

Registered number: 11894200

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**FLOSS TOPCO LIMITED**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE PERIOD 20 MARCH 2019 TO 31 MARCH 2020**

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**FLOSS TOCO LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	L G Ganem (appointed 20 March 2020) O Hoenich (appointed 20 March 2020) S Shah (appointed 8 April 2019) A E Smith (appointed 8 April 2019) C Stokes (appointed 10 January 2020) P Vaid (appointed 29 May 2019)
<b>Registered number</b>	11894200
<b>Registered office</b>	137 High Street Brentwood Essex CM14 4RZ
<b>Independent auditors</b>	RSM UK Audit LLP Chartered Accountants & Statutory Auditor 25 Farringdon Street London EC4A 4AB

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**FLOSS TOPCO LIMITED**

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**GROUP STRATEGIC REPORT FOR THE PERIOD ENDED 31 MARCH 2020**

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**Introduction**

The Company was incorporated on 20 March 2019. A majority share in Clacton Dental Care Limited was acquired by one of its subsidiaries, Floss Bidco Ltd on 8 April 2019. The consolidated results set out in the financial statements are for the period 20 March 2019 to 31 March 2020.

**Review of the development and performance of the company**

Floss Topco Ltd was established by G Square Capital to acquire Clacton Dental Care Limited and additional subsidiaries in order to form a leading UK dental group. Since the acquisition of Clacton Dental Care Limited in April 2019, the Group has continued to be highly acquisitive and acquired 13 new practices during the period via a combination of share acquisitions and trade and asset acquisitions. As of 31<sup>st</sup> March 2020, the Group operated 34 dental practices, providing both NHS and a full range of private dental services to patients. The Group grew revenue by 32% during the period as it continues its strategic growth and seeks to accelerate its growth.

During the period, 12 Intermediate Minor Oral Surgery Services ("IMOS") Contracts were awarded by NHS England, to 18 of the Group's practices across East Anglia.

The wider Floss Group refinanced in September 2019, to repay existing debt and to create a £40m Acquisition facility and £50m Accordion facility, in order to accelerate acquisitions.

**Strategy and future outlook**

The Group remains well positioned to take advantage of significant future opportunities within the UK dental market, with a proven track record of successfully acquiring and integrating new practices. The Group is continuing to deliver on its strategic growth plan, delivering growth both through organic and acquisition growth. The Group continues to be focused on recruiting and retaining high quality clinicians and has established a reputation as one of the best corporate dental brands to work with. The group's core ethos is to be run by dentists to provide high quality and affordable dental care for everyone by educating their team, who can in turn, educate their patients. Whilst the COVID-19 pandemic disrupted trading, resulting in a temporary 3-month closure of its practices, the Group remained funded throughout by NHS England, and rapidly returned to growth.

**Financial review**

The group's revenue is derived from a mix of fixed contract income with the relevant NHS region, and self-funded private income. The fixed income nature of the NHS contracts continues to provide the group with a reliable core revenue base, whilst allowing for significant upside on private fee growth. During the period, approximately 2 weeks of private revenue was lost as a result of a nationwide closure of dental practices in response to the COVID-19 pandemic.

Group turnover for the period was £32.0m.

The underlying Group Earnings before interest, tax, depreciation and amortisation ("EBITDA") being EBITDA adjusted by the Directors for costs considered to be one off and non-recurring in nature of £0.8m, amounted to £3.8m.

Group operating loss for the period was £10.1m

GROUP STRATEGIC REPORT FOR THE PERIOD ENDED 31 MARCH 2020 (Continued)

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**Principal risks and uncertainties**

**Regulatory risks**

The results of the group are subject to the regulatory environment related to health and safety, quality of care, the storage and distribution of controlled drugs and medicines, the disposal of hazardous waste and data protection, principally through the costs related to compliance. The dental practices are subject to regular review by the Care Quality Commission ('CQC') and could be closed if compliance with CQC guidelines cannot be demonstrated. The practices are also subject to regulatory oversight from the Medical and Healthcare Products Regulatory Agency ('MHRA') in respect of the purchase, sale and storage of medicines.

The dental practices receive, generate and store significant volumes of personal data containing patients' personal and medical information. Therefore, they are subject to the privacy laws with respect to the use, transfer and disclosure of this data. A failure to adequately safeguard confidential patient information could result in significant fines, penalties and litigation. We mitigate these risks by having comprehensive data protection and best practice operational policies along with excellent clinical, operational and support staff.

**NHS contract**

The NHS contract for a dentist in England and Wales, introduced in April 2006, provides clear benefits to the group, both in terms of income stability and visibility and therefore dentist retention. However, as with any system, there are likely to be modifications to it, potentially through the introduction of a new contract structure. The extent of such modifications and the impact which they may have on the group, either in a favourable or adverse manner have not yet been drafted into legislation. However, the group maintains a close dialogue with the regulators in developing the new contract and is participating in the prototype programme which commenced in October 2015 to ensure that the business is well prepared for future changes, if any.

**Clinicians and other qualified staff**

The group requires skilled clinicians, hygienists and nurses in order to care for its growing patient base. The expansion of the European Union ('EU') over recent years and the increased capacity of UK dental schools have increased the supply of clinicians available to the group. The improved supply, coupled with the nature of the dentist's contracts has improved the retentions of dentists within the group. The directors recognise the importance of quality clinicians and their self-employed status for ensuring the continued success of the group. The group manages the risk associated with the supply of clinicians through offering access and subscription to training and development programmes to enhance retention. Due to factors which have resulted in a decrease in Units of Dental Activity ('UDA') delivery rates over the past two years, the group is currently working to recruit additional clinicians in order to deliver its NHS contracts. In addition, the UK's decision to withdraw from membership of the EU may impact the supply of clinicians in future and the group continues to monitor developments. The group continues to invest in improving pay structures and incentivisation for nurses and other clinical staff and continues to review the impact of changes resulting from the introduction of the Apprenticeship Levy and future increases to the National Living Wage upon its staffing structures.

**COVID-19**

The COVID-19 global pandemic resulted in the restriction of dental procedures to telephone triage and remote consultations. The Associates and Practice staff however have transferable skills and were asked by NHS England to volunteer for wider roles to help the NHS combat COVID-19, in return for continuation of contractual payments. Following this first lockdown, dental practices have been allowed to remain open as essential healthcare services with additional regulations for fallow times between patients and reduced targets from the NHS to ensure the full contract revenue is received. All practices in the group are currently expected to meet

**GROUP STRATEGIC REPORT FOR THE PERIOD ENDED 31 MARCH 2020 (Continued)**

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the minimum requirements so the impact on revenues is minimal. Combined with the government funded scheme to allow a proportion of employees at mixed practices to be placed on 'furlough', the Group returned to growth once the nationwide lockdown ended.

**Financial key performance indicators**

As noted in the financial review section above, the primary key performance indicators ("KPIs") which the directors monitor are turnover and "underlying" EBITDA. This is reviewed both as it relates to actual performance and in relation to the budget management accounts.

**Other key performance indicators**

Other KPIs used by the Group include the following:

- Staff retention
- NHS activity performance against targets
- Dental cost control
- ROI on Capital expenditure
- ROI on Marketing spend
- Compliance rates
- Quality of clinical work provided
- Staff satisfaction

**Section 172(1) of the Companies Act 2006**

Company directors are required to act in good faith, to promote the long-term success of the company for the benefit of its stakeholders. As a Board, the Directors remain mindful of the significance of matters under their consideration from the point of view of materiality to stakeholders. Section 172(1) of the Companies Act 2006 requires that businesses and their Directors report on their duty to promote the success of the company with regard to the following matters:

**A) Long-term sustainability**

We aim to make sufficient profit to sustain the Group's commercial vitality while focusing on the optimal mix of public and private income. This is balanced against the needs of our customers, other stakeholders and the community to ensure we are conducting all our business relationships with integrity. The long-term sustainability of the Group is at the forefront of decision-making, particularly in response to the rapid growth we have seen and, since the year-end and the Coronavirus pandemic. The Group has worked closely with NHS England and other dentistry providers to ensure care can continue to be delivered throughout a challenging period, whilst ensuring continued investment in our existing facilities, systems and teams. The NHS has demonstrated its financial support for the sector in difficult times, allowing confidence to continue growing and investing across the business, and positioning the Group as one of the leading companies in the sector.

**B) Interests of the Group's Employees**

The Group communicates with employees actively by way of the website and intranet. The Group has put in place a number of constructive feedback mechanisms and best practice policies. This ensures that employee best interests are an integral part of our decision making.

**C) Fostering relationships with Stakeholders, Producers and Suppliers**

Our key stakeholders are our Shareholders, NHS, Suppliers and Directors, who embody our values by working to improve the lives of our customers. We are also focused on building long-term relationships with our customers by working with dentists who are particularly patient focused. We maintain a personal touch

**GROUP STRATEGIC REPORT FOR THE PERIOD ENDED 31 MARCH 2020 (Continued)**

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with our key stakeholders and suppliers making time for frequent communication with our dentists, our key suppliers, NHS England and the people in the communities in which we operate.

**D) Community and environment**

The Group's Directors take all reasonable steps to minimise any detrimental impact the Group's operations may have on the environment. Our practice managers minimise energy usage. The Group also supports a range of charitable and community activity, based on customer input and coordinated through practices and practice managers.

**E) Maintenance of high standards of business conduct**

The Group aims to conduct all its business relationships with integrity and courtesy, and scrupulously to honour business agreements. We pay suppliers promptly, to agreed payment terms. The Group works closely with suppliers to ensure full compliance with all legislation and is proud of its 100% CQC audit success rate. The Group builds strong relationships through effective partnerships, establishing group contracts and focusing on long term mutual success. The Group has an ESG plan reviewed annually, and is committed to improving its carbon footprint and impact on the environment.

**F) The Need to Act Fairly between members of the Company**

The Directors continue to pursue what they believe is the most prudent long term investment strategy that balances dividends and growth fairly between the Group's owners and other stakeholders. We are acquiring businesses at a pace that is sustainable and will allow for the growth of synergy and private revenue streams. It is the view of the Directors that they continue to run the business in the best long-term interest of all relevant stakeholders.

This report was approved by the board on 25<sup>th</sup> February 2021 and signed on its behalf:



**S D Shah**  
Director

**DIRECTORS' REPORT FOR THE PERIOD ENDED 31 MARCH 2020**

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The directors present their report and the financial statements for the period 20 March 2019 to 31 March 2020.

**Principal Activities**

The principal activity of the Group is the provision of dental services. The Company is a holding company.

**Directors' responsibilities statement**

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group 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 for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Results and dividends**

The group loss for the period, after taxation, amounted to £10,085,420. The directors do not recommend the payment of a dividend for this period.

**Directors**

The directors who served during the period were:

L G Ganem (appointed 20 March 2020)  
O Hoenich (appointed 20 March 2020)  
S Shah (appointed 8 April 2019)  
A E Smith (appointed 8 April 2019)  
C Stokes (appointed 10 January 2020)  
P Vaid (appointed 29 May 2019)  
S Radia (appointed 8 April 2019, resigned 29 May 2019)



**DIRECTORS' REPORT FOR THE PERIOD ENDED 31 MARCH 2020 (Continued)**

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**Future developments**

The Group remains well positioned to take advantage of significant future opportunities within the UK dental market, with a proven track record of successfully acquiring and integrating new practices. The group is continuing to deliver on its strategic growth plan, delivering growth both through organic and acquisition growth. The strategy of acquiring practices with a strong NHS core with private growth potential has proved robust during the period of uncertainty caused by the COVID-19 pandemic and the Group will continue to acquire practices post pandemic. The Group continues to be focused on recruiting and retaining high quality clinicians and has established a reputation as one of the best corporate dental brands to work with. The group's core ethos is to be run by dentists to provide high quality and affordable dental care for everyone by educating their team, who can in turn, educate their patients.

The Group continues to deliver its growth strategy of acquiring new sites. Significant investment has been made in the Support Office structure, allowing for the acceleration of acquisition and integration of additional practices. It is envisaged the group will significantly grow the number of practices in the next few years, whilst marketing, synergies and operational performance will continue to drive strong organic growth. Heads of Terms on the acquisition of a further 3 practices have been agreed. The group continues to pursue further opportunities for additional NHS contracts, whilst broadening its range of deliverable procedures to increase internal cross referrals between practices.

**Disclosure of information to auditors**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

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

**Post balance sheet events**

The Group was impacted by the COVID-19 virus, with practices temporarily forced to close as part of the first UK lockdown. However, the NHS continued to pay contractual revenue throughout this period, and the business has recovered strongly, maintained liquidity and returned to growth shortly after reopening its practices in June 20. This has meant that there has been no direct impact on the Floss group's entities' ability to repay their liabilities to the Company. COVID-19 continues to disrupt the global economy and the NHS, its impacts on the business remain uncertain subsequent to 31 March 2020 and management continue to closely monitor the situation. Management considers the continuing impact of COVID-19 to be a non-adjusting post-balance sheet event.

Post year end Head of Terms have been agreed for the acquisition of a further 3 practices.

**DIRECTORS' REPORT FOR THE PERIOD ENDED 31 MARCH 2020 (Continued)**

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**Going Concern**

The COVID-19 global pandemic resulted in the restriction of dental procedures to telephone triage and remote consultations. The Associates and Practice staff however have transferable skills and were asked by NHS England to volunteer for wider roles to help the NHS combat COVID-19, in return for continuation of contractual payments. This combined with the government funded scheme to allow a small proportion of employees at mixed practices to be placed on 'furlough', allowed the Group to return to growth once the first nationwide lockdown ended.

Following this first lockdown, dental practices have been allowed to remain open as essential healthcare services with additional regulations for fallow times between patients and reduced targets from the NHS to ensure the full contract revenue is received. All practices in the group are expected to meet the minimum requirements so the impact on revenues is minimal.

During the period, the Group made a loss of £10,085,420, which includes amortisation of £8,374,309 and depreciation of £635,576. The group generated cash from operations of £2,115,034.

As at 31 March 2020, the Group has net current liabilities of £1,648,227.

The Floss Group, by virtue of its borrowings in Floss Bidco Limited, the company's direct subsidiary undertaking, is subject to a financing facility with cross guarantees over certain group entities. As at 31 March 2020, group borrowings subject to this guarantee totalled £43,797,364 (2019: £nil). The facilities include financial covenants based on the Floss Group's performance. Cash is also managed on a group wide basis. Consequently, the cash flow forecast of the Floss Group as a whole is relevant in the assessment of going concern. The Floss Group has met all historic financial covenant tests, and management monitor forward compliance closely. The Directors have forecast cashflow and covenant testing for the next few years, including the impact of COVID-19 on the Floss Group, and expect to remain compliant with financing facility requirements and to be able to pay all debts as they fall due for at least the next 12 months from the date these financial statements are approved.

Therefore, these financial statements have been prepared on a going concern basis.

**3<sup>rd</sup> Party Indemnity for dentists and directors**

All Associate dentists and most hygienists are self-employed, and carry professional indemnity insurance. The Group completes an annual check to ensure the associates and self-employed associates have insurance in place. A Directors & Officers liability insurance policy is in place and renewed annually.

**Financial Instruments policy risks**

The Group only has basic financial instruments. The deferred consideration on acquisitions is straight forward and do not materially impact the assessment of the entities financial position.

**Employee Disclosure**

Through its diversity policy, the Group seeks to ensure that every employee, without exception, is treated equally and fairly and that all employees are aware of their responsibilities. As such, should any employee of the Group become disabled during their time with us, we will actively retrain that employee and make reasonable adjustments to their environment where possible, in order to keep the employee with the Group. It is the policy of the Group that the recruitment, training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

**DIRECTORS' REPORT FOR THE PERIOD ENDED 31 MARCH 2020 (Continued)**

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**Employee Engagement**

The Group engages with its employees continuously and in a number of ways. Regular 1 to 1's are conducted between management and staff and monthly management meetings where Directors relay information about corporate performance directly to employees. Direct feedback is encouraged and actioned. Directors have introduced a centralised intranet for disseminating information and an internal chat system to encourage a sense of shared awareness.

**Statement of engagement with suppliers, customers and others in a business relationship with the Group**

The Directors have had regard to the need to foster the Group's business relationships with suppliers, customers and others, our focus on treating our suppliers as partners has resulted in significant growth and has informed our policy of only acquiring Dental practices that align with our vision for the Group.

**Greenhouse Gas Emissions, Energy Consumption and Energy Efficiency**

It is impractical to obtain this information. Given the majority of the Group's income is service based it isn't likely to be significant enough to be of practical interest to any of our stakeholders.

**Strategic report**

The Directors have chosen, in accordance with S414c of the Companies Act, to disclose the information relating to principal risk and uncertainties, review of the business and key performance indicators in the Strategic report.

**Auditors**

During the period the Directors appointed RSM UK Audit LLP as auditors to the Group and they will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 25<sup>th</sup> February 2021 and signed on its behalf:



**C Stokes**  
Director

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF  
FLOSS TOPCO LIMITED**

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**Opinion**

We have audited the financial statements of Floss Topco Limited (the 'parent Company') and its subsidiaries (the 'Group') for the period ended 31 March 2020, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Balance Sheets, the Consolidated Statement of Cash Flows, the Consolidated and Company Statements of Changes in Equity 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 Financial Reporting Standard 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 of the parent Company's affairs as at 31 March 2020 and of the Group's loss for the period 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group and Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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.

**Other information**

The other information comprises the information included 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, 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.

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**FLOSS TOPCO LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF  
FLOSS TOPCO LIMITED (Continued)**

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**Opinion on other matters prescribed by the Companies Act 2006**

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

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

**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 or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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 on page 5, 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.

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF  
FLOSS TOPCO LIMITED (Continued)**

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**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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

**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 Auditors' 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.

*RSM UK Audit LLP*

Suneel Gupta FCA (Senior Statutory Auditor)  
For and on behalf of RSM UK LLP, Statutory Auditor  
Chartered Accountants  
25 Farringdon Street  
London  
EC4A 4AB

25<sup>th</sup> February 2021

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FLOSS TOPCO LIMITED

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 31 MARCH 2020

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		2020 £
Turnover	Note 4	31,982,814
Cost of sales		(15,969,448)
<b>Gross profit</b>		<b>16,013,366</b>
Administrative expenses		(22,160,232)
Other operating income		192,480
<b>Operating loss</b>		<b>(5,954,386)</b>
Interest receivable and similar income	7	9,950
Interest payable and similar charges	8	(3,983,764)
<b>Loss before tax</b>		<b>(9,928,200)</b>
Tax on loss	9	(157,220)
<b>Loss for the financial period</b>		<b>(10,085,420)</b>
<b>Other comprehensive income for the period</b>		<b>-</b>
<b>Total comprehensive income for the period</b>		<b>(10,085,420)</b>
<b>Total comprehensive income for the period attributable to:</b>		
Owners of the parent company		(10,085,420)
		<b>(10,085,420)</b>

All income and expenses are derived from continuing operations.

The notes on pages 19 to 42 form part of these financial statements.

**FLOSS TOPCO LIMITED**

**CONSOLIDATED BALANCE SHEET  
AS AT 31 MARCH 2020**

	Note	£	2020 £
<b>Fixed Assets</b>			
Intangible assets	10		83,043,976
Tangible assets	11		4,655,980
			<u>87,699,956</u>
<b>Current assets</b>			
Stocks	13	548,908	
Debtors – amounts falling due within one year	14	4,423,074	
Cash at bank and in hand	15	1,231,018	
		<u>6,203,000</u>	
<b>Creditors – amounts falling due within one year</b>	16	(7,851,228)	
<b>Net Current Liabilities</b>			<u>(1,648,228)</u>
<b>Total assets less current liabilities</b>			<u>86,051,728</u>
<b>Creditors – amounts falling due more than one year</b>	17		(43,271,721)
<b>Provisions – Deferred Taxation</b>	18		(265,284)
<b>Net Assets</b>			<u>42,514,723</u>
<b>Capital and reserves</b>			
Called up share capital	20	5,260,014	
Share Premium		47,340,129	
Profit and loss account	21	(10,085,420)	
			<u>42,514,723</u>

The notes on pages 19 to 42 form part of these financial statements.

The financial statements were approved and authorised for issue by the board on 25<sup>th</sup> February 2021 and were signed on its behalf by:



**C Stokes**  
Director



**FLOSS TOPCO LIMITED**

**COMPANY BALANCE SHEET  
AS AT 31 MARCH 2020**

	Note	£	2020 £
<b>Fixed Assets</b>			
Investments	12		20
			<u>20</u>
<b>Current assets</b>			
Debtors – amounts falling due within one year	14	42,950,091	
Debtors – amounts falling due after one year	14	14,017,632	
		<u>56,967,723</u>	
<b>Creditors – amounts falling due within one year</b>	16	-	
		<u>56,967,743</u>	
<b>Net Current Assets</b>			<u>56,967,743</u>
<b>Total assets less current liabilities</b>			<u>56,967,743</u>
<b>Provisions – Deferred Taxation</b>	18		-
			<u>56,967,743</u>
<b>Net Assets</b>			<u>56,967,743</u>
<b>Capital and reserves</b>			
Called up share capital	20	5,260,014	
Share premium account		47,340,129	
Profit and loss account	21	4,367,600	
		<u>56,967,743</u>	

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The company generated a profit for the period of £4,367,600.

The notes on pages 19 to 42 form part of these financial statements.

The financial statements were approved and authorised for issue by the board on 25<sup>th</sup> February 2021 and were signed on its behalf by:



**C Stokes**  
Director

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FLOSS TOPCO LIMITED

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 MARCH 2020

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	Called up share capital £	Share Premium £	Profit and loss account £	Total Equity £
<b>Comprehensive income for the period</b>				
Loss for the period	-	-	(10,085,420)	(10,085,420)
<b>Total comprehensive income for the period</b>	-	-	(10,085,420)	(10,085,420)
Shares issued during the period	5,260,014	47,340,129	-	52,600,143
<b>At 31 March 2020</b>	<b>5,260,014</b>	<b>47,340,129</b>	<b>(10,085,420)</b>	<b>42,514,723</b>

The notes on pages 19 to 42 form part of these financial statements.

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FLOSS TOPCO LIMITED

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COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 MARCH 2020

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	Called up share capital £	Share Premium £	Profit and loss account £	Total Equity £
<b>Comprehensive income for the period</b>				
Loss for the period	-	-	4,367,600	4,367,600
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total comprehensive income for the period</b>	-	-	4,367,600	4,367,600
Shares issued during the period	5,260,014	47,340,129	-	52,600,143
	<hr/>	<hr/>	<hr/>	<hr/>
<b>At 31 March 2020</b>	<b>5,260,014</b>	<b>47,340,129</b>	<b>4,367,600</b>	<b>56,967,743</b>
	<hr/>	<hr/>	<hr/>	<hr/>

The notes on pages 19 to 42 form part of these financial statements.

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FLOSS TOPCO LIMITED

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CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 31 MARCH 2020

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	Note	2020 £
<b>Net cash flows from operating activities</b>		
Operating loss		(5,954,386)
<b>Adjustments for:</b>		
Amortisation of intangible fixed assets		8,374,309
Depreciation of tangible fixed assets		635,576
<b>Movements in working capital:</b>		
Increase in stocks		(410,660)
Increase in debtors		(204,074)
Decrease in creditors		(325,731)
<b>Cash generated from operating activities</b>		<u>2,115,034</u>
Interest paid		(3,627,995)
Corporation tax paid		(422,479)
		<u>(1,935,440)</u>
<b>Cash flows from investing activities</b>		
Purchase of intangible fixed assets		(145,195)
Purchase of tangible fixed assets		(2,096,026)
Acquisition of subsidiary undertakings (net of cash acquired)	22	(51,233,159)
<b>Net cash from investing activities</b>		<u>(53,474,380)</u>

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FLOSS TOPCO LIMITED

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CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)  
FOR THE PERIOD ENDED 31 MARCH 2020

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	Note	2020 £
<b>Cash flows from financing activities</b>		
New Secured Loans		59,791,832
Shares issued in period		39,837,756
Loan Arrangement Fees		(2,956,074)
Repayment of loans		(39,873,331)
Repayment of finance leases		(159,345)
<b>Net cash utilised in financing activities</b>		<b>56,640,838</b>
<b>Net increase in cash and cash equivalents</b>		<b>1,231,018</b>
<b>Cash and cash equivalents at end of period</b>		<b>1,231,018</b>
		=====
<b>Cash and cash equivalents at the end of the period comprise:</b>		
Cash at bank and in hand		1,231,018
		=====

The notes on pages 19 to 42 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2020

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**1. General information**

Floss Topco Limited ('the Company') is a private company limited by shares and incorporated in England. Its registered office is 137 High Street, Brentwood, Essex, England, CM14 4RZ.

The Group consists of Floss Topco Limited and all of its subsidiaries.

**1.1 Compliance Statement**

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

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The financial statements are prepared in sterling which is the functional and presentation currency of the Group. Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

The company has taken advantage of the exemption in section 408 of the Companies Act from presenting its individual profit and loss account.

The following principal accounting policies have been applied:

**2.2 Basis of consolidation**

These consolidated and separate financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value. Consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

**2.2 Exemptions for qualifying entities under FRS 102**

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to conditions. The company has taken advantage of the following exemptions in its individual financial statements:

**2. Accounting policies (continued)**

**2.2 Exemptions for qualifying entities under FRS 102**

- from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the company's cash flows;
- from disclosing share-based payment arrangements, required under FRS 102 paragraphs 26.18(b), 26.19 to 26.21 and 26.23, concerning its own equity instruments, as the company's results are included in the consolidated financial statements and the relevant disclosures are included therein.

**2.3 Going concern**

The COVID-19 global pandemic resulted in the restriction of dental procedures to telephone triage and remote consultations. The Associates and Practice staff however have transferable skills and were asked by NHS England to volunteer for wider roles to help the NHS combat COVID-19, in return for continuation of contractual payments. This combined with the government funded scheme to allow a small proportion of employees at mixed practices to be placed on 'furlough', allowed the Group to return to growth once the first nationwide lockdown ended.

Following this first lockdown, dental practices have been allowed to remain open as essential healthcare services with additional regulations for fallow times between patients and reduced targets from the NHS to ensure the full contract revenue is received. All practices in the group are expected to meet the minimum requirements so the impact on revenues is minimal.

During the period, the Group made a loss of £10,085,420, which includes amortisation of £8,374,309 and depreciation of £635,576. The group generated cash from operations of £2,115,034.

As at 31 March 2020, the Group has net current liabilities of £1,648,227.

The Floss Group, by virtue of its borrowings in Floss Bidco Limited, the company's direct subsidiary undertaking, is subject to a financing facility with cross guarantees over certain group entities. As at 31 March 2020, group borrowings subject to this guarantee totalled £43,797,364 (2019: £nil). The facilities include financial covenants based on the Floss Group's performance. Cash is also managed on a group wide basis. Consequently, the cash flow forecast of the Floss Group as a whole is relevant in the assessment of going concern. The Floss Group has met all historic financial covenant tests, and management monitor forward compliance closely. The Directors have forecast cashflow and covenant testing for the next few years, including the impact of COVID-19 on the Floss Group, and expect to remain compliant with financing facility requirements and to be able to pay all debts as they fall due for at least the next 12 months from the date these financial statements are approved.

Therefore, these financial statements have been prepared on a going concern basis.

**2.4 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, NHS clawback, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

**2. Accounting policies (continued)**

**2.4 Revenue (continued)**

**Rendering of services**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

**2.5 Operating leases: The Company as lessee**

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

**2.6 Pensions**

**Defined contribution pension plan**

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

**2.7 Finance costs**

Finance costs are charged to the Consolidated Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2.8 Borrowing costs**

All borrowing costs are recognised in the Consolidated Statement of Comprehensive Income in the year in which they are incurred.



**2. Accounting policies (continued)**

**2.9 Taxation**

Tax is recognised in the Consolidated Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

**Current Tax**

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

**Deferred Tax**

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

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

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

**2.10 Intangible assets**

**Goodwill**

Goodwill represents the difference between amounts paid on the fair value of the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the Consolidated Statement of Comprehensive Income over its useful economic life, estimated to be 10 years.

**Other intangible assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses. Amortisation is charged on a straight-line basis.

All intangible assets are considered to have a finite useful life.

The estimated useful lives range as follows:

Goodwill	10 Years
Software	5 Years
Patents	10 Years

**2. Accounting policies (continued)**

**2.11 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line or reducing balance methods.

Depreciation is provided on the following basis:

Long-term leasehold property improvements	-	10 year straight line
Plant and machinery	-	20% reducing balance
Fixtures and fittings	-	20% reducing balance
Computer equipment	-	33.33% reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Comprehensive Income.

**2.12 Impairment of fixed assets and goodwill**

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

**2.13 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

**2.14 Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Consolidated Statement of Comprehensive Income.

**2. Accounting policies (continued)**

**2.15 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.16 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**2.17 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**2.18 Financial instruments**

The Group and Company have 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 when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with 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 trade and other debtors, amounts due from fellow group companies 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 financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

*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.

**2. Accounting policies (continued)**

**2.18 Financial instruments (continued)**

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 company 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 company after deducting all of its liabilities.

*Basic financial liabilities*

Basic financial liabilities, including trade and other creditors, and amounts due to fellow group companies, 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. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

*Derecognition of financial liabilities*

Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled, or they expire.

**2.19 Share Based Payments**

The Floss group issues equity-settled share-based incentives to certain employees in the form of incentive shares and, where material, recharges the cost of these to the relevant subsidiary company.

Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of equity-settled share-based payments is, where material, expensed in the relevant subsidiary's accounts on a straight-line basis over the estimated vesting period, based on the estimated number of shares that will eventually vest.

The fair value of incentive shares is measured using the Black Scholes model. The expected life used in the model has been adjusted, based on management's best estimate, for the effect of non-transferability, exercise restrictions, and behavioural considerations.

If the vesting conditions of incentive shares are modified in a manner that is beneficial to the employee and this modification increase the fair value of the equity instruments granted (or increases the number of equity instruments granted) measured immediately before and after the modification, the entity shall include the incremental fair value granted in the measurement of the amount recognised for services received as consideration for the equity instruments granted. The incremental fair value granted is the difference between fair value of the modified equity instrument and that of the original equity instrument, both estimated as at the date of the modification. If the

**2. Accounting policies (continued)**

**2.19 Share Based Payments (continued)**

modification occurs during the vesting period, the incremental fair value granted is included in the measurement of the amount recognised for services received over the period from the modification date until the date when the modified equity instruments vest, in addition to the amount based on the grant date fair value of the original equity instruments, which is recognised over the remainder of the original vesting period.

Cancellations or settlements are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

**2.20 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

**3. Judgements in applying accounting policies and key sources of estimation uncertainty**

In the preparation of the financial statements the Directors are required to make significant judgements and estimates. The principal areas of the financial statements where judgements and estimates have been made are:

**Impairment of fixed assets**

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

**Useful economic lives of fixed assets**

Fixed assets including goodwill and tangible assets are amortised over their useful economic lives. Useful lives are based on management's estimates of the period over which the assets will generate income. Useful lives are periodically reviewed for their continued appropriateness. Changes to estimates can result in changes in carrying values and hence change the amount charged to the income statement in particular periods which could be significant. More details, including carrying values, are included in notes 9, 10 and 11.

**NHS Dental Income**

In England and Wales, NHS earnings originate from a contract between the dental provider and the NHS England and NHS Improvement/LHB. At the end of the financial year the amount of activity performed by an NHS provider is compared to their contract. If the provider has not delivered at least 96% of contracted activity, some practice income could be clawed back by NHS England and NHS Improvement. Provision is made for the estimated clawback based on the Group's understanding of activity levels at year end.

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**FLOSS TOPCO LIMITED**

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**4. Turnover**

An analysis of turnover by class of business is as follows:

	2020 £
Provision of Dental Services	31,982,814
	<u>31,982,814</u>

All turnover arose within the United Kingdom.

**5. Auditors' remuneration**

	2020 £
Fees payable the Group's auditor and its associates for the audit of the Group's annual financial statements	148,000
Fees Payable to the Group's auditors for non-audit services	30,005
	<u>178,005</u>

Fees payable to the auditors of £178,005 in respect of the period ended 31 March 2020 have been borne by Clacton Dental Care Limited.

**6. Employees**

Staff costs were as follows:

	Group 2020 £	Company 2020 £
Wages and salaries	7,303,788	-
Social security costs	579,682	-
Pension costs	124,083	-
	<u>8,007,553</u>	<u>-</u>

The average number of persons employed by the Group and Company (excluding directors), during the period were as follows:

	Group 2020 Number	Company 2020 Number
Employees	312	-
	<u>312</u>	<u>-</u>

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**FLOSS TOPCO LIMITED**

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**6. Employees (continued)**

The directors' emoluments were as follows:

	<b>2020</b>
	<b>£</b>
Aggregate remuneration	<b>458,910</b>
Pension contributions	<b>439</b>
Sums paid to third parties for director services	<b>-</b>
	<hr/> <b>459,349</b> <hr/>

Post-employment benefits are accruing for one director (2019: one) under a defined contribution scheme.

The highest paid director's emoluments were as follows:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Total remuneration	<b>257,200</b>	<b>257,199</b>
	<hr/> <b>257,200</b> <hr/>	<hr/> <b>257,199</b> <hr/>

**7. Interest receivable and similar income**

	<b>2020</b>
	<b>£</b>
Bank interest receivable	<b>9,950</b>
	<hr/> <b>9,950</b> <hr/>

**8. Interest payable and similar charges**

	<b>2020</b>
	<b>£</b>
Bank loan interest payable	<b>2,852,812</b>
Other interest payable	<b>3,839</b>
Exchange loss on repayment of bridging loan	<b>792,687</b>
Loan Arrangement Fees	<b>334,426</b>
	<hr/> <b>3,983,764</b> <hr/>

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**FLOSS TOPCO LIMITED**

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**9. Taxation**

	2020 £
<b>Current tax</b>	
UK Corporation tax at 19%	152,539
Adjustment in respect of prior periods	(81,559)
<b>Total current tax</b>	<u>70,980</u>
<b>Deferred tax</b>	
Origination and reversal of timing differences	139,837
Adjustments in respect of prior periods	(53,597)
<b>Total deferred tax</b>	<u>86,240</u>
<b>Taxation on loss on ordinary activities</b>	<u>157,220</u>

There is no corporation tax or deferred tax for the company.

**Factors affecting tax charge for the period**

The tax assessed for the period is higher than the standard rate of corporation tax in the UK of 19%.  
The differences are explained below:

	2020 £
(Loss) on ordinary activities before tax	(9,928,200)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2019:19%)	(1,886,358)
<b>Effects of:</b>	
Non-tax deductible amortisation of goodwill and impairment	1,591,369
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	572,522
Fixed asset differences	14,843
Adjustments to tax charge in respect of prior periods	(81,559)
Deferred tax not recognised in previous periods	(53,597)
<b>Taxation on loss on ordinary activities</b>	<u>157,220</u>

**Factors that may affect future tax charges**

The UK government announced its intentions to keep the standard corporation tax rate of 19% for 2020 and 2021. The measure to keep the rate at 19% for the financial year beginning 1 April 2020 were substantively enacted on 17 March 2020.



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**FLOSS TOPCO LIMITED**

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**10. Intangible assets**

<b>Group</b>	<b>Patents</b>	<b>Computer Software</b>	<b>Goodwill</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>				
Additions	3	145,192	-	145,195
On acquisitions	9	-	91,273,081	91,273,090
	<hr/>	<hr/>	<hr/>	<hr/>
<b>At 31 March 2020</b>	<b>12</b>	<b>145,192</b>	<b>91,273,081</b>	<b>91,418,285</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Amortisation</b>				
Amortisation charge	-	9,015	8,365,294	8,374,309
	<hr/>	<hr/>	<hr/>	<hr/>
<b>At 31 March 2020</b>	<b>-</b>	<b>9,015</b>	<b>8,365,294</b>	<b>8,374,309</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net Book Value</b>				
<b>At 31 March 2020</b>	<b>12</b>	<b>136,177</b>	<b>82,907,787</b>	<b>83,043,976</b>
	<hr/>	<hr/>	<hr/>	<hr/>

The company has no intangible assets

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**FLOSS TOPCO LIMITED**

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**11. Tangible fixed assets**

<b>Group</b>	<b>Improvements to Leasehold Property £</b>	<b>Plant &amp; Machinery £</b>	<b>Fixtures &amp; Fittings £</b>	<b>Computer Equipment £</b>	<b>Total £</b>
<b>Cost or valuation</b>					
Additions	1,282,428	622,456	141,578	220,994	2,267,456
On Acquisition	757,864	1,952,483	179,209	134,544	3,024,100
<b>At 31 March 2020</b>	<b>2,040,292</b>	<b>2,574,939</b>	<b>320,787</b>	<b>355,538</b>	<b>5,291,556</b>
<b>Depreciation</b>					
Depreciation charge	126,637	394,525	32,656	81,758	635,576
<b>At 31 March 2020</b>	<b>126,637</b>	<b>394,525</b>	<b>32,656</b>	<b>81,758</b>	<b>635,576</b>
<b>Net Book Value</b>					
<b>At 31 March 2020</b>	<b>1,913,655</b>	<b>2,180,414</b>	<b>288,131</b>	<b>273,780</b>	<b>4,655,980</b>

The net book value of assets held under finance lease or hire purchase contracts, included in the group tangible assets above, are as follows:

	<b>2020</b>
	<b>£</b>
Plant & Machinery	<b>393,803</b>
Improvements to Leasehold Property	<b>156,719</b>
Computer Equipment	<b>10,667</b>
	<b>561,189</b>

The Company has no tangible fixed assets.

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**FLOSS TOPCO LIMITED**

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**12. Fixed asset investments**

**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

<b>Name</b>	<b>Class of Shares</b>	<b>Holding</b>	<b>Principal Activity</b>
Floss Bidco Limited	Ordinary	100%	Investment
Clacton Dental Care Limited **	Ordinary	100%	Dental services
The Toothplace Dental Surgery Limited *	Ordinary	100%	Dental services
Oradi Limited *	Ordinary	100%	Dental services
Country Park Dental Practice Limited *	Ordinary	100%	Dental services
Broxbourne Dental Care Limited *	Ordinary	100%	Dental services
Dental Arts Studio-Clapham (Dental Care) Limited *	Ordinary	100%	Dental services
Genesis Smiles Centre LLP *	Ordinary	100%	Dental services
Summerstown Dental Centre Limited *	Ordinary	100%	Dental services
Thaxted Dental Centre Limited *	Ordinary	100%	Dental services
A.J.B. Denture Services Limited *	Ordinary	100%	Dental services
Together Dental Limited *	Ordinary	100%	Dormant
DCG Partners Limited *	Ordinary	100%	Dormant

\*\* investment directly held by Floss Bidco Limited

\* investment directly held by Clacton Dental Care Limited

Registered office for the above subsidiaries: 137 High Street, Brentwood, Essex, CM14 4RZ

<b>Company</b>	<b>Investment in Subsidiary Undertakings £</b>
<b>Cost</b>	
Additions	20
<b>At 31 March 2020</b>	<b>20</b>

During the period the company acquired Floss Bidco Limited for a consideration of £20.

# FLOSS TOPCO LIMITED

## 13. Stocks

	Group 2020 £	Company 2020 £
Finished goods and goods for re-sale	548,908	-
	<u>548,908</u>	<u>-</u>

The difference between the purchase price of stocks and their replacement cost is not material.

## 14. Debtors

Amounts due within one year	Group 2020 £	Company 2020 £
Trade debtors	628,017	-
Amounts owed by group undertakings	-	42,950,091
Other debtors	1,744,806	-
Prepayments and accrued income	2,050,251	-
	<u>4,423,074</u>	<u>42,950,091</u>
Amounts due after more than one year	Group 2020 £	Company 2020 £
Loan notes	-	14,017,632
	<u>-</u>	<u>14,017,632</u>

Included within amounts owed by group undertakings of the company is an intragroup loan balance of £31,643,590 owed by Floss Midco Limited, which accrues interest at 10% per annum and is repayable on demand. The remaining balance is interest free and is repayable on demand.

Loan notes are owed by Floss Midco Limited, accruing at 10% annual interest and are expected to be redeemed upon a change of ownership or on a refinancing event.

## 15. Cash and cash equivalents

	Group 2020 £	Company 2020 £
Cash at bank and in hand	1,231,018	-
	<u>1,231,018</u>	<u>-</u>

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**FLOSS TOPCO LIMITED**

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**16. Creditors: Amounts falling due within one year**

	Group 2020	Company 2020
	£	£
Trade creditors	1,527,548	-
Amounts due to Directors	4,112	-
Corporation tax	586,031	-
Other taxation and social security	286,380	-
Obligations under finance lease and hire purchase contracts	163,906	-
Other creditors	646,264	-
Accruals and deferred income	4,636,987	-
	<u>7,851,228</u>	<u>-</u>

Amounts due to parent undertakings are unsecured, interest free, and are repayable on demand.

**17. Creditors: Amounts falling due after more than one year**

	Group 2020	Company 2020
	£	£
Bank loans and overdrafts	41,175,715	-
Obligations under finance lease and hire purchase contracts	318,761	-
Other creditors	1,777,245	-
	<u>43,271,721</u>	<u>-</u>

The following liabilities were secured, with cross guarantees over all Floss Topco Group entities.

	Group 2020	Company 2020
	£	£
Bank loans and overdrafts	41,175,715	-
	<u>41,175,715</u>	<u>-</u>

Loan balances are shown net of any unamortised loan issue costs.

Included in Bank loans is a Priority Facility which carries interest at a variable rate of Bank rate + 3.25% as well as two secondary facilities with a variable rates up to Bank rate + 7.5%. As well as interest borrowings are subject to a commitment fee for unutilised facility. The facilities have a term of 6 years with bullet repayment

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**FLOSS TOPCO LIMITED**

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**18. Deferred Taxation**

Deferred tax liabilities and (assets) are attributable to the following:

	Group 2020 £	Company 2020 £
Fixed asset timing differences	265,284	-
	<u>265,284</u>	<u>-</u>

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. A deferred tax asset would be recognised to the extent that the group is expected to make future taxable profits.

The movement on the deferred taxation comprises:

	Group 2020 £	Company 2020 £
Balance brought forward	-	-
Adjustments in respect of prior periods	(53,597)	-
On acquisition	179,044	-
Deferred tax charged in the Statement of Comprehensive Income	139,837	-
	<u>265,284</u>	<u>-</u>
Balance carried forward	<u>265,284</u>	<u>-</u>

**19. Finance lease and hire purchase contracts**

Minimum payments under finance lease and hire purchase contracts fall due as follows:

	Group 2020 £	Company 2020 £
Within one year	163,906	-
Between one and five years	318,761	-
Over five year	-	-
	<u>482,667</u>	<u>-</u>

# FLOSS TOPCO LIMITED

## 20. Share capital

	2020 £
<b>Allotted, called up and fully paid</b>	
36,984,623 A Ordinary Shares of 0.001 each	36,985
3,661,477,603 A Preferred Shares of 0.001 each	3,661,477
15,504,506 B Ordinary Shares of 0.001 each	15,505
1,534,946,041 B Preferred Shares of 0.001 each	1,534,946
11,101,497 C Ordinary Shares of 0.001 each	11,101
	<b>5,260,014</b>

On incorporation 1 Ordinary share was issued. On the 8<sup>th</sup> of April a resolution was passed creating A, B and C Ordinary shares and, A and B preferred shares in line with the adopted articles of association. Further, the Ordinary share was subdivided into 1000 Ordinary shares and redesignated as A Ordinary shares.

On 8 April 2019, A, B and C Ordinary shares and, A and B preferred shares were issued as part of the transaction to acquire Clacton Dental Care Limited.

Furthermore, during the period additional shares have been issued in September 2019 to key management and in order to increase the capital of the Group.

A and B ordinary shares carry full voting rights and rights in respect of dividends and capital distributions (including on winding up), after the preferred shares.

The C ordinary shares do not have voting rights and carry rights to dividends and capital distributions, after the preferred shares.

The A and B preference shares do not have voting rights and are entitled to participate in dividends to an amount equal to 10% of the subscription price ahead of any ordinary shares (including in a wind up or return of capital).

### Reconciliation of movements in shares during the period:

	Ordinary Number	A Ordinary Number	B Ordinary Number	C Ordinary Number	A Preferred Number	B Preferred Number	Total Number
On incorporation	1						1
Subdivision and redesignation of shares	(1)	1,000					999
Issue of fully paid shares							
08/04/2019		31,642,607	12,791,215	8,254,959	3,132,717,100	1,266,330,158	4,451,736,039
05/09/2019		5,341,016	2,158,984		526,760,503	213,739,497	750,000,000
26/09/2019			554,307	2,846,538		54,876,386	582,772,31
<b>As at 31/03/2020</b>	<b>-</b>	<b>36,984,623</b>	<b>15,504,506</b>	<b>11,101,497</b>	<b>3,661,477,603</b>	<b>1,534,946,041</b>	<b>5,260,014,270</b>

During the period the company issued A, B and C shares with a nominal value of 0.001p for a total cash and non-cash consideration of £52,600,143.

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**FLOSS TOPCO LIMITED**

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**21. Reserves**

	2020 £
Share premium paid on ordinary shares	
Share Premium account	<u>47,340,129</u>

**Profit and loss account**

"Profit and loss account" represent retained profits and losses less any dividends.



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**FLOSS TOPCO LIMITED**

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**22. Business combinations**

On 8 April 2019, the Group acquired Clacton Dental Care Limited. The fair value of assets and liabilities in total, were as follows:

**Recognised amounts of identifiable assets acquired and liabilities assumed**

	Book Value	Fair Value
	£	£
Intangible assets	9	9
Tangible fixed assets	2,561,764	2,561,764
Stocks	73,751	73,751
Debtors	3,799,223	3,799,223
Cash at bank and in hand	363,105	363,105
<b>Total assets</b>	<b>6,797,852</b>	<b>6,797,852</b>
Creditors due within one year	(11,559,102)	(11,559,102)
Bank loans and overdrafts	(19,398,911)	(19,398,911)
Corporation tax creditor	(607,364)	(607,364)
Deferred taxation provision	(154,756)	(154,756)
<b>Total identifiable net assets / (liabilities)</b>	<b>(24,922,281)</b>	<b>(24,922,281)</b>
Goodwill		66,774,922
<b>Total purchase consideration</b>		<b>41,852,641</b>
<b>Consideration</b>		£
Cash		29,090,267
Loan Notes		12,762,374
Deferred consideration		-
<b>Total purchase consideration</b>		<b>41,852,641</b>
<b>Cash outflow on acquisition</b>		
Purchase consideration settled in cash, as above		29,090,267
Less cash and cash equivalents acquired		(363,105)
<b>Net cash outflow on acquisition</b>		<b>28,727,162</b>

The total results of acquisitions since each acquisition are as follows:

	£
Turnover	25,068,698
Profit / (Loss) before taxation	(2,687,775)

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**FLOSS TOPCO LIMITED**

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**22. Business combinations (continued)**

During the period, the Group acquired 13 dental practices. None of the acquisitions were acquired for consideration in excess of £4m. The fair value of assets and liabilities in total, were as follows:

**Recognised amounts of identifiable assets acquired and liabilities assumed**

	Book Value £	Fair Value £
Tangible fixed assets	462,336	462,336
Stocks	65,808	65,808
Debtors	896,588	896,588
Cash at bank and in hand	1,377,864	1,377,864
<b>Total assets</b>	<b>2,802,596</b>	<b>2,802,596</b>
Creditors due within one year	(398,907)	(398,907)
Bank loans and overdrafts	(5,829)	(5,829)
Corporation tax creditor	(243,926)	(243,926)
Deferred taxation provision	(24,288)	(24,288)
<b>Total identifiable net assets</b>	<b>2,129,646</b>	<b>2,129,646</b>
Goodwill		24,498,168
<b>Total purchase consideration</b>		<b>26,627,814</b>
<b>Consideration</b>		<b>£</b>
Cash		23,883,861
Deferred consideration		2,743,953
<b>Total purchase consideration</b>		<b>26,627,814</b>
<b>Cash outflow on acquisition</b>		
Purchase consideration settled in cash, as above		23,883,861
Less: Cash and cash equivalents acquired		(1,372,035)
<b>Net cash outflow on acquisition</b>		<b>22,511,826</b>
The total results of acquisitions since each acquisition are as follows:		<b>£</b>
Turnover		6,911,828
Profit before taxation		1,161,589

**23. Contingent liabilities**

During the course of our business patients, from time to time, take legal action against the company in respect of negligence claims. These legal cases are handled by our comprehensive corporate dental indemnity cover. It is possible, but not probable, any actions will succeed; additionally, given any payments, in aggregate, are unlikely to exceed our cover; no provision for any liability has been made in these financial statements.

Following the acquisition of certain assets on 1<sup>st</sup> December 2017 a maximum of £500,000 is payable if the Company choose to opt a Personal Dental Services ("PDS") contract to a General Dentistry Services ("GDS") contract. The Directors consider any liability in respect to these contracts to be unlikely.

The Group's Bank Loans are secured by a debenture including a fixed charge that is in place over all of the groups present freehold and leasehold properties, a first charge over the book and other debts, chattels, goodwill and uncalled share capital both present and future and a first charge over all assets and undertakings both present and future.

A multilateral guarantee has been given by the company and certain of its subsidiaries, Floss Bidco Limited, Floss Midco Limited, Broxbourne Dental Care Limited, Country Park Dental Practice Limited, DCG Partners Limited, The Toothplace Dental Surgery Limited and Oradi Limited.

At the year end the amount of borrowings in respect to the guarantee amounted to £43,797,364 (2019: £nil).

In accordance with Section 479C of the Companies Act 2006, Clacton Dental Limited has provided a guarantee over the liabilities of Dental Arts Studio-Clapham (Dental Care) Limited, Summerstown Dental Centre Limited, Thaxted Dental Centre Limited, A.J.B. Denture Services Limited.

**24. Pension commitments**

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £123,451 (2019 - £48,087). Contributions totalling £30,992 (2019 - £10,697) were payable to the fund at the balance sheet date and are included in creditors.

**25. Commitments under operating leases**

At 31 March 2020 the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	<b>2020</b>
	<b>Land and buildings</b>
<b>Group</b>	<b>£</b>
Not later than 1 year	<b>879,748</b>
Later than 1 year and not later than 5 years	<b>4,372,414</b>
Later than 5 years	<b>4,372,414</b>
	<b>9,624,576</b>

During the period £879,748 was recognised in the consolidated comprehensive income as an expense in respect of operating lease arrangements. There are no commitments under operating leases for the company.

**26 Related party transactions**

**Group**

**Transactions with Key Management Personnel**

Directors Loans of £4,474,242 were settled in cash as a part of the transaction between Floss Bidco and Clacton Dental Limited.

At the period end, included in other debtors is an amount due to the Directors totalling £9,427 (2019: £145,577) and in other creditors is an amount due to the Directors totalling £4,112 (2019: £nil). The period-end balance accrues no interest.

	<b>2020</b>	<i>2019</i>
	<b>Directors</b>	<i>Directors</i>
	<b>Loans</b>	<i>Loans</i>
	<b>£</b>	<i>£</i>
Balance brought forward	<b>4,474,242</b>	<i>3,600,000</i>
Interest Accrued	<b>-</b>	<i>868,647</i>
Cash Paid in Period	<b>(4,474,242)</b>	<i>-</i>
Other movements	<b>5,315</b>	<i>5,595</i>
	<b><u>5,315</u></b>	<i><u>4,474,242</u></i>

At the period end, included in creditors is an amount due to the partnership 'S Radia, P Vaid and S Shah trading as Clacton Dental' totalling £537 (2019: £nil). This partnership is connected by the Directors. The Group has entered into several dental practice service agreements with the partnership. The Group provides dental services to the partnership. The partnership holds dental service contracts with the NHS. NHS dental income received by the partnership is recorded in the Group in respect of the services provided under the dental practice service agreements.

Four of the dental practices and the Head office operate from properties that are owned by the directors via the company Care Group Properties Limited. During the year rent of £93,708 was charged to the Group in respect of these practices (2019: nil). As at 31 March 2020, the Group owed Care Group Properties Limited £11,000 (2019: £nil). All other related party transactions were with wholly owned subsidiaries.

**28. Post balance sheet events**

The group has been impacted by the COVID-19 virus, being temporarily forced to close as part of the initial UK lockdown. However, the NHS continued to pay contractual revenue throughout this period, and the group recovered strongly, maintained liquidity and returned to growth shortly after reopening its practices in June 2020. This has meant that there has been no direct impact on the Floss group's entities' ability to repay their liabilities to the Company. COVID-19 continues to disrupt the global economy and the NHS, its impacts on the business remain uncertain subsequent to 31 March 2020 and management continue to closely monitor the situation.

Post year end Head of Terms have been agreed for the acquisition of a further 3 practices.

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## FLOSS TOPCO LIMITED

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### 29. Controlling party

As at 31 March 2020, the immediate parent undertaking is Floss Topco Limited and the ultimate parent undertaking is G Square Capital III, LP.

The smallest group to consolidate these financial statements is Floss Midco Limited. The largest group to consolidate these financial statements is Floss Topco Limited. Copies of the consolidated financial statements can be obtained from Companies House.

### 30. Analysis of changes in net debt

	Cash Flows	Acquired (net of cash acquired)	New Finance Leases	Non-Cash Changes	2020
Cash at bank and in hand	1,231,018	-	-	-	1,231,018
Bank loans net off issue costs paid	(21,436,669)	(19,404,621)	-	(334,426)	(41,175,716)
Other borrowings	4,474,242	(4,474,242)	-	-	-
Obligations under finance leases	159,345	(470,582)	(171,430)	-	(482,667)
<b>Total Net Debt</b>	<b>(15,572,064)</b>	<b>(24,349,445)</b>	<b>(171,430)</b>	<b>(334,426)</b>	<b>(40,427,365)</b>

### 31. Share-based payment transactions

The company has issued C ordinary shares to certain employees of the group ("incentive scheme"). The incentive shares allow the holders to participate in a return of value in an exit event once certain conditions, as set out in the Articles of Association, have been met. The number of C Ordinary shares issued by the company during the period was 11,101,497.

Further details in respect of movement in incentives in the period are as follows:

	Incentive shares 2020 Number
Granted during the period	11,101,497
<b>In issue as at 31 March 2020</b>	<b>11,101,497</b>

No expense has been recognised in the group in the period for the above incentive shares on the grounds of materiality.