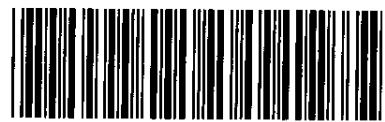


Company Registration No. 08737391 (England and Wales)

RAVAT & RAY HOLDINGS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

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21/12/2019

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COMPANIES HOUSE

MORRIS & Co
CHARTERED ACCOUNTANTS



Chester House, Lloyd Drive, Cheshire Oaks Business Park, Ellesmere Port, Cheshire CH65 9HQ

RAVAT & RAY HOLDINGS LIMITED

COMPANY INFORMATION

Directors	Dr M S Ray Dr I A Ravat
Company number	08737391
Registered office	Rumworth House 512 Wigan Road Bolton Lancashire England BL3 4QW
Auditor	Morris & Co Chester House Lloyd Drive Cheshire Oaks Business Park Ellesmere Port Cheshire CH65 9HQ
Bankers	The Royal Bank of Scotland PLC 2027 Parklands De Havilland Way Horwich Bolton BL6 4YU

RAVAT & RAY HOLDINGS LIMITED

CONTENTS

	Page
Strategic report	1 - 2
Directors' report	3 - 4
Independent auditor's report	5 - 7
Profit and loss account	8
Group statement of comprehensive income	9
Group balance sheet	10
Company balance sheet	11 - 12
Group statement of changes in equity	13
Company statement of changes in equity	14
Group statement of cash flows	15
Notes to the financial statements	16 - 33

RAVAT & RAY HOLDINGS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2019

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

Fair review of the business

The directors are pleased to announce that the group has performed well during the year under review.

Group operating loss before tax was £744,815, but EBITDA for the year was £996,944. This is an increase on the EBITDA for the year ended 31 March 2018 of £946,334. The improvement is partly due to a fall in the NHS clawback provision in the year, with the subsidiaries overall achieving a higher percentage of the UDAs on the NHS contracts compared to last year.

The amortisation charge of £1,542,329 reflects the high goodwill values of the practices, and as the dental market is still buoyant, the directors feel that there is no impairment of the goodwill this year. The directors also appreciate the hard work and dedication of the clinical, non-clinical and management staff that ensure patients receive the best possible care at a Ravat and Ray dental practice.

Principal risks and uncertainties

The key risks that could have a material effect on the Group's business activities are contracts with the NHS, potential workforce shortfall due to Brexit, the healthcare regulatory environment and HMRC's review into dental associate self-employed status.

The majority of the Group's income is derived from NHS England contracts. These contracts require the Group to deliver at least 96% of the contracted UDAs each year to prevent breach. Repeated breaches can result in the UDA target to be reduced or the contract to be withdrawn. The directors monitor UDA performance closely to ensure targets are met, and where there may be a potential shortfall, appropriate action is taken to ensure delivery of the contracts.

The Group requires qualified dentists, specialists, hygienists and nurses in order to provide quality dental care to its patients and to fulfil its NHS contract. The decision to withdraw from the membership of the EU may impact on the Group if local qualified workforce was to reduce, as has been predicted by several dental associations and organisations following Brexit.

The Group's dental practices are subject to review by the Care Quality Commission (CQC) and dental practices face closure if compliance with CQC guidelines are not adhered to. The Group ensures it stays on top of the current guidelines and is able to respond and comply with changes to CQC guidelines. Other regulatory risks include data protection, compliance with GDPR and the disposal of medical waste.

HMRC are currently carrying out a review of associate dentists and whether a typical associate dentists engagement should be under self-employment. Currently all dentists engaged by the Group are self-employed. In the worst case scenario, HMRC could determine that dentists are employed and going forward, the Group would need to engage dentists on an employed basis, incurring additional costs for employers class 1 national insurance, holiday pay and other employment benefits. The Group has been advised that the likely outcome is the removal of HMRC guidance ESM4030 and that the CEST (check employment status for tax) tool should be used for each engagement to ensure the dentists are self-employed.

Development and performance

The Group is committed to ensuring quality dental care is available in the North West of England. The Group will continue to invest in its practices and its staff to ensure the Group continues to be renowned for its high standards of patient care. The directors continue to look for further dental practices to acquire in the North West of England and for the right opportunities to tender for new NHS contracts in the region. During the current year, the Group tendered for two new NHS contracts in the Greater Manchester area and these were awarded to the Group after the year end.

RAVAT & RAY HOLDINGS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

Key performance indicators

Key Performance Indicators (KPIs) include:

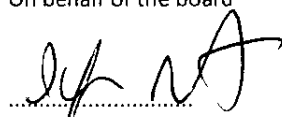
EBITDA (Earnings Before Interest, Tax, Depreciation, Amortisation)

NHS activity performance against contracted activity

Staff retention rates

The directors also use certain ratios to measure performance, but due to the sensitive nature of the information, the directors do not consider it appropriate to disclose the actual ratios.

On behalf of the board



Dr I A Ravat

Director

18/12/19

RAVAT & RAY HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2019

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

Principal activities

The principal activity of the Company was to act as a holding company and to manage subsidiaries. The principal activity of the Group is the operation of dental practices in the North West of England.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Dr M S Ray

Dr I A Ravat

Results and dividends

The results for the year are set out on page 8.

Ordinary dividends were paid in the accounting period amounting to £112,970.

Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

Auditor

In accordance with the company's articles, a resolution proposing that Morris & Co be reappointed as auditor of the group will be put at a General Meeting.

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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's 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. They 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.

RAVAT & RAY HOLDINGS LIMITED

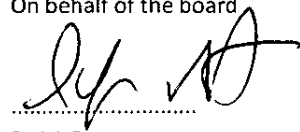
DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board



Dr I A Ravat

Director

Date: 18/12/2019

RAVAT & RAY HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF RAVAT & RAY HOLDINGS LIMITED

Opinion

We have audited the financial statements of Ravat & Ray Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2019 which comprise the group profit and loss account, the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2019 and of the group's loss 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

RAVAT & RAY HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF RAVAT & RAY HOLDINGS LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 auditor's 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

RAVAT & RAY HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF RAVAT & RAY HOLDINGS LIMITED

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Mrs Desirie Lea FCA FCCA (Senior Statutory Auditor)
for and on behalf of Morris & Co

19/12/19.....

Chartered Accountants
Statutory Auditor

Chester House
Lloyd Drive
Cheshire Oaks Business Park
Ellesmere Port
Cheshire
CH65 9HQ

RAVAT & RAY HOLDINGS LIMITED

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019 £	2018 £
Turnover	3	7,461,202	7,235,172
Cost of sales		(600,249)	(474,954)
Gross profit		6,860,953	6,760,218
Administrative expenses		(7,513,051)	(7,530,354)
Other operating income		485	-
Operating loss	4	(651,613)	(770,136)
Interest receivable and similar income	8	65	10
Interest payable and similar expenses	9	(93,267)	(93,449)
Loss before taxation		(744,815)	(863,575)
Tax on loss	10	(50,692)	(36,894)
Loss for the financial year		(795,507)	(900,469)

Loss for the financial year is all attributable to the owners of the parent company.

RAVAT & RAY HOLDINGS LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2019

	2019 £	2018 £
Loss for the year	(795,507)	(900,469)
Other comprehensive income	-	-
Total comprehensive income for the year	<u>(795,507)</u>	<u>(900,469)</u>

Total comprehensive income for the year is all attributable to the owners of the parent company.

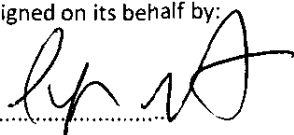
RAVAT & RAY HOLDINGS LIMITED

GROUP BALANCE SHEET

AS AT 31 MARCH 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Goodwill	13		10,228,696		11,771,025
Tangible assets	14		372,168		415,707
			<u>10,600,864</u>		<u>12,186,732</u>
Current assets					
Stocks	17	89,000		90,000	
Debtors	18	687,015		2,526,093	
Cash at bank and in hand		889,362		304,071	
		<u>1,665,377</u>		<u>2,920,164</u>	
Creditors: amounts falling due within one year	19	<u>(1,329,405)</u>		<u>(1,331,560)</u>	
Net current assets			335,972		1,588,604
Total assets less current liabilities			<u>10,936,836</u>		<u>13,775,336</u>
Creditors: amounts falling due after more than one year	20		(2,654,319)		(4,584,048)
Provisions for liabilities	23		(39,248)		(39,542)
Net assets			<u>8,243,269</u>		<u>9,151,746</u>
Capital and reserves					
Called up share capital	25		120		120
Share premium account			10,052,095		10,052,095
Profit and loss reserves			(1,808,946)		(900,469)
Total equity			<u>8,243,269</u>		<u>9,151,746</u>

The financial statements were approved by the board of directors and authorised for issue on 18/12/19 and are signed on its behalf by:



 Dr I A Ravat
 Director

RAVAT & RAY HOLDINGS LIMITED

COMPANY BALANCE SHEET

AS AT 31 MARCH 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	14		59,380		67,786
Investments	15		10,052,115		10,052,115
			<u>10,111,495</u>		<u>10,119,901</u>
Current assets					
Debtors	18	631,524		774,539	
Cash at bank and in hand		20,383		89,489	
		<u>651,907</u>		<u>864,028</u>	
Creditors: amounts falling due within one year	19	<u>(522,483)</u>		<u>(593,225)</u>	
Net current assets			129,424		270,803
Total assets less current liabilities			<u>10,240,919</u>		<u>10,390,704</u>
Creditors: amounts falling due after more than one year	20		(145,357)		(217,180)
Net assets			<u>10,095,562</u>		<u>10,173,524</u>
Capital and reserves					
Called up share capital	25		120		120
Share premium account			10,052,095		10,052,095
Profit and loss reserves			43,347		121,309
Total equity			<u>10,095,562</u>		<u>10,173,524</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £35,008 (2018 - £121,309 profit).

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

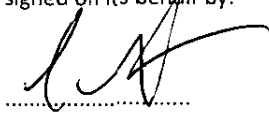
These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

RAVAT & RAY HOLDINGS LIMITED

COMPANY BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2019

The financial statements were approved by the board of directors and authorised for issue on 18/12/19 and are signed on its behalf by:



Dr. A Ravat

Director

Company Registration No. 08737391

RAVAT & RAY HOLDINGS LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 1 April 2017		100	-	-	100
Year ended 31 March 2018:					
Loss and total comprehensive income for the year		-	-	(900,469)	(900,469)
Issue of share capital	25	20	-	-	20
Other movements		-	10,052,095	-	10,052,095
Balance at 31 March 2018		120	10,052,095	(900,469)	9,151,746
Year ended 31 March 2019:					
Loss and total comprehensive income for the year		-	-	(795,507)	(795,507)
Dividends	11	-	-	(112,970)	(112,970)
Balance at 31 March 2019		120	10,052,095	(1,808,946)	8,243,269

RAVAT & RAY HOLDINGS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019

		Share capital	Share premium account	Profit and loss reserves	Total
	Notes	£	£	£	£
Balance at 1 April 2017		100	-	-	100
Year ended 31 March 2018:					
Profit and total comprehensive income for the year		-	-	121,309	121,309
Issue of share capital	25	20	-	-	20
Other movements		-	10,052,095	-	10,052,095
Balance at 31 March 2018		120	10,052,095	121,309	10,173,524
Year ended 31 March 2019:					
Profit and total comprehensive income for the year		-	-	35,008	35,008
Dividends	11	-	-	(112,970)	(112,970)
Balance at 31 March 2019		120	10,052,095	43,347	10,095,562

RAVAT & RAY HOLDINGS LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019 £	£	2018 £	£
Cash flows from operating activities					
Cash generated from operations		2,866,571		3,882,840	
Interest paid		(93,267)		(93,449)	
Income taxes paid		(11,368)		(206,951)	
Net cash inflow from operating activities		2,761,936		3,582,440	
Investing activities					
Purchase of intangible assets		-	(236,845)		
Purchase of tangible fixed assets		(62,690)	(387,830)		
Interest received		65	10		
Net cash used in investing activities			(62,625)		(624,665)
Financing activities					
Proceeds from issue of shares		-	20		
Proceeds from borrowings		-	247,429		
Repayment of borrowings		(1,877,067)	(3,152,796)		
Payment of finance leases obligations		(123,983)	(70,783)		
Dividends paid to equity shareholders		(112,970)	-		
Net cash used in financing activities		(2,114,020)		(2,976,130)	
Net increase/(decrease) in cash and cash equivalents		585,291		(18,355)	
Cash and cash equivalents at beginning of year		304,071		322,426	
Cash and cash equivalents at end of year		889,362		304,071	

RAVAT & RAY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

Company information

Ravat & Ray Holdings Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Rumworth House, 512 Wigan Road, Bolton, Lancashire, England, BL3 4QW.

The group consists of Ravat & Ray Holdings Limited and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 4 'Statement of Financial Position': Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

RAVAT & RAY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

The consolidated financial statements incorporate those of Ravat & Ray Holdings Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 March 2019. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is VAT exempt. NHS income is recognised on a work completed basis, with due consideration given for contract under and over performance. Private patient income is recognised when work is completed on the patient. Where treatment is completed in stages, revenue is recognised according to the stage of completion.

1.5 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

For the purposes of impairment testing, the directors monitor the dental practice market. The dental practice market is buoyant, with goodwill valuations across the North West rising since 2017. The directors do not consider that the goodwill requires impairing in this financial year.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold land and buildings	2% straight line on leasehold improvements; 10% reducing balance on integral assets
Plant and equipment	25% reducing balance
Fixtures and fittings	25% reducing balance
Computers	25% reducing balance

RAVAT & RAY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

1.7 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.8 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

RAVAT & RAY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct material costs.

1.10 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

RAVAT & RAY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. 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 profit or loss.

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 profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts 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 creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

RAVAT & RAY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.12 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.13 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

RAVAT & RAY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

1.14 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.15 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.16 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover and other revenue

	2019	2018
	£	£
Turnover analysed by class of business		
Dental Services	7,461,202	7,235,172

RAVAT & RAY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

3 Turnover and other revenue (Continued)

	2019	2018
	£	£
Other significant revenue		
Interest income	65	10

4 Operating loss

	2019	2018
	£	£
Operating loss for the year is stated after charging:		
Depreciation of owned tangible fixed assets	59,835	58,096
Depreciation of tangible fixed assets held under finance leases	46,393	61,857
Amortisation of intangible assets	1,542,329	1,536,432
Impairment of intangible assets	-	60,086
Operating lease charges	423,063	476,330

5 Auditor's remuneration

	2019	2018
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	21,000	15,000
For other services		
All other non-audit services	54,227	43,442

6 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

Group	2018	Company	2018
2019	2018	2019	2018
Number	Number	Number	Number
112	106	11	11

RAVAT & RAY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

6 Employees (Continued)

Their aggregate remuneration comprised:

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Wages and salaries	4,716,324	4,607,474	279,471	322,630
Social security costs	3,413	2,201	-	-
Pension costs	3,822	2,064	3,822	2,064
	<u>4,723,559</u>	<u>4,611,739</u>	<u>283,293</u>	<u>324,694</u>

7 Directors' remuneration

	2019	2018
	£	£
Remuneration for qualifying services	<u>133,687</u>	<u>77,770</u>

8 Interest receivable and similar income

	2019	2018
	£	£
Interest income		
Other interest income	<u>65</u>	<u>10</u>

9 Interest payable and similar expenses

	2019	2018
	£	£
Other interest on financial liabilities	90,000	90,000
Interest on finance leases and hire purchase contracts	3,267	3,446
Other interest	-	3
Total finance costs	<u>93,267</u>	<u>93,449</u>

10 Taxation

	2019	2018
	£	£
Current tax		
UK corporation tax on profits for the current period	51,303	14,379
Adjustments in respect of prior periods	(10)	-
Total current tax	<u>51,293</u>	<u>14,379</u>

RAVAT & RAY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

10 Taxation (Continued)

	2019 £	2018 £
Deferred tax		
Origination and reversal of timing differences	(601)	22,515
	<u> </u>	<u> </u>
Total tax charge	<u>50,692</u>	<u>36,894</u>

The actual charge for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2019 £	2018 £
Loss before taxation	(744,815)	(863,575)
	<u> </u>	<u> </u>
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	(141,515)	(164,079)
Tax effect of expenses that are not deductible in determining taxable profit	5,082	5,762
Unutilised tax losses carried forward	10,123	-
Depreciation on assets not qualifying for tax allowances	168	170
Amortisation on assets not qualifying for tax allowances	184,938	183,995
Impairment of goodwill	-	11,046
Timing differences between capital allowances and depreciation	(8,104)	-
	<u> </u>	<u> </u>
Taxation charge	<u>50,692</u>	<u>36,894</u>

11 Dividends

	2019 £	2018 £
Interim paid	112,970	-
	<u> </u>	<u> </u>

RAVAT & RAY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

12 Impairments

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in profit or loss:

	Notes	2019 £	2018 £
In respect of:			
Goodwill	13	-	60,086
Recognised in:			
Administrative expenses		-	60,086

The impairment losses in respect of financial assets are recognised in other gains and losses in the profit and loss account.

13 Intangible fixed assets

Group	Goodwill £
Cost	
At 1 April 2018 and 31 March 2019	15,834,516
Amortisation and impairment	
At 1 April 2018	4,063,491
Amortisation charged for the year	1,542,329
At 31 March 2019	5,605,820
Carrying amount	
At 31 March 2019	10,228,696
At 31 March 2018	11,771,025

The company had no intangible fixed assets at 31 March 2019 or 31 March 2018.

RAVAT & RAY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

14 Tangible fixed assets

Group	Leasehold land and buildings	Plant and equipment	Fixtures and fittings	Computers	Total
	£	£	£	£	£
Cost					
At 1 April 2018	76,496	487,570	229,320	59,415	852,801
Additions	-	56,177	3,486	3,027	62,690
At 31 March 2019	76,496	543,747	232,806	62,442	915,491
Depreciation and impairment					
At 1 April 2018	10,545	213,364	181,244	31,942	437,095
Depreciation charged in the year	3,115	82,596	12,891	7,626	106,228
At 31 March 2019	13,660	295,960	194,135	39,568	543,323
Carrying amount					
At 31 March 2019	62,836	247,787	38,671	22,874	372,168
At 31 March 2018	65,952	274,205	48,077	27,473	415,707

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	Group 2019	2018	Company 2019	2018
	£	£	£	£
Plant and equipment	139,179	185,572	-	-

RAVAT & RAY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

14 Tangible fixed assets (Continued)

Company	Leasehold land and buildings £	Plant and equipment £	Fixtures and fittings £	Computers £	Total £
Cost					
At 1 April 2018 and 31 March 2019	44,687	14,643	7,482	11,658	78,470
Depreciation and impairment					
At 1 April 2018	2,239	3,661	1,870	2,914	10,684
Depreciation charged in the year	2,071	2,746	1,403	2,186	8,406
At 31 March 2019	4,310	6,407	3,273	5,100	19,090
Carrying amount					
At 31 March 2019	40,377	8,236	4,209	6,558	59,380
At 31 March 2018	42,448	10,982	5,612	8,744	67,786

15 Fixed asset investments

		Group 2019 £	2018 £	Company 2019 £	2018 £
Notes					
Investments in subsidiaries	16	-	-	10,052,115	10,052,115

Movements in fixed asset investments

Company	Shares in group undertakings £
Cost or valuation	
At 1 April 2018 and 31 March 2019	10,052,115
Carrying amount	
At 31 March 2019	10,052,115
At 31 March 2018	10,052,115

RAVAT & RAY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

16 Subsidiaries

Details of the company's subsidiaries at 31 March 2019 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Highfield Dental Practice Limited	UK	Dental Practice	Ordinary	100.00	
Ravat & Ray Dental Care (Bradford) Ltd	UK	Dental Practice	Ordinary	100.00	
Ravat & Ray Dental Care (Salford) Ltd	UK	Dental Practice	Ordinary	100.00	
Ravat & Ray Dental Care (Ormskirk) Ltd	UK	Dental Practice	Ordinary	100.00	
Ravat & Ray Dental Care (Chorley) Ltd	UK	Dental Practice	Ordinary	100.00	
Ravat & Ray Dental Care (Burnley) Ltd	UK	Dental Practice	Ordinary	100.00	
Ravat & Ray Dental Care (Wigan) Ltd	UK	Dental Practice	Ordinary	100.00	
Ravat & Ray Dental Care (Chadderton) Ltd	UK	Dental Practice	Ordinary	100.00	
Ravat & Ray Dental Care (Fitton Hill) Ltd	UK	Dental Practice	Ordinary	100.00	
Ravat and Ray Dental Care Limited	UK	Dental Practice	Ordinary	100.00	

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

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

The registered office of the company and all of its subsidiaries is Rumworth House, 512 Wigan Road, Bolton, Lancashire, BL3 4QW.

17 Stocks

	Group 2019 £	2018 £	Company 2019 £	2018 £
Raw materials and consumables	57,000	57,000	-	-
Work in progress	32,000	33,000	-	-
	<u>89,000</u>	<u>90,000</u>	<u>-</u>	<u>-</u>

RAVAT & RAY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

18 Debtors

	Group 2019	2018	Company 2019	2018
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	398,765	433,169	-	-
Corporation tax recoverable	7,071	17,093	84,003	83,493
Amounts owed by group undertakings	-	-	374,439	353,437
Other debtors	280,358	2,070,051	172,261	337,096
Prepayments and accrued income	-	5,267	-	-
	<u>686,194</u>	<u>2,525,580</u>	<u>630,703</u>	<u>774,026</u>
Deferred tax asset (note 23)	821	513	821	513
	<u>687,015</u>	<u>2,526,093</u>	<u>631,524</u>	<u>774,539</u>

19 Creditors: amounts falling due within one year

		Group 2019	2018	Company 2019	2018
	Notes	£	£	£	£
Obligations under finance leases	22	52,662	123,983	-	-
Payments received on account		29,500	-	-	-
Trade creditors		738,982	604,625	56,888	23,498
Amounts owed to group undertakings		-	-	447,819	544,674
Corporation tax payable		51,304	21,400	-	-
Other taxation and social security		35,384	28,368	5,442	6,475
Other creditors		421,573	553,183	12,334	18,578
		<u>1,329,405</u>	<u>1,331,559</u>	<u>522,483</u>	<u>593,225</u>

20 Creditors: amounts falling due after more than one year

		Group 2019	2018	Company 2019	2018
	Notes	£	£	£	£
Obligations under finance leases	22	-	52,662	-	-
Other borrowings	21	2,654,319	4,531,386	145,357	217,180
		<u>2,654,319</u>	<u>4,584,048</u>	<u>145,357</u>	<u>217,180</u>

RAVAT & RAY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

21 Loans and overdrafts

	Group 2019 £	2018 £	Company 2019 £	2018 £
Other loans	2,654,319	4,531,386	145,357	217,180
Payable after one year	2,654,319	4,531,386	145,357	217,180

The long-term loans are loans made to the company by the directors. These are unsecured and are repayable in 367 days of demand.

22 Finance lease obligations

	Group 2019 £	2018 £	Company 2019 £	2018 £
Future minimum lease payments due under finance leases:				
Within one year	53,021	127,250	-	-
In two to five years	-	53,021	-	-
	53,021	180,271	-	-
Less: future finance charges	(359)	(3,636)	-	-
	52,662	176,645	-	-

Finance lease payments represent rentals payable by the company or group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 2 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

23 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

	Liabilities 2019 £	Liabilities 2018 £	Assets 2019 £	Assets 2018 £
Group				
Accelerated capital allowances	39,248	39,542	821	513

RAVAT & RAY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

23 Deferred taxation (Continued)

	Liabilities 2019 £	Liabilities 2018 £	Assets 2019 £	Assets 2018 £
Company				
Accelerated capital allowances	-	-	821	513

24 Retirement benefit schemes

	2019 £	2018 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	3,822	2,064

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

25 Share capital

	Group and company	
	2019 £	2018 £
Ordinary share capital		
Issued and fully paid		
114 Ordinary A of £1 each	114	114
1 Ordinary B of £1 each	1	1
1 Ordinary C of £1 each	1	1
1 Ordinary D of £1 each	1	1
1 Ordinary E of £1 each	1	1
1 Ordinary F of £1 each	1	1
1 Ordinary G of £1 each	1	1
	120	120

26 Operating lease commitments

Lessee

As at 31 March 2019, the Group had annual commitments under non-cancellable operating leases due for the lease of dental practice freeholds of £423,063. Some of the dental practice freeholds are leased from a related party at market value and the rent is subject to annual review.

27 Events after the reporting date

After the reporting date, the shareholders of Ravat & Ray Holdings Limited have agreed to sell the shares to Dental Partners Trading Limited.

RAVAT & RAY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

28 Related party transactions

The following amounts were outstanding at the reporting end date:

Amounts due to related parties	2019 £	2018 £
Group		
Other related parties	647	55,995
	<u>647</u>	<u>55,995</u>
Company		
Entities over which the company has control, joint control or significant influence	447,819	544,674
Other related parties	-	935
	<u>447,819</u>	<u>544,674</u>

The following amounts were outstanding at the reporting end date:

Amounts due from related parties	2019 Balance £	2018 Balance £
Group		
Other related parties	266,527	2,054,019
	<u>266,527</u>	<u>2,054,019</u>
Company		
Entities over which the company has control, joint control or significant influence	374,439	353,437
Other related parties	172,261	337,096
	<u>546,700</u>	<u>690,533</u>

29 Directors' transactions

Dr I Ravat (Director)

At the year end, Dr I Ravat had total loans across the companies of £1,316,789 due to him.

Dr M Ray (Director)

At the year end, Dr M Ray had total loans across the companies of £1,337,528 due to him.

The loans are unsecured and the loans are repayable in 367 days of demand.