

ADP No.1 Limited

Annual report and financial statements

Registered number 04309934

Year ended 31 March 2015

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Strategic report for the year ended 31 March 2015

The directors present the Strategic report for the year ended 31 March 2015.

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 2015 nor during the year to 31 March 2014. Accordingly, no profit and loss account has 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 located in England, Wales and Scotland along with support services to other third party dental practices and the wider healthcare sector.

On 16 January 2015, as part of a group simplification exercise, the company undertook a capital reduction whereby the balance on the company's share premium account was reduced by £12,224,662.

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.

By order of the Board



WHM Robson

Director

4 December 2015

Directors' report for the year ended 31 March 2015

The directors present their report and the audited financial statements of ADP No.1 Limited for the year ended 31 March 2015.

Proposed dividend

The directors do not recommend the payment of a dividend for the year (2014: £Nil).

Future developments

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

Directors

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

WHM Robson
T Scicluna
S Williams

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 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 year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

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

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

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

Political and charitable contributions

The company made no political or charitable contributions during the year (2014: £Nil).

Post balance sheet events

On 29 September 2015, as part of a group simplification exercise, the company transferred its 100% interest in the issued share capital of IDH Limited to IDH Acquisitions Limited at its book value of £14,279,741. The consideration for this transfer was left outstanding on the intercompany account.

Directors' report for the year ended 31 March 2015 *(continued)*

Disclosure of information to auditors

The directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This statement is given and should be interpreted in accordance with section 418 of the Companies Act 2006.

Independent auditors

PricewaterhouseCoopers LLP have indicated their willingness to continue in office and a resolution that they be reappointed as auditors will be proposed at the annual general meeting.

By order of the Board



WHM Robson
Director
4 December 2015

Europa House
Stoneclough Road
Kearsley
Manchester
M26 1GG

Independent auditors' report to the members of ADP No.1 Limited

Report on the financial statements

Our opinion

In our opinion, ADP No.1 Limited's financial statements (the 'financial statements'):

- give a true and fair view of the state of the company's affairs as at 31 March 2015;
- 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:

- Balance sheet as at 31 March 2015; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

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

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.

Opinion on other matter prescribed by the Companies Act 2006

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

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Independent auditors' report to the members of ADP No.1 Limited *(continued)*

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("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

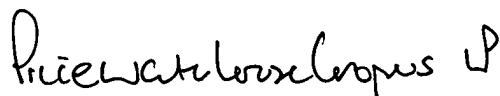
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error.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

- whether the accounting policies are appropriate to the 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.



Martin Heath (Senior Statutory Auditor)

For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester
4 December 2015

Balance sheet
as at 31 March 2015

	<i>Note</i>	£'000	2015 £'000	£'000	2014 £'000
Fixed assets					
Investments	4		14,280		14,280
Current assets					
Debtors (amounts due in more than one year)	5	172		172	
Creditors: amounts falling due within one year	6	(5,030)		(5,030)	
Net current liabilities			<u>(4,858)</u>		<u>(4,858)</u>
Net assets			<u>9,422</u>		<u>9,422</u>
Capital and reserves					
Called up share capital	7		-		-
Share premium account	8		-		12,225
Profit and loss account	8		9,422		(2,803)
Total shareholders' funds	9		<u>9,422</u>		<u>9,422</u>

The notes on pages 7 to 10 form part of these financial statements.

These financial statements were approved by the board of directors on 4 December 2015 and were signed on its behalf by:



WHM Robson
Director

Notes to the financial statements

1 Accounting policies

Basis of preparation

The financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with applicable United Kingdom accounting standards and the Companies Act 2006.

The company is a wholly owned subsidiary of Turnstone Equityco 1 Limited and is included in the consolidated financial statements of Turnstone Equityco 1 Limited, which are publicly available.

The company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the company as an individual undertaking and not about its group.

The company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 (revised 1996). The company is also exempt under the terms of paragraph 3(c) of FRS 8 'Related Party Disclosures' from disclosing related party transactions with entities that are part of the Turnstone Equityco 1 Limited group of companies.

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

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.

Impairment of investments

Impairment write downs are recognised in the profit and loss account when the book value of the asset is higher than the higher of the net realisable value of the asset or the value in use. The value in use of assets is calculated using discounted forecast cash flows linked to the asset or income generating unit.

2 Auditors remuneration

Auditors' remuneration of £250 in respect of the year ended 31 March 2015 has been borne by a fellow group undertaking (2014: £250).

3 Directors' remuneration

The directors received no emoluments from the company for their services during the financial year (2014: £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 WHM Robson and S Williams and in the financial statements of Turnstone Equityco 1 Limited for T Scicluna.

The company has no other employees (2014: None).

Notes to the financial statements (continued)

4 Investments

	2015 £'000	2014 £'000
<i>Investments at cost in subsidiary undertakings</i>		
Investments in subsidiary undertakings	14,280	14,280

The company owns 100% of its immediate subsidiary, IDH Limited, a company registered in England.

The table below provides details of the company's subsidiary undertakings. All companies are indirectly owned with the exception of IDH Limited.

The company owns (either directly or indirectly) 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
@TheDentist Ltd	Dormant	England
ADP Ashford Ltd	Dental practices	England
ADP Yorkshire Ltd	Dormant	England
Dental Health Care Limited	Dormant	England
Dental Talent Tree (Recruitment) Limited	Dental recruitment	England
IDH Limited	Dental practices	England
IDH Mansfield Ltd	Dental practices	England
OurDentist Ltd	Dormant	England

In addition to the limited companies listed above, the company controls the following partnerships, all of which are engaged in dental practice activities, through the appointment of members of the management team as partners, acting on behalf of certain subsidiary companies:

Name of partnership	Name of partnership
Chantry Dental Practice Partnership	The Dental Surgery Partnership
JF Scott Dental Surgeon Partnership	The Lacey Dental Practice Partnership
Lambert Coutts & Associates Dental Practice Partnership	Trinity Terrace Dental Practice Partnership
The Caulfield Dental Surgery Partnership	Weymouth and the Bridges Dental Practice Partnership

5 Debtors: amounts falling due in more than one year

	2015 £'000	2014 £'000
Amounts owed by group undertakings (due in more than one year)	172	172

Amounts owed by group undertakings are unsecured and are not subject to an interest charge.

Notes to the financial statements *(continued)*

6 Creditors: amounts falling due within one year

	2015 £'000	2014 £'000
Amounts owed to group undertakings	5,030	5,030

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

7 Called up share capital

	Number	2015 £'000	Number	2014 £'000
<i>Allotted, called up and fully paid</i>				
Ordinary shares of £1 each	2	-	2	-
'A' deferred shares of £1 each	1	-	1	-
'B' deferred share of £1	1	-	1	-

The 'A' and 'B' deferred shares do not have any voting rights, no dividend rights or any right in the distribution of profits. The return of capital to 'A' and 'B' deferred shares on liquidation is restricted to £1.

8 Reserves

	Share premium account £'000	Profit and loss account £'000
At 1 April 2014	12,225	(2,803)
Capital reduction	(12,225)	12,225
At 31 March 2015	-	9,422

On 16 January 2015, as part of a group simplification exercise, the company undertook a capital reduction whereby the balance on the company's share premium account was reduced by £12,224,662.

9 Reconciliation of movements in shareholders' funds

	2015 £'000	2014 £'000
Opening and closing shareholders' funds	9,422	9,422

Notes to the financial statements *(continued)*

10 Controlling party

The immediate parent undertaking is ADP Holdings Limited.

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 Turnstone Midco 2 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.

11 Subsequent events

On 29 September 2015, as part of a group simplification exercise, the company transferred its 100% interest in the issued share capital of IDH Limited to IDH Acquisitions Limited at its book value of £14,279,741. The consideration for this transfer was left outstanding on the intercompany account.