangible assets and goodwill

The Group considers whether intangible assets and goodwill are impaired. Where an indication of impairment is identified the estimation of recoverable value requires estimation of the recoverable value of cash generating units (CGUs). This requires estimation of the future cash flows from the CGUs and also selection of the appropriate discount rate in order to calculate the net present value of those cash flows.

SOUTHERN DENTAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017 (CONTINUED)

2 Revenue

Analysis of revenue by category:

	Year ended 31 March 2017 £'000	Year ended 31 March 2016 £'000
Provision of dentistry services	48,608	47,705
	48,608	47,705

All revenue arose within the UK.

3 Operating (loss) / profit

Operating (loss) / profit is stated after charging:

	Year ended 31 March 2017 £'000	Year ended 31 March 2016 £'000
Operating leases expenses	2,161	1,783
Depreciation of property, plant and equipment		
- Under finance leases	7	38
- Owned assets	1,385	1,189
Loss on disposal of assets	45	-
Amortisation of goodwill and intangibles	4,962	5,377
Impairment of property, plant and equipment	-	54
Impairment of goodwill	530	710
Inventory included in cost of sales	1,715	1,637
Exceptional transaction related costs	376	-

4 Services provided by the company's auditors

During the year, the group and company obtained the following services from the company's auditors included within operating (loss) / profit:

	Year ended 31 March 2017 £'000	Year ended 31 March 2016 £'000
Fees payable for the audit of the company and its subsidiaries	70	245
Fees payable for the audit-related assurance services	-	35
Fees payable for tax compliance services	20	39
Fees payable for tax advisory services	88	25
Fees for other advisory services	-	45
	178	389

SOUTHERN DENTAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017 (CONTINUED)

5 Employees and directors

The monthly average number of persons employed by the Group (including directors) during the year, analysed by category was as follows:

	Group		Company	
	Year ended 31 March 2017 £'000	Year ended 31 March 2016 £'000	Year ended 31 March 2017 £'000	Year ended 31 March 2016 £'000
Practice	506	482	-	-
Administration	42	50	42	50
	548	532	42	50

The aggregate payroll costs were as follows:

	Group		Company	
	Year ended 31 March 2017 £'000	Year ended 31 March 2016 £'000	Year ended 31 March 2017 £'000	Year ended 31 March 2016 £'000
Wages and salaries	8,557	7,894	1,828	1,524
Social security costs	634	566	216	169
Other pension costs	44	43	9	13
	9,235	8,503	2,053	1,706

The directors' remuneration for the year was as follows:

	Year ended 31 March 2017 £'000	Year ended 31 March 2016 £'000
Remuneration (including benefits in kind)	668	448

The total remuneration (including benefits in kind) of the highest paid director is £326,000 (2016: £257,000).

Key management compensation

Key management includes the directors and members of senior management. The compensation paid or payable to key management for employee services is shown below:

	Year ended 31 March 2017 £'000	Year ended 31 March 2016 £'000
Salaries and other short-term benefits	1,028	825
Post-employment benefits	1	2
Remuneration (including benefits in kind)	1,029	827

SOUTHERN DENTAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017 (CONTINUED)**

6 Finance income

	Year ended 31 March 2017 £'000	Year ended 31 March 2016 £'000
Bank interest receivable	16	21
Finance income	14	-
Finance income	30	21

7 Finance costs

	Year ended 31 March 2017 £'000	Year ended 31 March 2016 £'000
Interest on group borrowings	2,174	2,079
Finance charges	-	58
Other interest including hire purchase interest	22	13
Finance costs	2,196	2,150

8 Tax on loss

(a) Tax income included in profit or loss

	Year ended 31 March 2017 £'000	Year ended 31 March 2016 £'000
Current tax		
Corporation tax charge	-	-
Adjustments in respect of prior years	-	(155)
Total current tax	-	(155)
Deferred tax		
Origination and reversal of timing differences	(248)	(12)
Rate change on deferred tax	-	(22)
Deferred tax adjustment relating to prior years	-	(210)
Total deferred tax	(248)	(244)
Total tax	(248)	(399)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017 (CONTINUED)**
8 Tax on loss (continued)**(b) Reconciliation of tax credit**

Tax on loss for the financial year is higher than (2016: higher than) the standard rate of corporation tax in the UK of 20% (2016: 20%). The differences are reconciled below:

	Year ended 31 March 2017 £'000	Year ended 31 March 2016 £'000
Loss before taxation	(3,332)	(2,057)
Corporation tax at standard rate of tax in UK, 20% (2016: 20%)	(666)	(411)
Effect of:		
Expenses not allowable for tax	143	132
Adjustments in respect of prior years	-	(155)
Current year tax losses carried forward	275	267
Re-measurement of deferred tax-change in UK tax rate	-	(22)
Adjustment to deferred tax in respect of prior years	-	(210)
Total tax	(248)	(399)

(c) Tax rate changes

The UK Government has announced a staged reduction in the main rate of corporation tax. The main rate of corporation tax will be reduced from 20% to 19% from 1 April 2017, and will be reduced by a further 2% to 17% from 1 April 2020.

9 Intangible assets

Group	Goodwill on unincorporated dental practices £'000	Goodwill on incorporated dental practice £'000	Computer software £'000	Total £'000
Cost				
At 1 April 2016	41,897	11,282	218	53,397
Additions	-	-	122	122
Disposals	-	-	(3)	(3)
At 31 March 2017	41,897	11,282	337	53,516
Accumulated amortisation and impairment charges				
At 1 April 2016	19,542	2,654	72	22,268
Charge for the year	4,136	763	63	4,962
Impairment	530	-	-	530
Disposals	-	-	(2)	(2)
At 31 March 2017	24,208	3,417	133	27,758
Net book value				
At 31 March 2017	17,689	7,865	204	25,758
At 31 March 2016	22,355	8,628	146	31,129

SOUTHERN DENTAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017 (CONTINUED)

9 Intangible assets (continued)

Impairments

After careful consideration, the directors have reflected an impairment charge of £530,000 in the year to 31 March 2017 (2016: £710,000) against the carrying value of goodwill on acquired practices.

Company	Computer software £'000
Cost	
At 1 April 2016	113
Additions	109
Disposals	(3)
At 31 March 2017	219
Accumulated amortisation	
At 1 April 2016	34
Charge for the year	40
Disposals	(2)
At 31 March 2017	72
Net book value	
At 31 March 2017	147
At 31 March 2016	79

10 Property, plant and equipment

Group	Short leasehold improvements £'000	Plant and machinery £'000	Fixtures and fittings £'000	Motor vehicles £'000	Office equipment £'000	Total £'000
Cost						
At 1 April 2016	954	2,479	5,524	40	1,466	10,463
Additions	256	334	13	25	88	716
Disposals	-	(76)	(47)	(37)	(27)	(187)
At 31 March 2017	1,210	2,737	5,490	28	1,527	10,992
Accumulated depreciation and impairment charges						
At 1 April 2016	558	968	2,604	30	877	5,037
Charge for the year	38	523	560	14	257	1,392
Disposals	-	(58)	(20)	(37)	(27)	(142)
As at 31 March 2017	596	1,433	3,144	7	1,107	6,287
Net book value						
At 31 March 2017	614	1,304	2,346	21	420	4,705
At 31 March 2016	396	1,511	2,920	10	589	5,426

Leased assets

Included within the net book value of property, plant and equipment is £21,000 (2016: £101,000) in respect of assets held under finance leases and similar hire purchase contracts. The finance lease relates to motor vehicles. Depreciation for the year on these assets was £7,000 (2016: £38,000).

SOUTHERN DENTAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017 (CONTINUED)

10 Property, plant and equipment (continued)

Impairments

After careful consideration, the directors have reflected an impairment charge of £nil in the year to 31 March 2017 (2016: £54,000) against the carrying value of improvements to short leasehold properties. It was not judged necessary to impair the carrying value of any other class of assets.

Company	Short leasehold improvements £'000	Plant and machinery £'000	Fixtures and fittings £'000	Motor vehicles £'000	Office equipment £'000	Total £'000
Cost						
At 1 April 2016	-	74	95	40	826	1,035
Additions	6	1	1	25	26	59
Disposals	-	-	-	(37)	(24)	(61)
At 31 March 2017	6	75	96	28	828	1,033
Accumulated depreciation and impairment charges						
At 1 April 2016	-	10	41	30	476	557
Charge for the year	-	16	9	14	153	192
Disposals	-	-	-	(37)	(24)	(61)
As at 31 March 2017	-	26	50	7	605	688
Net book value						
At 31 March 2017	6	49	46	21	223	345
At 31 March 2016	-	64	54	10	350	478

11 Investments

Company

	Year ended 31 March 2017 £'000	Year ended 31 March 2016 £'000
Shares in group undertakings	10,073	10,073

Shares in group undertakings and participating interests

	Subsidiary undertakings £'000
Cost and net book value	
At 1 April 2016	10,073
Impairment	-
At 31 March 2017	10,073

SOUTHERN DENTAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017 (CONTINUED)

11 Investments (continued)

Details of group undertakings

Details of the investments in which the group holds 20% or more of the nominal value of any class of share capital are as follows:

Subsidiary undertaking	Registration Number	Holding	Proportion of voting and shares	Principal activity
Hollybush Dental Care Limited	06378203	Ordinary	100%	Dental services
Tilgate Dental Care Limited	06378140	Ordinary	100%	Dental services
Northgate Dental Care Limited	06378091	Ordinary	100%	Dental services
Creekside Dental Care Limited	06378105	Ordinary	100%	Dental services
Little London Dental Care Limited	06378123	Ordinary	100%	Dental services
Horsham Dental Care Limited	06378127	Ordinary	100%	Dental services
Maidstone Dental Care Limited	06377934	Ordinary	100%	Dental services
Holborough Dental Care Limited	06378115	Ordinary	100%	Dental services
Southsea Dental Care Limited	06594490	Ordinary	100%	Dental services
Peckham Dental Care Limited	06378099	Ordinary	100%	Dental services
Gentle Dental & Implant Care Limited	06393444	Ordinary	100%	Dental services
Stone Cross Dental Care Limited	06378541	Ordinary	100%	Dental services
Charlton Dental Care Limited	06378569	Ordinary	100%	Dental services
Paulsgrove Dental Care Limited	07172257	Ordinary	100%	Dental services
Corby Dental Care Limited	07215476	Ordinary	100%	Dental services
Hilsea Dental Care Limited	07172339	Ordinary	100%	Dental services
Portsea Dental Care Limited	07172390	Ordinary	100%	Dental services
Wellsbourne Dental Care Limited	07340006	Ordinary	100%	Dental services
Bradlaw House Dental Care Limited	07277351	Ordinary	100%	Dental services
Church Hill Dental Care Limited	07338979	Ordinary	100%	Dental services
Crowborough Dental Care Limited	07463028	Ordinary	100%	Dental services
Diplomat House Dental Care Limited	07338978	Ordinary	100%	Dental services
Direct Dental Care Limited	07253830	Ordinary	100%	Dental services
Steyning Dental Care Limited	07277371	Ordinary	100%	Dental services
Welldene Dental Care Limited	06796271	Ordinary	100%	Dental services
Allington Dental Care Limited	07451761	Ordinary	100%	Dental services
Buntingford Dental Care Limited	07699161	Ordinary	100%	Dental services
Cambourne Dental Care Limited	07544242	Ordinary	100%	Dental services
Gayton Road Dental Care Limited	07484202	Ordinary	100%	Dental services
Gravesend Dental Care Limited	07484310	Ordinary	100%	Dental services
Kennington Dental Care Limited	07699138	Ordinary	100%	Dental services
Lowestoft Dental Care Limited	07544348	Ordinary	100%	Dental services
Manor Dental Care Limited	07450363	Ordinary	100%	Dental services
Best Practice CDA Limited	07110957	Ordinary	100%	Dental services
South Down Dental Care Limited	07699136	Ordinary	100%	Dental services
Stoke Newington Dental Care Limited	07699169	Ordinary	100%	Dental services
Southern Dental Partnerships Limited	07451783	Ordinary	100%	Dental services
R G Matthey Limited	06737373	Ordinary	100%	Dental services
Dale Road Oral Care Limited	07167177	Ordinary	100%	Dental services
Halton House Dental Centre Limited	06372475	Ordinary	100%	Dental services
Moat Road Dental Care Limited	06486257	Ordinary	100%	Dental services
Preston Park Dental Care Limited	06378536	Ordinary	100%	Dental services
Tollgate Dental Care Limited	07450354	Ordinary	100%	Dental services

SOUTHERN DENTAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017 (CONTINUED)

11 Investments (continued)

Details of group undertakings (continued)

Subsidiary undertaking	Registration		Proportion of voting and shares	Principal activity
	Number	Holding		
Tooth Smart Dental Care Limited	07463056	Ordinary	100%	Dental services
Totton Dental Care Limited	07544338	Ordinary	100%	Dental services
Vicarage Lane Dental Care Limited	07699141	Ordinary	100%	Dental services
Walworth Road Dental Care Limited	07545393	Ordinary	100%	Dental services
Well Street Dental Care Limited	07544345	Ordinary	100%	Dental services
West Hill Dental Clinic Limited	05218356	Ordinary	100%	Dental services
Highview Dental Care Limited	07141990	Ordinary	100%	Dental services
Honor Oak Dental Care Limited	07141997	Ordinary	100%	Dental services
V.A.S Dental Care Limited	06604270	Ordinary	100%	Dental services
GW (Wood Green) Limited	08949447	Ordinary	100%	Dental services
Deanbrook Dental Care Limited	08298784	Ordinary	100%	Dental services
Market Place Dental Practice Limited	05879406	Ordinary	100%	Dental services
Mawsley Dental Clinic Limited	06342273	Ordinary	100%	Dental services
White House Dental Care Limited	07185903	Ordinary	100%	Dental services
Taghi & Kia Limited	06152573	Ordinary	100%	Dormant
Meyrumlu1 Limited	07699166	Ordinary	100%	Dormant
Eastwood Clinic Limited	07277366	Ordinary	100%	Dormant
South East England CDA Limited	07116020	Ordinary	100%	Dormant
Kismar CDA Limited	07116053	Ordinary	100%	Dormant

All subsidiary undertakings within the group have been consolidated in these financial statements.

Under section 479A of the Companies Act 2006 all the above companies have taken the exemption in relation to the audit of financial statements.

The directors believe that the carrying value of the investments is supported by their underlying net assets.

The registered office of the company and all its subsidiaries is Staverton Court, Staverton, Cheltenham, GL51 0UX.

12 Inventories

	Group		Company	
	31 March 2017 £'000	31 March 2016 £'000	31 March 2017 £'000	31 March 2016 £'000
Goods held for resale	316	328	-	-

The cost of inventories recognised within cost of sales is £1,715,000 (2016: £1,637,000).

There is no material difference between the carrying amount of inventory and the replacement cost.

Inventories are stated after provisions for impairment are made. Impairment for the year is £nil (2016: £nil).

SOUTHERN DENTAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017 (CONTINUED)

13 Trade and other receivables

	Group		Company	
	31 March 2017 £'000	31 March 2016 £'000	31 March 2017 £'000	31 March 2016 £'000
Trade receivables	1,765	2,445	-	-
Amounts owed by group undertakings	15,833	6,244	15,833	9,354
Other receivables	101	121	16	47
Director's current account	898	824	898	824
Prepayments and accrued income	588	670	64	18
	19,185	10,304	16,811	10,243

Trade receivables are stated after provisions for impairment are made. Impairment for the year is £nil (2016: £nil).

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

14 Trade and other payables: amounts falling due within one year

	Group		Company	
	31 March 2017 £'000	31 March 2016 £'000	31 March 2017 £'000	31 March 2016 £'000
Trade payables	1,746	1,687	1,746	1,675
Obligations under finance lease and hire purchase contracts (note 16)	4	12	4	12
Amounts owed to group undertaking	44,548	42,374	52,503	42,374
Corporation tax	18	-	-	-
Other payables	5,610	7,148	718	849
Other taxation and social security	262	152	262	152
Accruals and deferred income	1,562	669	609	290
	53,750	52,042	55,842	45,352

Amounts owed to group undertakings that relate to the group-refinancing in November 2014 are unsecured and repayable on demand. Interest is payable at LIBOR plus 4.5%.

15 Trade and other payables: amounts falling due after more than one year

	Group		Company	
	31 March 2017 £'000	31 March 2016 £'000	31 March 2017 £'000	31 March 2016 £'000
Obligations under finance lease and hire purchase contracts (note 16)	15	3	15	3
	15	3	15	3

SOUTHERN DENTAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017 (CONTINUED)

16 Borrowings and financial instruments

Obligations under finance leases and hire purchase contracts

Amounts repayable:

	Group		Company	
	31 March 2017 £'000	31 March 2016 £'000	31 March 2017 £'000	31 March 2016 £'000
In one year or less or on demand	4	12	4	12
After one year but less than five years	15	3	15	3
	19	15	19	15

Group

The Group has the following financial instruments:

	Note	Year ended 31 March 2017 £'000	Year ended 31 March 2016 £'000
Financial assets that are debt instruments measured at amortised cost			
Trade receivables	13	1,765	2,445
Amounts owed by group undertakings	13	15,833	6,244
Other receivables	13	101	121
Directors' current account	13	898	824
		18,597	9,634
Financial liabilities measured at amortised cost			
Trade payables	14	1,746	1,687
Finance leases and hire purchase creditors	14, 15	19	15
Other payables	14	5,610	7,148
Accruals	14	1,562	669
Amounts owed to group undertaking	14	44,548	42,374
		53,485	51,893

17 Deferred taxation

	Group Total £'000	Company Total £'000
At 1 April 2016	98	(24)
Credited to the income statement	248	39
At 31 March 2017	346	15

The deferred tax balances at 31 March 2017 and 1 April 2016 relate wholly to accelerated capital allowances.

The Group has unprovided deferred tax losses of £552,000 (2016: £277,000).

SOUTHERN DENTAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017 (CONTINUED)

18 Called up share capital

Allotted and fully paid shares

The share capital of the company is shown below:

	31 March 2016		31 March 2015	
	No.	£	No.	£
Ordinary A shares of £1 each	882	882	882	882
Ordinary B shares of £1 each	98	98	98	98
Ordinary C shares of £1 each	20	20	20	20
Ordinary D shares of £1 each	-	-	-	-
Ordinary E shares of £0.00001 each	100,000,000	1,000	100,000,000	1,000
Ordinary F shares of £0.00001 each	-	-	-	-
	101,001,000	2,000	101,001,000	2,000

There are six classes of ordinary shares as disclosed above. As at 31 March 2016 and 2015 there were no D or F shares in issue.

Each class of share ranks *pari passu* in all respects as to voting, returns of capital (whether on sale of shares, liquidation, reduction of capital, dissolution, winding up or other return of capital) and distributions of income (including dividends).

All shares entitle the holders to receive notice of, to attend, to speak and to vote at any general meeting of the Company and carry one vote or a poll vote where demanded, otherwise each Shareholder will have one vote on a show of hands.

Dividends may be declared or paid independently on each class of share and if paid does not entitle the holders of the other classes of share to any equivalent dividend or compensatory payment in respect of a dividend declared or paid on the share.

19 Pension schemes

Defined contribution pension scheme

The Group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Group to the scheme and amounted to £44,000 (2016: £43,000).

Contributions totalling £12,000 (2016: £12,000) were payable to the scheme at the end of the year and are included in current liabilities.

20 Commitments and contingent liabilities

Operating lease commitments

Group

As at 31 March 2017 the Group had annual commitments under non-cancellable operating leases expiring as follows:

	Year ended 31 March 2017 £'000	Year ended 31 March 2016 £'000
Land and buildings		
Within one year	2,000	2,042
Within two and five years	7,722	7,647
Over five years	16,081	18,291
	25,803	27,980

There are no material claims against the Company and the Group that the directors are aware of.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017 (CONTINUED)**

21. Events after the reporting period

Group

On 21 April 2017 the Southern Dental Group was acquired by Jacobs as part of Jacobs' strategy to build a world class pan European dental business. Jacobs is a global professional investment firm whose sole economic beneficiary is the Jacobs Foundation, one of the world's leading charitable foundations dedicated to child and youth development.

22 Related party transactions

During the year, the Group or Company made the following related party transactions:

Dr M Eyumlu

(Company director)

During the year Dr M Eyumlu was paid rent of £447,000 (2016: £447,000, of which £253,000 was subsequently waived) on various properties used by group companies. In addition Dr M Eyumlu was paid £29,000 in respect of his services to the group for the year ended 31 March 2017 (2016: paid £136,000 that was subsequently waived).

Dr M Eyumlu received payments from the NHS totalling £nil (2016: £175,000) in respect of dental services provided by group companies. At the statement of financial position date the amount due from Dr M Eyumlu was £898,000 (2016: £824,000).

Dr A Eyumlu and Dr H Shakir

(Company directors)

Dr A Eyumlu and Dr H Shakir are directors and shareholders of Titan Care Limited a supplier of dental implant materials. Southern Dental Limited purchased goods to the value of £124,000 (2016: £140,000) during the year. The balance owing to Titan Care Limited as at 31 March 2017 was £20,000 (31 March 2016: £23,000).

The Company has taken advantage of the exemption in paragraph 33.1A of FRS 102 "Related Party Disclosures" from disclosing transactions with other members of the Group.

23 Controlling parties

The immediate parent undertaking is Tempire Investments Limited.

The largest group to consolidate these financial statements is Tempire Topco Limited, a company incorporated in Jersey. Copies of the Tempire Topco Limited consolidated financial statements can be obtained from the Company Secretary of Southern Dental Limited at Staverton Court, Staverton, Cheltenham, GL51 0UX.

At the statement of financial position date and up to 21 April 2017 Dr M Eyumlu was the Group's ultimate controlling party. From 21 April 2017 the Group's ultimate controlling party is Jacobs Holding AG.