

Turnstone Bidco 1 Limited
Annual report and financial statements
Registered number 07496765
Year ended 31 March 2022

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Contents

Strategic report for the year ended 31 March 2022	1
Directors' report for the year ended 31 March 2022	6
Independent auditors' report to the members of Turnstone Bidco 1 Limited	8
Statement of comprehensive income	11
Balance sheet	12
Statement of changes in equity	13
Notes to the financial statements	14

Strategic report for the year ended 31 March 2022

The director presents the Strategic report for the year ended 31 March 2022.

Principal activities

The principal activity of the company is to act as a group financing and intermediate holding company.

Business review

Review of the development and performance of the company

The operating loss for the year was £40,336,000 (2021: profit of £142,719,000). The loss for the financial year was £64,458,000 (2021: profit of £117,216,000).

The company made a loss due to a write off of £12,624,000 in loan note interest receivable. In addition, an impairment of £27,398,000 was required to reduce the net book value of the investment to the fair value less costs to dispose of the group.

The company holds investments in the subsidiaries of the (my)dentist as well as controls a number of partnerships. Carrying value of investments for the year ended 31 March 2022 was £567,134,000. (2021: £594,532,000).

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

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

As part of the transaction the company's existing proceeds loan, due to mydentist Finance Limited (formerly IDH Finance Plc), was settled in full together with the existing RCF. This was replaced by the following facilities issued by the company, together with a £120 million subordinated PIK facility issued by Turnstone Midco 1 Limited:

- £400 million reference rate plus 7.25% margin Unitranche Facility B due 16 August 2027; and
- £50 million Unitranche Facility C available until 16 August 2023.

The company used the borrowings to settle the loan from mydentist Finance Limited (formerly IDH Finance Plc) and the Revolving Credit Facility.

On 29 October 2021, the Unitranche Facility C was replaced by a new £45 million Revolving Credit Facility available until February 2026.

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

Strategy and future outlook

The company is expected to remain a group financing and intermediary holding company in the forthcoming year.

Events after the reporting period

On 18 May 2022, the group entered into a binding share purchase agreement to sell DD Group Holdings Limited and subsidiaries to an affiliate of Sun European Partners LLP. On 8 June 2022, the transaction was completed and the DD division ceased to form part of the group. The proceeds from the sale of DD Group Holdings Limited were used to repay the £120.0 million Subordinated PIK facility in full including accrued interest. The total repayment was £131.5 million.

Principal risks and uncertainties

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

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

Strategic report for the year ended 31 March 2022 *(continued)*

Financial risk management

The Board of Directors has overall responsibility for the establishment and oversight of the company's risk management framework which are managed in the context of the risks to which the group is exposed. The group's activities expose it to a variety of financial risks: credit risk, liquidity risk, market (including currency and interest rate risk) and inflation risk.

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

Credit risk

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

Liquidity risk

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

Market risk

Market risk is the risk that changes in foreign exchange rates and interest rates will affect the group's income or costs. Prior to the disposal of DD the group was exposed to currency risk as business units within DD routinely purchased goods in currencies other than Sterling (principally Euro and US Dollar). The group has policies and procedures in place to mitigate the impact of fluctuations in foreign exchange rates. Reasonable certainty over the group's cash flows from DD was managed through the use of derivative financial instruments such as foreign currency forward contracts or option contracts. Foreign exchange risk is also managed for {my}dentist through competitive tendering for the group's significant supply contracts. All continuing operations are carried out in the United Kingdom and all income, other expenses and facilities are denominated in Sterling.

Prior to the refinancing of the group debt on 16 August 2021, £275.0 million of the group's senior secured notes were of a fixed rate nature. The new debt structure includes a variable cost element based on SONIA across Facility B and the RCF and therefore increases the group's exposure to interest rate risk. In order to mitigate this risk, the group has entered into an interest swap contract to fix the SONIA rate on £300.0 million of debt until 31 March 2025. Interest charges are therefore fixed in respect of 55% of the group's total drawn debt at 31 March 2022 (2021: 47%).

Inflation risk

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

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

Strategic report for the year ended 31 March 2022 *(continued)*

Section 172(1) statement

The company is managed as part of the {my}dentist group and therefore the Section 172(1) statement set out on the following pages is provided in the context of the directors duties of the {my}dentist group.

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

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

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

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

Consequences of decisions in the long term

Following the change in the group ownership structure, the group has the following key strategies:

- To maintain the highest clinical standards by developing best-in-class clinical pathways and procedures to deliver consistent, high quality and ethical dental care;
- To improve clinician and nurse resourcing, retention and engagement;
- To optimise practice productivity;
- To grow our private business through affordable and specialist options;
- To divest our DD businesses;
- To ensure every practice is sustainable for the future;
- To transform our estate to provide modern, well-equipped, easily accessible practices for our patients, clinicians and staff

The directors believe these are critical long-term factors for the success of the company. Plans for strategic investment to support these goals within the {my}dentist division include the transformation of the practice estate through the merger and relocation of smaller practices to larger, high street locations, expansion of Advanced Oral Health Centres (AOHCs) to increase the availability of specialist treatments including implants, continued development of affordable private treatment options for patients and the development of a nationwide clinical support network to assist self-employed clinicians to develop their businesses.

The objective to divest the DD business was completed on 8 June 2022.

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

The impact of Covid-19 on the business meant that during the last two years, on many occasions the directors were required to balance the demands of the short-term environment while also considering the long term strategic impact of decisions.

Engaging with our people

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

Strategic report for the year ended 31 March 2022 *(continued)*

Section 172(1) statement *(continued)*

The Chief Executive Officer, Chief Operating Officer, and the Chief Clinical Officer all regularly hold area meetings for clinicians and practice employees to gather feedback on potential improvements, to listen to perspectives from practices and to empower practice teams. This includes regular practice visits and a number of online meeting options such as broadcasts, video conferencing and regular updates on the latest clinical issues to ensure connections are maintained with practice teams. Support Centre Heads of Department and the Executive team all make regular visits to practices to follow up how central services can be improved.

The Managing Director for DD also regularly visits the regional businesses within the division or holds video “town hall” meetings.

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

The annual {my}dentist clinical conference provides a forum for clinicians to meet, attend continuing professional development seminars led by industry experts and gain an insight into the development of the group. It also provides an opportunity for clinicians to highlight the positive changes their work can have on patients. Unfortunately due to Covid, it was not possible to run the clinical conference during 2020 or 2021, however the conference ran in October 2022.

{my}dentist is in the process of setting up a Clinical Advisory Board, made up of a number of self-employed clinicians from across the business. The advisory board would provide a forum for clinical issues to be discussed with the Chief Clinical Officer and for the business to seek feedback from clinicians in relevant areas to them.

The mental health challenges arising from the pressures of working in practice during Covid or from working at home for an extended period of time have been recognised by the business. Team meetings via Microsoft Teams have been cascaded through the business and have included messaging on maintaining a balance between work and life while working from home. A number of colleagues have also been trained to support staff experiencing mental health challenges.

During FY2022, restrictions relating to access to practices have relaxed and offices have reopened with appropriate safety provisions. The business has taken a “hybrid” approach to central operations with support teams, depending on roles, able to work flexibly where possible.

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

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

{my}dentist maintains a wide range of relationships in the dental and healthcare sector in order to ensure it is able to plan effectively for the future. {my}dentist maintains relationships:

- with the NHS at a regional and national level to understand commissioning requirements;
- with the BDA to understand clinicians key interests;
- with the Department of Health;
- with Members of Parliament with an interest in dentistry;
- with the UK dental schools to understand the aspirations of future clinicians;
- with overseas dental schools to increase awareness of clinicians to the opportunities available in the UK; and
- with suppliers to work on the future of dentistry including digital transformation.

{my}dentist is also a founder member of the Association of Dental Groups and through this works with other dental corporates in the UK on issues that affect the industry as a whole.

Strategic report for the year ended 31 March 2022 *(continued)*

Section 172(1) statement *(continued)*

Over the last two years, these relationships have been critical in managing the impact of Covid on {my}dentist and ensuring that there is effective communication across the dental sector.

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

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

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

The main complaint raised by patients relates to the availability of appointments. This reflects the current access problem in dentistry centred on the availability of clinician time.

Maintaining a reputation for high standards of business conduct

{my}dentist operates in highly regulated environments across all of its business areas. This level of regulation is critical as it ultimately aims to protect patients and to ensure they receive the right level of care and are treated fairly. The company's approach aligns with our strategy to maintain the highest clinical standards. In order to maintain compliance, {my}dentist operates a bespoke system of monitoring progress against practice targets which is reviewed alongside practice financial performance by operational management. Within DD, the Med-FX pharmacy is a registered pharmacy with the General Pharmaceutical Council and is required to declare each year compliance with professional, ethical and fitness to practice standards.

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

During the year {my}dentist was partly funded through debt securities listed on The International Stock Exchange. Quarterly briefing presentations were held for bondholders to discuss developments in {my}dentist over the last three months in an open and transparent way. This also provided an opportunity for bondholders to raise questions with the Chief Executive Officer and Chief Financial Officer. All significant announcements and quarterly financial statements were published on the {my}dentist website up until the redemption of the debt. Following the Palamon transaction, the {my}dentist's debt funding is now privately held. The Chief Executive Officer and Chief Financial Officer regularly meet with the holders of debt in order to update them on the {my}dentist's progress against its strategic objectives.

The need to act fairly as between members of the company

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

On behalf of the Board



R Storah

Director

16 December 2022

Director's report for the year ended 31 March 2022

The director presents their report and the audited financial statements of Turnstone Bidco I Limited for the year ended 31 March 2022.

Financial risk management

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

Future developments

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

Dividends

The directors do not recommend the payment of a dividend for the year (2021: £nil).

Directors

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

NK Pandya

T Riall

Richard Storah (appointed 2 September 2022)

The directors benefitted from qualifying third party indemnification provisions in place during the financial year and at the date of approval of these financial statements.

Going concern

The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the ultimate parent company Turnstone Equityco I Limited. The directors have received confirmation that Turnstone Equityco I Limited intend to support the company for at least one year after these financial statements are signed, and therefore the going concern of the company is dependent on the going concern of the parent company. In making their assessment of the going concern of the parent company, the directors of the parent company have reviewed forecasts that consider both a base case and a severe but plausible downside case.

Events after the reporting period

On 18 May 2022, the group entered into a binding share purchase agreement to sell DD Group Holdings Limited and subsidiaries to an affiliate of Sun European Partners LLP. On 8 June 2022, the transaction was completed and the DD division ceased to form part of the group. The proceeds from the sale of DD Group Holdings Limited were used to repay the £120.0 million Subordinated PIK facility in full including accrued interest. The total repayment was £131.5 million.

Employee engagement

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

Statement of director's responsibilities

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 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).

Director's report for the year ended 31 March 2022 (continued)

Statement of director's responsibilities (continued)

Under company law, 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 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.

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.

Directors' confirmations

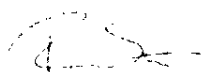
In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the 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 company's auditors are aware of that information.

Independent auditors

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

On behalf of the Board



R Storah
Director
16 December 2022

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

Independent auditors' report to the members of Turnstone Bidco 1 Limited

Report on the audit of the financial statements

Opinion

In our opinion, Turnstone Bidco 1 Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the Balance sheet as at 31 March 2022; the Statement of comprehensive income and the Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion on, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

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

Independent auditors' report to the members of Turnstone Bidco 1 Limited *(continued)*

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 March 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to other regulatory regulations (including those monitored by the Care Quality Commission and the Medical Health Regulatory Authority), and health and safety regulations (especially those governing dental surgeries and warehouse operations), and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as tax regulations. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the use of journals to manipulate financial results. Audit procedures performed by the engagement team included:

- Obtained an understanding of the legal and regulatory framework applicable to the company and how the company are complying with that framework;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations, including unusual revenue journal entries; and
- Challenging assumptions and judgements made by management in their significant accounting estimates

Independent auditors' report to the members of Turnstone Bidco 1 Limited (continue)

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.



Hazel Macnamara (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester
16 December 2022

Statement of comprehensive income
for the year ended 31 March 2022

	<i>Note</i>	2022 £'000	2021 £'000
Administrative expenses		(314)	(39)
Impairment of receivable due from subsidiary	11	(12,624)	(11,760)
(Provision)/reversal of impairment of investment in subsidiaries	10	(27,398)	154,518
Operating (loss)/profit	5	(40,336)	142,719
Interest receivable and similar income	7	19,780	18,150
Interest payable and similar expenses	8	(43,902)	(43,653)
Net interest payable		(24,122)	(25,503)
(Loss)/profit on ordinary activities before taxation		(64,458)	117,216
Tax on (loss)/profit on ordinary activities	9	-	-
(Loss)/profit for the financial year		(64,458)	117,216

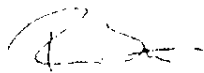
The company has no items of other comprehensive income during the current or previous year other than those stated above.

Balance sheet
at 31 March 2022

	<i>Note</i>	£'000	2022 £'000	2021 £'000
Fixed assets				
Investments	10		567,134	594,532
Current assets				
Debtors (includes £66,698 falling due after more than one year, 2021: £59,541,000)	11	139,514		131,291
Cash at bank and in hand		92		93
		139,606		131,384
Creditors: amounts falling due within one year	12	(389,044)		(166,926)
Net current liabilities			(249,438)	(35,542)
Total assets less current liabilities			317,696	558,990
Creditors: amounts falling due after more than one year	13		(409,491)	(586,327)
Net liabilities			(91,795)	(27,337)
Capital and reserves				
Called up share capital	15		4,110	4,110
Accumulated losses	16		(95,905)	(31,447)
Total shareholders' deficit			(91,795)	(27,337)

The notes on pages 14 to 25 form an integral part of these financial statements.

These financial statements on pages 11 to 25 were approved by the board of directors on 16 December 2022 and were signed on its behalf by:



R Storah
Director

Statement of changes in equity
for the year ended 31 March 2022

	Called up share capital £'000	Accumulated losses £'000	Total shareholders' deficit £'000
Balance at 1 April 2020	4,110	(148,663)	(144,553)
Comprehensive income for the year			
Profit for the financial year	-	117,216	117,216
Balance at 31 March 2021	4,110	(31,447)	(27,337)
Comprehensive expense for the year			
Loss for the financial year	-	(64,458)	(64,458)
Balance at 31 March 2022	4,110	(95,905)	(91,795)

Notes to the financial statements

1 Company information

The financial statements cover Turnstone Bidco 1 Limited as an individual entity. The financial statements are presented in Sterling (£), which is Turnstone Bidco 1 Limited's functional and presentation currency.

Turnstone Bidco 1 Limited (the 'company') is a private company limited by shares incorporated in the United Kingdom, domiciled and registered in England. The address of the registered office is: Europa House, Europa Trading Estate, Stoneclough Road, Kearsley, Manchester M26 1GG.

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

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

2 Accounting policies

Basis of preparation

The financial statements of Turnstone Bidco 1 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 Republic of Ireland ('FRS 102'), and with the Companies Act 2006.

The company is a wholly owned subsidiary of Turnstone Midco 2 Limited and of its ultimate parent, Turnstone Equity Co 1 Limited. It is included in the consolidated financial statements of Turnstone Equity Co 1 Limited which are publicly available. The company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements. The ultimate parent undertaking and the smallest and largest group to consolidate these financial statements is Turnstone Equity Co 1 Limited. The address of the parent's registered office is Europa House, Europa Trading Estate, Stoneclough Road, Kearsley, Manchester, M26 1GG.

Going concern

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

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

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

Exemptions for qualifying entities under FRS 102

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

The company has taken advantage of the following exemptions:

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

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 substantively enacted by the reporting date.

Notes to the financial statements

2 Accounting policies (continued)

Investments

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

Impairment of investments

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

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

Financial instruments

Basic financial assets and liabilities, including amounts owed to and by group undertakings, borrowings and cash and bank balances, in accordance with section 11 and 12 of FRS 102, 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.

Transaction costs paid as part of the issue of borrowings are deducted from the amount initially recognised upon issue of the debt and are subsequently amortised to the statement of comprehensive income over the term of the facility.

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 statement of comprehensive income. 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 statement of comprehensive income.

Derivate financial instruments, including interest rate swap contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date the contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivative financial instruments are recognised within interest receivable or interest payable in the statement of comprehensive income as appropriate.

3 Significant accounting judgements and estimates

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

Impairment of investments

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

Notes to the financial statements (continued)

4 Operating (loss)/profit

	2022 £'000	2021 £'000
<i>Operating (loss)/profit is stated after charging:</i>		
<i>Auditors' remuneration:</i>		
Amounts receivable by the auditors and their associates in respect of:		
Fees payable for the audit of the financial statements	28	39

There were no costs payable for non-audit service by this company during the year (2021: none).

5 Directors and employees

The directors received no emoluments from the company for their services during the year (2021: £nil). The directors are paid by Petrie Tucker and Partners Limited and no recharge is made to this company. The emoluments received as a director of the parent company are disclosed in the financial statements of Turnstone Equityco 1 Limited for T Riall and NK Pandya.

The company has no employees (2021: none).

6 Interest receivable and similar income

	2022 £'000	2021 £'000
Interest receivable on loan to subsidiary undertakings	19,780	18,150

7 Interest payable and similar expenses

	2022 £'000	2021 £'000
Bank loans and overdrafts	1,625	2,172
Unitranche loan	19,081	-
Amortisation of issue costs of bank loans and related fees	7,392	1,880
Syndicate charges	457	630
Interest rate hedge payments	647	-
Interest payable on loan from fellow subsidiary undertaking	14,700	38,971
	43,902	43,653

8 Tax on (loss)/profit on ordinary activities

a) Analysis of tax charge for the financial year

	2022 £'000	2021 £'000
<i>Current tax</i>		
Current tax for the year	-	-
Tax on (loss)/profit on ordinary activities	-	-

Notes to the financial statements (continued)

9 Tax on (loss)/profit on ordinary activities (continued)

b) Factors affecting the tax charge for the financial year

The tax charge for the year is higher (2021: lower) than the standard rate of corporation tax in the UK at 31 March 2022 of 19% (2021: 19%). The differences are explained below.

	2022 £'000	2021 £'000
(Loss)/profit on ordinary activities before taxation	(64,458)	117,216
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2021: 19%)	(12,247)	22,271
Effects of:		
Expenses not deductible for tax purposes	6,298	1,020
Income not allowable for tax purposes	-	(29,358)
Group relief surrendered for nil payment	4,027	3,707
Losses not utilised	1,922	2,360
Tax on (loss)/profit on ordinary activities	-	-

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. The impact of this increase has been included within these financial statements for the year ended 31 March 2022.

The company has an unutilised tax loss of £18,079,000 for the year ended 31 March 2022.

10 Investments

	Shares in subsidiary £'000
Cost	
At 1 April 2021 and 31 March 2022	993,673
Accumulated impairment	
At 1 April 2021	399,141
Provision on investment in subsidiaries	27,398
At 31 March 2022	426,539
Net book value	
At 31 March 2022	567,134
At 31 March 2021	594,532

The table below provides details of the company's immediate subsidiary undertakings. The company holds 100% of the ordinary share capital of each of the companies listed. All of the subsidiary companies are incorporated in the United Kingdom.

An impairment charge of £27.4 million has been recognised in FY2022 to reduce the net book value of the investment to the fair value less costs to dispose of the group.

The fair value less costs to dispose was calculated based upon discounted cash flow forecasts derived from management's strategic plan following the Palamon transaction.

Notes to the financial statements (continued)

10 Investments (continued)

The strategic plan was based on FY2020 as the last year largely unaffected by Covid-19 and includes limited growth in NHS revenues and the continued development of the group's private dentistry revenues. Private revenue is forecast to grow at a compound annual growth rate of 18.5% from FY2020 to FY2025 with organic growth realised from developments in affordable private treatment, clear aligner systems and implants. Revenue growth is likely to be achieved through a mix of volume and price increases.

Like-for-like growth is achieved through this plan utilising resourcing and retention assumptions that are in line with performance over recent pre-Covid periods. As the number of hours clinicians are available in practice is critical to the generation of revenue and with current delays within industry recruitment due to a shortage of UK dentists, the fair value model has reduced the resourcing and retention assumptions in FY2023 by 33.0%.

As part of the review of the investment value, management have considered the impact upon the calculations from a range of sensitivities to the key assumptions. As at 31 March 2022:

- A change of £2.0 million in the assumed long term annual pre-tax cash flows generated from the {my}dentist CGU each year, would change the calculated fair value less costs to dispose by approximately £22.7 million.
- A change of 0.25% in the assumed WACC would change the calculated fair value less costs to dispose by approximately £21.5 million.

Name of subsidiary	Principal activity	Domiciled in
ADP Healthcare Services Limited	Intermediate holding company	England
Healthcare Buying Group Limited	Intermediate holding company	England
mydentist Group Limited (formerly IDH Group Limited)	Intermediate holding company	England
My Dental Holdings Limited	Non-trading	England
Pearl Cayman 1 Limited	Non-trading	Cayman Islands
Pearl Topco Limited	Intermediate holding company	England
The Dental Directory Limited	Intermediate holding company	England

In addition, the group holds 100% of the ordinary share capital of all of the companies listed.

Name of subsidiary	Principal activity	Domiciled in
² @TheDentist Ltd	Dormant	England *
² 1A Dental Practice Limited	Dormant	England *
¹ Adelstone Dental Care Limited	Dental practices	England *
² ADP Ashford Ltd	Dormant	England *
¹ ADP Healthcare Acquisitions Limited	Non-trading	England *
² ADP Healthcare Limited	Dormant	England *
¹ ADP Healthcare Services Limited	Non-trading	England *
¹ ADP Holdings Limited	Non-trading	England *
¹ ADP No.1 Limited	Non-trading	England *
² ADP Yorkshire Ltd	Dormant	England *
¹ Aesthetic Dental Care Limited	Dental practices	England *
¹ Aesthetix Limited	Dental practices	England *
¹ Alemdent Limited	Dental practices	England *
¹ Alison Brett Dental Care LLP	Dental practices	England *
² A-Z Dental (Subsidiary Number1) Limited	Dormant	England *
² A-Z Dental (Subsidiary Number 2) Limited	Dormant	England *

Notes to the financial statements (continued)

10 Investments (continued)

Name of subsidiary	Principal activity	Domiciled in
¹ A-Z Dental Holdings Limited	Non-trading	England ^a
² Bramora Limited	Dormant	England ^a
² Butler and Finnigan Dental Practice Ltd	Dormant	England ^a
¹ Castle Hill Dental Practice Limited	Dental practices	England ^a
¹ Chapel Road Orthodontics Limited	Dental practices	England ^a
¹ Church Street Dentists Limited	Dental practices	England ^a
¹ Clarendon Dental Practice Limited	Dental practices	England ^a
Community Dental Centres Limited	Dental practices	England ^a
¹ Confident Dental Practices Limited	Dental practices	England ^a
¹ Cromwell Dental Practice Limited	Dental practices	England ^a
¹ D and L Jordan Limited	Dental practices	England ^a
¹ D M Jordan Limited	Dental practices	England ^a
¹ DBG (UK) Limited	Healthcare goods and services	England ^a
¹ DBG Acquisitions Limited	Non-trading	England ^a
² DBG Subsidiary Limited	Dormant	England ^a
¹ DBG Topco Limited	Non-trading	England ^a
¹ Dental Aesthetics Ltd	Dental practices	Northern Ireland ^c
¹ Dental Excellence Group Ltd	Non-trading	Northern Ireland ^c
¹ Dental Excellence Ltd	Dental practices	Northern Ireland ^c
² Dental Health Care Limited	Dormant	England ^a
² Dental Talent Tree (Recruitment) Limited	Dormant	England ^a
Denticare Limited	Dental practices	England ^a
² Denticare Properties Limited	Dormant	England ^a
² Denture Excellence (Franchising) Limited	Dormant	England ^a
Denture Excellence Limited	Dental practices	England ^a
¹ DH Dental Holdings Limited	Non-trading	England ^a
¹ Diverse Acquisitions Limited	Non-trading	England ^a
¹ Diverse Holdings Limited	Non-trading	England ^a
² Diverse Property Investments Limited	Dormant	England ^a
¹ DM and LJ Jordan Limited	Dental practices	England ^a
¹ DMJ Norwich Limited	Dental practices	England ^a
¹ Du Toit and Burger Partnership (Harwich) Ltd	Dental practices	England ^a
¹ Du Toit and Burger Partnership (Ipswich) Ltd	Dental practices	England ^a
¹ Du Toit and Burger Partnership (Silvertown) Ltd	Dental practices	England ^a
¹ Du Toit and Burger Partnership (Stratford) Ltd	Dental practices	England ^a
¹ Du Toit and Burger Partnership (Sudbury) Ltd	Dental practices	England ^a
¹ Du Toit and Burger Partnership Limited	Dental practices	England ^a
¹ Durgan and Ashworth Dental Care Limited	Dental practices	England ^a
¹ Euxton (No 1) Limited	Dental practices	England ^a
¹ Falchion Orthodontics Limited	Dental practices	England ^a
¹ Fallowfield (No 1) Limited	Dental practices	England ^a
¹ Family Dental Care Limited	Dental practices	Scotland ^b
¹ Ffolliott Bird Associates Limited	Dental practices	England ^a
First Choice Dental Limited	Dental practices	England ^a
¹ Flagstaff Dental Clinic Limited	Dental practices	England ^a
¹ Fleetwood Practice Limited	Dental practices	England ^a
² Hackremco (No.2637) Limited	Dormant	England ^a
¹ Halldent Limited	Dental practices	England ^a
² Hayle Dental Practice Limited	Dormant	England ^a
¹ Healthcare Buying Group Limited	Non-trading	England ^a
¹ Hessle Grange Dental Care Limited	Dental practices	England ^a
¹ Hillcrest Ionian Limited	Dental practices	England ^a
¹ Hirst and O'Donnell Ltd	Dental practices	England ^a
¹ IDH 324 & 325 Ltd	Dental practices	England ^a
¹ IDH 331 Ltd	Dental practices	England ^a
² IDH 341 Ltd	Dormant	England ^a
¹ IDH 346 Ltd	Dental practices	England ^a
¹ IDH 363 Limited	Dental practices	England ^a
¹ IDH 403 Ltd	Dental practices	England ^a
¹ IDH 406 Ltd	Dental practices	England ^a

Notes to the financial statements (continued)

10 Investments (continued)

Name of subsidiary	Principal activity	Domiciled in
¹ IDH 418 Ltd	Dental practices	England ^a
¹ IDH 437 Ltd	Dental practices	England ^a
¹ IDH 441 to 444 Ltd	Dental practices	England ^a
¹ IDH 449 Limited	Dental practices	England ^a
¹ IDH 450 Limited	Dental practices	England ^a
¹ IDH 474 Limited	Dental practices	England ^a
¹ IDH 476 Limited	Dental practices	England ^a
¹ IDH 477 Limited	Dental practices	England ^a
¹ IDH 622 Limited	Dental practices	England ^a
mydentist Acquisitions Limited (formerly IDH Acquisitions Limited)	Non-trading	England ^a
mydentist Group Limited (formerly IDH Group Limited)	Non-trading	England ^a
IDH Limited	Dental practices	England ^a
¹ IDH Mansfield Limited	Dental practices	England ^a
Integrated Dental Holdings Limited	Non-trading	England ^a
¹ Jackro Healthcare Services Limited	Dental practices	England ^a
KH&GW Limited	Dental practices	England ^a
M C Dentistry Limited	Dental practices	England ^a
¹ Maidwell Dental Practice Limited	Dental practices	England ^a
¹ Mainstone Health Limited	Dental practices	England ^a
¹ Manchester Orthodontists Limited	Dental practices	England ^a
¹ Murgelas Practice Management Limited	Dental practices	England ^a
² My Dental Holdings Limited	Non-trading	England ^a
² MyDentist Limited	Dormant	England ^a
¹ N S Dental Ltd	Dental practices	Scotland ^b
¹ Natural Management Ltd	Non-trading	England ^a
¹ Offerton Fold Dental Practice Ltd	Dental practices	England ^a
¹ Olivers Dental Studio Limited	Dental practices	England ^a
Orthocentres Limited	Dental practices	England ^a
Orthodontic Centre (UK) Limited	Dental practices	England ^a
¹ Orthodontic Services Limited	Dental practices	Northern Ireland ^c
Orthoworld 2000 Limited	Dental practices	England ^a
¹ Orthoworld Limited	Non-trading	England ^a
² OurDentist Ltd	Dormant	England ^a
¹ Padgate (No 1) Limited	Dental practices	England ^a
¹ Palmerston Precinct Practice Limited	Dental practices	England ^a
¹ Pearl Bidco Limited	Non-trading	England ^a
² Pearl Cayman 1 Limited	Non-trading	Cayman Islands ^e
² Pearl Cayman 2 Limited	Non-trading	Cayman Islands ^c
¹ Pearl Topco Limited	Non-trading	England ^a
Petrie Tucker and Partners Limited	Dental practices	Scotland ^{a,b}
¹ Phoenix Dental Limited	Dental practices	England ^a
¹ Phoenix Dental Practice Limited	Dental practices	England ^a
¹ Pierce & Geddes Limited	Dental practices	England ^a
¹ PJ Burrige Ltd	Dental practices	England ^a
¹ Premier Dental Limited	Dental practices	England ^a
¹ Priory House Dental Care Limited	Dental practices	England ^a
Q Dental Care Limited	Dental practices	England ^a
² Q Dental Surgeries Limited	Dormant	England ^a
¹ Queensferry Dental Surgery Limited	Dental practices	England ^a
¹ Richard Flanagan & Associates Limited	Dental practices	England ^a
¹ Richmond House Practice Limited	Dental practices	England ^a
Romford Orthodontics Centre Limited	Dental practices	England ^a
¹ S L S Dental Care Limited	Dental practices	England ^a
¹ Shadeshire Limited	Non-trading	England ^a
¹ Silverdale Dental Care Ltd	Dental practices	England ^a
² Smile Dental Practices Limited	Dormant	England ^a
¹ South Tyneside Smiles Limited	Dental practices	England ^a
² Speed 8599 Limited	Dormant	England ^a
² Speed 8600 Limited	Dormant	England ^a
¹ SRDP Limited	Dental practices	England ^a

Notes to the financial statements (continued)

10 Investments (continued)

Name of subsidiary	Principal activity	Domiciled in
¹ Stalbridge Dental Practice Limited	Dental practices	England ^a
¹ Stunning Smiles Ltd	Dental practices	Northern Ireland ^c
¹ The Bristol Endodontic Clinic Limited	Dental practices	England ^a
The Crescent Specialist Dental Centre Ltd	Dental practices	England ^a
The Dental Directory Limited	Non-trading	England ^a
¹ The Domiciliary Dental Practice Limited	Dental practices	England ^a
¹ The Plains' Dental Practice Limited	Dental practices	England ^a
¹ The Village Practice Ltd	Dental practices	England ^a
¹ The Visiting Dental Service Ltd	Dental practices	England ^a
¹ Tully Crine Limited	Dental practices	England ^a
¹ Unnati Limited	Dental practices	England ^a
² Viren Patel and Associates Limited	Dormant	England ^a
¹ Westhoughton (No 1) Limited	Dental practices	England ^a
¹ Westpark Dental Practice Limited	Dental practices	England ^a
¹ White Dental Care Ltd	Dental practices	Northern Ireland ^c
Whitecross Dental Care Limited	Dental practices	England ^a
¹ Whitecross Group Limited	Non-trading	England ^a
¹ Whitecross Healthcare Limited	Non-trading	England ^a
² Whitecross Supplies Limited	Dormant	England ^a
¹ Wishaw Cross Dental Care Limited	Dental practices	Scotland ^b

¹ Company exempt from audit under section 479A of the Companies Act 2006

² Company exempt from audit under section 480 of the Companies Act 2006

³ Company exempt from audit by virtue of the legislation in the country of incorporation.

⁴ Countries of operation are England, Scotland and Wales

^a Registered office address: Europa House, Europa Trading Estate, Stoneclough Road, Kearsley, Manchester, M26 1GG

^b Registered office address: 1 Johnston Street, Paisley, Renfrewshire, Scotland, PA1 1XQ

^c Registered office address: c/o A&L Goodbody Solicitors, 6th Floor, 42-46 Fountain Street, Belfast, BT1 5EF

^d Registered office address: c/o Intertrust Corporate Services (Cayman) Limited, 190 Elgin Avenue, George Town, Grand Cayman KY1-9005, Cayman Islands

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

Name of partnership	Name of partnership
1A Group Dental Practice Partnership	Hollinwood Dental Practice Partnership
*Ardent Dental Care Practice Partnership	Jefferies Reed and Associates
Armley Dental Practice Partnership	JF Scott Dental Surgeon Partnership
Avondale Dental Practice Partnership	Kettering Central Dental Practice Partnership
Bank House Dental Practice Partnership	Lambert Coutts & Associates Dental Practice Partnership
Bolton and Bury Dental Practice Partnership	Low Fell Dental Practice Partnership
Brinsworth Lane Dental Care Partnership	*Mayo Dental Clinic Partnership
Broadwalk Dental Centre Partnership	Mill Dental Practice Partnership
Carcroft Dental Practice Partnership	Mostyn House Dental Practice Partnership
Castle View House Dental Practice Partnership	Narborough Road South Dental Practice Partnership
Chequer Hall Dental Practice Partnership	North Marine Road Dental Practice Partnership
Colne & Earby Dental Practice Partnership	Northgate Dental Health Practice Partnership
*Cottage Dental Practice Partnership	Picton Road Dental Practice Partnership
Crown Dental Practice Partnership	*Railway Road Dental Practice Partnership
*Dalton Dental Surgery Partnership	Red Rose Dental Group
Effingham Square Dental Practice Partnership	Rhyl and Abergele Elwy Dental Partnership
Florence House Dental Practice Partnership	Ripponden Road Dental Practice Partnership
Front Street Dental Practice Partnership	Risley Hill Dental Centre Partnership
Hampton Court Dental Centre Partnership	River Wye Dental Practice Partnership
Harbour Dental Practice Partnership	Roe Lane Family Dental Practice Partnership
*Haslingden Dental Surgery Partnership	Severn Street Dental Practice Partnership
Heaton Road and Blakelaw Dental Practice Partnership	Shaw Family Dental Practice Partnership
Henfield Dental Practice Partnership	Sneyd Green Dental Practice Partnership
High Street Dental Practice Partnership	South England Dental Practice Partnership

Notes to the financial statements (continued)

10 Investments (continued)

Name of partnership	Name of partnership
Spital Hill Dental Surgery Practice Partnership	The London Road Dental Practice Partnership
Stanhope Road Dental Practice Partnership	The Lyppard Dental Centre Practice Partnership
The Bell Lane Practice	The Marden House Dental Practice Partnership
The Boulevard Dental Practice Partnership	The Peterborough Dental Practice Partnership
The Burnby Dental Practice Partnership	The Peterlee Dental Practice Partnership
The Burnham Dental Practice Partnership	The Pon Dental Surgery Dental Practice Partnership
The Caulfield Dental Surgery Partnership	The Sea Road Dental Practice Partnership
The Church House Dental Practice Partnership	The Severnside Dental Practice Partnership
The Crab Tree Lane and Church Street Dental Practice Partnership	The Southwick and Whitburn Dental Practice Partnership
The Crossgates Lane and Chapeltown Road Dental Practice Partnership	Tower Gardens Dental Practice Partnership
The Dental Surgery Partnership	Trinity Terrace Dental Practice Partnership
The Fairfield Dental Practice Partnership	VI Dental Centre Partnership
The Gairloch House Dental Practice Partnership	*West Lodge Dental Practice Partnership
The Grainger Stockton, Birtley and Stanley Dental Practice Partnership	Westbury Park Dental Practice Partnership
*The Haverflatts Lane Dental Practice Partnership	Whiston Village Dental Practice Partnership
The Killingworth Dental Practice Partnership	Woodview Dental Health Practice Partnership
The Loddon Dental Practice Partnership	

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

*The NHS contract within this partnership has been novated into a group company and the partnership has therefore ceased to trade.

The following companies form part of the DD division and have been recognised as "held for sale" assets at 31 March 2022 in the consolidated financial statements. The companies all formed part of the sale of DD on 8 June 2022.

Name of subsidiary	Principal activity	Country of incorporation
² BF Mulholland Ire Limited	Dormant	Ireland ^f
BF Mulholland Limited	Healthcare goods and services	Northern Ireland ^e
DD Products and Services Ltd (formerly Billericay Dental Supply Co. Limited)	Healthcare goods and services	England ^a
Dolby Medical EBT Trustee Limited	Non-trading	Scotland ^b
Dolby Medical Limited	Equipment servicing	Scotland ^b
DD Group Holdings Ltd (formerly H M Logistics Limited)	Healthcare goods and services	England ^a
² Handpiece Express Limited	Dormant	England ^a
Med-FX Ltd	Distributor of facial aesthetics products	England ^a
Mi-Tec Ltd	Equipment repair	England ^a
² Mintek UK Ltd	Dormant	England ^a
TAG Medical Limited	Medical equipment and testing	England ^a
² Unodent Ltd	Dormant	England ^a
³ X-Dent Limited	Healthcare goods and services	Jersey ^a

² Company exempt from audit under section 480 of the Companies Act 2006

³ Company exempt from audit by virtue of the legislation in the country of incorporation.

^e Registered office address: c/o A&L Goodbody Solicitors, 6th Floor, 42-46 Fountain Street, Belfast, BT1 5EF

^f Registered office address: PO Box 771, Ground Floor, Colomeric Close, St Helier, Jersey, JE4 0RX

^a Registered office address: The Black Church, St Mary's Place, Dublin 7, D07P4AX

^b Registered office address: 6 Perry Way, Witham, England, CM8 3SX

^c Registered office address: Units 1-3 Block 5, Manor Farm Business Park, Manor Loan, Stirling, Scotland, FK9 5QD

Notes to the financial statements (continued)

11 Debtors

	2022 £'000	2021 £'000
<i>Amounts falling due after more than one year</i>		
Amounts owed by group undertakings	66,698	59,541
<i>Amounts falling due within one year</i>		
Amounts owed by group undertakings	72,816	71,463
Amounts owed by related undertakings	-	287
	72,816	71,750
	139,514	131,291

The director has carried out an impairment review over the carrying value of certain receivables due from group companies where indicators of impairment were considered to exist at 31 March 2022. This review concluded that the carrying value of these receivables exceeded their estimated recoverable amount by £12,624,000 (2021: £11,760,000). As a result, an impairment charge equal to this amount has been recorded in the statement of comprehensive income for the year ended 31 March 2022. This impairment charge related wholly to accrued interest.

Amounts owed by group undertakings falling due after more than one year are unsecured and are subject to an interest charge of 12% per annum. The amount receivable at 31 March 2022 includes accrued interest of £42,579,000 (2021: £35,422,000), following the impairment set out above.

Amounts owed by group undertakings falling due within one year are unsecured, are not subject to an interest charge and are repayable on demand.

The amounts owed by related undertakings reflect expenses paid on behalf of Turnstone Management Investments Limited, a company registered in England and which holds investments in Turnstone Equityco 1 Limited, the company's parent, on behalf of group management. The amount was waived due to the change of control of the company. Amounts owed by related undertakings are unsecured, are not subject to an interest charge and are repayable on demand.

12 Creditors: amounts falling due within one year

	2022 £'000	2021 £'000
Amounts owed to group undertakings	384,977	166,736
Accruals and deferred income	4,067	190
	389,044	166,926

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

Amounts owed to group undertakings includes the proceeds from new PIK debt and preference shares issued by Turnstone Midco 1 Limited as part of the Palamon transaction. All of the £120,000,000 PIK debt and part of the £83,600,000m preference share proceeds were then on-lent via Turnstone Midco 2 Limited to the company, in order to facilitate the repayment of the group's existing debt at that time.

On 8 June 2022, £120,000,000 of this amount was settled from proceeds received following the sale of the group's DD division.

Notes to the financial statements (continued)

13 Creditors: amounts falling due after more than one year

	2022 £'000	2021 £'000
Borrowings (note 14)	409,491	27,116
Amounts owed to group undertakings	-	559,211
	409,491	586,327

The amounts owed to group undertakings falling due after more than one year are unsecured and are subject to an interest charge equivalent to that payable by mydentist Finance Limited (formerly IDH Finance Plc) upon its senior secured, floating rate and second lien notes.

During the year, these interest rates ranged between approximately 6.0% and 9.0% per annum (2021: range between approximately 6.0% and 9.0% per annum) and were fully settled at the refinancing of the Group's third-party borrowings on 16 August 2021.

14 Borrowings

	2022 £'000	2021 £'000
Loans		
Due over five years	400,000	-
Bank loans		
Due between two and five years	25,000	30,000
Unamortised facility arrangement fees and costs	(15,509)	(2,884)
	409,491	27,116

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

As part of the transaction the company's existing proceeds loan, due to mydentist Finance Limited (formerly IDH Finance Plc), was settled in full together with the existing RCF. This was replaced by the following facilities issued by the company, together with a £120 million subordinated PIK facility issued by Turnstone Midco 1 Limited:

- £400 million reference rate plus 7.25% margin Unitranche Facility B due 16 August 2027; and
- £50 million Unitranche Facility C available until 16 August 2023.

The company used the borrowings to settle the loan from mydentist Finance Limited (formerly IDH Finance Plc) and the Revolving Credit Facility.

On 29 October 2021, the Unitranche Facility C was replaced by a new £45 million Revolving Credit Facility available until February 2026.

Unamortised facility arrangement fees and costs relate to the costs incurred by the company to arrange the new long term financing arrangements, the £450,000,000 Unitranche facility and the £120,000,000 Subordinated PIK facility, put in place on the 16 August 2021.

15 Called up share capital

	2022 £'000	2021 £'000
Authorised, called up and fully paid		
410,961,479 ordinary shares of £0.01 (2021: 410,961,479 ordinary shares of £0.01)	4,110	4,110

Notes to the financial statements (continued)

16 Accumulated losses

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

17 Financial assets and liabilities

The company has the following financial instruments:

	Note	2022 £'000	2021 £'000
Financial assets measured at amortised cost			
Amounts owed by group undertakings	11	139,513	131,004
Amounts owed by related undertakings	11	-	287
Unamortised facility arrangement fees and costs	11	15,509	2,884
		<u>155,022</u>	<u>134,175</u>
Financial liabilities measured at amortised cost			
Bank and other borrowings	13,14	(425,000)	(30,000)
Amounts owed to group undertakings	12,13	(384,977)	(725,947)
Accruals	12	(4,067)	(190)
		<u>(814,044)</u>	<u>(756,137)</u>

18 Controlling party

The immediate parent undertaking is Turnstone Midco 2 Limited, a company incorporated in the United Kingdom.

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

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

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

Up to 16 August 2021 the ultimate controlling party was considered by the directors to be CEP III Participations S.a.r.l. SICAR, an investment vehicle for The Carlyle Group. CEP III Participations S.a.r.l. SICAR was the controlling party of Turnstone Equityco 1 Limited. Following the Palamon transaction, the controlling party from 16 August 2021 is considered by the directors to be ADP Primary Care Acquisitions Limited. The registered office for ADP Primary Care Acquisitions Limited 1 Park Row, Leeds, LS1 5AB.

19 Events after the reporting period

On 18 May 2022, the group entered into a binding share purchase agreement to sell DD Group Holdings Limited and subsidiaries to an affiliate of Sun European Partners LLP. On 8 June 2022, the transaction was completed and the DD division ceased to form part of the group. The proceeds from the sale of DD Group Holdings Limited were used to repay the £120.0 million Subordinated PIK facility in full including accrued interest. The total repayment was £131.5 million.