

Oasis Dental Care (Southern) Holdings Limited  
Annual report and financial statements  
for the year ended 31 March 2012

Registered number 02848490

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**Oasis Dental Care (Southern) Holdings Limited**  
**Annual report and financial statements**  
**for the year ended 31 March 2012**

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# **Oasis Dental Care (Southern) Holdings Limited**

## **Director and advisors for the year ended 31 March 2012**

### **Directors**

J Ash

CDE Cameron

### **Company secretary and registered office**

Oasis Healthcare Limited

Oasis Healthcare Support Centre

Building E, Vantage Office Park

Old Gloucester Road

Hambrook

Bristol

BS16 1GW

### **Independent auditors**

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

31 Great George Street

Bristol

BS1 5QD

### **Bankers**

Barclays Bank plc

11<sup>th</sup> Floor

Churchill Place

London

E14 5HP

# **Oasis Dental Care (Southern) Holdings Limited**

## **Director's report for the year ended 31 March 2012**

The directors present their report and the audited financial statements of the company for the year ended 31 March 2012

### **Principal activity**

The principal activity of the company is that of a holding company for a subsidiary engaged in the operation of dental practices

The directors do not anticipate any material change in the company's activities in the ensuing year

### **Review of business**

The dental care market remains a fragmented and fast consolidating sector and the directors have been able to grow the business and foresee continued expansion. This will be achieved through continuing to be a leading player in both NHS and private dentistry, in some cases incorporating both types of business in a single practice, and extending this lead by rapid growth through both acquisition and organic growth.

The company has not traded in the year and therefore a profit and loss account has not been presented.

The company is an integral part of the operations of its ultimate parent undertaking Duke Street Capital Oasis Holdings Limited, and as such the directors' report in the financial statements of Duke Street Capital Oasis Holdings Limited, which does not form part of these financial statements, should be read for a full review of the company's business and developments in the year.

### **Dividends**

The directors do not recommend the payment of a dividend (2011: £nil) and no dividends have been paid during the year (2011: £nil).

### **Future outlook**

The company will continue to increase its provision of NHS dentistry whilst also maintaining a firm commitment to private dentistry. The company will seek to develop a range of affordable, fixed price offerings including orthodontics, implants and facial aesthetics. This will ensure that the company continues to develop a strong national brand in order to combat competition from local providers.

### **Principal risks and uncertainties**

From the perspective of the company, the principal risks and uncertainties are integrated with the principal risks of the group headed by Duke Street Capital Oasis Holdings Limited and are not managed separately. Accordingly, the principal risks and uncertainties of the Duke Street Capital Oasis Holdings Limited group, which include those of the company, are discussed within the "Principal risks and uncertainties" paragraph in the directors' report in the consolidated financial statements of that company, which does not form part of this report.

### **Key performance indicators ("KPIs")**

Given the straight forward nature of the business, the company's directors are of the opinion that analysis of key performance indicators is not necessary for an understanding of the development, performance or position of the business.

### **Financial risk management**

The group's operations expose it to a variety of financial risks. The directors of Duke Street Capital Oasis Holdings Limited manage the group's risks at group level rather than at an individual company level. For this reason, the company's directors believe that a discussion of the company's financial risks is not appropriate here. The principal risks and uncertainties of the Duke Street Capital Oasis Holdings Limited group, which includes those of the company, are disclosed within the directors' report in the group's financial statements which does not form part of these financial statements.

# **Oasis Dental Care (Southern) Holdings Limited**

## **Director's report for the year ended 31 March 2012 (continued)**

### **Directors**

The following directors held office during the year and up to the date of signing the financial statements

J Ash  
CDE Cameron

### **Disclosure of information to auditors**

The directors confirm that at the date of signing these financial statements there is no relevant audit information of which the auditor is unaware. They also confirm that appropriate enquiries have been made to ensure that they are aware of any relevant audit information and that it has been communicated to the auditors.

### **Independent auditors**

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

### **Statement of directors' responsibilities**

The directors are responsible for preparing 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 prepared 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 then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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.

By order of the Board



CDE Cameron  
Director  
23<sup>rd</sup> July 2012

# Oasis Dental Care (Southern) Holdings Limited

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OASIS DENTAL CARE (SOUTHERN) HOLDINGS LIMITED

We have audited the financial statements of Oasis Dental Care (Southern) Holdings Limited for the year ended 31 March 2012 which comprise the balance sheet, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

### Respective responsibilities of directors and auditors

As explained more fully in the Statement of directors' responsibilities set out on page 3 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2012 and of its result 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.

### Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### Matters on which we are required to report by exception

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.



Colin Bates (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Bristol

23 July 2012

# Oasis Dental Care (Southern) Holdings Limited

## Balance sheet as at 31 March 2012

|   | Notes | 2012<br>£'000 | 2011<br>£'000 |
|---|-------|---------------|---------------|
| <b>Fixed assets</b>                                   |       |               |               |
| Investments   | 4     | 7,535         | 7,535         |
| <b>Current assets</b>                                 |       |               |               |
| Debtors   | 5     | 902           | 902           |
| <b>Creditors: amounts falling due within one year</b> | 7     | (4,500)       | (4,500)       |
| <b>Net current liabilities</b>                        |       | (3,598)       | (3,598)       |
| <b>Total assets less current liabilities</b>          |       | 3,937         | 3,937         |
| <b>Net assets</b>                                     |       | 3,937         | 3,937         |
| <b>Capital and reserves</b>                           |       |               |               |
| Called up share capital                               | 8     | 486           | 486           |
| Share premium account                                 | 9     | 5,655         | 5,655         |
| Profit and loss account                               | 9     | (2,204)       | (2,204)       |
| <b>Total shareholders' funds</b>                      | 10    | 3,937         | 3,937         |

The financial statements on pages 5 to 10 were approved by the director on 23<sup>rd</sup> July 2012



CDE Cameron  
Director

Registered number 02848490

# **Oasis Dental Care (Southern) Holdings Limited**

## **Notes to the financial statements for the year ended 31 March 2012**

### **1. Accounting policies**

#### **Basis of preparation**

The financial statements have been prepared on a going concern basis under UK Generally Accepted Accounting Practices ("UK GAAP"), using the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. A summary of the principal accounting policies, which have been applied consistently, is set out below.

The financial statements contain information about Oasis Dental Care (Southern) Holdings Limited as an individual company and do not contain consolidated financial information as the parent undertaking of a group. The company has taken advantage of the exemption under Section 400 of the Companies Act 2006 from the requirement 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 company, Duke Street Capital Oasis Holdings Limited, which are publicly available (see note 12).

#### **Going concern**

Duke Street Capital Oasis Holdings Limited and its subsidiary undertakings on consolidation have net liabilities as at 31 March 2012. The Duke Street Capital Oasis Holdings Limited (DSCOHL) group meets its day to day working capital requirements through cash at bank and term bank loans which are secured by a first debenture incorporating fixed and floating charges over the assets and undertakings of each group company. The group has continued to be cash generative since the balance sheet date with the cash generated contributing to the funding of the group's working capital requirements.

The directors have prepared projections in support of the group's ongoing compliance with the terms of the loan facilities including the ability of the group to operate within the financial and non-financial covenants contained in the respective facility agreements ("the covenants"). In preparing the projections the directors have made various assumptions concerning future trading performance, and in particular in relation to expected growth in UDA delivery and the extent of the decline in private revenue. These projections have been stress tested to determine the level of headroom available within the respective facilities such as to allow the group to continue to operate within the covenants. The stress testing takes account of the mitigating courses of action available to the group to enhance the level of such headroom.

Subsequent to the year end the group has renegotiated its senior facility agreement with Barclays and also agreed £3.0m of additional funding from Duke Street Capital and Partners Group in the form of additional preferred equity notes. In light of the above, the directors have concluded that it is appropriate to prepare the Oasis Dental Care (Southern) Holdings Limited financial statements on a going concern basis.

#### **Cash flow statement and related party disclosures**

The company is a wholly-owned subsidiary and is included in the consolidated financial statements of Duke Street Capital Oasis Holdings Limited, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard No 1 (revised 1996). The company is also exempt under the terms of Financial Reporting Standard No 8 from disclosing related party transactions with Duke Street Capital Oasis Holdings Limited and other group companies.

#### **Fixed asset investments**

Investments are shown at cost less provision for permanent diminution in value.

#### **Financial instruments**

Financial assets and liabilities are recognised on the company's balance sheet when the company becomes a party to the contractual provisions of the instrument.

##### *(a) Debtors*

Debtors are non-interest bearing and are stated at their nominal value, as reduced by appropriate allowances for estimated irrecoverable amounts.



# Oasis Dental Care (Southern) Holdings Limited

## Notes to the financial statements for the year ended 31 March 2012

### (continued)

#### 1. Accounting policies (continued)

##### *(b) Financial liabilities and equity*

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that gives a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

##### Deferred taxation

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

#### 2. Trading results

The company did not trade during the current or prior year and received no income from nor incurred any operating expenditure. Consequently the company made neither a profit, nor recognised a gain or a loss during the current or prior year.

Emoluments of the directors are borne by Oasis Healthcare Limited, an intermediate parent undertaking, without recharge. The directors of the company are also directors of a number of other group companies and it is not possible to make an accurate apportionment of the emoluments in respect of each of the group companies. Auditors' remuneration amounting to £2,000 (2011: £2,000) is borne by a fellow subsidiary without recharge. Other than the directors the company had no employees (2011: nil).

#### 3. Tax on profit on ordinary activities

| (a) Analysis of charge for year                | 2012<br>£'000 | 2011<br>£'000 |
|--|---------------|---------------|
| <b>Deferred tax</b>                            |               |               |
| Origination and reversal of timing differences | -             | -             |
| <b>Tax on profit on ordinary activities</b>    | -             | -             |

#### 4. Fixed asset investments

|   | Shares in<br>subsidiary<br>undertakings<br>£'000 |
|---|--|
| <b>Cost</b>                               |  |
| <b>At 31 March 2011 and 31 March 2012</b> | <b>7,535</b>                                     |

The investment comprises interest in a subsidiary undertaking.

**Oasis Dental Care (Southern) Holdings Limited**  
**Notes to the financial statements for the year ended 31 March 2012**  
**(continued)**

**4. Fixed asset investments (continued)**

In the opinion of the directors, the value of the company's investment in its subsidiaries is at least the amount at which it is stated in the financial statements

| Name of undertaking                  | Country of incorporation | Activity                      | Proportion of nominal value of issued shares held | Company |
|--------------------------------------|--------------------------|-------------------------------|---|---------|
|                                      |                          |                               | Description of shares held                        |         |
| Oasis Dental Care (Southern) Limited | England and Wales        | Operation of dental practices | Ordinary  | 100%    |

**5. Debtors**

|                                    | 2012  | 2011  |
|------------------------------------|-------|-------|
|                                    | £'000 | £'000 |
| Amounts owed by group undertakings | 902   | 902   |

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

**6. Deferred tax**

**Analysis of unprovided deferred taxation**

|            | 2012  | 2011  |
|------------|-------|-------|
|            | £'000 | £'000 |
| Tax losses | 59    | 59    |

Unprovided deferred tax is measured at the tax rate of 24% (2011 26%) as this is the tax rate that would apply on reversal. The deferred tax asset will be recognised when the directors consider that it is more likely than not that there will be sufficient taxable profits in the future.

**7. Creditors: amounts falling due within one year**

|                                   | 2012  | 2011  |
|-----------------------------------|-------|-------|
|                                   | £'000 | £'000 |
| Amounts due to group undertakings | 4,500 | 4,500 |

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

**Oasis Dental Care (Southern) Holdings Limited**  
**Notes to the financial statements for the year ended 31 March 2012**  
**(continued)**

**8. Called up share capital**

|  | 2012       | 2011       |
|--|------------|------------|
|  | £'000      | £'000      |
| <b>Authorised</b>  |            |            |
| 138,750 (2011 138,750) "A" Ordinary shares of £1 each      | 139        | 139        |
| 11,250 (2011 11,250) "B" Ordinary shares of £1 each        | 11         | 11         |
| 1,754,991 (2011 1,754,991) "B" Ordinary shares of 10p each | 175        | 175        |
| 1,056,666 (2011 1,056,666) "C" Ordinary shares of 10p each | 106        | 106        |
| 750,000 (2011 750,000) "D" Ordinary shares of 10p each     | 75         | 75         |
| 716,049 (2011 716,049) "E" Ordinary shares of 10p each     | 72         | 72         |
|  | <b>578</b> | <b>578</b> |
| <b>Allotted, called up and fully paid</b>                  |            |            |
| 138,750 (2011 138,750) "A" Ordinary shares of £1 each      | 139        | 139        |
| 11,250 (2011 11,250) "B" Ordinary shares of £1 each        | 11         | 11         |
| 836,410 (2011 836,410) "B" Ordinary shares of 10p each     | 84         | 84         |
| 1,056,666 (2011 1,056,666) "C" Ordinary shares of 10p each | 105        | 105        |
| 750,000 (2011 750,000) "D" Ordinary shares of 10p each     | 75         | 75         |
| 716,049 (2011 716,049) "E" Ordinary shares of 10p each     | 72         | 72         |
|  | <b>486</b> | <b>486</b> |

The above shares are entitled to a cumulative participating dividend at a rate of 30% of the profit on ordinary activities before taxation. No dividends are paid in the event that the company has insufficient profits available for distribution. The shares have been classified as equity given that it is not the intention of the company to recommence trading.

The shares rank in the following order of priority. The share issue price (and arrears of dividends) are to be repaid to "E" ordinary shareholders, then "D" and "C" ordinary shareholders, and then "B" and "A" ordinary shareholders. Any remaining balance of assets shall be distributed to all of the ordinary shareholders in proportion to the amounts paid up on the ordinary shares.

Further details are included in the company's Articles of Association which are available from the company secretary at the Registered Office.

**Oasis Dental Care (Southern) Holdings Limited**  
**Notes to the financial statements for the year ended 31 March 2012**  
**(continued)**

**9. Reserves**

|                               | Share<br>premium<br>account | Profit and<br>loss account |
|-------------------------------|-----------------------------|----------------------------|
|                               | £'000                       | £'000                      |
| At 1 April 2011               | 5,655                       | (2,204)                    |
| Result for the financial year | -                           | -                          |
| At 31 March 2012              | 5,655                       | (2,204)                    |

**10. Reconciliation of movements in shareholders' funds**

|                                     | 2012  | 2011  |
|-------------------------------------|-------|-------|
|                                     | £'000 | £'000 |
| Result for the financial year       | -     | -     |
| Net movement in shareholders' funds | -     | -     |
| Opening shareholders' funds         | 3,937 | 3,937 |
| Closing shareholders' funds         | 3,937 | 3,937 |

**11. Contingent liabilities**

The company is a member of the group banking arrangement under which it is party to unlimited cross-guarantees in respect of the banking facilities of other group undertakings, amounting to £78,726,000 at 31 March 2012 (2011 £74,716,000). The directors do not expect any material loss to the company to arise in respect of the guarantees.

**12. Ultimate parent company and ultimate controlling party**

The company's immediate parent undertaking is Oasis Healthcare Limited. The directors consider that the company's ultimate parent undertaking is Duke Street Capital Oasis Holdings Limited. The directors regard the ultimate controlling party to be certain funds managed by Duke Street Capital, an independent private equity company.

The smallest and largest group for which group financial statements are prepared is Duke Street Capital Oasis Holdings Limited. The financial statements of Duke Street Capital Oasis Holdings Limited may be obtained from the company secretary at Oasis Healthcare Limited, Oasis Healthcare Support Centre, Building E, Vantage Park, Old Gloucester Road, Hambrook, Bristol, BS16 1GW.