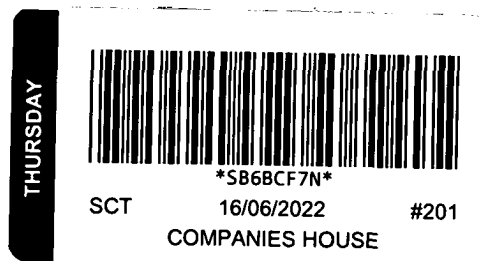


# **The Real Good Dental Company Limited**

Registered number: SC511332

## **Director's report and unaudited financial statements**

**For the period ended 31 May 2021**



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**THE REAL GOOD DENTAL COMPANY LIMITED**

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**COMPANY INFORMATION**

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<b>Director</b>	Dr J S Hans
<b>Company secretary</b>	Oakwood Corporate Secretary Limited (appointed 15 July 2021)
<b>Registered number</b>	SC511332
<b>Registered office</b>	Unit 5b North Street Glenrothes KY7 5SE
<b>Accountants</b>	Mazars LLP Chartered Accountants Apex 2 97 Haymarket Terrace Edinburgh EH12 5HD

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**THE REAL GOOD DENTAL COMPANY LIMITED**

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## THE REAL GOOD DENTAL COMPANY LIMITED

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### STRATEGIC REPORT FOR THE PERIOD ENDED 31 MAY 2021

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#### Introduction

The Directors present their strategic report for the period ended 31 May 2021.

#### Business review

The Company provides dental services to more than 300,000 patients across Scotland. The Company receives its turnover from both the NHS and private treatments.

#### COVID-19

During FY21, the dental industry experienced a significant impact on normal operations as a result of the COVID-19 pandemic. All of the Company's dental practices were closed in the early part of the lockdown. Following this, the Company provided a limited range of services such as prescriptions and phone triage. From around July 2020, activity has continued to steadily increase through the Company, but with significant level of controls and adjustments to standard operating procedures in place, in line with guidance of NHS Scotland, to ensure the safety of patients and staff.

NHS Scotland and the UK / Scottish Government have continued to support dentistry through this challenging period in a number of ways, including the Coronavirus Job Retention scheme, additional NHS COVID financial support and assistance with the cost of PPE and ventilation equipment to make provision of services safer for all.

Despite these significant operational challenges, FY21 was a successful year, as the Company continued to build a Company of significant scale which has the potential to grow significantly further both organically and inorganically, offering best in class services to patients.

#### Future developments

The Directors expect the level of activity within the Company to increase in the forthcoming year compared to FY20 & FY21, that were impacted by COVID-19. The Company has plans to continue its growth with the expansion of the Company's footprint and service offering. Furthermore, the Company has plans to increase its back office support capabilities including Finance, HR, IT, acquisition and integration.

#### Principal risks and uncertainties

Set out below are the principal risks and uncertainties which exist within the Company and are actively identified and dealt with by the management team but nevertheless, could adversely affect the Company, operations and financial condition. The following risk information is not intended to be a comprehensive overview of the risks inherent within the Company nor is it intended to rank the risks in order of importance or materiality.

#### Recruitment and retention

Scottish (and UK) dentistry faces a shortage of available dentists and clinical staff. Failure to effectively recruit and retain staff is a key risk for the Company. In order to mitigate this risk, the Directors continuously develop the Company's offering to contracted dentists and employed staff through improvements in training, development, reward and benefits.

#### Acquisitions

The Company aims to expand through acquisition with funding through operational cash generation and additional funding. Consequently, the Company may face the risk of a shortage of available acquisition opportunities, failure to pay the appropriate enterprise value or failure to realise value from acquisitions made. In order to mitigate this risk, the Company has a robust review and approval process for potential acquisitions and a well-developed process for integration of acquired practices into the Company.

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## THE REAL GOOD DENTAL COMPANY LIMITED

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### STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 31 MAY 2021

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#### Brexit

In January 2020, the UK left the EU. There has been no material impact on the Company since that date except for a reduction in the availability of dentists. As such, the Directors do not believe that there will be any further significant risks posed to the Company as a result of Brexit.

#### IR35

The Company continues to review Dentist contracts to ensure that they are outside of IR35 regulations. Periodically, the Company uses tax advisors to provide advice on any changes to IR35 guidelines.

#### Financial key performance indicators

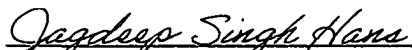
The Executive Management team monitors key performance indicators on a weekly and monthly basis. The primary KPIs monitored are practice Turnover and EBITDA. These KPIs are measured against historical performance and budget on a Company and by practice level. Turnover for the period was £7,820,233 (2020 - £6,696,069) and EBITDA was £1,635,601, including furlough income and excluding one-off non-recurring costs (2020 - £1,198,092).

The Directors expect that, with continued funding, the Company will continue to grow its KPIs as the Company invests in further acquisitions across the UK.

#### Other key performance indicators

The principal non-financial KPIs is the number of dental practices that the Company owns. At the end of the period the number of dental practices owned was 28.

This report was approved by the board and signed on its behalf.

  
J. Jagdeep Singh Hans (Jun 16, 2022 09:00 GMT+1)

**Dr J S Hans**  
Director

Date: Jun 16, 2022

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## THE REAL GOOD DENTAL COMPANY LIMITED

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### DIRECTORS' REPORT FOR THE PERIOD ENDED 31 MAY 2021

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The Directors present their report and the unaudited financial statements for the period ended 31 May 2021.

#### Directors' responsibilities statement

The Directors are responsible for preparing the Strategic Report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with 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 of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### Principal activity

The principal activity of the Company is that of a dental practitioner.

#### Directors

The Directors who served during the period were:

Dr J S Hans  
Dr S S Dhami (resigned 1 June 2021)

#### Impact of COVID-19

The COVID-19 pandemic continues to affect the UK and global economies however the recent lifting of social restrictions by the government means the Directors anticipate the UK and global economies to return to growth in due course. It is not possible to predict how quickly and to what degree this may happen. The priorities of the Directors remain to comply with any remaining regulatory requirements to the fullest extent possible, and to maintain the safety and well-being of the Company's personnel.

#### Going concern

After reviewing the Company's forecasts and projections, the Directors have a reasonable expectation that the Company can remain a viable, going concern for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing the financial statements.

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**THE REAL GOOD DENTAL COMPANY LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE PERIOD ENDED 31 MAY 2021**

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**Matters covered in the strategic report**

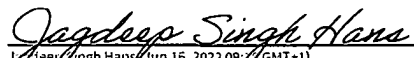
The Company has chosen, in accordance with section 41C(11) of the Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 to set out in the strategic report certain information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

**Post balance sheet events**

Immediately following the period end, the Company's ultimate parent company, Kingdom Holding Group Ltd, was acquired by Thistle Bidco Ltd, a subsidiary of Thistle Holdco Ltd, that holds funds invested by Trispan private equity & management.

On 24 February 2022 Russian Forces entered Ukraine, resulting in Western Nation reactions including announcements of sanctions against Russia and Russian interests worldwide and an economic ripple effect on the global economy. The Directors have carried out an assessment of the potential impact of Russian Forces entering Ukraine on the business, including the impact of mitigation measures and uncertainties, and have concluded that this is a non-adjusting post balance sheet event with the greatest impact on the business expected to be from the economic ripple effect on the global economy. The Directors have taken account of these potential impacts in their going concern assessment.

This report was approved by the board and signed on its behalf.

  
Jagdeep Singh Hans, Jun 16, 2022 09:27 GMT+1

**Dr J S Hans**  
Director

Date: Jun 16, 2022

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## THE REAL GOOD DENTAL COMPANY LIMITED

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### CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF THE REAL GOOD DENTAL COMPANY LIMITED FOR THE PERIOD ENDED 31 MAY 2021

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In accordance with our engagement letter dated 7 March 2022 and in order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of the Company for the period ended 31 May 2021 which comprise the Income Statement, the Statement of Financial Position, the Statement of Changes in Equity and the related notes from the Company's accounting records and from information and explanations you have given to us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at [www.icaew.com/en/members/regulations-standards-and-guidance/](http://www.icaew.com/en/members/regulations-standards-and-guidance/).

#### Respective responsibilities of Directors and accountants

You have acknowledged on the balance sheet for the period ended 31 May 2021 your duty to ensure that the Company has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the Company's assets, liabilities, financial position and loss. You consider that the Company is exempt from the statutory requirement for an audit for the period.

This report is made solely to the Board of Directors of The Real Good Dental Company Limited, as a body, in accordance with the terms of our engagement letter dated 7 March 2022. Our work has been undertaken solely to prepare for your approval the financial statements of the Company and state those matters that we have agreed to state to the Board of Directors, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept nor assume responsibility to anyone other than the Company and its Board of Directors, as a body, for our work or for this report.

We have not been instructed to carry out an audit or review of the financial statements of The Real Good Dental Company Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.

*Mazars LLP*

Mazars LLP (Jun 16, 2022 09:26 GMT+1)

#### Mazars LLP

Chartered Accountants

Apex 2  
97 Haymarket Terrace  
Edinburgh  
EH12 5HD

Date: Jun 16, 2022



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THE REAL GOOD DENTAL COMPANY LIMITED

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**INCOME STATEMENT  
FOR THE PERIOD ENDED 31 MAY 2021**

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	Note	Period ended 31 May 2021 £	Year ended 31 March 2020 £
Turnover	3	7,820,232	6,696,069
Cost of sales		(4,133,400)	(3,168,521)
<b>Gross profit</b>		<b>3,686,832</b>	<b>3,527,548</b>
Administrative expenses		(5,582,077)	(4,285,073)
Other operating income	4	1,490,799	-
<b>Operating loss</b>	5	<b>(404,446)</b>	<b>(757,525)</b>
Interest payable and similar expenses	7	(143,006)	(199,728)
<b>Loss before tax</b>		<b>(547,452)</b>	<b>(957,253)</b>
Tax on loss	8	(129,228)	(261,909)
<b>Loss for the financial period</b>		<b>(676,680)</b>	<b>(1,219,162)</b>

There was no other comprehensive income for 2021 (2020 - £Nil).

The notes on pages 10 to 24 form part of these financial statements.

THE REAL GOOD DENTAL COMPANY LIMITED  
REGISTERED NUMBER: SC511332

STATEMENT OF FINANCIAL POSITION  
AS AT 31 MAY 2021

	Note	31 May 2021 £	As restated 31 March 2020 £
<b>Fixed assets</b>			
Intangible assets	9	4,912,297	2,905,548
Tangible assets	10	1,405,404	1,377,723
Investments	11	2,006,706	-
		<u>8,324,407</u>	<u>4,283,271</u>
<b>Current assets</b>			
Stocks		323,900	175,544
Debtors	12	2,688,016	2,405,829
Cash at bank and in hand	13	59,385	-
		<u>3,071,301</u>	<u>2,581,373</u>
Creditors: Amounts falling due within one year	14	(11,820,858)	(7,437,832)
<b>Net current liabilities</b>		<u>(8,749,557)</u>	<u>(4,856,459)</u>
<b>Total assets less current liabilities</b>		<u>(425,150)</u>	<u>(573,188)</u>
Creditors: Amounts falling due after more than one year	15	(1,472,663)	(737,529)
<b>Provisions for liabilities</b>			
Deferred tax		(351,351)	(261,767)
		<u>(351,351)</u>	<u>(261,767)</u>
<b>Net liabilities</b>		<u>(2,249,164)</u>	<u>(1,572,484)</u>
<b>Capital and reserves</b>			
Called up share capital	19	100	100
Profit and loss account	20	(2,249,264)	(1,572,584)
		<u>(2,249,164)</u>	<u>(1,572,484)</u>

The Directors considers that the Company is entitled to exemption from the requirement to have an audit under the provisions of section 479A of the Companies Act 2006.

The members have not required the Company to obtain an audit for the period in question in accordance with section 476 of the Companies Act 2006.

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THE REAL GOOD DENTAL COMPANY LIMITED  
REGISTERED NUMBER: SC511332

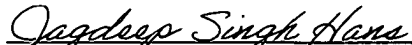
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**STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT 31 MAY 2021**

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

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

  
J. Jagdeep Singh Hans, Jun 16, 2022 09:17 (GMT+1)

**Dr J S Hans**  
Director

Date: Jun 16, 2022

The notes on pages 10 to 24 form part of these financial statements.

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THE REAL GOOD DENTAL COMPANY LIMITED

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 MAY 2021**

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	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>
At 1 April 2020 (as previously stated) (As restated)	100	(857,359)	(857,259)
Prior year adjustment	-	(715,225)	(715,225)
	<hr/>	<hr/>	<hr/>
At 1 April 2020 (as restated)	100	(1,572,584)	(1,572,484)
	<hr/>	<hr/>	<hr/>
<b>Comprehensive income for the period</b>			
Loss for the period	-	(676,680)	(676,680)
	<hr/>	<hr/>	<hr/>
<b>At 31 May 2021</b>	100	(2,249,264)	(2,249,164)
	<hr/>	<hr/>	<hr/>

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2020**

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	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>
At 1 April 2019 (as previously stated)	100	361,803	361,903
Prior year adjustment	-	(715,225)	(715,225)
	<hr/>	<hr/>	<hr/>
At 1 April 2019 (as restated)	100	(353,422)	(353,322)
	<hr/>	<hr/>	<hr/>
<b>Comprehensive income for the year</b>			
Loss for the year	-	(1,219,162)	(1,219,162)
	<hr/>	<hr/>	<hr/>
<b>At 31 March 2020</b>	100	(1,572,584)	(1,572,484)
	<hr/>	<hr/>	<hr/>

The notes on pages 10 to 24 form part of these financial statements.

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## THE REAL GOOD DENTAL COMPANY LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MAY 2021

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#### 1. General information

The Real Good Dental Company Limited (the 'Company') is a registered Company in Scotland. The address of the Company's registered office is 5b North Street, Glenrothes, Scotland, KY7 5SE. The Company's registration number is SC511332.

The principal activity of the Company is that of a dental practitioner.

#### 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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies.

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

The following principal accounting policies have been applied:

##### 2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Kingdom Holding Group Limited as at 31 May 2021 and these financial statements may be obtained from Companies House.

##### 2.3 Going concern

After reviewing the Company's forecasts and projections, the Directors have a reasonable expectation that the Company can remain a viable, going concern for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing the financial statements.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MAY 2021

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**2. Accounting policies (continued)**

**2.4 Turnover**

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

**Rendering of services**

Turnover 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 turnover can be measured reliably;
- it is probable that the Company 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 Government grants**

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the profit or loss in the same period as the related expenditure.

**2.6 Finance costs**

Finance costs are charged to the profit or loss 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.

**2.7 Borrowing costs**

All borrowing costs are recognised in the profit or loss in the period in which they are incurred.

**2.8 Pensions**

**Defined contribution pension plan**

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

The contributions are recognised as an expense in the profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MAY 2021**

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**2. Accounting policies (continued)**

**2.9 Current and deferred taxation**

The tax expense for the period comprises current and deferred tax. Tax is recognised in the profit or loss 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.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

**2.10 Intangible assets**

**Goodwill**

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value 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 profit or loss over its useful economic life.

**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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MAY 2021**

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**2. Accounting policies (continued)**

**2.11 Tangible fixed assets (continued)**

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Fixtures, fittings and equipment - 20%

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 profit or loss.

**2.12 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

**2.13 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. Work in progress and finished goods include labour and attributable overheads.

At each reporting 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 profit or loss.

**2.14 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.

**2.15 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.

**2.16 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.



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THE REAL GOOD DENTAL COMPANY LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MAY 2021

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2. Accounting policies (continued)

2.17 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

3. Turnover

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

	Period ended 31 May 2021 £	Year ended 31 March 2020 £
Dental	7,820,232	6,696,069

All turnover arose within the United Kingdom.

4. Other operating income

	Period ended 31 May 2021 £	Year ended 31 March 2020 £
Government grants receivable (CJRS)	1,490,799	-

5. Operating loss

The operating loss is stated after charging:

	Period ended 31 May 2021 £	Year ended 31 March 2020 £
Amortisation of intangible assets	647,163	378,727
Depreciation of tangible fixed assets	438,294	228,351

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**THE REAL GOOD DENTAL COMPANY LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MAY 2021**

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**6. Employees**

Staff costs were as follows:

	<b>Period ended 31 May 2021 £</b>	<b>Year ended 31 March 2020 £</b>
Wages and salaries	2,080,364	1,478,378
Social security costs	108,697	-
Cost of defined contribution scheme	52,476	97,615
	<u>2,241,537</u>	<u>1,575,993</u>

The average monthly number of employees, including Directors, during the period was 115 (year to 31 March 2020 - 122) which exclude associates who work within the business.

**7. Interest payable and similar expenses**

	<b>Period ended 31 May 2021 £</b>	<b>Year ended 31 March 2020 £</b>
Bank loan interest payable	-	171,417
Other loan interest payable	143,006	28,311
	<u>143,006</u>	<u>199,728</u>

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**THE REAL GOOD DENTAL COMPANY LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MAY 2021**

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**8. Taxation**

	Period ended 31 May 2021 £	Year ended 31 March 2020 £
<b>Corporation tax</b>		
Current tax on profits for the year	39,644	-
<b>Total current tax</b>	<u>39,644</u>	<u>-</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	89,584	261,909
<b>Total deferred tax</b>	<u>89,584</u>	<u>261,909</u>
<b>Taxation on profit on ordinary activities</b>	<u>129,228</u>	<u>261,909</u>

**Factors affecting tax charge for the period/year**

The tax assessed for the period/year is higher than (2020 - higher than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	Period ended 31 May 2021 £	Year ended 31 March 2020 £
Loss on ordinary activities before tax	<u>(547,452)</u>	<u>(957,253)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	(104,016)	(181,878)
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	399,980	139,620
Other timing differences leading to an increase (decrease) in taxation	6,921	-
Tax rate differences	59,886	304,167
Group relief	<u>(233,543)</u>	<u>-</u>
<b>Total tax charge for the period/year</b>	<u>129,228</u>	<u>261,909</u>

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**THE REAL GOOD DENTAL COMPANY LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MAY 2021**

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**8. Taxation (continued)****Factors that may affect future tax charges**

The UK Government announced in the 2021 budget that from 1 April 2023, the rate of corporation tax in the United Kingdom will increase from 19% to 25%. Companies with profits of £50,000 or less will continue to be taxed at 19%, which is a new small profits rate. Where taxable profits are between £50,000 and £250,000, the higher 25% rate will apply but with a marginal relief applying as profits increase.

**9. Intangible assets**

	<b>Goodwill £</b>
<b>Cost</b>	
At 1 April 2020 (as previously stated)	3,877,000
Prior Year Adjustment	122,500
	<hr/>
At 1 April 2020 (as restated)	3,999,500
Additions	2,653,912
	<hr/>
At 31 May 2021	6,653,412
	<hr/>
<b>Amortisation</b>	
At 1 April 2020 (as previously stated)	366,477
Prior Year Adjustment	727,475
	<hr/>
At 1 April 2020 (as restated)	1,093,952
Charge for the period on owned assets	647,163
	<hr/>
At 31 May 2021	1,741,115
	<hr/>
<b>Net book value</b>	
At 31 May 2021	4,912,297
	<hr/> <hr/>
At 31 March 2020 (as restated)	2,905,548
	<hr/> <hr/>

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THE REAL GOOD DENTAL COMPANY LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MAY 2021

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10. Tangible fixed assets

	Fixtures, fittings and equipment £
<b>Cost</b>	
At 1 April 2020 (as previously stated)	779,755
Prior Year Adjustment	1,299,940
At 1 April 2020 (as restated)	2,079,695
Additions	465,975
At 31 May 2021	2,545,670
<b>Depreciation</b>	
At 1 April 2020 (as previously stated)	398,653
Prior Year Adjustment	303,319
At 1 April 2020 (as restated)	701,972
Charge for the period on owned assets	438,294
At 31 May 2021	1,140,266
<b>Net book value</b>	
At 31 May 2021	1,405,404
At 31 March 2020 (as restated)	1,377,723

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**THE REAL GOOD DENTAL COMPANY LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MAY 2021**

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**11. Fixed asset investments**

	Investments in subsidiary companies £
<b>Cost</b>	
Additions	2,006,706
At 31 May 2021	<u>2,006,706</u>
<b>Net book value</b>	
At 31 May 2021	<u>2,006,706</u>
At 31 March 2020	<u>-</u>

**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding
Bathgate Dental Surgery Limited	Ordinary	100%
H Maclean Limited	Ordinary	100%

The registered offices of the subsidiaries are the same as the Company.

**12. Debtors**

	31 May 2021 £	As restated 31 March 2020 £
Trade debtors	180,464	540,239
Amounts owed by group undertakings	1,672,693	1,700,765
Other debtors	162,852	-
Prepayments and accrued income	672,007	164,825
	<u>2,688,016</u>	<u>2,405,829</u>

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

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THE REAL GOOD DENTAL COMPANY LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MAY 2021

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13. Cash and cash equivalents

	31 May 2021 £	As restated 31 March 2020 £
Cash at bank and in hand	59,385	-
Less: bank overdrafts	-	(125,360)
	<u>59,385</u>	<u>(125,360)</u>

14. Creditors: Amounts falling due within one year

	31 May 2021 £	As restated 31 March 2020 £
Bank overdrafts	-	125,360
Bank loans	249,777	678,510
Trade creditors	838,197	297,127
Amounts owed to group undertakings	6,305,087	5,140,515
Corporation tax	427,053	441,999
Other taxation and social security	779,129	229,154
Obligations under finance lease and hire purchase contracts	135,652	-
Other creditors	2,501,201	368,235
Accruals and deferred income	584,762	156,932
	<u>11,820,858</u>	<u>7,437,832</u>

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

15. Creditors: Amounts falling due after more than one year

	31 May 2021 £	As restated 31 March 2020 £
Bank loans	1,093,400	737,529
Other loans	220,000	-
Net obligations under finance leases and hire purchase contracts	159,263	-
	<u>1,472,663</u>	<u>737,529</u>

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THE REAL GOOD DENTAL COMPANY LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MAY 2021

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16. Loans

Analysis of the maturity of loans is given below:

	31 May 2021 £	As restated 31 March 2020 £
<b>Amounts falling due within one year</b>		
Bank loans	249,777	678,510
	<u>249,777</u>	<u>678,510</u>
<b>Amounts falling due 1-2 years</b>		
Bank loans	123,860	737,529
Other loans	110,000	-
	<u>233,860</u>	<u>737,529</u>
<b>Amounts falling due 2-5 years</b>		
Bank loans	182,702	-
Other loans	110,000	-
	<u>292,702</u>	<u>-</u>
<b>Amounts falling due after more than 5 years</b>		
Bank loans	786,838	-
	<u>786,838</u>	<u>-</u>
	<u>1,563,177</u>	<u>1,416,039</u>



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THE REAL GOOD DENTAL COMPANY LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MAY 2021

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17. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	31 May 2021 £	31 March 2020 £
Within one year	135,652	-
Between 1-5 years	159,263	-
	<u>294,915</u>	<u>-</u>

18. Deferred taxation

	31 May 2021 £	As restated 31 March 2020 £
At beginning of year	(261,767)	(261,767)
Charged to profit or loss	(89,584)	-
At end of year	<u>(351,351)</u>	<u>(261,767)</u>

The provision for deferred taxation is made up as follows:

	31 May 2021 £	As restated 31 March 2020 £
Accelerated capital allowances	(351,351)	(261,767)
	<u>(351,351)</u>	<u>(261,767)</u>

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**THE REAL GOOD DENTAL COMPANY LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MAY 2021**

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**19. Share capital**

	31 May 2021 £	31 March 2020 £
<b>Allotted, called up and fully paid</b>		
100 (2020 - 100) Ordinary shares of £1.00 each	100	100
	<u>100</u>	<u>100</u>

**20. Reserves****Profit and loss account**

The profit and loss account includes cumulative profits and losses less dividends paid.

**21. Prior year adjustment**

The financial statements have been updated in the prior year to correctly reflect amortisation on goodwill.

The effect of this journal is to reduce reserves brought forward by £715,225.

**22. Pension commitments**

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £52,476 (2020 - £97,615). Contributions totalling £31,920 (2020 - £24,851) were payable to the fund at the balance sheet date and are included in creditors.

**23. Commitments under operating leases**

At 31 May 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	31 May 2021 £	31 March 2020 £
Not later than 1 year	354,180	-
Later than 1 year and not later than 5 years	1,280,272	-
Later than 5 years	1,695,949	-
	<u>3,330,401</u>	<u>-</u>

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## THE REAL GOOD DENTAL COMPANY LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MAY 2021

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#### 24. Transactions with directors

At the period end an amount of £2,354,792 was due to the Directors of the Company (2020 - £368,235). The loan, which is included in other creditors, is unsecured, interest free and repayable on demand.

#### 25. Related party transactions

As a wholly owned subsidiary of Kingdom Holding Group Limited, the Company has taken advantage of the exemption provided by FRS 102 s33.1A whereby disclosures need not be given of transactions entered into between two or more members of a group provided that any subsidiary which is party to the transaction is wholly owned by such a member.

#### 26. Post balance sheet events

Immediately following the period end, the Company's ultimate parent company, Kingdom Holding Group Ltd, was acquired by Thistle Bidco Ltd, a subsidiary of Thistle Holdco Ltd, that holds funds invested by Trispan private equity & management.

On 24 February 2022 Russian Forces entered Ukraine, resulting in Western Nation reactions including announcements of sanctions against Russia and Russian interests worldwide and an economic ripple effect on the global economy. The Directors have carried out an assessment of the potential impact of Russian Forces entering Ukraine on the business, including the impact of mitigation measures and uncertainties, and have concluded that this is a non-adjusting post balance sheet event with the greatest impact on the business expected to be from the economic ripple effect on the global economy. The Directors have taken account of these potential impacts in their going concern assessment.

#### 27. Controlling party

The Company is a wholly owned subsidiary of Kingdom Holding Group Limited, which was the ultimate controlling party and ultimate parent company, a trading company registered in Scotland. The registered office address is Unit 5b North Street, Glenrothes, KY7 5SE.

The Company's ultimate parent company, Kingdom Holding Group Ltd, has been acquired by Thistle Bidco Ltd, a subsidiary of Thistle Holdco Ltd, that holds funds invested by Trispan private equity & management.