

ADP Holdings Limited

Annual report and financial statements

Registered number 04298115

Year ended 31 March 2017

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Strategic report for the year ended 31 March 2017

The directors present the Strategic report for the year ended 31 March 2017.

Principal activities

The principal activity of the company is to act as an investment holding company.

The company did not trade in the year to 31 March 2017 nor during the year to 31 March 2016. Accordingly, no income statement has been presented. In addition, the company has no items of other comprehensive income during the current or previous year and therefore no statement of other comprehensive income or statement of changes in equity have been presented.

Business review

Review of the development and performance of the company

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

The group provides a range of National Health Service (‘NHS’) and private dental services from practices throughout the United Kingdom along with support services to other third party dental practices and the wider healthcare sector.

Strategy and future outlook

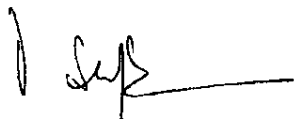
The company is expected to remain an investment holding company in the forthcoming year.

Principal risks and uncertainties

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

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

On behalf of the Board



O Shafi Khan

Director

13 December 2017

Directors' report for the year ended 31 March 2017

The directors present their report and the unaudited financial statements of ADP Holdings Limited for the year ended 31 March 2017.

Future developments

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

Proposed dividend

The directors do not recommend the payment of dividend for the year (2016: £nil).

Directors

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

T Riall	(appointed 8 May 2017)
O Shafi Khan	(appointed 16 October 2017)
N Whitley	(appointed 31 July 2017)
WHM Robson	(resigned 31 July 2017)
T Scicluna	(resigned 31 March 2017)
A Spindler	(appointed 31 July 2017, resigned 12 October 2017)
S Williams	(resigned 31 July 2017)

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

Statement of directors' responsibilities

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

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

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

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

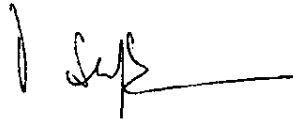
The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors' report for the year ended 31 March 2017 *(continued)*

Audit exemption

For the year ended 31 March 2017, the company was entitled to exemption from audit under section 479A of the Companies Act 2006 as Turnstone Equityco 1 Limited has provided a guarantee over all of the outstanding liabilities of the company to the company's immediate parent and sole member, ADP Healthcare Acquisitions Limited, in accordance with section 479C of the Companies Act 2006.

On behalf of the Board



O Shafi Khan
Director
13 December 2017

Europa House
Stoneclough Road
Kearsley
Manchester
M26 1GG

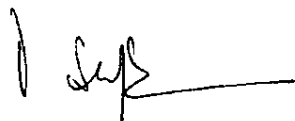
Balance sheet
at 31 March 2017

	<i>Note</i>	2017	2016
		£'000	£'000
Fixed assets			
Investments	5	10,427	10,427
Current assets			
Debtors	6	14,913	14,913
Creditors: amounts falling due within one year	7	(30,214)	(30,214)
Net current liabilities		(15,301)	(15,301)
Net liabilities		(4,874)	(4,874)
Capital and reserves			
Called up share capital	8	14,798	14,798
Share premium account	9	886	886
Accumulated losses	9	(20,558)	(20,558)
Total shareholders' deficit		(4,874)	(4,874)

The notes on pages 5 to 8 form an integral part of these financial statements.

- a. For the financial year ended 31 March 2017 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.
- b. The member has not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.
- c. The directors acknowledge their responsibility for:
 - i. ensuring the company keeps accounting records which comply with Section 386; and
 - ii. preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year, and of its profit or loss for the financial year in accordance with the requirements of the Companies Act relating to accounts, so far as is applicable to the company.

These financial statements on pages 4 to 8 were approved by the board of directors on 13 December 2017 and were signed on its behalf by:



O Shafi Khan
Director

Notes to the financial statements

1 Company information

ADP Holdings Limited (the 'company') is a private company limited by shares incorporated and domiciled in the UK. The address of the registered office is: Europa House, Europa Trading Estate, Stoneclough Road, Kearsley, Manchester M26 1GG.

The principal activity of the company is to act as an investment holding company.

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

2 Accounting policies

Basis of preparation

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

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

The financial statements have been prepared on a going concern basis due to the company having the continued support of its parent.

The financial statements are presented in Sterling (£).

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

Exemptions for qualifying entities under FRS 102

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

The company has taken advantage of the following exemptions:

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

Investments

Investments held as fixed assets are stated at cost less amounts written off for impairment.

Long-term intercompany balances, which have been generated by the holding company funding the subsidiaries' acquisitions of dental practices, are treated as investments in the balance sheet.

Notes to the financial statements (continued)

2 Accounting policies (continued)

Impairment of investments

At each reporting date investments are reviewed to determine whether there is any indication that they have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected investment is estimated as the higher of its fair value less costs to sell or the value in use. This is then compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in the income statement.

If an impairment loss subsequently reverses, the carrying amount of the investment is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the investment in prior years. A reversal of an impairment loss is recognised immediately in the income statement.

Financial instruments

Basic financial assets and liabilities, including amounts owed to and by group undertakings, borrowings and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

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

3 Significant accounting judgements and estimates

In preparing the financial statements, the Directors are required to make significant judgements and estimates. The principal areas of the financial statements where judgements and estimates have been made are:

Impairment of investments

At each reporting date, investments are reviewed to determine whether there is any indication that they have suffered an impairment loss. In determining whether there is an indication of impairment a number of judgemental factors must be considered, including an estimate of the future economic benefits that can be derived from the assets and current market conditions.

Carrying value of financial assets and liabilities

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

4 Directors and employees

The directors received no emoluments from the company for their services during the financial year (2016: £nil). The emoluments received as a director of a group trading company are disclosed in the financial statements of Petrie Tucker and Partners Limited for S Williams and in the financial statements of Turnstone Equityco 1 Limited for WHM Robson and T Scicluna.

The company has no other employees (2016: none).

Notes to the financial statements (continued)

5 Investments

	Shares in subsidiary £'000
<i>Cost</i>	
At 1 April 2016 and 31 March 2017	25,487
<i>Impairment</i>	
At 1 April 2016 and 31 March 2017	15,060
<i>Net book value</i>	
At 31 March 2016 and 31 March 2017	10,427

The table below provides details of the company's subsidiary undertakings. The company owns 100% of the ordinary share capital of all of the companies listed.

In the opinion of the directors the value of the company's investment in its subsidiaries is not less than the amount at which it is shown in the balance sheet.

Name of subsidiary	Principal activity	Country of incorporation
ADP Healthcare Limited	Dormant	England
ADP No.1 Limited	Dormant	England
MyDentist Limited	Dormant	England
Natural Management Ltd	Dormant	England

6 Debtors

	2017 £'000	2016 £'000
Amounts owed by group undertakings	14,913	14,913

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

7 Creditors: amounts falling due within one year

	2017 £'000	2016 £'000
Amounts owed to group undertakings	30,214	30,214

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

8 Called up share capital

	Number	2017 £'000	Number	2016 £'000
<i>Allotted, called up and fully paid</i>				
Ordinary shares of 10 pence each	147,983,740	14,798	147,983,740	14,798

Notes to the financial statements *(continued)*

9 Reserves

The following describes the nature and purpose of each reserve within shareholders' deficit:

Share premium account

The amount subscribed for share capital in excess of nominal value less any costs directly attributable to the issue of new shares.

Accumulated losses

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

10 Financial assets and liabilities

The company has the following financial instruments:

	<i>Note</i>	2017 £'000	2016 £'000
Financial assets measured at amortised cost			
Amounts owed by group undertakings	6	14,913	14,913
Financial liabilities measured at amortised cost			
Amounts owed to group undertakings	7	(30,214)	(30,214)

11 Controlling party

The immediate parent undertaking is ADP Healthcare Acquisitions Limited, a company incorporated in England.

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

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

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