

Dolby Medical EBT Trustee Limited

Company Number SC475115

Annual report and financial statements - 31 March 2020



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Dolby Medical EBT Trustee Limited
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Dolby Medical EBT Trustee Limited
Strategic report
For the year ended 31 March 2020

The directors present their Strategic report for the year ended 31 March 2020.

Principal activities

The principal activity of the company is to act as trustee for an employee benefit trust ('EBT') on behalf of certain employees of Dolby Medical Limited.

Business review

Review of the development and performance of the company

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

The group is organised into two distinct business units and provides a range of National Health Service ('NHS') and private dental services from practices throughout the United Kingdom along with support services to other third party dental practices and the wider healthcare sector.

Strategy and future outlook

The company is expected to satisfy its remaining obligations to beneficiaries of the EBT in the forthcoming year.

Events after the reporting period

On 28 May 2021, the group announced that a binding share purchase agreement had been entered into for Palamon Capital Partners and the management team to acquire The Carlyle Group's shareholding in the company's ultimate parent undertaking, Turnstone Equityco 1 Limited ("the Palamon transaction"). On 16 August 2021, the transaction was completed and a full refinancing of the group's third party borrowings was finalised.

Financial review

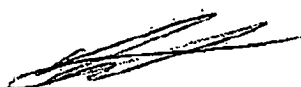
The company made no profit or loss for the years ended 31 March 2020 and 31 March 2019.

Principal risks and uncertainties

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

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

On behalf of the Board



B Goodger
Director

3 September 2021

Dolby Medical EBT Trustee Limited
Directors' report
For the year ended 31 March 2020

The directors present their report and the unaudited financial statements for the year ended 31 March 2020.

Future developments

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

Proposed dividend

There were no dividends paid, recommended or declared during the current or previous financial year.

Directors

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

GP Adams	
B Goodger	(appointed 14 August 2019)
NK Pandya	(appointed 27 November 2020)
T Riall	
O Shafi Khan	(resigned 5 April 2019)

The directors benefitted from qualifying third party indemnity provisions in place during the financial year and to the date of this report.

Going concern

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

Events after the reporting period

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

Dolby Medical EBT Trustee Limited
Directors' report
For the year ended 31 March 2020

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

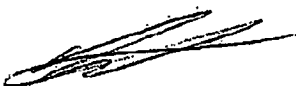
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Audit exemption

For the year ended 31 March 2020, the company was entitled to exemption from audit under section 479A of the Companies Act 2006 as Turnstone Midco 2 Limited has provided a guarantee over all of the outstanding liabilities of the company to the company's immediate parent and sole member, Dolby Medical Limited, in accordance with section 479C of the Companies Act 2006.

On behalf of the Board



B Goodger
Director

3 September 2021

1 Johnston Street
Paisley
Renfrewshire
PA1 1XQ

Dolby Medical EBT Trustee Limited
Income statement
For the year ended 31 March 2020

	Note	2020 £	2019 £
Result before tax on ordinary activities		-	-
Tax on ordinary activities		-	-
Result after tax on ordinary activities for the year		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		-	-

The above income statement should be read in conjunction with the accompanying notes

Dolby Medical EBT Trustee Limited
Balance sheet
As at 31 March 2020

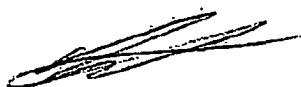
	Note	2020 £	2019 £
Current assets			
Debtors	5	2,309	2,309
Total current assets		<u>2,309</u>	<u>2,309</u>
Current liabilities			
Creditors: amounts falling due within one year	6	2,308	2,308
Total current liabilities		<u>2,308</u>	<u>2,308</u>
Net current assets		<u>1</u>	<u>1</u>
Total assets less current liabilities		<u>1</u>	<u>1</u>
Net assets		<u>1</u>	<u>1</u>
Capital and reserves			
Called up share capital	7	1	1
Total capital and reserves		<u>1</u>	<u>1</u>

The notes on pages 8 to 10 form an integral part of these financial statements.

- (a) For the financial year ended 31 March 2020 the company was entitled to exemption from audit under section 479A of the Companies Act 2006.
- (b) The member has not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.
- (c) The directors acknowledge their responsibility for:
 - i) ensuring the company keeps accounting records which comply with Section 386; and
 - ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year, and of its profit or loss for the financial year in accordance with the requirements of the Companies Act relating to accounts, so far as is applicable to the company.

Dolby Medical EBT Trustee Limited's company number is SC475115.

These financial statements on pages 5 to 10 were approved by the board of directors on 3 September 2021 and were signed on its behalf by:



 B Goodger
 Director

3 September 2021

Dolby Medical EBT Trustee Limited
Statement of changes in equity
For the year ended 31 March 2020

	Called up share capital £	Retained earnings £	Total capital and reserves £
Balance at 1 April 2018	1	-	1
Result after tax on ordinary activities for the year	-	-	-
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	-	-
Balance at 31 March 2019	<u>1</u>	<u>-</u>	<u>1</u>

	Called up share capital £	Retained earnings £	Total capital and reserves £
Balance at 1 April 2019	1	-	1
Result after tax on ordinary activities for the year	-	-	-
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	-	-
Balance at 31 March 2020	<u>1</u>	<u>-</u>	<u>1</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Dolby Medical EBT Trustee Limited
Notes to the financial statements
For the year ended 31 March 2020

1. Company information

The financial statements cover Dolby Medical EBT Trustee Limited as an individual entity. The financial statements are presented in Pound sterling, which is Dolby Medical EBT Trustee Limited's functional and presentation currency.

The company is a private company limited by shares, incorporated in the United Kingdom and domiciled in Scotland. Its registered office is 1 Johnston Street, Paisley, Renfrewshire, PA1 1XQ.

The principal activity of the company is to act as trustee for an employee benefit trust ('EBT') on behalf of certain employees of Dolby Medical Limited.

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

2. Accounting policies

Basis of preparation

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland ('FRS 102'), and with the Companies Act 2006.

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

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

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

Exemptions for qualifying entities under FRS 102

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

The company has taken advantage of the following exemptions:

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

Dolby Medical EBT Trustee Limited
Notes to the financial statements
For the year ended 31 March 2020

2. Accounting policies (continued)

Financial instruments

Basic financial assets and liabilities, including amounts owed by group undertakings and amounts owed to EBT beneficiaries, in accordance with section 11 and 12 of FRS102 are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the income statement. If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the income statement.

3. Significant accounting judgements and estimates

Carrying value of financial assets and liabilities

At the end of each reporting period, the directors assess the carrying value of financial assets for objective evidence of impairment. In addition, where financial assets or liabilities constitute a financing arrangement, the value of the asset or liability is measured by reference to the present value of the estimated future cash flows. Both of these estimates require the future cash flows arising from the financial assets or liabilities to be estimated and an appropriate discount rate to be selected.

4. Directors' remuneration

The directors received no emoluments from the company for their services during the financial year (2019: £nil). The emoluments received as a director of a group trading company are disclosed in the financial statements of DD Products and Services Ltd (formerly Billericay Dental Supply Co. Limited) for GP Adams and B Goodger, and Turnstone Equityco 1 Limited for T Riall and O Shafi Khan.

The company has no employees (2019: none).

5. Debtors

	2020 £	2019 £
Amounts owed by group undertakings	<u>2,309</u>	<u>2,309</u>

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

6. Creditors: amounts falling due within one year

	2020 £	2019 £
Amounts owed to EBT beneficiaries	<u>2,308</u>	<u>2,308</u>

Dolby Medical EBT Trustee Limited
Notes to the financial statements
For the year ended 31 March 2020

7. Called up share capital

The allotted, called up and fully paid share capital is as follows:

	2020 No. of shares	2020 £	2019 No. of shares	2019 £
Ordinary share of £1	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

8. Retained earnings

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

9. Financial assets and liabilities

The company has the following financial instruments:

	2020 £	2019 £
Financial assets measured at amortised cost		
Amounts owed by group undertakings (note 5)	<u>2,309</u>	<u>2,309</u>
	2020 £	2019 £
Financial liabilities measured at amortised cost		
Amounts owed to EBT beneficiaries (note 6)	<u>(2,308)</u>	<u>(2,308)</u>

10. Controlling party

The immediate parent undertaking is Dolby Medical Limited, incorporated in the United Kingdom.

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

Turnstone Midco 2 Limited is the parent undertaking of the smallest group to consolidate these financial statements. Turnstone Equityco 1 Limited is the parent undertaking of the largest group to consolidate these financial statements. The consolidated financial statements of both Turnstone Midco 2 Limited and Turnstone Equityco 1 Limited are publicly available and may be obtained from Turnstone Equityco 1 Limited, Europa House, Stoneclough Road, Kearsley, Manchester, M26 1GG.

The ultimate controlling party is considered by the directors to be CEP III Participations S.a.r.l. SICAR, an investment vehicle for The Carlyle Group. CEP III Participations S.a.r.l. SICAR is the controlling party of Turnstone Equityco 1 Limited.

11. Events after the reporting period

On 16 August 2021, following the completion of the Palamon transaction, the immediate parent undertaking of Turnstone Equityco 1 Limited was ADP Primary Care Acquisitions Limited. The controlling party from 16 August 2021 is considered by the directors to be ADP Primary Care Acquisitions Limited.