

Rodericks Dental Limited

Annual Report and Financial Statements
for the Year Ended 31 March 2018

10. Chartered Accountants
10 Cheyne Walk
Northampton
Northamptonshire
NN1 5PT

Rodericks Dental Limited

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Rodericks Dental Limited

Company Information

Directors S Mehra
A Khetia
L I Ross
S Burgess
R C Smith
C Clark
D Farrell

Company secretary S Mehra

Registered office 15 Basset Court
Loake Close
Grange Park
Northampton
NN4 5EZ

Bankers National Westminster Bank Plc
2nd Floor, Building 1
Centrium
Griffiths Way
St Albans
Hertfordshire
AL1 2RD

Auditors 10. Chartered Accountants
10 Cheyne Walk
Northampton
Northamptonshire
NN1 5PT

Rodericks Dental Limited

Strategic Report for the Year Ended 31 March 2018

The directors present their strategic report for the year ended 31 March 2018.

Business activities and review of the business

The directors are pleased to report that the company has continued to perform well during the year under review.

The company is a wholly owned subsidiary of Rodericks Dental Holdings Limited.

On 11 September 2017, CBPE Capital LLP, a UK-based private equity firm acquired 66.8% of Seth Topco Limited as part of a refinancing arrangement. Seth Topco Limited became the ultimate parent of the Group, and the immediate parent company of Seth Finco Limited.

Seth Finco owns 100% of Seth Midco Limited.

Seth Midco owns 100% of Seth Bidco Limited.

Seth Bidco Limited wholly owns 100% of Rodericks Dental Holdings Limited. All companies are registered in England and Wales.

The company continued its plans for expansion in the year with the acquisition of 2 dental practices. These acquisitions brought the total number of dental practices operated at the year-end to 73.

Turnover for the year ended 31 March 2018 amounted to £44.78m compared to £43.50m for the year ended 31 March 2017.

Operating profit for the year ended 31 March 2018 amounted to £0.7m compared to £1.27m for the year ended 31 March 2017.

Principal risks and uncertainties

The key risks that could most have a material effect on the company's business activities are those of its workforce and contracts with the NHS.

The company relies heavily on its workforce and the ability to attract, develop and retain employees and associates with the necessary experience and skills.

To minimise such risks the company has developed its recruitment, induction, training and development processes to ensure the highest level of personnel are recruited and retained.

The majority of the company's income is received by way of NHS contracts relating to the performance of units of dental activity (UDA's). The company closely monitors its UDA's to ensure the required targets set by the NHS are met.

Rodericks Dental Limited

Strategic Report for the Year Ended 31 March 2018

Key Performance Indicators (KPI's)

The significant KPI's of the company include the following:

- i) NHS - Monitoring of performance against contracted activity;
- ii) Utilisation - Measurement of dental activity to available resources;
- iii) Staff & Dental personnel retention - Staff turnover; and
- iv) EBITDA - Comparison of monthly results against budgets.

Due to the commercially sensitive nature of the information the directors do not consider it appropriate to disclose the actual ratios concerned in this report.

Future Developments

The company plans to continue its growth strategy primarily through acquisitions, with the tendering for NHS Greenfield sites where appropriate opportunities arise.

Employees

The company does not discriminate between employees on the grounds of race, ethnic origin, age or sex. Equal opportunity is given to all suitable job applicants.

Applications for employment from disabled persons are given full and fair consideration with regard only to the ability of the candidates to carry out satisfactorily the duties of the job. Should an existing employee become disabled, every effort is made to ensure continuing employment with the retraining arranged where necessary. Disabled persons share in the opportunities for career developments and promotion while training takes account of any special needs.

Briefing and consultative procedures exist throughout the company to provide employees with relevant information.

Approved by the Board on 18 December 2018 and signed on its behalf by:

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S Mehra

Company secretary and director

Rodericks Dental Limited

Directors' Report for the Year Ended 31 March 2018

The directors present their report and the financial statements for the year ended 31 March 2018.

Principal Activity

The principal activity of the company in the year under review was that of the provision of dental services to the general public.

Dividends

The total distribution of dividends for the year ended 31 March 2018 amounted to £2,095,174 (2017 - £34,619).

Directors of the company

The directors who held office during the year were as follows:

S Mehra - Company secretary and director

A Khetia

L I Ross

S Burgess

R C Smith

C Clark

D Farrell (appointed 13 September 2017)

SA Brookes (Resigned 13 September 2017)

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Reappointment of auditors

The auditors 10. Chartered Accountants are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Approved by the Board on 18 December 2018 and signed on its behalf by:

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S Mehra

Company secretary and director

Rodericks Dental Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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. 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.

Rodericks Dental Limited

Independent Auditor's Report to the Members of Rodericks Dental Limited

Opinion

We have audited the financial statements of Rodericks Dental Limited (the 'company') for the year ended 31 March 2018, which comprise the Profit and Loss Account, Statement of Comprehensive Income, Balance Sheet, Statement 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).

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

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Rodericks Dental Limited

Independent Auditor's Report to the Members of Rodericks Dental Limited

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter 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 Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and 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 our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 Statement of Directors' Responsibilities [set out 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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Rodericks Dental Limited

Independent Auditor's Report to the Members of Rodericks Dental Limited

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and
- appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are
- appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty
- exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and
- whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities
- within the company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Rodericks Dental Limited

Independent Auditor's Report to the Members of Rodericks Dental Limited

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J D Foster (Senior Statutory Auditor)

For and on behalf of IO. Chartered Accountants, Statutory Auditor

10 Cheyne Walk

Northampton

Northamptonshire

NN1 5PT

18 December 2018

Rodericks Dental Limited

Profit and Loss Account for the Year Ended 31 March 2018

	Note	2018 £	2017 £
Turnover	<u>3</u>	44,778,391	43,496,068
Cost of sales		<u>(23,420,908)</u>	<u>(22,716,672)</u>
Gross profit		21,357,483	20,779,396
Administrative expenses		(20,659,745)	(19,533,780)
Other operating income	<u>4</u>	<u>29,910</u>	<u>21,900</u>
Operating profit	<u>6</u>	<u>727,648</u>	<u>1,267,516</u>
Income from participating interests		201	1,528
Other interest receivable and similar income	<u>7</u>	4,275	9,093
Interest payable and similar expenses	<u>8</u>	<u>(635,377)</u>	<u>(595,693)</u>
		<u>(630,901)</u>	<u>(585,072)</u>
Profit before tax		96,747	682,444
Taxation	<u>12</u>	<u>(331,472)</u>	<u>(90,333)</u>
(Loss)/profit for the financial year		<u><u>(234,725)</u></u>	<u><u>592,111</u></u>

The above results were derived from continuing operations.

The notes on pages 14 to 31 form an integral part of these financial statements.

Rodericks Dental Limited

Statement of Comprehensive Income for the Year Ended 31 March 2018

	2018	2017
	£	£
(Loss)/profit for the year	(234,725)	592,111
Other comprehensive income	-	28,326
Total comprehensive income for the year	<u>(234,725)</u>	<u>620,437</u>

The notes on pages 14 to 31 form an integral part of these financial statements.

Rodericks Dental Limited
(Registration number: 00190237)
Balance Sheet as at 31 March 2018

	Note	2018 £	2017 £
Fixed assets			
Intangible assets	<u>13</u>	11,594,228	11,948,929
Tangible assets	<u>14</u>	5,936,295	6,873,840
Investments	<u>15</u>	7,005,127	5,982,267
		<u>24,535,650</u>	<u>24,805,036</u>
Current assets			
Stocks	<u>16</u>	759,308	693,555
Debtors	<u>17</u>	10,269,572	13,032,418
Cash at bank and in hand		4,352,676	3,522,084
		15,381,556	17,248,057
Creditors: Amounts falling due within one year	<u>19</u>	(11,169,827)	(11,556,806)
Net current assets		<u>4,211,729</u>	<u>5,691,251</u>
Total assets less current liabilities		28,747,379	30,496,287
Creditors: Amounts falling due after more than one year	<u>19</u>	(22,998,547)	(22,410,072)
Provisions for liabilities	<u>20</u>	(78,979)	(86,463)
Net assets		<u>5,669,853</u>	<u>7,999,752</u>
Capital and reserves			
Called up share capital	<u>22</u>	129,836	129,836
Share premium reserve		45,494	45,494
Capital redemption reserve		3,664	3,664
Other reserves		-	46,740
Profit and loss account		5,490,859	7,774,018
Total equity		<u>5,669,853</u>	<u>7,999,752</u>

Approved and authorised by the Board on 18 December 2018 and signed on its behalf by:

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S Mehra
Company secretary and director

The notes on pages 14 to 31 form an integral part of these financial statements.
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Rodericks Dental Limited

Statement of Changes in Equity for the Year Ended 31 March 2018

	Share capital £	Share premium £	Capital redemption reserve £	Other reserves £	Profit and loss account £
At 1 April 2017	129,836	45,494	3,664	46,740	7,774,018
Loss for the year	-	-	-	-	(234,725)
Other comprehensive income	-	-	-	(46,740)	46,740
Total comprehensive income	-	-	-	(46,740)	(187,985)
Dividends	-	-	-	-	(2,095,174)
At 31 March 2018	129,836	45,494	3,664	-	5,490,859

	Share capital £	Share premium £	Capital redemption reserve £	Other reserves £	Profit and loss account £
At 1 April 2016	129,836	45,494	3,664	18,414	7,216,526
Profit for the year	-	-	-	-	592,111
Other comprehensive income	-	-	-	28,326	-
Total comprehensive income	-	-	-	28,326	592,111
Dividends	-	-	-	-	(34,619)
At 31 March 2017	129,836	45,494	3,664	46,740	7,774,018

The notes on pages 14 to 31 form an integral part of these financial statements.

Rodericks Dental Limited

Notes to the Financial Statements for the Year Ended 31 March 2018

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The principal place of business is:

15 Basset Court
Loake Close
Grange Park
Northampton
NN4 5EZ

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Summary of disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by 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 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7..

Group accounts not prepared

The financial statements contain information about Rodericks Dental Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent, Seth Topco Limited, 15 Basset Court, Loake Close, Grange Park, Northampton, NN4 5EZ..

Going concern

The financial statements have been prepared on a going concern basis.

Rodericks Dental Limited

Notes to the Financial Statements for the Year Ended 31 March 2018

2 Accounting policies (continued)

Judgements

In applying the Company's accounting policies, the directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The directors' best judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be appropriate.

Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

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

Revenue recognition

Turnover represents the amounts chargeable for the delivery of dental goods and services provided by the company, exclusive of VAT. NHS income is recognised evenly over the contract year and private income is recognised as and when the treatment is carried out.

Government grants

Government grants are received based on capital funding initiatives as operated from time to time. Capital expenditure on which capital funding is attributable is matched against the applicable grant when received. Grants received in advance of attributable capital expenditure being incurred are included in current liabilities.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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 taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are 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 the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Rodericks Dental Limited

Notes to the Financial Statements for the Year Ended 31 March 2018

2 Accounting policies (continued)

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Freehold property	in accordance with the property
Short leasehold	over the period of the lease
Plant and machinery	12.5% on cost
Fixtures, fittings and equipment	25%, 20% and 10% on cost
Motor vehicles	20% on cost

Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Goodwill	estimated useful life of between 10 and 20 years as appropriate.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Rodericks Dental Limited

Notes to the Financial Statements for the Year Ended 31 March 2018

2 Accounting policies (continued)

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Stocks consist of dental supplies and consumables and are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Provisions

The company makes provision for liabilities when it has a legal or constructive obligation arising from a past event, it is probable that an outflow of resources will be required to settle an obligation, and the amount can be reliably estimated. Provisions are not discounted on the basis of materiality.

Rodericks Dental Limited

Notes to the Financial Statements for the Year Ended 31 March 2018

2 Accounting policies (continued)

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Share based payments

The group issues equity share based payments to certain employees (including directors).

Equity settled share based payments are measured at fair value for the period using the value of shares at the date of grant.

Rodericks Dental Limited

Notes to the Financial Statements for the Year Ended 31 March 2018

2 Accounting policies (continued)

Financial instruments

Classification

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties and loans to related parties.

Debt instruments such as loans and other accounts receivable and payable are initially measured at present value of the future payments and subsequently at amortised cost using the effective interest method; Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, such as the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an outright short-term loan not at market rate, the financial asset or liability is measured, initially and subsequently, at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in profit or loss.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an 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.

3 Revenue

The analysis of the company's revenue for the year from continuing operations is as follows:

	2018 £	2017 £
Rendering of dental services and sale of dental goods	44,567,176	43,347,619
Management charges receivable	211,215	148,449
	<u>44,778,391</u>	<u>43,496,068</u>

4 Other operating income

The analysis of the company's other operating income for the year is as follows:

	2018 £	2017 £
Rental income	<u>29,910</u>	<u>21,900</u>

Rodericks Dental Limited

Notes to the Financial Statements for the Year Ended 31 March 2018

5 Other gains and losses

The analysis of the company's other gains and losses for the year is as follows:

	2018 £	2017 £
Gain (loss) on disposal of property, plant and equipment	(103,749)	-

6 Operating profit

Arrived at after charging/(crediting)

	2018 £	2017 £
Depreciation expense	1,256,473	1,253,423
Amortisation expense	1,633,702	1,518,826
Foreign exchange losses	568	3,386
Operating lease expense - property	1,736,023	1,661,880
Operating lease expense - plant and machinery	31,661	22,913
Loss on disposal of property, plant and equipment	103,749	-

7 Other interest receivable and similar income

	2018 £	2017 £
Interest income on bank deposits	4,275	9,093

8 Interest payable and similar expenses

	2018 £	2017 £
Interest on bank overdrafts and borrowings	584,151	538,248
Interest on obligations under finance leases and hire purchase contracts	51,226	54,571
Interest expense on other finance liabilities	-	2,874
	635,377	595,693

9 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

Rodericks Dental Limited

Notes to the Financial Statements for the Year Ended 31 March 2018

9 Staff costs (continued)

	2018	2017
	£	£
Wages and salaries	11,401,898	11,112,248
Social security costs	959,842	834,853
Pension costs, defined contribution scheme	156,656	80,789
Staff training and recruitment	289,841	202,490
	<u>12,808,237</u>	<u>12,230,380</u>

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2018	2017
	No.	No.
Management	23	21
Administration and operations	693	639
Finance	14	13
	<u>730</u>	<u>673</u>

Rodericks Dental Limited

Notes to the Financial Statements for the Year Ended 31 March 2018

10 Directors' remuneration

The directors' remuneration for the year was as follows:

	2018	2017
	£	£
Remuneration	960,309	1,038,807
Contributions paid to superannuation pension scheme	71,675	-
	<u>1,031,984</u>	<u>1,038,807</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2018	2017
	No.	No.
Superannuation pension scheme	<u>4</u>	<u>-</u>

In respect of the highest paid director:

	2018	2017
	£	£
Remuneration	<u>222,600</u>	<u>256,171</u>

11 Auditors' remuneration

	2018	2017
	£	£
Audit of the financial statements	<u>14,768</u>	<u>14,200</u>

12 Taxation

Tax charged/(credited) in the income statement

Rodericks Dental Limited

Notes to the Financial Statements for the Year Ended 31 March 2018

12 Taxation (continued)

	2018 £	2017 £
Current taxation		
UK corporation tax	344,381	203,052
UK corporation tax adjustment to prior periods	(5,425)	-
	<u>338,956</u>	<u>203,052</u>
Deferred taxation		
Arising from origination and reversal of timing differences	(41,808)	(112,719)
Arising from changes in tax rates and laws	34,324	-
	<u>(7,484)</u>	<u>(112,719)</u>
Total deferred taxation		
	<u>331,472</u>	<u>90,333</u>
Tax expense in the income statement		

Deferred tax

13 Intangible assets

	Goodwill £	Total £
Cost or valuation		
At 1 April 2017	17,742,255	17,742,255
Additions acquired separately	1,279,001	1,279,001
	<u>19,021,256</u>	<u>19,021,256</u>
At 31 March 2018		
Amortisation		
At 1 April 2017	5,793,326	5,793,326
Amortisation charge	1,633,702	1,633,702
	<u>7,427,028</u>	<u>7,427,028</u>
At 31 March 2018		
Carrying amount		
At 31 March 2018	<u>11,594,228</u>	<u>11,594,228</u>
At 31 March 2017	<u>11,948,929</u>	<u>11,948,929</u>

The aggregate amount of research and development expenditure recognised as an expense during the period is £Nil (2017 - £Nil).

All goodwill additions relate to acquisitions through business combinations.

Rodericks Dental Limited

Notes to the Financial Statements for the Year Ended 31 March 2018

14 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Other tangible assets £	Total £
Cost or valuation					
At 1 April 2017	6,793,925	3,301,944	13,115	4,745,507	14,854,491
Additions	146,327	510,390	-	259,072	915,789
Disposals	(683,467)	-	-	-	(683,467)
At 31 March 2018	6,256,785	3,812,334	13,115	5,004,579	15,086,813
Depreciation					
At 1 April 2017	2,432,388	2,464,194	3,716	3,080,354	7,980,652
Charge for the year	422,712	357,743	2,633	473,384	1,256,472
Eliminated on disposal	(86,606)	-	-	-	(86,606)
At 31 March 2018	2,768,494	2,821,937	6,349	3,553,738	9,150,518
Carrying amount					
At 31 March 2018	3,488,291	990,397	6,766	1,450,841	5,936,295
At 31 March 2017	4,361,537	837,750	9,399	1,665,154	6,873,840

There is a fixed charge held with National Westminster Bank Plc over the freehold property and all other assets of the company.

Assets held under finance leases and hire purchase contracts

The net carrying amount of tangible assets includes the following amounts in respect of assets held under finance leases and hire purchase contracts:

	2018 £	2017 £
Property, plant and equipment	998,924	1,137,681

15 Investments in subsidiaries, joint ventures and associates

	2018 £	2017 £
Investments in subsidiaries	7,005,127	5,982,267

Rodericks Dental Limited

Notes to the Financial Statements for the Year Ended 31 March 2018

15 Investments in subsidiaries, joint ventures and associates (continued)

Subsidiaries	£
Cost or valuation	
At 1 April 2017	5,982,267
Additions	<u>1,022,860</u>
At 31 March 2018	<u>7,005,127</u>
Provision	
Carrying amount	
At 31 March 2018	<u><u>7,005,127</u></u>
At 31 March 2017	<u><u>5,982,267</u></u>

Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2018	2017
Subsidiary undertakings				
Cottam's Dental Practice Limited	15 Basset Court, Loake Close, Grange Park, Northampton, NN4 5EZ England and Wales	100 £1 Ordinary	100%	100%
Rodericks (Wales) Ltd	15 Basset Court, Loake Close, Grange Park, Northampton, NN4 5EZ England and Wales	8,000 1p Ordinary	80%	80%
Winnersh Dental Practice Ltd	15 Basset Court, Loake Close, Grange Park, Northampton, NN4 5EZ England and Wales	100 £1 Ordinary	100%	100%
Chipping Manor Dental Practice Ltd	15 Basset Court, Loake Close, Grange Park, Northampton, NN4 5EZ England and Wales	100 £1 Ordinary	100%	100%

Rodericks Dental Limited

Notes to the Financial Statements for the Year Ended 31 March 2018

15 Investments in subsidiaries, joint ventures and associates (continued)

Rodericks Eyecare Ltd	15 Basset Court, Loake Close, Grange Park, Northampton, NN4 5EZ	8,000 1p Ordinary	80%	80%
	England and Wales			
NNI Holdings Limited	15 Basset Court, Loake Close, Grange Park, Northampton, NN4 5EZ	99 £1 Ordinary	100%	100%
	England and Wales			
High Street Dental Practice Limited	15 Basset Court, Loake Close, Grange Park, Northampton, NN4 5EZ	100 £1 Ordinary	100%	100%
	England and Wales			
Rodericks Private Limited	15 Basset Court, Loake Close, Grange Park, Northampton, NN4 5EZ	1,000 10p Ordinary	100%	100%
	England and Wales			
Rodericks (Stoke-on-Trent) Limited	15 Basset Court, Loake Close, Grange Park, Northampton, NN4 5EZ	100 £1 Ordinary	100%	100%
	England and Wales			
Eastwood Dental Ltd	15 Basset Court, Loake Close, Grange Park, Northampton, NN4 5EZ	50 £1 Ordinary	100%	100%
	England and Wales			
Denserve Solutions Ltd	15 Basset Court, Loake Close, Grange Park, Northampton, NN4 5EZ	1 £1 Ordinary	100%	100%
	England and Wales			
Traindent Limited	15 Basset Court, Loake Close, Grange Park, Northampton, NN4 5EZ	1 £1 Ordinary	100%	100%
	England and Wales			

The principal activity of Cottam's Dental Practice Limited is Operation of dental practice

The principal activity of Rodericks (Wales) Ltd is Operation of dental practice

The principal activity of Winnersh Dental Practice Ltd is Operation of dental practice

The principal activity of Chipping Manor Dental Practice Ltd is Operation of dental practices

The principal activity of Rodericks Eyecare Ltd is Operation of optical practice

The principal activity of NNI Holdings Limited is Holding company

The principal activity of High Street Dental Practice Limited is Operation of dental practice

Rodericks Dental Limited

Notes to the Financial Statements for the Year Ended 31 March 2018

15 Investments in subsidiaries, joint ventures and associates (continued)

The principal activity of Rodericks Private Limited is Holding company

The principal activity of Rodericks (Stoke-on-Trent) Limited is Operation of dental practices

The principal activity of Eastwood Dental Ltd is Operation of dental practices

The principal activity of Denserve Solutions Ltd is Operation of dental practices

The principal activity of Traindent Limited is Operation of dental practices

16 Stocks

	2018	2017
	£	£
Stock of dental supplies and consumables	759,308	693,555

17 Debtors

	Note	2018	2017
		£	£
Trade debtors		1,681,076	1,672,195
Amounts owed by related parties	<u>27</u>	6,044,960	9,709,079
Other debtors		1,898,066	911,143
Prepayments		645,470	740,001
Total current trade and other debtors		10,269,572	13,032,418

The amounts due from the parent company and other entities within the group are non-interest bearing, unsecured and repayable on demand.

18 Cash and cash equivalents

2018	2017
£	£

Cash on hand	4,290	4,055
Cash at bank	481	428
Short-term deposits	<u>4,347,905</u>	<u>3,517,601</u>
	<u><u>4,352,676</u></u>	<u><u>3,522,084</u></u>

Rodericks Dental Limited

Notes to the Financial Statements for the Year Ended 31 March 2018

19 Creditors

	Note	2018 £	2017 £
Due within one year			
Loans and borrowings	<u>23</u>	284,038	283,054
Trade creditors		3,280,064	3,407,561
Amounts due to related parties	<u>27</u>	1,060,375	1,500,534
Social security and other taxes		227,462	205,532
Other payables		432,148	493,415
Accrued expenses		5,847,399	5,642,100
Income tax liability	<u>12</u>	38,341	24,610
		<u>11,169,827</u>	<u>11,556,806</u>
Due after one year			
Loans and borrowings	<u>23</u>	22,137,158	22,410,072
Deferred consideration		861,389	-
		<u>22,998,547</u>	<u>22,410,072</u>

20 Deferred tax and other provisions

	Deferred tax £	Total £
At 1 April 2017	86,463	86,463
Provisions used	<u>(7,484)</u>	<u>(7,484)</u>
At 31 March 2018	<u>78,979</u>	<u>78,979</u>

21 Pension and other schemes

Defined contribution pension scheme

The company makes contributions into a workplace pension scheme. During the year an amount of £156,656 (2017 - £80,789) was paid into the scheme. There was an amount of £19,999 (2017 - £(4029)) outstanding contributions due at the year end.

Rodericks Dental Limited

Notes to the Financial Statements for the Year Ended 31 March 2018

22 Share capital

Allotted, called up and fully paid shares

	2018		2017	
	No.	£	No.	£
Ordinary A of £1 each	97,255	97,255	97,255	97,255
Ordinary B of £1 each	32,581	32,581	32,581	32,581
	<u>129,836</u>	<u>129,836</u>	<u>129,836</u>	<u>129,836</u>

23 Loans and borrowings

	2018 £	2017 £
Non-current loans and borrowings		
Bank borrowings	21,670,312	21,670,312
Finance lease liabilities	466,846	624,859
Other borrowings	<u>-</u>	<u>114,901</u>
	<u>22,137,158</u>	<u>22,410,072</u>

	2018 £	2017 £
Current loans and borrowings		
Finance lease liabilities	<u>284,038</u>	<u>283,054</u>

Bank borrowings

The carrying amount at year end is £21,670,312 (2017 - £21,670,312).

The bank loans are secured by a fixed and floating charge over all assets of the company. The hire purchase loans are secured by the assets to which they relate.

The total loan facility falls due for repayment in full by 12th March 2019 and is subject to interest at rates of between 2.2% and 5% over LIBOR.

Rodericks Dental Limited

Notes to the Financial Statements for the Year Ended 31 March 2018

24 Obligations under leases and hire purchase contracts

Finance leases

The total of future minimum lease payments is as follows:

	2018	2017
	£	£
Not later than one year	284,038	283,053
Later than one year and not later than five years	466,846	624,859
	<u>750,884</u>	<u>907,912</u>

25 Share-based payments

Scheme details and movements

A provision has been made for share based payments on options for shares in Rodericks Dental Holdings Limited in previous periods.

During the year all options were settled as part of the group restructure and expensed to the profit and loss account of Rodericks Dental Limited.

26 Commitments

Capital commitments

The total amount contracted for but not provided in the financial statements was £1,542,831 (2017 - £1,659,551).

27 Related party transactions

The company has entered into leases on various properties, the freehold interests in which are owned in partnership by certain directors in their personal capacity. Rent paid by the company under these leases in the year amounted to £111,400 (2017 - £111,400).

During the year the company paid consultancy fees to Mr L Ross, a director of the company, of £142,535 (2017 - £142,900).

Rodericks Dental Limited

Notes to the Financial Statements for the Year Ended 31 March 2018

27 Related party transactions (continued)

Transactions with directors

	At 1 April 2017 £	Repaid by company £	At 31 March 2018 £
2018			
S Mehra	(290,621)	294,126	3,505
SA Brookes	(259,314)	259,276	(38)
A Khetia	(248,312)	248,337	25
C Clark	(426,355)	385,883	(40,472)

28 Parent and ultimate parent undertaking

On 11 September 2017, CBPE Capital LLP, a UK-based private equity firm acquired 66.8% of Seth Topco Limited as part of a refinancing arrangement. Seth Topco Limited became the ultimate parent of the Group, and the immediate parent company of Seth Finco Limited.

Seth Finco owns 100% of Seth Midco Limited.

Seth Midco owns 100% of Seth Bidco Limited.

Seth Bidco Limited wholly owns 100% of Rodericks Dental Holdings Limited. All companies are registered in England and Wales.

The company's immediate parent is Rodericks Dental Holdings Ltd, incorporated in England and Wales.

The parent of the largest group in which these financial statements are consolidated is Seth Topco Limited, incorporated in England and Wales.

The address of Seth Topco Limited is:

15 Basset Court
Loake Close
Grange Park
Northampton
NN4 5EZ

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.