

Registered number: 08405422

THE OASIS HEALTHCARE GROUP LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015

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THE OASIS HEALTHCARE GROUP LIMITED

CONTENTS

	Page
Company Information	1
Chairman's Statement	2
Report of the Chief Executive Officer	3 - 6
Report from the Dental Care Board	7
Group Strategic Report	8 - 10
Directors' Report	11 - 14
Independent Auditors' Report to the members of The Oasis Healthcare Group Limited	15 - 16
Consolidated Profit and Loss Account	17
Consolidated Balance Sheet	18
Company Balance Sheet	19
Consolidated Cash Flow Statement	20
Notes to the Financial Statements	21 - 54

THE OASIS HEALTHCARE GROUP LIMITED

COMPANY INFORMATION

DIRECTORS

J J Ash
D J Leatherbarrow
J F Perry
W Colvin
P A C Fox
Lord S A Rose
J Gonzalez
J R Wyatt

COMPANY SECRETARY

Oasis Healthcare Limited

REGISTERED NUMBER

08405422

REGISTERED OFFICE

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
11th Floor
Churchill Place
London
E14 5HP

THE OASIS HEALTHCARE GROUP LIMITED

CHAIRMAN'S STATEMENT FOR THE YEAR ENDED 31 MARCH 2015

Oasis has had a strong year occupying a unique position in the dental market as the only branded group offering a sizeable mix of both NHS and private treatment. This is attractive for patients and clinicians as it expands choice and service offerings. It is also attractive for investors both in terms of like-for-like growth and acquisition potential.

Last year we invested strongly in the estate and will continue to do so. This has driven private revenue growth by 8.6% on a like-for-like basis. We also remain committed to delivering our NHS contracts, delivering 98% of our contracted UDAs as a group (99% on a like-for-like basis) and 100% of our contracted UOAs. We take pride in our practice facilities and the quality of our treatments achieving 100% CQC compliance.

Our clinicians and support staff are dedicated to providing excellent care to our patients. Our results are testament to their hard work and diligence. I would like to thank all the clinicians and practice staff for their hard work this year. The combination of high quality, committed staff and excellent facilities combined with a clear consumer offering will continue to build Oasis as the first national UK dental brand.

This year has also seen significant mergers and acquisitions. The acquisition of Smiles and Apex in May 2014 increased our national footprint by 111 practices and has given us a presence in the Republic of Ireland where Smiles is the number one provider and the only national brand proposition. Further acquisitions of smaller groups and a number of individual practices have resulted in the number of practices going from 205 to 338 at the end of the financial year.

Our boards meet regularly with majority dentist participation on all our operating boards. We believe in strong clinical governance and have continued to invest in our Dental Care Board (see page 7). As we look forward to the coming year we are excited about the further growth opportunities for the business and remain committed to delivering excellence and value to all our patients.

Lord Rose
Chairman

THE OASIS HEALTHCARE GROUP LIMITED

REPORT OF THE CHIEF EXECUTIVE OFFICER FOR THE YEAR ENDED 31 MARCH 2015

Vision

Our vision remains clear To be recognised as the go to brand for dentistry in the UK – putting the patient at the heart of everything we do

The year ended 31 March 2015 was a year that saw us make excellent progress against this vision With over 330 practices and caring for over 2.8m patients, we are now the leading provider of private dental care in the UK and Republic of Ireland and a major provider to the NHS

Well positioned in the dental market

The UK dental market is valued at around £7.0bn, of which £3.5bn is NHS dentistry and £3.5bn is private dentistry We believe that there is a commitment from central government to maintain a strong NHS for dentistry We also see an increasing demand for dentistry outside of the NHS Overall growth in the market is estimated to be 2.5% The UK dental market remains a fragmented supply market with corporates only accounting for 22% (source LaingBuisson 2013) of the total market We believe that consolidation in the market will accelerate over the coming years and that we are well positioned to lead this consolidation

A year of tremendous growth

The year ended 31 March 2015 has been a year of tremendous growth, driven by both organic growth and acquisitions and mergers.

On 19 May 2014 the Group made two significant acquisitions, Smiles Dental and Apex Dental Care Together, these two acquisitions have extended our footprint by 111 practices and increased the Group's annualised revenue by £74m The acquisition of Smiles Dental has also given us a presence in the Republic of Ireland where our expertise in delivering private dental care is key Integration of these two acquisitions has progressed well during the year with practice management systems consolidated by December 2014, practices refurbished and rebranded by the end of the financial year and headquarters also consolidated We are on target to the business plan for these two acquisitions and believe there are further growth opportunities to achieve

In addition to these two acquisitions, we have also acquired a further 35 practices including 7 practices from the acquisition of Den Dental

Our focus for organic growth has been to deliver on our NHS contracts and grow our private treatments We achieved 98% UDA delivery (99% on a like for like basis) and 100% UOA delivery of our NHS contracts with organic like for like NHS revenue remaining stable year on year due to the limited opportunity to tender for additional NHS contracts We were successful in growing our organic like for like private treatment revenue by 8.6% This was driven by many consumer initiatives including a successful TV campaign and an implant growth programme

Putting the patient at the heart of everything we do

During the year ended 31 March 2015, we have developed a compelling customer proposition which is supporting our like for like private growth and underpinning our NHS revenue

- We have invested in the estate, resulting in a patient focused, fully branded estate with a near national footprint We will continue to invest in our estate to ensure it remains at the forefront of the industry
- We have invested in making our dentists more accessible by extending our opening hours from 8am to 7pm and are in the process of rolling these hours out across the entire estate
- We welcome the reports from Which and the Competition and Markets Authority into pricing within dentistry We have clear and transparent pricing, including fixed pricing for many of our treatments, which is shown in the reception area in all our practices
- We have a Basics offering that allows patients who are unable to obtain NHS treatment to receive private dental care at affordable pricing
- We have invested in a new web-site and introduced on-line booking and automatic recall in all practices
- We have a strong patient endorsement 98% of patients would recommend their practice to their friends and family

THE OASIS HEALTHCARE GROUP LIMITED

REPORT OF THE CHIEF EXECUTIVE OFFICER FOR THE YEAR ENDED 31 MARCH 2015

During the year ended 31 March 2015 we have also further improved our clinical proposition

- We have engaged and aligned clinicians who are supported by well developed processes
- We have a proprietary audit tool that has allowed us to roll out BDA accreditation in our practices as a sign that high standards are being maintained across the estate
- We have decontamination rooms in each practice
- We are proud that we have achieved 100% CQC compliance across the estate
- We have invested in our Dental Care Board to ensure strong clinical guidance throughout the business

Oasis working in partnership with the NHS

In the year ended 31 March 2015 Oasis delivered 98% of our contracted UDAs (99% on a like for like basis) and 100% of our contracted UOAs (Units of Orthodontic Activity) demonstrating the group's ability to offer access to NHS patients in consistently high-standard clinics in communities across the UK

Oasis continues to maintain a strong working relationship with the NHS. The structure of the NHS has changed and we maintain close links at local levels with commissioning managers to ensure appropriate delivery of quality care to our patient base. We continue to offer a range of services through NHS partnerships including orthodontics, minor oral surgery as well as our general dental offerings.

The NHS Dental Pilot programme has continued, but will be progressing into the new Dental Prototype system from the autumn of 2015. Oasis is committed to participation in this programme and, through strong links with the Department of Health, looking to positively influence the direction of travel towards a new national dental contract. The system will aim to be a balance of providing care to a number of patients, the activity related to that and finally taking the quality of the care into account. The ultimate aim is a safe, effective, efficient system capable of delivering equitable quality dental services, appropriate to the needs of the population.

There will be three high level measures of success of the prototype model

- Appropriate care - Outcomes will be measured and treatment volumes monitored to check appropriate care has been delivered
- Access - Prototypes will be required to provide care for at least the same number of patients as the current UDA system
- Value for Money - Care to patients will need to be delivered within the existing budget envelope

Prevention will be the focus of a new system and will have a particular emphasis on care for the elderly population and also for children. Oasis is keen to see additional funding directed towards these groups, especially children to prevent disease and reduce oral health inequalities across the country.

Investing in our people

Our success is based on the dedication and hard work of our people. As at 31 March 2015, we had 1,486 dentists (2014: 839), 403 hygienists and therapists (2014: 252), 2,917 practice staff (2014: 2,061) and strong support practice teams in the field and in our support centre.

We are committed to ensuring our clinicians have continual professional development. We are proud to partner with an established industry supplier to deliver CPD opportunities for our dentist and hygienist populations. They are able to access a robust online CPD framework which includes access to forward thinking clinical webexes. We supplement this through our multiple supplier partnerships by securing learning options across a range of topics including social orthodontics, implants and restorative. We have continued with our core programmes including Fitness to Practice, Graduate Development and Dentists Inductions. In 2014/15, we delivered a clinical conference for our hygienists (CPD verifiable) and in 2015/16 we will extend this to both nurses and hygienists.

The development and retention of our nurses is also important to Oasis and we have made a significant investment in our Nurse Academy, our trainee programme. This Academy is our talent pipeline and enables us to grow and support our own people. We can have up to 200 learners at any one time. The trainees learn within the practice environment through a structured and GDC compliant programme with onsite mentors.

THE OASIS HEALTHCARE GROUP LIMITED

REPORT OF THE CHIEF EXECUTIVE OFFICER FOR THE YEAR ENDED 31 MARCH 2015

As a socially responsible employer we fully support the Government's commitment to offering routes to work for young people through apprenticeship programmes. We currently have 250 apprentice dental nurses, studying with our Learning partner Tempdent, to achieve either the NEBDN or AADDN qualification. Study is through a blended learning approach - fully supported in Practice by the Practice Manager and a learning mentor. All apprentices who achieve qualification at the end of the study period are offered permanent employment. Oasis is a key contributor to the Government's Trailblazer Apprenticeship initiative and is a member of the working group for the dental industry.

We have invested in our executive team by introducing a strong second tier management team which we believe will support the business in its next period of growth.

Our annual Oasis conference was well attended and I was proud to present the following awards.

Oasis person of the year – Kate Kerslake, Clinical Support
Receptionist of the year – Chantal Suppatee, Kingston Eden Street
Hygienist / Therapist of the year – Tess Cowling, Wokingham, Dentalign
Nurse of the year – Rachel Stimson, Long Eaton
Area of the year – Claudia Koll, Area 8
Practice of the year – Wessex
Practice manager of the year – Lisa Taaffe, Heckmondwike
Dentist of the year – Melanie Walters, Chester

Charitable partnership

We have continued to work with Bridge2Aid, a dental charity, to help train rural-based Health Workers in developing countries - giving them the skills, equipment and resources they need to provide emergency dental care. 75% of the world's population do not have access to a dentist. Bridge2Aid's goal is to change this terrifying statistic by providing emergency dentistry and pain relief to those who need it most, and make a lasting change through training.

So far, Bridge2Aid has trained over 310 Health Workers creating safe, sustainable access to treatment for over 3 million people where previously there was none. But there is still a long way to go. That is why Oasis continues to choose Bridge2Aid as its charity partner.

Oasis has run a number of events, both at an individual practice level and also at a corporate level, and we are proud to have raised £10,000 for Bridge2Aid during the year.

Financial results

In a year of tremendous growth and development, we are also very pleased to announce excellent financial results which demonstrate a stepped change in turnover and profit.

- Turnover £234m (up 63% from £144m last year)
- EBITDAE £30m (up 56% from £19m last year)

Like for like turnover has increased by 3.0% on an annualised basis, made up of an 8.6% increase in private turnover and consistent NHS turnover.

Gross margin has improved slightly by 0.1% as a result of cost improving strategies, the full benefit of which we will see in the coming year.

EBITDAE margin has reduced by 0.5% in the year due to additional support costs for Smiles and Apex as those companies were integrated. This activity has now been completed and we would therefore expect an improvement in the margin.

THE OASIS HEALTHCARE GROUP LIMITED

REPORT OF THE CHIEF EXECUTIVE OFFICER FOR THE YEAR ENDED 31 MARCH 2015

Future prospects

The dental care market, and especially the provision of private dentistry, is an exciting place to be. Having grown significantly during the financial year ended 31 March 2015, we believe we are well positioned to further grow our business. We have a compelling customer proposition and provide exemplary customer service. We have consistently achieved above market growth in our practices. We have invested in people, processes and infrastructure to further develop this growth. We have a track record of acquiring and merging practices into our estate and securing additional benefits of scale. We believe the UK dental market will continue to grow and consolidation will accelerate. Oasis has shown that it knows how to operate in this market and the whole business is focused on delivering our future plans.

**J J Ash
CEO**

THE OASIS HEALTHCARE GROUP LIMITED

REPORT FROM THE DENTAL CARE BOARD FOR THE YEAR ENDED 31 MARCH 2015

At Oasis we are passionate about ensuring clinical governance across all our practices and for all our clinicians. We have a Dental Care Board whose remit it is to monitor the clinical governance of all registered dental care professionals working across our geographically widespread locations, and to co-ordinate the activities of the independent Dental Body Corporates comprising the group structure. Clinical governance is defined as a systematic approach to maintaining and improving the quality of patient care within a healthcare system. The Dental Care Board has designed and implemented a system which aims to provide the members with sufficient information about activity to allow monitoring of the group's clinical performance.

The areas of focus for the Dental Care Board are as follows:

- **NHS performance:** To track and assess practice performance against national standards in each market, including NHS Vital Signs. To flag up individual dentists whose performance does not fall within nationally agreed parameters and to ensure that appropriate management of these issues has taken place.
- **Complaints:** To establish and continually improve processes to identify, respond to and learn from patient complaints. To review the complaints received and dealt with at the Support Centre, including details of both volume and seriousness of the complaints and to ensure that those complaints are being addressed.
- **HR:** To review disciplinary processes and performance management issues relating to both dentists and other clinical staff.
- **CQC compliance:** To establish leading edge systems to ensure a high level of CQC compliance, RQIA compliance and requirements in all domiciles. To receive and review a list of each practice inspected during the preceding three months, along with a summary of the report from the CQC, and any other bodies and list of any actions implemented as a result.
- **Patient feedback:** To ensure robust patient feedback processes for private and NHS / Public treatments. To review a summary of questionnaires gathered in the practices and online surveys completed by patients, with outlying performance being highlighted and investigated where necessary.

The Board also has a role in advising the executive team of changes in professional standards and legislation which may impact upon the business.

Meetings of the Dental Care Board take place quarterly and include a good mixture of experienced clinicians and senior executives from the group. Meetings have been productive and the introduction of the specific areas of focus mentioned above has facilitated better informed decision-making. One area of improvement that will be introduced over the forthcoming year relates to the performance of our private practitioners, by implementing and reviewing an appraisal system for those clinicians.

As a group, we know that strong clinical governance must underpin everything that we do and we believe that by investing in the Dental Care Board, we are at the forefront of clinical governance in the dental industry in the UK.

THE OASIS HEALTHCARE GROUP LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2015

The directors present their Group Strategic Report of The Oasis Healthcare Group Limited (the "Group") for the year ended 31 March 2015. The prior period comparatives are for the period 15 February 2013 - 31 March 2014.

BUSINESS REVIEW

The dental care market remains a fragmented but fast consolidating sector. The Group has enjoyed a successful year and the Board foresees continued expansion. This will be achieved through continuing to be a leading player in both NHS and private dentistry, in many cases incorporating both types of business in a single practice, and extending this lead by rapid growth through both acquisition and organic growth.

The results for the year show an operating profit of £5,097,000 (2014: £1,940,000) and a loss after tax of £23,484,000 (2014: £19,426,000).

The Board considers that EBITDAE provides the most meaningful basis for assessing the underlying performance of the Group, albeit that these terms are not defined by United Kingdom Generally Accepted Accounting Practice and therefore may not be directly comparable with other companies' adjusted profit measures. EBITDAE has increased by 56% from £18,903,000 for the period to 31 March 2014 to £29,580,000 for the year ended 31 March 2015. The increase in turnover and EBITDAE are due in part to the impact of acquisitions, like for like growth, and operational and purchasing efficiencies.

The Group enjoys a strong balance sheet and positive cash flow and, in the absence of unforeseen circumstances, anticipates further progress and positive cash generation in the future.

In May 2014, the Group made two significant acquisitions, Smiles Dental and Apex Dental Care. These acquisitions, along with other smaller acquisitions, have further strengthened the group's position as the UK's largest provider of private dental care and a major provider to the NHS. Details of acquisitions in the year are disclosed in note 23 to the financial statements.

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and the execution of the Group's strategy are subject to a number of risks and uncertainties. The key business risks and uncertainties affecting the Group are set out below. Risks are formally reviewed by the board and appropriate processes put in place to monitor and mitigate them.

Competition

During 2014/15, the Group completed on many acquisitions and mergers which has significantly increased its national footprint across the UK, increasing the number of practices from 205 at 31 March 2014 to 338 at 31 March 2015. Given the fragmented nature of the market with a high volume of small and geographically limited providers, the corporate exposure to competition is mitigated through the development and embedding of a strong national brand identity, national presence and clinical compliance framework.

Human resources

The Group's ability to recruit and retain dentists is key to the future growth of the business. The directors place a significant emphasis on the recruitment, retention and performance of the Group's largely self-employed dentists and the Group's staff. The Group has established policies to manage recruitment and retention, such as the Group's "Fitness to Practice" training programme, as well as developing links with dental schools both in the UK and Europe to provide a flow of well qualified dental practitioners. The Group's associate contract for self-employed dentists aims to motivate, incentivise and retain those practitioners through the provision of self-employed revenue sharing.

THE OASIS HEALTHCARE GROUP LIMITED

GROUP STRATEGIC REPORT (continued) FOR THE PERIOD ENDED 31 MARCH 2015

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Clinical standards

It is of utmost importance to the Group that the clinical care delivered to our patients is at a standard expected from the Group, by patients, industry forums and regulatory authorities. The Board has established a formal organisation structure that allows clinical policies and procedures to be developed and ensure day-to-day compliance monitoring. The Board engages a separate Dental Care Board (see page 7 for a report from this board) comprised of eminent people in healthcare, including dentistry. This is supported by Regional Clinical Service Advisors each of whom is a qualified dental practitioner and an external audit clinical team to ensure compliance with CQC standards. The Group also has a Clinical Director who reports directly to the Chief Executive Officer. Rigorous monitoring of standards and the continued development and training of the Group's dentists is applied. The Board have further mitigated any risk by ensuring that suitable insurance policies are taken out at both an individual and corporate level.

Acquisitions

The Group's strategy involves growing the business through both organic and non-organic growth. The non-organic growth involves the acquisitions of individual practices and dental bodies corporate with multiple practices. The risk to growth through the availability of suitable acquisitions together with competition within the corporate dental care sector is minimised by a dedicated acquisitions team. The risk of loss or reduction of the financial facility to fund these acquisitions is mitigated by demonstrating a robust stewardship of funds and stringent criteria for new acquisitions to ensure they add growth and are a strategic fit for the Group.

IT and finance systems

Reliable and robust IT and financial systems and processes that enable practices and central services to operate effectively and efficiently are of paramount importance. An infrastructure investment programme is in place to ensure that network, practice and financial IT hardware and software are upgraded and replaced on an ongoing basis. Risk of failure in IT systems are mitigated by a dedicated IT team, appropriate external IT service and hosting providers and a disaster recovery programme. Finance systems, processes and controls are managed by an experienced and qualified finance team to support business needs and pay dentists, suppliers and employees accurately and on a timely basis.

FINANCIAL KEY PERFORMANCE INDICATORS

The performance of the business is monitored at various levels from Group level down through region, area and practice level to individual dentists. Management accounts are produced and reviewed on a monthly basis.

The key financial measures the directors consider as important are turnover, gross margin and EBITDAE. The directors also monitor the split of income between private and NHS.

	2015 £'000	2014 £'000
Turnover (£'000)	£234,001	£143,993
Turnover by type of activity (£'000)		
Provision of NHS dental services	£111,899	£85,423
Provision of private dental services	£122,102	£58,570
Gross margin (%)	46.8%	46.7%
EBITDAE (£'000)	£29,580	£18,903
EBITDAE margin (%)	12.6%	13.1%

THE OASIS HEALTHCARE GROUP LIMITED

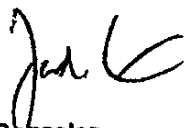
**GROUP STRATEGIC REPORT (continued)
FOR THE PERIOD ENDED 31 MARCH 2015**

OTHER KEY PERFORMANCE INDICATORS

The Board has continued to monitor business performance using the following key non-financial performance indicators

	2015	2014
Total practices	338	205
Total patients	2,870,649	1,670,019
Customer satisfaction	98.2%	98.3%
CQC Compliance	100%	99.5%
Private LFL growth	8.6%	4.4%
UDA LFL delivery	99%	99%

This report was approved by the board on 31 July 2015 and signed on its behalf by:



J Gonzalez
Director

THE OASIS HEALTHCARE GROUP LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2015

The directors present their Annual Report and the audited financial statements of The Oasis Healthcare Group Limited ("the Company") and the audited consolidated financial statements of the The Oasis Healthcare Group Limited Group ("the Group") for the year ended 31 March 2015

The Company was incorporated on 15 February 2013. On 7 May 2013 a subsidiary of this Company acquired Oasis Healthcare International Limited (formerly Duke Street Capital Oasis Holdings Limited). The prior period is therefore the accounting period from 15 February 2013 to 31 March 2014 and reflects the trading performance from 7 May 2013 to 31 March 2014.

PRINCIPAL ACTIVITIES

The principal activity of the Company is that of a holding company. The principal activity of the Group is the operation of dental practices and provision of dental services.

RESULTS AND DIVIDENDS

The loss for the financial year amounted to £23,484,000 (2014: £19,426,000).

In accordance with the terms of the Preference shares, a dividend of £10,372,000 (2014: £8,335,000) has been accrued in these financial statements classified as an interest expense and accrued as a long term liability. The directors do not recommend the payment of any other dividend and no other dividends have been paid during the year.

DIRECTORS

The directors who served during the entire year and up to the date of signing the financial statements, unless otherwise stated, were:

J J Ash
D J Leatherbarrow
J F Perry
W Colvin
P A C Fox
Lord S A Rose
J Gonzalez
J R Wyatt

FUTURE DEVELOPMENTS

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

THE OASIS HEALTHCARE GROUP LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2015

ENVIRONMENTAL MATTERS

The Group is conscious of its environmental responsibilities and is taking steps to reduce the impact on the environment through schemes such as waste recycling, heavy metal recovery, emissions control and reduction in energy usage. The CRC Energy Efficiency Scheme commenced in April 2010 and, as a portfolio company, the Group collates and reports emissions to Bridgepoint to comply with the scheme requirements.

EMPLOYEE INVOLVEMENT

Employee involvement, consultation and development fulfil key roles in achieving the Group's continuing growth. Employees are kept informed through meetings, practice newsletters and the Intranet. Dentists undertake an extensive Fitness to Practice induction programme before new practices are opened, ensuring that a high quality of service is delivered. For overseas dentists practicing in the UK for the first time this is tailored to the needs of the individual. The Group also assists overseas dentists with integrating into the local community.

Our annual conference is our key forum to bring dentists, staff, support teams and suppliers together - discussing Oasis' progress, plans and quality initiatives.

All Oasis dentists and employees have the opportunity to develop and progress. As well as regular updates at the Support Centre in Bristol, practices work together in local clusters to benefit the teams with improved networking, increased referral activity, comprehensive clinical and business management support, targeted investment and local decision making.

DISABLED EMPLOYEES

All practicable arrangements are made to accommodate disabled persons into employment. Those who become disabled whilst in the Group's employment are retrained and/or transferred to alternative jobs as appropriate. All employees are eligible for appropriate training, career development and promotion opportunities and disabled people are not treated any differently in this respect.

CREDITOR PAYMENT POLICY

The Group and Company agree payment terms with their suppliers when they enter into binding purchase contracts. The Group and Company seek to abide by the payment terms agreed with suppliers whenever they are satisfied that the supplier has supplied the goods and services in accordance with the agreed terms and conditions. The Group and Company do not have a standard or code which deals specifically with the payment of suppliers.

The ratio, expressed in days, between the amounts invoiced to the Group by their suppliers in the period ended 31 March 2015 and the amounts owed to its trade creditors at the year end was 39 (2014: 38) days.

The Company had no trade creditors at 31 March 2015 (2014: £15,000).

FINANCIAL RISK MANAGEMENT

The Group's operations expose it to a variety of financial risks that include credit risk, liquidity risk and interest rate cash flow risk. Given the size of the Group, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the Board. The policies set by the board of directors are implemented by the Group's finance department.

Credit risk

The Group has implemented policies that require non-NHS funded balances to be settled upon the treatment occurring. Our credit risk primarily relates to PCTs and is therefore considered to be low.

THE OASIS HEALTHCARE GROUP LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2015

FINANCIAL RISK MANAGEMENT (continued)

Liquidity risk

The Group maintains cash balances and a mix of long-term loans and other equity instruments and short-term debt finance that is designed to ensure the Group has sufficient available funds for operations, planned expansions, and acquisitions as well as providing covenant cover

Interest rate cash flow risk

The Group has both interest bearing assets and interest bearing liabilities. Interest bearing assets include cash balances which earn interest at a floating rate. The Group uses financial derivatives in order to minimise its exposure to interest fluctuations on its bank borrowings. The directors will revisit the appropriateness of this policy should the Group's operations change in size or nature.

GOVERNANCE

The Oasis Healthcare Group Limited Board met 11 times during the year. In addition to main Board meetings powers are delegated to the following sub-committees: Audit, Nominations, Remuneration, the Executive Committee as well as the independent Dental Bodies Corporate. Each has a clear statute of authority and delegated powers, met regularly during the year and made reports to the Board. A risk register is updated regularly by the Executive Committee and reviewed at Board meetings.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Group Strategic Report, 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 period. Under that law the directors have prepared the Group and Parent Company 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 the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies 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 Group and Company will continue in business.

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

THE OASIS HEALTHCARE GROUP LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2015**

DISCLOSURE OF INFORMATION TO AUDITORS

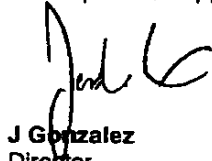
Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that

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

INDEPENDENT AUDITORS

The auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

This report was approved by the board on 31 July 2015 and signed on its behalf by



J Gonzalez
Director

THE OASIS HEALTHCARE GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE OASIS HEALTHCARE GROUP LIMITED

Report on the financial statements

Our opinion

In our opinion, The Oasis Healthcare Group Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 March 2015 and of the group's loss and cash flows 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
-

What we have audited

The financial statements comprise:

- the Consolidated Balance Sheet and Company Balance Sheet as at 31 March 2015,
- the Consolidated Profit and Loss Account for the year then ended, and
- the Consolidated Cash Flow Statement for the year then ended, and
- the notes to the financial statements, which include other explanatory information

The financial reporting framework that has been applied in their preparation comprises applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinions on other matter prescribed by the Companies Act 2006

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

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit, or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the company financial statements are not in agreement with the accounting records and returns

We have no exceptions to report arising from this responsibility.

THE OASIS HEALTHCARE GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE OASIS HEALTHCARE GROUP LIMITED

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement, 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 ISAs (UK & Ireland) ("ISAs (UK & 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.

What an audit of financial statements involves

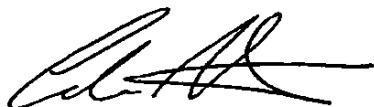
We conducted our audit in accordance with ISAs (UK & Ireland) An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of

- whether the accounting policies are appropriate to the group's and 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

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both

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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report



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

31 July 2015

THE OASIS HEALTHCARE GROUP LIMITED

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2015**

	Note	2015 £000	2014 £000
TURNOVER	1,2		
Continuing operations		165,887	143,993
Acquisitions		68,114	-
		<u>234,001</u>	<u>143,993</u>
Cost of sales	33	(124,512)	(76,756)
GROSS PROFIT		<u>109,489</u>	<u>67,237</u>
Administrative expenses	33	(100,425)	(62,507)
Exceptional administrative expenses	3	(3,967)	(2,790)
Total administrative expenses		<u>(104,392)</u>	<u>(65,297)</u>
OPERATING PROFIT	3		
Continuing operations		4,181	1,940
Acquisitions		916	-
		<u>5,097</u>	<u>1,940</u>
Interest receivable and similar income	7	78	93
Interest payable and similar charges	8	(28,491)	(21,450)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(23,316)</u>	<u>(19,417)</u>
Tax on loss on ordinary activities	9	(168)	(9)
LOSS FOR THE FINANCIAL YEAR	20	<u>(23,484)</u>	<u>(19,426)</u>

There were no recognised gains and losses for 2015 or 2014 other than those included in the Profit and Loss Account above and therefore no separate Statement of Total Recognised Gains and Losses has been presented.

There are no material differences between the loss on ordinary activities before taxation and the loss for the financial years stated above and their historical cost equivalents

The notes on pages 21 to 54 form part of these financial statements

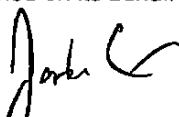
Non-GAAP EBITDAE	2015 £000	2014 £000
Loss on ordinary activities before taxation	(23,316)	(19,417)
Adjustments for		
Exceptional administrative expenses	3,967	2,790
Interest payable and similar charges	28,491	21,450
Interest receivable and similar income	(78)	(93)
Amortisation of goodwill	11,910	7,719
Depreciation	8,606	6,454
EBITDAE	<u>29,580</u>	<u>18,903</u>

THE OASIS HEALTHCARE GROUP LIMITED
REGISTERED NUMBER: 08405422

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2015

	Note	£000	2015 £000	£000	2014 £000
FIXED ASSETS					
Intangible assets	10		247,255		162,168
Tangible assets	11		51,480		33,515
			<u>298,735</u>		<u>195,683</u>
CURRENT ASSETS					
Stocks	13	3,416		2,092	
Debtors	14	15,600		12,972	
Cash at bank and in hand		22,743		16,887	
		<u>41,759</u>		<u>31,951</u>	
CREDITORS: amounts falling due within one year	15	<u>(49,168)</u>		<u>(34,322)</u>	
NET CURRENT LIABILITIES			<u>(7,409)</u>		<u>(2,371)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>291,326</u>		<u>193,312</u>
CREDITORS: amounts falling due after more than one year	16		<u>(331,637)</u>		<u>(210,998)</u>
PROVISIONS FOR LIABILITIES					
Deferred taxation	17	(277)		(80)	
Other provisions	18	<u>(1,801)</u>		<u>(657)</u>	
			<u>(2,078)</u>		<u>(737)</u>
NET LIABILITIES			<u>(42,389)</u>		<u>(18,423)</u>
CAPITAL AND RESERVES					
Called up share capital	19		14		14
Share premium account	20		989		989
Foreign currency reserve	20		(482)		-
Profit and loss account	20		<u>(42,910)</u>		<u>(19,426)</u>
TOTAL SHAREHOLDERS' DEFICIT	21		<u>(42,389)</u>		<u>(18,423)</u>

The financial statements on pages 17 to 54 were approved and authorised for issue by the board and were signed on its behalf on 31 July 2015 by


J Gonzalez
 Director


The notes on pages 21 to 54 form part of these financial statements

THE OASIS HEALTHCARE GROUP LIMITED
REGISTERED NUMBER: 08405422

COMPANY BALANCE SHEET
AS AT 31 MARCH 2015

	Note	£000	2015 £000	£000	2014 £000
FIXED ASSETS					
Investments	12		46,255		46,255
CURRENT ASSETS					
Debtors	14	13,299		12,142	
Cash at bank and in hand		12,251		12,183	
		<u>25,550</u>		<u>24,325</u>	
CREDITORS: amounts falling due within one year	15	-		(15)	
NET CURRENT ASSETS			<u>25,550</u>		<u>24,310</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>71,805</u>		<u>70,565</u>
CREDITORS: amounts falling due after more than one year	16		(87,204)		(76,832)
NET LIABILITIES			<u>(15,399)</u>		<u>(6,267)</u>
CAPITAL AND RESERVES					
Called up share capital	19		14		14
Share premium account	20		989		989
Profit and loss account	20		(16,402)		(7,270)
TOTAL SHAREHOLDERS' DEFICIT	21		<u>(15,399)</u>		<u>(6,267)</u>

The financial statements on pages 17 to 54 were approved and authorised for issue by the board and were signed on its behalf on 31 July 2015 by


J Gonzalez
 Director

The notes on pages 21 to 54 form part of these financial statements

THE OASIS HEALTHCARE GROUP LIMITED

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2015**

	Note	2015 £000	2014 £000
Net cash flow from operating activities	28	20,645	10,610
Returns on investments and servicing of finance	29	(8,656)	(5,645)
Taxation		(118)	(418)
Capital expenditure and financial investment	29	(11,269)	(4,598)
Acquisitions and disposals	29	(95,960)	(88,456)
CASH OUTFLOW BEFORE FINANCING		(95,358)	(88,507)
Financing	29	101,214	105,394
INCREASE IN CASH IN THE YEAR		5,856	16,887

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
FOR THE YEAR ENDED 31 MARCH 2015**

	2015 £000	2014 £000
Increase in cash in the year	5,856	16,887
Cash inflow from increase in debt and lease financing	(101,214)	(104,391)
CHANGE IN NET DEBT RESULTING FROM CASH FLOWS	(95,358)	(87,504)
New finance lease	(265)	(608)
Finance leases acquired	(102)	(2,520)
Other non-cash changes	(1,277)	(101,228)
Net debt acquired	-	(85,529)
Issue of new loan notes on acquisition	-	(15,000)
MOVEMENT IN NET DEBT IN THE YEAR	(97,002)	(292,389)
Net (debt)/funds at 1 April 2014	(191,860)	100,529
NET DEBT AT 31 MARCH 2015	(288,862)	(191,860)

The notes on pages 21 to 54 form part of these financial statements

THE OASIS HEALTHCARE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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

1.2 Going concern

The Group has net liabilities as at 31 March 2015. The 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 material 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 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 increased its facilities by £20m and the maturities remain the same.

In light of the above, the directors have concluded that it is appropriate to prepare the Group financial statements on a going concern basis.

1.3 Basis of consolidation

The consolidated financial statements include the financial statements of The Oasis Healthcare Group Limited and all its subsidiaries to 31 March 2015. The results of subsidiaries acquired or sold are consolidated for the periods from, or to, the date on which control passed. Subsidiary acquisitions are accounted for under the acquisition method. Intra-Group transactions and profits are eliminated fully on consolidation. Accounting policies of subsidiaries have been aligned where necessary to ensure consistency with the policies adopted by the Group.

1.4 Turnover

Turnover represents the value of dentistry goods or services supplied. NHS income is recognised based on the levels of dental activity delivered. Where there is under-delivery against target activity levels, a potential clawback arises and a creditor is established. Private treatment is recognised based on the stage of completion, with cash settled at the time of the treatment.

THE OASIS HEALTHCARE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

1. ACCOUNTING POLICIES (continued)

1.5 Goodwill

Goodwill arising on business acquisitions, being the difference between the fair value of the consideration and the fair value of net assets acquired, is capitalised on acquisition. Goodwill is amortised over a period of 20 years, being the expected useful economic life.

Goodwill is reviewed for impairment at the end of the first full year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	Over 50 years straight line
Leasehold improvements	-	Over 15 years straight line
Fixtures, fittings and equipment	-	3 to 10 years straight line

The expected useful lives of the assets to the business are reassessed periodically in the light of experience.

1.7 Impairment of fixed assets

Fixed assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value (less costs to sell) and value in use. Value in use is based on the present value of the future cash flows relating to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (income generating units).

Impairment losses relating to tangible fixed assets are reversed where the recoverable amount increases because of a change in economic conditions or in the expected use of the asset.

Impairment losses in respect of intangible fixed assets are reversed where subsequent external events clearly and demonstrably reverse the effects of the event giving rise to the impairment in a way that was not foreseen in the original impairment calculation or where the intangible asset has a readily ascertainable market value and the market value has increased to an amount higher than the impaired carrying value.

1.8 Investments

Fixed asset investments are shown at cost less provision for permanent diminution in value.

THE OASIS HEALTHCARE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

1. ACCOUNTING POLICIES (continued)

1.9 Leases

Assets obtained under hire purchase agreements and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and Loss Account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.10 Operating leases

Rentals under operating leases are charged to the Profit and Loss Account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.11 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads. Net realisable value is based on estimated selling price, less further costs expected to be incurred.

1.12 Current and deferred taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted, or substantively enacted, by the balance sheet date.

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

THE OASIS HEALTHCARE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

1. ACCOUNTING POLICIES (continued)

1.13 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction

Exchange gains and losses are recognised in the Profit and Loss Account

The financial statements of foreign subsidiaries are translated at the rate of exchange ruling at the balance sheet date. The exchange differences arising from the retranslation of the opening net investment in subsidiaries are taken directly to reserves

1.14 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Profit and Loss Account over the expected useful lives of the assets concerned. Other grants are credited to the Profit and Loss Account as the related expenditure is incurred

1.15 Pensions

The Group makes contributions to stakeholder and employee personal pension schemes. These costs are charged to the Profit and Loss Account in the period to which they relate

1.16 Provisions

The Group 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 the obligation, and the amount can be reliably estimated. Provisions are not discounted on the basis of materiality

1.17 Deferred consideration

The Group uses deferral of part of the consideration for acquisitions of dental practices to manage the risk that practices acquired will fail to attain acceptable levels of turnover. The amount deferred is interest free, recognised in creditors and discounted where material, under the provisions of Financial Reporting Standard No. 7 'Fair Values in Acquisition Accounting'. The unwinding of any discount is taken to the Profit and Loss Account and included within interest payable and similar charges

1.18 Exceptional Items

Exceptional and non-recurring costs are those significant items which are separately disclosed by virtue of their size or incidence to enable a full understanding of the Group's underlying financial performance. Transactions which may give rise to exceptional and non-recurring costs are principally restructuring related costs, non capitalised costs incurred in respect of potential acquisitions, the profit and loss on disposal of practices, debt restructuring costs, property dilapidation and onerous lease provisions and costs in respect of key management changes

THE OASIS HEALTHCARE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

1. ACCOUNTING POLICIES (continued)

1.19 Financial instruments

Financial assets and liabilities are recognised on the Consolidated Balance Sheet when the Group 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 provision for estimated irrecoverable amounts

(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 Group after deducting all of its liabilities

(c) Interest-bearing borrowings

Interest-bearing bank loans and overdrafts are recorded as the proceeds received, net of associated transaction costs

(d) Creditors

Trade creditors are non interest bearing and are stated at their nominal value

(e) Equity instruments

Equity instruments issued by the Group are recorded as the proceeds received, net of direct issue costs

(f) Derivative financial instruments

The Group uses derivative financial instruments to hedge its exposure to interest rate risks arising from operational and financing activities. The Group does not hold or issue derivative financial instruments for trading purposes. The Group has not adopted FRS 26, 'Financial Instruments Measurement', and as such the derivative financial instruments are not subject to fair value measurement requirements. The cost of any arrangement is written off immediately to the Profit and Loss Account

2. TURNOVER

All turnover arose within the United Kingdom and Ireland

The whole of the turnover is attributable to the one principal activity of the Group, being dental services

THE OASIS HEALTHCARE GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

3. OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	2015	2014
	£000	£000
Amortisation - intangible fixed assets	11,910	7,719
Depreciation of tangible fixed assets		
- owned by the group	8,415	5,090
- held under finance leases	191	1,364
Operating lease rentals		
- plant and machinery	916	30
- other operating leases	7,799	4,365
Difference on foreign exchange	(6)	-
Government grant amortisation	(135)	(230)

Exceptional costs relate to integration costs of £3,142,000 and restructuring costs of £825,000

4. AUDITORS' REMUNERATION

	2015	2014
	£000	£000
Fees payable to the Company's auditors for the audit of the Company's annual financial statements	18	18
Fees payable to the Company's auditors in respect of		
The auditing of accounts of associates of the Company	214	162
Taxation advisory services	44	89
Other assurance services	4	-
All other non-audit services not included above	979	-

Other non-audit services largely relate to due diligence charges in respect of potential acquisitions

THE OASIS HEALTHCARE GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

5. STAFF COSTS

Staff costs, including directors' remuneration, were as follows

	2015 £000	2014 £000
Wages and salaries	48,009	33,032
Social security costs	3,349	2,459
Other pension costs	560	227
	<u>51,918</u>	<u>35,718</u>

The average monthly number of employees (excluding self-employed associate dentists) during the year was as follows

	2015 Number	2014 Number
Dentists	9	7
Practice staff	2,977	2,061
Administration staff	163	113
	<u>3,149</u>	<u>2,181</u>

6. DIRECTORS' REMUNERATION

	2015 £000	2014 £000
Aggregate remuneration	<u>1,324</u>	<u>2,704</u>
Company pension contributions to defined contribution pension schemes	<u>85</u>	<u>78</u>
Compensation for loss of office	<u>-</u>	<u>30</u>

During the year retirement benefits were accruing to 4 (2014 4) directors in respect of defined contribution pension schemes.

The highest paid director received remuneration of £433,000 (2014 £1,179,000)

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £Nil (2014 £34,000)

All directors' remuneration was settled by a subsidiary company on behalf of the Group

THE OASIS HEALTHCARE GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

7. INTEREST RECEIVABLE AND SIMILAR INCOME

	2015	2014
	£000	£000
Other interest receivable	78	93

8. INTEREST PAYABLE AND SIMILAR CHARGES

	2015	2014
	£000	£000
On bank loans and overdrafts	10,281	4,683
On other loans	197	1,929
On finance leases and hire purchase agreements	70	418
On loan notes	7,571	6,085
Dividends paid on preference shares classed as debt	10,372	8,335
	28,491	21,450

THE OASIS HEALTHCARE GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

9. TAX ON LOSS ON ORDINARY ACTIVITIES

	2015 £000	2014 £000
Analysis of tax charge/(credit) in the year/period		
Current tax		
Adjustments in respect of prior periods	21	(3)
Deferred tax (see note 17)		
Origination and reversal of timing differences	147	12
Tax on loss on ordinary activities	168	9

Factors affecting tax charge for the year/period

The tax assessed for the year/period is higher than (2014 higher than) the standard rate of corporation tax in the UK of 21% (2014 23%). The differences are explained below:

	2015 £000	2014 £000
Loss on ordinary activities before tax	(23,316)	(19,417)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 21% (2014 23%)	(4,896)	(4,466)
Effects of:		
Expenses not deductible for tax purposes	3,860	2,694
Capital allowances for year/period in excess of depreciation	(1,563)	(877)
Adjustments to tax charge in respect of prior periods	21	(3)
Unrelieved tax losses carried forward	744	687
Preference share dividend	2,174	1,962
Other timing differences	(435)	-
Lower rates of overseas tax	116	-
Current tax charge/(credit) for the year/period	21	(3)

Factors that may affect future tax charges

The March 2013 Budget Statement announced changes to the UK Corporation tax rates that were substantively enacted as part of the Finance Bill 2013 on 2 July 2013. These reduced the main rate of corporation tax to 21% from 1 April 2014 and to 20% from 1 April 2015. As the changes have been substantively enacted at the balance sheet date their effects are included in these financial statements. The July 2015 Budget Statement announced further changes to the UK Corporation which will reduce the main rate of corporation tax to 19% from 1 April 2017 and to 18% from 1 April 2020. As the changes have not been substantively enacted at the balance sheet date their effects are not included in these financial statements.

THE OASIS HEALTHCARE GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

10. INTANGIBLE FIXED ASSETS

	Goodwill £000
Group	
Cost	
At 1 April 2014	168,579
Additions	97,125
Reduction in deferred consideration	(128)
At 31 March 2015	<u>265,576</u>
Accumulated amortisation	
At 1 April 2014	6,411
Charge for the year	11,910
At 31 March 2015	<u>18,321</u>
Net book value	
At 31 March 2015	<u><u>247,255</u></u>
At 31 March 2014	<u><u>162,168</u></u>

Details of acquisitions in the year are provided in note 23

11. TANGIBLE FIXED ASSETS

	Freehold property £000	Leasehold improvements £000	Fixtures, fittings and equipment £000	Total £000
Group				
Cost				
At 1 April 2014	729	22,155	13,745	36,629
Additions	-	3,949	7,779	11,728
Disposals	-	(1,109)	(5,453)	(6,562)
Acquisitions	5,071	3,093	7,204	15,368
At 31 March 2015	<u>5,800</u>	<u>28,088</u>	<u>23,275</u>	<u>57,163</u>
Accumulated depreciation				
At 1 April 2014	13	1,846	1,255	3,114
Charge for the year	15	2,481	6,110	8,606
On disposals	-	(675)	(5,362)	(6,037)
At 31 March 2015	<u>28</u>	<u>3,652</u>	<u>2,003</u>	<u>5,683</u>
Net book value				
At 31 March 2015	<u><u>5,772</u></u>	<u><u>24,436</u></u>	<u><u>21,272</u></u>	<u><u>51,480</u></u>
At 31 March 2014	<u><u>716</u></u>	<u><u>20,309</u></u>	<u><u>12,490</u></u>	<u><u>33,515</u></u>

THE OASIS HEALTHCARE GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

11. TANGIBLE FIXED ASSETS (continued)

The net book value of assets held under finance leases or hire purchase agreements, included above, are as follows

	2015	2014
Group	£000	£000
Furniture, fittings and equipment	1,316	1,367

Company

The Company does not hold any tangible fixed assets

12. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £000
Company	
Cost or valuation	
At 1 April 2014 and 31 March 2015	46,255
Net book value	
At 31 March 2015	46,255
At 31 March 2014	46,255

Details of the subsidiaries can be found in note 34

13. STOCKS

	Group		Company	
	2015	2014	2015	2014
	£000	£000	£000	£000
Raw materials and consumables	3,167	1,815	-	-
Goods held for resale	249	277	-	-
	3,416	2,092	-	-

The difference between purchase price or production cost of stocks and their replacement cost is not material

THE OASIS HEALTHCARE GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

14. DEBTORS

	Group		Company	
	2015	2014	2015	2014
	£000	£000	£000	£000
Trade debtors	9,461	9,009	-	-
Amounts due from group undertakings	-	-	13,299	12,142
Other debtors	1,210	79	-	-
Called up share capital not paid	-	362	-	-
Prepayments and accrued income	4,929	3,522	-	-
	15,600	12,972	13,299	12,142

Included in amounts due from group undertakings is £8,712,000 (2014 £8,712,000) relating to unsecured subordinated redeemable loan notes which bear interest at 13.5% per annum and are repayable in full at par no later than 7 May 2021

Other amounts due from group undertakings are unsecured, interest free and repayable on demand

**15. CREDITORS:
Amounts falling due within one year**

	Group		Company	
	2015	2014	2015	2014
	£000	£000	£000	£000
Bank loans	3,365	6,581	-	-
Trade creditors	12,577	10,003	-	15
Net obligations under finance leases and hire purchase agreements	731	1,094	-	-
Corporation tax	495	76	-	-
Other taxation and social security	991	659	-	-
Deferred consideration	2,378	1,256	-	-
Other creditors	798	-	-	-
Accruals and deferred income	27,833	14,653	-	-
	49,168	34,322	-	15

Bank loans are stated net of unamortised debt issue costs of £1,336,000 (2014 £917,000)

THE OASIS HEALTHCARE GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

16. CREDITORS:
Amounts falling due after more than one year

	Group		Company	
	2015	2014	2015	2014
	£000	£000	£000	£000
Bank loans	188,738	82,124	-	-
Other loans	50,010	50,010	-	-
Net obligations under finance leases and hire purchase agreements	264	441	-	-
Deferred consideration	5,421	1,591	-	-
Accruals and deferred income	18,707	8,335	18,707	8,335
Preference share capital treated as debt (Note 19)	7	7	7	7
Share premium arising on preference share capital treated as debt	68,490	68,490	68,490	68,490
	331,637	210,998	87,204	76,832

Disclosure of the terms and conditions attached to the non-equity shares is made in note 19

Included within the above are amounts falling due as follows

	Group		Company	
	2015	2014	2015	2014
	£000	£000	£000	£000
Between one and two years				
Bank loans	14,446	4,159	-	-
Between two and five years				
Bank loans	42,042	13,176	-	-
Over five years				
Bank loans	132,250	64,789	-	-
Other loans	50,010	50,010	-	-

Bank loans are stated net of unamortised debt issue costs of £4,707,000 (2014 £4,126,000)

THE OASIS HEALTHCARE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

16. CREDITORS: Amounts falling due after more than one year (continued)

Creditors include amounts not wholly repayable within 5 years as follows

	<u>Group</u>		<u>Company</u>	
	2015	2014	2015	2014
	£000	£000	£000	£000
Repayable by instalments	-	3,037	-	-
Repayable other than by instalments	269,464	188,594	87,204	76,832
	<u>269,464</u>	<u>191,631</u>	<u>87,204</u>	<u>76,832</u>

Bank loans

On 3 May 2013, the Group entered into a banking facility agreement with a syndicate headed by Société Générale to enable it to complete the acquisition of Duke Street Capital Oasis Holdings Limited and refinance the Group's existing loan facilities. Additional facilities were secured during the financial year to fund a number of acquisitions. Details of all facilities are as follows

- 1) A £27m loan facility repayable in instalments over 6 years to 7 May 2019, of which £18.7m remains outstanding at 31 March 2015 (2014 £23.3m),
- 2) A £62.2m loan facility repayable in one instalment on 7 May 2020, of which all had been drawn down by 31 March 2015;
- 3) A £30m Capex Acquisition loan facility 2 repayable in one instalment on 7 May 2020, of which all had been drawn down by 31 March 2015. A £46m Capex Acquisition loan facilities 1 and 3 repayable in instalments over 6 years to 7 May 2019, of which £44.2m had been drawn down by 31 March 2015,
- 4) A £40m new facility B2 was provided by Société Générale on 14 May 2014, repayable in one instalment on 7 May 2020, of which all had been drawn down by 31 March 2015, and
- 5) A £7m revolving facility repayable on 7 May 2019 of which £3m had been drawn down by 31 March 2015 (2014 £3m), with no repayments made

On 7 May 2013, unsecured, redeemable Investor and Management loan notes which both carry a payment in kind coupon rate of 13.5%, are both subordinate to the bank facilities, rank par passu to each other and are repayable in 2021, were issued as follows

- 1) £50m of Investor loan notes of which £49.8m remain outstanding at 31 March 2015 (2014 £49.8m), and
- 2) £1.1m of Management loan notes of which are £238,000 remain outstanding at 31 March 2015 (2014 £238,000)

On 2 September 2013 the investor loan notes were admitted to the official list of the Channel Islands Stock Exchange ('the exchange') and are subject to the rules of the 'exchange'

THE OASIS HEALTHCARE GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

16. CREDITORS:
Amounts falling due after more than one year (continued)

Obligations under finance leases and hire purchase agreements, included above, are payable as follows

	<u>Group</u>		<u>Company</u>	
	2015	2014	2015	2014
	£000	£000	£000	£000
Between one and five years	264	441	-	-

Accruals and deferred income include £18,707,000 (2014 £8,335,000) of accrued dividends in respect of the Preference shares. Further details of the income rights attached to the shares are given in note 19

17. DEFERRED TAXATION

	<u>Group</u>		<u>Company</u>	
	2015	2014	2015	2014
	£000	£000	£000	£000
At beginning of year/period	80	-	-	-
Charge for the year	147	21	-	-
Arising on acquisitions	50	59	-	-
At end of year/period	277	80	-	-

The provision for deferred taxation is made up as follows

	<u>Group</u>		<u>Company</u>	
	2015	2014	2015	2014
	£000	£000	£000	£000
Accelerated capital allowances	277	80	-	-

In addition, the Group has unprovided deferred tax balances of £5,208,000 in respect of depreciation charges in excess of accelerated capital allowances, £6,013,000 in respect of tax losses and £185,000 in respect of other timing differences

THE OASIS HEALTHCARE GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

18. PROVISIONS

	Onerous leases £000
Group	
At 1 April 2014	657
Additions	1,672
Utilised	(528)
	<u>1,801</u>
At 31 March 2015	<u>1,801</u>

Onerous leases

The property provisions are in respect of onerous leases and dilapidation's and are the directors' best estimate of the liability. The provision has not been discounted because the effect of discounting is not considered significant due to the expected timing of payments.

The Company has no provisions.

19. CALLED UP SHARE CAPITAL

	2015 £000	2014 £000
Shares classified as capital		
Allotted, called up and fully paid		
770,000 (2014 770,000) 'A' Ordinary shares of £0.01 each	8	8
256,974 (2014 256,974) 'B' Ordinary shares of £0.01 each	3	3
250,040 (2014 250,040) 'C' Ordinary shares of £0.0125 each	3	3
	<u>14</u>	<u>14</u>
Shares classified as debt		
Allotted, called up and fully paid		
68,497,037 (2014 68,497,037) Preference shares of £0.0001 each	7	7
	<u>7</u>	<u>7</u>

THE OASIS HEALTHCARE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

19. CALLED UP SHARE CAPITAL (continued)

The various classes of share capital have the following key rights attached

Income

The Preference shares are entitled to a fixed cumulative preferential dividend at an annual rate of 13.5% of the total issue price of the share, compounded annually. The dividend shall not be payable until the earlier of an exit event, 8 years from the date of subscription or a specified default event.

'A' and 'B' Ordinary shares rank *pari passu* to receive dividends that the Company may determine from time to time to declare.

'C' Ordinary shares are entitled to receive an aggregate amount equal to the total distribution (if any) made to 'A' and 'B' Ordinary shares with the aggregate amount to be divided on a pro-rata basis amongst the 'C' Ordinary shareholders.

Redemption and return of capital

The Preference shares are redeemable at the full issue price on the earlier of an exit event, 8 years from the date of subscription or a specified default event. The Preference shares also have priority on any other return of capital by the Company.

'A' and 'B' Ordinary shares rank *pari passu* in the event of a return of capital and have priority over the 'C' Ordinary shares. The amount returnable is subject to a ratchet mechanism set out in the Articles of Association.

The 'C' Ordinary shares are entitled to receive their initial investment and outstanding dividends, subject to a maximum cap.

Voting

The 'A' Ordinary, 'B' Ordinary and 'C' Ordinary shares rank *pari passu*, except that on a resolution to be passed by a show of hands at a General Meeting of the Company the 'C' Ordinary shares do not carry a vote.

The Preference shares do not carry a vote, except on class rights matters.

20. RESERVES

Group	Share premium account £000	Foreign currency translation reserve £000	Profit and loss account £000
At 1 April 2014	989	-	(19,426)
Loss for the financial year	-	-	(23,484)
Currency translation difference on Irish subsidiary	-	(482)	-
At 31 March 2015	989	(482)	(42,910)

THE OASIS HEALTHCARE GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

20. RESERVES (continued)

Company	Share premium account £000	Profit and loss account £000
At 1 April 2014	989	(7,270)
Loss for the financial year	-	(9,132)
	<u>989</u>	<u>(16,402)</u>
At 31 March 2015		

21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group	2015 £000	2014 £000
Opening shareholders' deficit	(18,423)	-
Loss for the year/period	(23,484)	(19,426)
Capital contribution	-	14
Share premium on shares issued (net of expenses)	-	989
Currency translation difference on Irish subsidiary	(482)	-
	<u>(42,389)</u>	<u>(18,423)</u>
Closing shareholders' deficit		

Company	2015 £000	2014 £000
Opening shareholders' deficit	(6,267)	-
Loss for the financial year/period	(9,132)	(7,270)
Shares issued during the year/period	-	14
Share premium on shares issued (net of expenses)	-	989
	<u>(15,399)</u>	<u>(6,267)</u>
Closing shareholders' deficit		

The Company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Profit and Loss Account and Cash Flow Statement

The loss for the financial year/period dealt with in the financial statements of the Company was £9,132,000 (2014 loss of £7,270,000)

22. DIVIDENDS

	2015 £000	2014 £000
Dividend of £0 15 (2014 £0 12) per share accrued in respect of Preference shares	<u>10,372</u>	<u>8,335</u>

THE OASIS HEALTHCARE GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

23. ACQUISITIONS

The fair values for all acquisitions are provisional

Acquisition of Apex Holding Limited Group

	Vendors' book value £000	Fair value adjustments £000	Fair value to the group £000
Assets and liabilities acquired			
Tangible fixed assets	4,740	781	5,521
Stocks	115	-	115
Debtors	1,940	-	1,940
Cash at bank	40	-	40
Other creditors and provisions	(1,924)	(780)	(2,704)
Net assets acquired	4,911	1	4,912
Satisfied by			
Consideration			30,314
Cash			1,176
Acquisition costs			31,490
			26,578
Goodwill arising on consolidation (see note 10)			
Goodwill is being amortised over 20 years			
The acquisition of Apex Holding Limited Group took place on 19 May 2014 and its last published financial information related to the year ended 31 March 2014			
The summarised Profit and Loss Account for Apex Holding Limited Group for the period from 1 April 2014 to the date of acquisition was as follows			
Turnover			2,288
Profit before tax			633
Taxation			(114)
Profit after tax			519

THE OASIS HEALTHCARE GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

23. ACQUISITIONS (continued)

Acquisition of Blueapple Dental & Implant Team Limited

	Vendors' book value £000	Fair value to the group £000
Assets and liabilities acquired		
Tangible fixed assets	25	25
Debtors	5	5
Bank overdrafts	111	111
Other creditors and provisions	(141)	(141)
Net assets acquired	-	-
Satisfied by		
Consideration		
Cash		1,062
Contingent consideration		265
Acquisition costs		6
		1,333
Goodwill arising on consolidation (see note 10)		1,333

Goodwill is being amortised over 20 years

The acquisition of Blueapple Dental & Implant Team Limited took place on 31 March 2015 and its last published financial information related to the year ended 31 March 2015.

THE OASIS HEALTHCARE GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

23. ACQUISITIONS (continued)

Acquisition of Den Dental Group Practice LLP

	Vendors' book value £000	Fair value adjustments £000	Fair value to the group £000
Assets and liabilities acquired			
Stocks	125	(65)	60
Debtors	180	-	180
Cash at bank	1	-	1
Other creditors and provisions	(306)	(244)	(550)
Net assets acquired	-	(309)	(309)
Satisfied by			
Consideration			
Cash			6,864
Acquisition costs			268
			<u>7,132</u>
Goodwill arising on consolidation (see note 10)			<u>7,441</u>

Goodwill is being amortised over 20 years

The acquisition of Den Dental Group Practice LLP took place on 16 October 2014 and its last published financial information related to the year ended 31 March 2014

The summarised Profit and Loss Account for Den Dental Group Practice LLP for the period from 1 April 2014 to the date of acquisition was as follows:

Turnover	<u>2,427</u>
Profit before tax	<u>418</u>
Profit after tax	<u>418</u>

THE OASIS HEALTHCARE GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

23. ACQUISITIONS (continued)

Acquisition of Grosvenor Orthodontic Clinic (Beckenham) Limited

	Vendors' book value £000	Fair value to the group £000
Assets and liabilities acquired		
Tangible fixed assets	44	44
Stocks	21	21
Debtors	247	247
Cash at bank	104	104
Other creditors and provisions	(143)	(143)
Net assets acquired	273	273
Satisfied by		
Consideration		
Cash		1,552
Contingent consideration		180
Acquisition costs		130
		1,862
Goodwill arising on consolidation (see note 10)		1,589

Goodwill is being amortised over 20 years

The acquisition of Grosvenor Orthodontic Clinic (Beckenham) Limited took place on 30 January 2015 and its last published financial information related to the year ended 31 January 2014

The summarised Profit and Loss Account for Grosvenor Orthodontic Clinic (Beckenham) Limited for the period from 1 February 2014 to the date of acquisition was as follows:

Turnover	1,535
Profit before tax	552
Taxation	(115)
Profit after tax	437

THE OASIS HEALTHCARE GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

23. ACQUISITIONS (continued)

Acquisition of Highland Dental Care Limited

	Vendors' book value £000	Fair value adjustments £000	Fair value to the group £000
Assets and liabilities acquired			
Tangible fixed assets	275	(65)	210
Stocks	21	(1)	20
Debtors	49	(40)	9
Cash at bank	5	-	5
Other creditors and provisions	(57)	-	(57)
Net assets acquired	293	(106)	187

Satisfied by

Consideration	
Cash	836
Contingent consideration	209
Acquisition costs	44
	1,089
Goodwill arising on consolidation (see note 10)	902

Goodwill is being amortised over 20 years

The acquisition of Highland Dental Care Limited took place on 4 November 2014 and its last published financial information related to the year ended 31 March 2014

The summarised Profit and Loss Account for Highland Dental Care Limited for the period from 1 April 2014 to the date of acquisition was as follows

Turnover	627
Profit before tax	91
Taxation	(8)
Profit after tax	83

THE OASIS HEALTHCARE GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

23. ACQUISITIONS (continued)

Acquisition of Hillington Park Dental Practice Limited

	Vendors' book value £000	Fair value adjustments £000	Fair value to the group £000
Assets and liabilities acquired			
Tangible fixed assets	10	(2)	8
Stocks	29	-	29
Debtors	71	(1)	70
Cash at bank	16	-	16
Other creditors and provisions	(86)	-	(86)
Net assets acquired	40	(3)	37

Satisfied by

Consideration	
Cash	696
Contingent consideration	184
Acquisition costs	63
	943
Goodwill arising on consolidation (see note 10)	906

Goodwill is being amortised over 20 years

The acquisition of Hillington Park Dental Practice Limited took place on 10 February 2015 and its last published financial information related to the year ended 30 June 2014

The summarised Profit and Loss Account for Hillington Park Dental Practice Limited for the period from 1 July 2014 to the date of acquisition was as follows

Turnover	538
Profit before tax	69
Taxation	(17)
Profit after tax	52

THE OASIS HEALTHCARE GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

23. ACQUISITIONS (continued)

Acquisition of Mojo-D Limited

	Vendors' book value £000	Fair value adjustments £000	Fair value to the group £000
Assets and liabilities acquired			
Tangible fixed assets	76	-	76
Stocks	3	-	3
Debtors	252	-	252
Cash at bank	66	-	66
Other creditors and provisions	(195)	-	(195)
	<u>202</u>	<u>-</u>	<u>202</u>
Net assets acquired			

Satisfied by

Consideration	
Cash	1,600
Contingent consideration	25
	<u>1,625</u>
Goodwill arising on consolidation (see note 10)	<u>1,423</u>

Goodwill is being amortised over 20 years

The acquisition of Mojo-D Limited took place on 23 December 2014 and its last published financial information related to the year ended 30 April 2014

The summarised Profit and Loss Account for Mojo-D Limited for the period from 1 May 2014 to the date of acquisition was as follows

Turnover	697
Profit before tax	<u>291</u>
Taxation	(60)
Profit after tax	<u>231</u>

THE OASIS HEALTHCARE GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

23. ACQUISITIONS (continued)

Acquisition of JDH Holdings Limited Group

	Vendors' book value £000	Fair value adjustments £000	Fair value to the group £000
Assets and liabilities acquired			
Tangible fixed assets	6,191	(4)	6,187
Stocks	1,329	(630)	699
Debtors	1,720	-	1,720
Cash at bank	1,555	-	1,555
Other creditors and provisions	(7,352)	(1,596)	(8,948)
Net liabilities acquired	3,443	(2,230)	1,213

Satisfied by

Consideration

Cash

Acquisition costs

20,939
935

21,874

Goodwill arising on consolidation (see note 10)

20,661

Goodwill is being amortised over 20 years

The acquisition of JDH Holdings Limited Group took place on 19 May 2014 and its last published financial information related to the year ended 31 December 2013

The summarised Profit and Loss Account for JDH Holdings Limited Group for the period from 1 January 2014 to the date of acquisition was as follows

Turnover	15,613
Profit before tax	338
Taxation	-
Profit after tax	338

THE OASIS HEALTHCARE GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

23. ACQUISITIONS (continued)

Acquisition of Xeon Dental Services Limited

	Vendors' book value £000	Fair value adjustments £000	Fair value to the group £000
Assets and liabilities acquired			
Tangible fixed assets	2,752	(15)	2,737
Stocks	540	-	540
Debtors	511	-	511
Cash at bank	1,071	-	1,071
Other creditors and provisions	(2,565)	(1,261)	(3,826)
Net assets acquired	2,309	(1,276)	1,033

Satisfied by

Consideration

Cash

Acquisition costs

9,294

292

9,586

Goodwill arising on consolidation (see note 10)

8,553

Goodwill is being amortised over 20 years

The acquisition of Xeon Dental Services Limited took place on 19 May 2014 and its last published financial information related to the year ended 31 December 2013

The summarised Profit and Loss Account for Xeon Dental Services Limited for the period from 1 January 2014 to the date of acquisition was as follows

Turnover	5,073
Profit before tax	125
Taxation	-
Profit after tax	125

THE OASIS HEALTHCARE GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

23. ACQUISITIONS (continued)

Acquisition of Total Orthodontics Limited

	Vendors' book value £000	Fair value adjustments £000	Fair value to the group £000
Assets and liabilities acquired			
Tangible fixed assets	638	-	638
Stocks	226	(42)	184
Debtors	330	-	330
Cash at bank	1,358	-	1,358
Other creditors and provisions	(2,349)	-	(2,349)
	<u>203</u>	<u>(42)</u>	<u>161</u>

Satisfied by

Consideration	
Cash	10,030
Contingent consideration	3,250
Acquisition costs	550
	<u>13,830</u>
Goodwill arising on consolidation (see note 10)	<u>13,669</u>

Goodwill is being amortised over 20 years

The acquisition of Total Orthodontics Limited took place on 5 February 2015 and its last published financial information related to the year ended 30 April 2014

The summarised Profit and Loss Account for Total Orthodontics Limited for the period from 1 May 2014 to the date of acquisition was as follows.

Turnover	6,289
Profit before tax	1,518
Taxation	(403)
Profit after tax	<u>1,115</u>

THE OASIS HEALTHCARE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

23. ACQUISITIONS (continued)

Other acquisitions

During the year, the Group made a number of other acquisitions of dental practices for a total aggregate consideration of £14,016,000. The total net assets acquired were £498,000 giving rise to £13,605,000 of goodwill. Consideration was satisfied by £11,982,000 of cash (including acquisition expenses) and £2,121,000 of deferred consideration.

24. 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 £198,200,000 at 31 March 2015 (2014: £93,800,000). The directors do not expect any loss to the Company to arise in respect of the guarantees.

25. CAPITAL COMMITMENTS

At 31 March the Group had capital commitments as follows

	2015 £000	2014 £000
Contracted for but not provided in these financial statements	897	676

26. PENSION COMMITMENTS

The Group has established a stakeholder pension scheme for all employees which are eligible to join. In the period to 31 March 2015 the Group charge was £560,000 (2014: £227,000). There was £169,000 outstanding at the year end (2014: £73,000).

The Group operates a defined benefit scheme for 4 employees. Employer contributions are significantly higher than the contracted entitlement to allow for future commitments and valuation fluctuations. The scheme is immaterial for Group purposes and is accounted for on a cash basis.

27. OPERATING LEASE COMMITMENTS

At 31 March the Group had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
Group	2015 £000	2014 £000	2015 £000	2014 £000
Expiry date:				
Within 1 year	2,258	411	197	27
Between 2 and 5 years	3,375	1,548	1,369	3
After more than 5 years	3,339	3,010	139	-
Total	8,972	4,969	1,705	30

THE OASIS HEALTHCARE GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

28. NET CASH FLOW FROM OPERATING ACTIVITIES

	2015 £000	2014 £000
Operating profit	5,097	1,940
Amortisation of intangible fixed assets	11,910	7,719
Depreciation of tangible fixed assets	8,606	6,454
Loss on disposal of tangible fixed assets	525	354
Decrease/(increase) in stocks	348	(99)
Decrease/(increase) in debtors	2,183	(2,062)
Decrease in creditors	(7,787)	(3,365)
Increase/(decrease) in provisions	1,040	(227)
Deferred consideration payments	-	(104)
Foreign exchange differences	(482)	-
Release of deferred consideration provisions	(364)	-
Net cash inflow from operating activities	21,076	10,610

29. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2015 £000	2014 £000
Returns on investments and servicing of finance		
Interest received	78	93
Interest paid	(8,734)	(6,018)
Hire purchase interest	-	(418)
Amortisation of debt issue costs	-	698
Net cash outflow from returns on investments and servicing of finance	(8,656)	(5,645)
	2015 £000	2014 £000
Capital expenditure and financial investment		
Sale of intangible fixed assets	-	(240)
Purchase of tangible fixed assets	(11,728)	(4,394)
Sale of tangible fixed assets	-	36
Net cash outflow from capital expenditure	(11,728)	(4,598)
	2015 £000	2014 £000
Acquisitions and disposals		
Purchase of fixed asset investments	(98,633)	(99,590)
Less Cash acquired on acquisition	4,328	11,338
Deferred consideration payments	(1,627)	(204)
Net cash outflow from acquisitions and disposals	(95,932)	(88,456)

THE OASIS HEALTHCARE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

29. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT (continued)

	2015 £000	2014 £000
Financing		
Issue of ordinary shares	-	1,003
New secured loans	108,906	97,450
Less: Debt issue costs incurred	(2,285)	(5,743)
Repayment of loans	(4,500)	(89,230)
Other new loans	-	35,010
Repayment of finance leases	(907)	(1,593)
Shares treated as debt - Issued	-	68,497
Net cash inflow from financing	101,214	105,394

30. ANALYSIS OF CHANGES IN NET DEBT

	1 April 2014 £000	Cash flow £000	Acquisition £000	Other non-cash changes £000	31 March 2015 £000
Cash at bank and in hand	16,887	5,856	-	-	22,743
Debt:					
Finance leases	(1,535)	907	(102)	(265)	(995)
Debts due within one year	(6,581)	4,498	-	(1,282)	(3,365)
Debts falling due after more than one year	(200,631)	(106,619)	-	5	(307,245)
Net debt	(191,860)	(95,358)	(102)	(1,542)	(288,862)

31. RELATED PARTY TRANSACTIONS

Under the terms of FRS 8 'Related Party Disclosures' the Company is exempt from disclosing details of its transactions with its wholly owned subsidiary undertakings

Bridgepoint Advisers Limited, the Company's ultimate controlling party, charges a monitoring fee of £180,000 (2014 £150,000) per annum. These financial statements include £162,000 (2014 £135,000) in relation to that fee.

32. ULTIMATE CONTROLLING PARTY

The directors regard the ultimate controlling party to be certain funds managed by Bridgepoint Advisers Limited, an independent private equity company

The smallest and largest group for which group financial statements are prepared is The Oasis Healthcare Group Limited

THE OASIS HEALTHCARE GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

33. ANALYSIS OF OPERATING PROFIT

	2015 Continuing £000	2014 Continuing £000
Turnover	234,001	143,993
Cost of sales	(124,512)	(76,756)
Gross profit	109,489	67,237
Administrative expenses	(104,392)	(65,297)
	5,097	1,940

The following amounts were included within continuing activities in relation to acquisitions during the year

	2015 £000
Turnover	68,114
Cost of sales	(34,617)
Gross profit	33,497
Administrative expenses	(32,581)
Operating profit	916

The results included within acquisitions solely relate to the contribution of Limited Company acquisitions

THE OASIS HEALTHCARE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

34. SUBSIDIARIES

Subsidiary undertakings

The following were subsidiary undertakings of the Company. The Group has provided the necessary guarantees under section 479A of the Companies Act 2006 to enable those subsidiaries marked with an asterisk (*) to claim the exemption from audit.

Name	Description of shares	Proportion of nominal value of issued shares held	Business
Oasis Healthcare Midco 1 Limited*	Ordinary	100%	Holding Company
Oasis Healthcare Midco 2 Limited	Ordinary	100%	Holding Company
Oasis Healthcare Bidco Limited*	Ordinary	100%	Holding Company
Oasis Group EBT Trustee Limited*	Ordinary	100%	Trustee of Employee benefit trust
Oasis Healthcare International Limited (formerly Duke Street Capital Oasis Holdings Limited)	Ordinary	100%	Holding Company
Duke Street Capital Oasis Midco Limited*	Ordinary	100%	Holding Company
Duke Street Capital Oasis Acquisitions Limited*	Ordinary	100%	Holding Company
Oasis Healthcare Limited*	Ordinary	100%	Operation of dental practices
Oasis Dental Care Limited	Ordinary	100%	Operation of dental practices
Oasis Dental Care (Central) Holdings Limited*	Ordinary	100%	Holding Company
Oasis Dental Care (Central) Limited	Ordinary	100%	Operation of dental practices
Oasis Dental Care (Southern) Holdings Limited*	Ordinary	100%	Holding Company
Oasis Dental Care (Southern) Limited	Ordinary	100%	Operation of dental practices
Dentalign Wrexham Limited*	Ordinary	100%	Operation of dental practices
Kidson Orthodontics Limited*	Ordinary	100%	Operation of dental practices
Ortho 2008 Limited*	Ordinary	100%	Operation of dental practices
Steeple Grange Smiles Limited*	Ordinary	100%	Operation of dental practices
Duke Street Capital Oasis Orthodontics Holdings Limited*	Ordinary	100%	Holding Company
Duke Street Capital Oasis Orthodontics Limited*	Ordinary	100%	Holding Company
Dentalign Orthodontics Limited*	Ordinary	100%	Holding Company
Dentalign Orthodontics LLP*	Ordinary	100%	Operation of dental practices
Dentalign Eastbourne Limited*	Ordinary	100%	Operation of dental practices
Dentalign Colwyn Bay Limited*	Ordinary	100%	Operation of dental practices
Deysbrook Dental Surgery Limited*	Ordinary	100%	Operation of dental practices
BASDAC (2011) LLP*	Ordinary	100%	Operation of dental practices
Orthoscene Limited*	Ordinary	100%	Operation of dental practices
Roberts-Harry Clinic Limited*	Ordinary	100%	Operation of dental practices
Harbour Way Surgery Limited*	Ordinary	100%	Operation of dental practices
Nigel Reynolds Limited*	Ordinary	100%	Operation of dental practices
Windmill Dental Surgery Limited*	Ordinary	100%	Operation of dental practices
JDH Holdings Limited*	Ordinary	100%	Holding Company
Xeon Smiles UK Limited	Ordinary	100%	Operation of dental practices
FACE (Facial Aesthetic Centres of Excellence) Limited*	Ordinary	100%	Provision of facial aesthetics
Ceracryl Laboratories Limited*	Ordinary	100%	Operation of dental laboratory
Oral Hygiene Innovations Limited*	Ordinary	100%	Supply of oral hygiene products
Dr JD Hull Associates (Physiotherapy & Osteopathy) Limited*	Ordinary	100%	Provision of physiotherapy, osteopathy and similar services

THE OASIS HEALTHCARE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

34. SUBSIDIARIES (continued)

Subsidiary undertakings

Name	Description of shares	Proportion of nominal value of issued shares held	Business
Apex Holding Limited*	Ordinary	100%	Holding Company
Apex Dental Care Limited	Ordinary	100%	Operation of dental practices
Smile Lincs Limited*	Ordinary	100%	Operation of dental practices
Caring Dentistry Limited*	Ordinary	100%	Operation of dental practices
Den Dental Group Practice LLP*	Ordinary	100%	Operation of dental practices
Highland Dental Care Limited*	Ordinary	100%	Operation of dental practices
Mojo-D Limited*	Ordinary	100%	Operation of dental practices
Grosvenor Orthodontic Clinic (Beckenham) Limited*	Ordinary	100%	Provision of orthodontic care
Total Orthodontics Limited*	Ordinary	100%	Provision of orthodontic care
Hillington Park Dental Practice Limited*	Ordinary	100%	Operation of dental practices

All of the investments above are companies that are incorporated in England and Wales and are indirectly owned except for Oasis Healthcare Midco 1 Limited, which is directly owned

The following companies are incorporated in the Republic of Ireland

Name	Description of shares	Proportion of nominal value of issued shares held	Business
Oasis Healthcare Holdings Ireland Limited (formerly Aughness Commercial Limited)	Ordinary	100%	Holding Company
Xeon Dental Services Limited	Ordinary	100%	Operation of dental practices

The following companies are incorporated in Northern Ireland

Name	Description of shares	Proportion of nominal value of issued shares held	Business
Smiles Dental Practices North Limited*	Ordinary	100%	Operation of dental practices
Blueapple Dental & Implant Team Limited*	Ordinary	100%	Operation of dental practices