

**THE OASIS HEALTHCARE GROUP LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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## **THE OASIS HEALTHCARE GROUP LIMITED**

### **COMPANY INFORMATION**

<b>Directors</b>	C A Richardson (resigned 14 August 2020) G Pueyo Roberts J S H Wright
<b>Company secretary</b>	Bupa Secretaries Limited
<b>Registered number</b>	08405422
<b>Registered office</b>	Bupa Dental Care Vantage Office Park Old Gloucester Road, Hambrook Bristol BS16 1GW
<b>Independent auditor</b>	KPMG LLP Chartered Accountants 66 Queen Square Bristol BS1 4BE

# **THE OASIS HEALTHCARE GROUP LIMITED**

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## THE OASIS HEALTHCARE GROUP LIMITED

### GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The Directors present the Group Strategic Report of The Oasis Healthcare Group Limited (the "Group") for the year ended 31 December 2020.

#### Business review

The results for the year show an operating loss of £81,716,000 (2019 - loss £29,702,000) and a loss for the financial year of £68,445,000 (2019 - loss £28,548,000).

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 decreased by 169% from £28,036,000 for the year ended 31 December 2019 to £(19,386,000) for the year ended 31 December 2020.

As a result of COVID-19, the Group has seen significant reductions in revenue in 2020 and incurred an underlying loss due to the temporary closure of practices for routine care and also due to a variety of government restrictions such as mandated time gaps between dental appointments and higher Personal Protective Equipment (PPE) costs. This meant that practices were unable to operate to the same capacity as in previous years and so there was a reduction in the number of patients that could be treated, which significantly reduced income. The NHS have continued to fund contracts, subject to abatement, and in return we have paid self employed clinicians based on previous NHS earnings.

In response to the Covid-19 pandemic, we invested in adapting operating and safety procedures to keep our people and customers safe and reduce the downtime required between patients due to new infection control requirements. We partnered with the NHS to offer telephone advice to patients, prescribe medicines and provide emergency face-to-face care, including through 11 urgent dental centres. We are continuing to address recruitment challenges by attracting more clinicians into corporate dentistry and positioning Bupa as a dental employer of choice, while also focusing on overcoming potential barriers for overseas recruitment.

The Group utilised its loan facility from its immediate parent company, Bupa Finance plc, in order to fund the operational losses during the height of the pandemic.

During the year, the Group made one acquisition of an individual dental practice and closed three dental practices, decreasing the number of practices from 494 at 31 December 2019 to 492 at 31 December 2020.

From the end of May and into the second half of 2020, as a result of the ease in lockdowns and new safety measures in place to protect customers and our people, the Group was able to resume face-to-face services and patient numbers increased. In 2021, we expect to see this trend continue, with an increase in patient numbers and higher revenue. We will continue to adapt and innovate to meet the demands of this new environment.

#### COVID-19

COVID-19 has been a human tragedy which has impacted patients, clinicians and employees during 2020.

Throughout the pandemic our priority has been to focus on the welfare of our patients, and our people, and to play our part in national health efforts. We invested to protect and support our patients and our people, ensure operational resilience and to deliver new and innovative services.

We have worked in partnership with the NHS to continue to deliver treatment to our patients where possible. Lockdowns led to temporary closures of dental practices. We adapted services in line with local requirements and expanded virtual services to continue giving consultations and provide advice. When lockdowns eased, we were able to resume face-to-face services with new safety measures in place to protect customers and our people.

Keeping our people safe was our key priority. We enabled our colleagues on the frontline to continue to work safely by implementing enhanced cleaning regimes, providing PPE and training on specialist equipment. We also facilitated remote working wherever possible through technology.

## **THE OASIS HEALTHCARE GROUP LIMITED**

### **GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020**

#### **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 are put in place to monitor and mitigate them.

#### **Competition**

During the period, the Group decreased its national footprint across the UK, decreasing the number of practices from 494 at 31 December 2019 to 492 at 31 December 2020. 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 clinicians and practice staff is key to the future growth of the business. The Group has established a broad range of structures and processes to maximise attraction and retention, from developing links with Dental schools through to forging an overseas hiring model and employed dentist offering, ensuring the Group is well positioned to both motivate, incentivise and offer flexibility to the workforce.

#### **Clinical standards**

The Group is committed to delivering the high quality, evidence based treatment and care to our patients in line with the wider objectives of our patients leading longer, happier, healthier lives. One of the roles of the Senior Clinical Team is to develop and embed clinical policies that ensure efficient communication of expected standards and regulatory requirements from dental regulators and professional organisations. These policies are based on current legislation and peer-reviewed evidence and follow a robust process of creation and approval involving SME input, review by the Head of Clinical Policy, the Head of Clinical Governance and Policy, the Head of Clinical Operations and the Dental Clinical Director. All clinical policy, SOPs, Manuals and Standards are then reviewed by the Policy and Process Forum before being accepted by the Directors.

Implementation of clinical policy is then communicated simultaneously along both operations and clinical channels, supported in the latter case by the network of Regional Clinical Directors and Area Clinical Leads. A robust audit and quality assurance framework supported by regular Clinical Governance Committee, Clinical Risk Committee, and Risk and Governance Panel ensures continuing review and improvement based on increasing acceptance of the Datix reporting system, driven by a blame-free culture of risk management and Root Cause Analysis for both near miss event, incidents, and accidents.

#### **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 is mitigated by a dedicated IT team, appropriate external IT service and hosting providers and a disaster recovery programme. Appropriate external finance support, as well as an experienced and qualified finance team, is in place to manage the systems, processes and controls to support business needs and pay dentists, suppliers and employees accurately and on a timely basis.

#### **Brexit**

Following the trade agreement between the UK and the EU, and the UK's departure from the EU on 31 January 2020, we have undertaken a high level assessment of the deal and will continue to develop this assessment as the economic, regulatory and political impact of the deal plays out over time.

The Group considers the key risk to be a pre-existing market-wide shortage of dentists, which has been exacerbated by Brexit. This has led to significantly reduced recruitment from the EU in the past couple of years. In order to minimise the risk for the business, the Group has supported career development for our colleagues through management academies and apprenticeships and is running an on-going internal communications campaign to raise awareness with our EEA workers about Settled Status and offer support with the application process.

## THE OASIS HEALTHCARE GROUP LIMITED

### GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

#### Principal risks and uncertainties (continued)

##### NHS Contracts

As at the date of signing, there remains uncertainty as to how NHS England contracts are to be paid from April 2021 and there remain on-going discussions with regards to contract changes.

#### 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.

	2020	2019
Turnover (£000)	388,427	446,964
<b>Turnover by type of activity (£000)</b>		
Provision of NHS dental services	168,513	160,370
Provision of private dental services	219,914	286,594
Gross margin (%)	46	47
EBITDAE (£000)	(19,386)	28,036
EBITDAE margin (%)	(5)	6

#### Non-GAAP EBITDAE

	2020 £000	2019 £000
Loss on ordinary activities before taxation	(82,939)	(30,675)
<b>Adjustments for:</b>		
Exceptional administrative expenses	3,013	12,649
Interest payable and similar expenses	1,223	973
Amortisation of goodwill and intangible assets	43,457	30,470
Depreciation of tangible fixed assets	15,860	14,619
<b>EBITDAE</b>	<b>(19,386)</b>	<b>28,036</b>

## THE OASIS HEALTHCARE GROUP LIMITED

### GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

#### Other key performance indicators

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

	2020	2019
Total practices	492	494
Total active patients *	2,807,655	2,901,067
CQC compliance (%) **	100	100
Private Like For Like (LFL) (decline)/growth (%)	(35)	2

\* active patients are defined as patients who have visited a practice within the last 24 months.

\*\* Due to the coronavirus pandemic CQC Inspections were suspended in March 2020, CQC Compliance shown is for the period January to March 2020.

#### Directors' statement of compliance with duty to promote the success of the Group

##### Engaging with our stakeholders (section 172(1) statement)

The Board has a duty to promote the success of the Group for the benefit of its members as a whole having regard to the interests of our customers, our people, our relationship with our suppliers and the impact of our operations on the communities in which we operate, and to ensure that we maintain a reputation for high standards of business conduct.

Our key stakeholders are our customers and our people. Our suppliers, regulators and the communities we operate in are also important stakeholder groups. All key Board decisions take into account the impact on relevant stakeholders. Increasingly, stakeholders are looking to understand our performance across multiple areas from performance to products and services, innovation, governance, workplace practices and corporate citizenship. The Board endeavours to gain an understanding of the perceptions and attitudes of each stakeholder group and the weight they give to different issues. Where the views of different stakeholder groups do not align, the Board must decide on the best course of action to promote the Group's long-term success.

The COVID-19 pandemic required us to adapt our approach to engaging with our stakeholders to reflect their changing needs and expectations in light of the crisis as a result of pandemic restrictions and different ways of working.

##### Customers

Customers are at the heart of our business. We aim to deliver truly outstanding, customer experiences, ensuring great clinical outcomes and value for money.

Key issues for customers include:

- high quality products with broad coverage and high standards of care
- simpler and quicker access to services, such as through digital applications

## THE OASIS HEALTHCARE GROUP LIMITED

### GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

#### Engaging with our stakeholders (section 172(1) statement) (continued)

##### People

As a service organisation, our people are key to our business. We want our people to feel engaged and empowered to deliver great outcomes for our customers and be healthier and happier themselves. A twice-yearly people survey (People Pulse) is run across Bupa Group in order to assess engagement. The scope of the survey undertaken in the first half of the year was scaled down due to the difficulties of conducting a survey when the pandemic was at its height across our businesses.

Our approach is led locally with all teams planning actions in the light of the People Pulse results and the Board and management team have engaged with our people on the issues important to them.

##### Regulators

Bupa's dental practices are regulated by the Care Quality Commission and other relevant regulators. Regulators ultimately aim to protect customers and ensure that they receive high levels of care and are treated fairly. This clearly aligns with our strategy to put our customers front and centre.

Our regulators expect us to:

- have robust and effective processes and controls in place to mitigate risks to protect our customers
- provide a high-quality, clinically robust services
- ensure we operate in a sustainable way.

We have an open and honest relationship with the CQC and self-report incidents, work with the CQC to ensure we meet regulatory requirements and act quickly to address any issues or concerns raised.

##### Suppliers

Suppliers are critical to delivering a high-quality service to our customers and include suppliers of products to our practices and systems suppliers. We aim to treat our suppliers fairly and pay them within agreed timescales, holding ourselves to high standards of business conduct. We work with our suppliers to ensure that they have effective controls in place to protect our customers' health and safety and the security and privacy of their data.

##### Communities and environment

We play an active role in the communities in which we operate and take care of the environment. The Bupa Group has dedicated Foundations in Australia, Spain and the UK to channel some of our investment. Community and the environment form two pillars of Bupa's Environmental, Social and Governance strategy. Bupa has established a Healthy Communities Fund, which is being directed towards mitigating the impact of COVID-19, with a particular focus on mental health.

We continue to evaluate the business risks and opportunities associated with climate change, closely managing our environmental impact and actively promoting positive environmental practices. During 2020, Bupa has been progressing our environment and climate action plan for 2021-2025, based on science-based targets.

This report was approved by the board on 23 March 2021 and signed on its behalf.



**J S H Wright**  
Director

## **THE OASIS HEALTHCARE GROUP LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020**

The Directors present their report and the financial statements for the year ended 31 December 2020.

#### **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 in UK and ROI.

Due to the roll-out of vaccinations taking place in 2021 by the UK Government, investments in safety procedures in the practices and a reduction in downtime required between treating patients, we expect there to be a significant increase in the number of patients that can be treated by both NHS and Private dentistry in 2021.

#### **Results and dividends**

The loss for the year, after taxation, amounted to £68,445,000 (2019 - loss £28,548,000).

The Directors do not recommend the payment of a final dividend and no dividends have been paid during the year (2019 - £nil).

#### **Directors**

The Directors who served during the year were:

C A Richardson (resigned 14 August 2020)

G Pueyo Roberts

J S H Wright

#### **Future developments**

Covid-19 will continue to bring with it challenges and we will carry on adapting and innovating in order to meet the demands of this new environment, playing our part in providing NHS dentistry whilst also maintaining a firm commitment to private dentistry. The Group continue to provide a range of affordable, fixed price offerings including orthodontics, implants and facial aesthetics; in order to develop a strong national brand in order to combat competition from local providers.

Keeping our people safe will continue to be a key priority, enabling our clinicians on the front-line to continue to work safely by implementing enhanced cleaning regimes in facilities, providing PPE and training on specialist equipment.

#### **Engagement with employees**

##### **Culture and our people**

The Bupa Board is responsible for establishing Bupa's purpose, values and strategy and ensuring that our culture is aligned to these at all levels of the organisation. In order to do our best for our customers, we need to take care of our people and this will lead to strong and sustainable performance for the benefit of our purpose of helping people live longer, healthier, happier lives.

Our culture is shaped by our values and the Bupa Code which sets out what we expect from our people to help them live our values and achieve our purpose. As part of our Five Year Vision, the Bupa Board has also recently agreed a number of leadership imperatives, a set of competencies specific to customer, people, performance and purpose. These will help our senior leaders across the business to deliver performance through putting customers at the heart of everything we do and helping our people be at their best. All employees are required to complete mandatory training on the Bupa Code and other areas including information security and privacy, risk management, conflicts of interest and financial crime.

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**Engagement with employees (continued)**

**Culture and our people (continued)**

The Bupa Board monitors behaviours in a number of ways including:

- measuring our people's engagement level through our People Pulse survey tool semi-annually
- considering semi-annually the level of, and themes arising from, reports received through our 'Speak-Up' whistleblowing process and customer complaints
- taking into account how our people have lived our values and followed the Bupa Code in achieving their performance goals.

**Engaging our people**

The Code requires boards to understand the views of companies' key stakeholders and recommends a number of methods for engaging with our people. We believe that our existing people engagement mechanisms and channels, as enhanced during the year, provide an effective means of engaging with our people. Our existing engagement methods are described in more detail below.

**Listening**

The Group listens to its people and promotes a positive, flexible working environment and a diverse and inclusive culture so everyone can be their authentic selves at work. Our People Pulse survey tool provides sophisticated insights and benchmarking with other companies, so we can learn and listen to what is of interest or concern to our people and act, where appropriate, on what our people are telling us. The survey is run twice a year, receives reports on the results of each survey and challenges management on the level of participation and action taken to address key themes arising from the results.

This helps enhance decision-making and consideration of the longer-term impact of the Board's decisions on our people. Senior managers also regularly hold town hall meetings across sites or for their own teams, including on the Group's Full-Year and Half-Year results and strategy. There is a very proactive programme of internal communications via email, the intranet, presentations, and internal social media platforms. We also have employee forums for areas such as training and development, IT and security and for local office issues.

**Diversity and inclusion**

Our approach to diversity and our philosophy is based on inclusion for all. DiverCity, our employee network in the UK raises awareness and understanding of all areas of diversity and inclusion with groups focusing on topics including gender, ethnicity, LGBTQ+, mental wellbeing, ability, faith and working families. We are also working with INvolve to harness LGBTQ+, ethnic minority and female talent and help drive positive cultural change and increase diversity at all levels of our workforce and in the talent pipeline. We are also members of Business Disability International which helps companies and individuals to adapt the workplace and challenge attitudes to disability. The recruitment, training, career development and promotion of all employees is based on the skills, knowledge and experience of the individual and takes no account of age, disability, race, beliefs, gender, sexual orientation or other characteristics. Should employees become disabled during employment, every effort is made to continue their employment and, if necessary, appropriate training is provided.

Having a diverse workforce and an inclusive, accessible working environment, brings fresh views to the table and reflects the customers we serve and communities within which we operate. The People pillar of our corporate responsibility and sustainability (CRS) strategy aims to promote diversity and inclusion during 2020 by further embedding a culture that gives our people the freedom to be their whole selves at work, empower diverse and high performing teams and ensure that our people practices and policies support our people.

**Mental health and wellbeing**

Our approach to mental health focuses on raising awareness, creating supportive workplaces, encouraging open conversations and providing access to support and care. We are raising awareness of mental wellbeing in the workplace, encouraging open conversations and providing access to support and care through regular internal communications, campaigns such as for World Mental Health Day, online information, our Performance Energy resilience programme and training mental health first aiders.

## THE OASIS HEALTHCARE GROUP LIMITED

### DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

#### Disabled employees

All practical 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.

#### Directors' responsibilities statement

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the Group and parent company 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 they have elected to prepare the group and parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 Group and parent company and of the Group's profit or loss of the Group for that period.

In preparing each of the Group and parent company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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;
- use the going concern basis of accounting unless they either intend to liquidate the Group or the parent company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

#### 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 the NHS and is therefore considered to be low.

#### Liquidity risk

The Group maintains cash balances and short-term debt finance that is designed to ensure the Group has sufficient available funds for operations and planned expansions and acquisitions.

## THE OASIS HEALTHCARE GROUP LIMITED

### DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

#### Financial risk management (continued)

##### 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 Directors will revisit the appropriateness of this policy should the Group's operations change in size or nature.

##### Greenhouse gas emissions, energy consumption and energy efficiency action

The Group is responsible for measuring, managing and reporting on its greenhouse gas emissions. In 2020, we invested in over 100 practices (or £452K) with high efficiency gas boilers, LED lighting, upgrading building fabric and modernising electrically powered heating and cooling systems. We further purchased 96% of our electricity from renewable sources. Our approach to ESG is aligned to our core purpose of helping people live longer, healthier, happier lives and to do that we need to take care of the planet and our local environments. The Board is committed to reducing our carbon emissions by 40% by 2025 and aiming to become Net Zero by 2030.

For full details of BUPA SECR reporting, see the BUPA Finance plc annual accounts.

#### Statement of corporate governance arrangements

The Group adheres to the policies and procedures adopted by the Bupa Group. Bupa complies with the UK Corporate Governance Code 2018 (Code) and ensures that its governance responsibilities under the Code are enacted effectively with relevant provisions and principles being applied throughout the Bupa Group.

#### Disclosure of information to auditor

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

- so far as the Director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- the Director has 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 auditor is aware of that information.

#### Post balance sheet events

There have been no significant events affecting the Group since the year end.

#### Auditor

The Bupa Board agreed to appoint PwC as the Group's External Auditor from 1 January 2021 and the Company's Board will formally appoint PwC for the year ended 31 December 2021 following the Bupa AGM in May 2021.

This report was approved by the board on 23 March 2021 and signed on its behalf.



**J S H Wright**  
Director

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE OASIS HEALTHCARE GROUP LIMITED**

### **Opinion**

We have audited the financial statements of The Oasis Healthcare Group Limited (the 'Company') for the year ended 31 December 2020, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity and the related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and Company's affairs as at 31 December 2020 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **Going concern**

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Company or to cease their operations, and as they have concluded that the Group and the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We used our knowledge of the Group, its industry and the general economic environment in which it operates to identify the inherent risks in its business model and analysed how those risks might affect the Group's and Company's financial resources or ability to continue operations over the going concern period. The risks that were considered most likely to adversely affect the Group's and Company's available financial resources over this period were:

- impacts from the Coronavirus pandemic to the Group's revenue and operating expenses; and
- inability of the Group to obtain financial support from its ultimate parent Bupa Finance plc through not repaying amounts currently due and receiving additional funding during the period.

Since the Group and Company requires financial support from its ultimate parent we inspected letters received by the Directors indicating the ultimate parent's intention to provide this support, examined financial statements to assess its ability to provide this support over the period of the audited entity's going concern assessment, and assessed the business reasons why the ultimate parent may or may not choose to provide this support.

We considered whether these risks could plausibly affect the liquidity in the going concern period by comparing severe, but plausible downside scenarios that could arise from these risks individually and collectively against the level of available financial resources indicated by the Group and Company's financial forecasts.

We considered whether the going concern disclosure in note 2.4 to the financial statements gives a full and accurate description of the Directors' assessment of going concern, including the identified risks, dependencies, and related sensitivities.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE OASIS HEALTHCARE GROUP LIMITED (CONTINUED)**

### **Going concern (continued)**

Our conclusions based on this work:

- we consider that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the Directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group's or Company's ability to continue as a going concern for the going concern period; and
- we found the going concern disclosure in note 2.4 to be acceptable.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Company will continue in operation.

### **Fraud and breaches of laws and regulations – ability to detect**

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of Directors, the Corporate Governance team and inspection of key papers provided to those charged with governance as to the high-level policies and procedures to prevent and detect fraud, including the Group's channel for "whistleblowing" and process for engaging management to identify fraud risks specific to their business units, as well as whether they have knowledge of any actual, suspected, or alleged fraud;
- Using analytical procedures to identify any unusual or unexpected relationships; and
- Reading board minutes.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account our overall knowledge of the control environment and the changes to the financial regime from the NHS, we perform procedures to address the risks of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that NHS revenue may be recognised in the incorrect accounting period and the risk that the provision for the clawback of NHS revenue is not complete or accurate.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries supporting documentation. These included those posted by individuals who typically do not make journal entries or are not authorised to post journal entries, postings made to unusual or seldom-used accounts and journals posted to accounts that contain significant estimates and period-end adjustments;
- Sample testing invoices relating to the period prior to and following 31 December 2020 to determine whether income is recognised in the correct accounting period;

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE OASIS HEALTHCARE GROUP LIMITED (CONTINUED)**

### **Fraud and breaches of laws and regulations – ability to detect (continued)**

- Challenging the reasonableness of the provision for the clawback of NHS Revenue by considering the historical accuracy of the previous provision, as well as reviewing the impact of changes to NHS contract delivery, payment in the period and evaluating the impact on the provision; and
- Assessing significant accounting estimates for bias.

#### **Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations**

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the Directors and other members of management (as required by auditing standards), and from inspection of the Group's regulatory and legal correspondence and discussed with the Directors and other members of management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation) and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statements items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: Health and safety and care quality regulations recognising the financial and regulated nature of the Group's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

#### **Context of the ability of the audit to detect fraud or breaches of law or regulation**

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE OASIS HEALTHCARE GROUP LIMITED (CONTINUED)**

### **Strategic Report and Directors' Report**

The Directors are responsible for the Strategic Report and the Directors' Report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the Strategic Report and the Directors' Report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the Strategic Report and the Directors' Report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

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

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

### **Directors' responsibilities**

As explained more fully in the Directors' Responsibilities Statement set out on page 8, the Directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities**

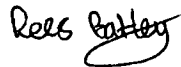
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an Auditor's Report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit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

A fuller description of our responsibilities is provided on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE OASIS HEALTHCARE GROUP LIMITED  
(CONTINUED)**

**The purpose of our audit work and to whom we owe our responsibilities**

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



Rees Batley (Senior Statutory Auditor)

for and on behalf of  
**KPMG LLP, Statutory Auditor**

Chartered Accountants  
66 Queen Square  
Bristol  
BS1 4BE

29 March 2021

**THE OASIS HEALTHCARE GROUP LIMITED**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 £000	2019 £000
Turnover	4	388,427	446,964
Cost of sales		(211,354)	(236,071)
<b>Gross profit</b>		<b>177,073</b>	<b>210,893</b>
Administrative expenses		(256,328)	(229,761)
Exceptional administrative expenses	5	(3,013)	(12,649)
Other operating Income		552	1,815
<b>Operating loss</b>	6	<b>(81,716)</b>	<b>(29,702)</b>
Interest payable and expenses	10	(1,223)	(973)
<b>Loss before taxation</b>		<b>(82,939)</b>	<b>(30,675)</b>
Tax on loss	11	14,494	2,127
<b>Loss for the financial year</b>		<b>(68,445)</b>	<b>(28,548)</b>
Exchange differences arising on consolidation of foreign subsidiaries		701	(699)
<b>Total comprehensive expense for the year</b>		<b>(67,744)</b>	<b>(29,247)</b>
<b>Loss for the year attributable to:</b>			
Owners of the parent Company		(68,445)	(28,548)
<b>Total comprehensive expense for the year attributable to:</b>			
Owners of the parent Company		(67,744)	(29,247)

The notes on pages 20 to 46 form part of these financial statements.

**THE OASIS HEALTHCARE GROUP LIMITED**  
**REGISTERED NUMBER:08405422**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 DECEMBER 2020**

	Note	2020 £000	2019 £000
<b>Fixed assets</b>			
Intangible assets	12	484,748	521,735
Tangible assets	13	101,632	102,775
		<u>586,380</u>	<u>624,510</u>
<b>Current assets</b>			
Stocks	15	13,539	8,191
Debtors: amounts falling due within one year	16	40,401	38,220
Cash at bank and in hand		4,660	9,096
		<u>58,600</u>	<u>55,507</u>
Creditors: amounts falling due within one year	17	(203,552)	(171,512)
<b>Net current liabilities</b>		<u>(144,952)</u>	<u>(116,005)</u>
<b>Total assets less current liabilities</b>		<u>441,428</u>	<u>508,505</u>
Creditors: amounts falling due after more than one year	18	(5,540)	(4,588)
<b>Provisions for liabilities</b>			
Deferred taxation	20	(30,723)	(31,213)
Other provisions	21	(10,582)	(10,377)
		<u>(41,305)</u>	<u>(41,590)</u>
<b>Net assets</b>		<u><u>394,583</u></u>	<u><u>462,327</u></u>
<b>Capital and reserves</b>			
Called up share capital	22	-	-
Capital redemption reserve	23	598,316	598,316
Foreign exchange reserve	23	483	(218)
Profit and loss account	23	(204,216)	(135,771)
<b>Shareholders' funds</b>		<u><u>394,583</u></u>	<u><u>462,327</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 23 March 2021.



**J S H Wright**  
Director

The notes on pages 20 to 46 form part of these financial statements.

**THE OASIS HEALTHCARE GROUP LIMITED**  
**REGISTERED NUMBER:08405422**

**COMPANY BALANCE SHEET**  
**AS AT 31 DECEMBER 2020**

	Note	2020 £000	2019 £000
<b>Fixed assets</b>			
Investments	14	104,340	104,340
<b>Current assets</b>			
Debtors: (including £367,838,000 (2019: £342,994,000) falling due after one year)	16	381,425	351,928
Creditors: amounts falling due within one year	17	(84,738)	(45,928)
<b>Net current assets</b>		<u>296,687</u>	<u>306,000</u>
<b>Net assets</b>		<u><u>401,027</u></u>	<u><u>410,340</u></u>
<b>Capital and reserves</b>			
Called up share capital	22	-	-
Capital redemption reserve	23	598,316	598,316
Profit and loss account	23	(197,289)	(187,976)
<b>Shareholders' funds</b>		<u><u>401,027</u></u>	<u><u>410,340</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 23 March 2021.



**J S H Wright**  
Director

The notes on pages 20 to 46 form part of these financial statements.

**THE OASIS HEALTHCARE GROUP LIMITED**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital £000	Capital redemption reserve £000	Foreign exchange reserve £000	Profit and loss account £000	Total equity £000
At 1 January 2020	-	598,316	(218)	(135,771)	462,327
<b>Comprehensive expense for the year</b>					
Loss for the year	-	-	-	(68,445)	(68,445)
Exchange differences arising on the consolidation of foreign subsidiaries	-	-	701	-	701
<b>At 31 December 2020</b>	<b>-</b>	<b>598,316</b>	<b>483</b>	<b>(204,216)</b>	<b>394,583</b>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital £000	Share premium account £000	Capital redemption reserve £000	Foreign exchange reserve £000	Profit and loss account £000	Total equity £000
At 1 January 2019	480,013	989	-	481	(107,223)	374,260
<b>Comprehensive expense for the year</b>						
Loss for the year	-	-	-	-	(28,548)	(28,548)
Exchange differences arising on the consolidation of foreign subsidiaries	-	-	-	(699)	-	(699)
Purchase of own shares	-	-	598,316	-	-	598,316
Shares issued during the year	117,313	-	-	-	-	117,313
Share premium reduction	-	(989)	-	-	-	(989)
Share capital reduction	(597,326)	-	-	-	-	(597,326)
<b>At 31 December 2019</b>	<b>-</b>	<b>-</b>	<b>598,316</b>	<b>(218)</b>	<b>(135,771)</b>	<b>462,327</b>

The notes on pages 20 to 46 form part of these financial statements.

**THE OASIS HEALTHCARE GROUP LIMITED**

**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital £000	Capital redemption reserve £000	Profit and loss account £000	Total equity £000
At 1 January 2020	-	598,316	(187,976)	410,340
<b>Comprehensive expense for the year</b>				
Loss for the year	-	-	(9,313)	(9,313)
<b>At 31 December 2020</b>	<b>-</b>	<b>598,316</b>	<b>(197,289)</b>	<b>401,027</b>

**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital £000	Share premium account £000	Capital redemption reserve £000	Profit and loss account £000	Total equity £000
At 1 January 2019	480,013	989	-	(43,255)	437,747
<b>Comprehensive expense for the year</b>					
Loss for the year	-	-	-	(144,721)	(144,721)
<b>Contributions by and distributions to owners</b>					
Purchase of own shares	-	-	598,316	-	598,316
Shares issued during the year	117,313	-	-	-	117,313
Shares redeemed during the year	-	(989)	-	-	(989)
Share capital reduction	(597,326)	-	-	-	(597,326)
<b>At 31 December 2019</b>	<b>-</b>	<b>-</b>	<b>598,316</b>	<b>(187,976)</b>	<b>410,340</b>

The notes on pages 20 to 46 form part of these financial statements.

## THE OASIS HEALTHCARE GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

#### 1. General information

The Company is a private company limited by shares and is incorporated and domiciled in England and Wales. The address of its registered office is: Bupa Dental Care, Vantage Office Park, Old Gloucester Road, Hambrook, Bristol, BS16 1GW.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The Group's financial statements are presented in Sterling, which is also the Group's functional currency, and all values are rounded to the nearest thousand pounds (£000) except where otherwise indicated.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

##### Parent Company disclosure exemptions

In preparing the separate financial statements of the parent *Company*, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No Statement of Cash Flows has been presented for the parent *Company*;
- Disclosures in respect of the parent *Company's* financial instruments have not been presented as equivalent disclosures have been provided in respect of the Company as a whole; and
- No disclosures have been given for the aggregate remuneration of the key management personnel of the parent *Company* as their remuneration is included in the totals for the Company as a whole.

##### 2.2 Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A; and
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of The British United Provident Association Limited as at 31 December 2020 and these financial statements may be obtained from BUPA, 1 Angel Court, London, EC2R 7HJ.

## THE OASIS HEALTHCARE GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

#### 2. Accounting policies (continued)

##### 2.3 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full. All entities, as listed in note 29 Subsidiary undertakings, are included in the consolidated accounts.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 April 2014.

##### 2.4 Going concern

As a result of COVID-19, the Group has seen significant reductions in revenue in 2020 and incurred an underlying loss due to the temporary closure of practices for routine care and also due to a variety of government restrictions such as mandated time gaps between dental appointments and higher PPE costs. This meant that practices were unable to operate to the same capacity as in previous years and so there was a reduction in the number of patients that could be treated, which significantly reduced income.

Towards the end of 2020, as a result of the ease in lockdowns and new safety measures in place to protect customers and our people, the Group was able to resume face-to-face services and patient numbers increased. In 2021, we expect to see this trend continue, with an increase in patient numbers and higher revenue. We will continue to adapt and innovate to meet the demands of this new environment.

Notwithstanding net current liabilities of £144,952,000 as at 31 December 2020, a loss for the year then ended of £68,445,000, the financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The Directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the Group will have sufficient funds, through funding from its immediate parent company, Bupa Finance plc, to meet its liabilities as they fall due for that period.

Those forecasts are dependent on Bupa Finance plc not seeking repayment of the amounts currently due to the group, which at 31 December 2020 amounted to £135,640,000, and providing additional financial support during that period. Bupa Finance plc has indicated its intention to continue to make available such funds as are needed by the Group, and that it does not intend to seek repayment of the amounts due at the balance sheet date, for the period covered by the forecasts.

As with any company placing reliance on other group entities for financial support, the Directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the Directors are confident that the group will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

## **THE OASIS HEALTHCARE GROUP LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020**

#### **2. Accounting policies (continued)**

##### **2.5 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

##### **Rendering of services**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

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 treatment.

##### **2.6 Intangible assets**

##### **Goodwill**

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the Statement of Comprehensive Income over its estimated economic life, considered to be 15 to 20 years.

##### **Other intangible assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed 5 years.

Patient lists are estimated to have a useful economic life of between 15 and 20 years. Brand names are estimated to have a useful economic life of 5 years.

## THE OASIS HEALTHCARE GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

#### 2. Accounting policies (continued)

##### 2.7 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	- over 50 years straight line
Leasehold improvements	- over 15 years straight line
Motor vehicles	- over 4 years straight line
Fixtures and fittings	- 3 to 15 years straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

## THE OASIS HEALTHCARE GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

#### 2. Accounting policies (continued)

##### 2.8 Business combinations

Business combinations are accounted for using the purchase method as at the acquisition date, which is the date on which control is transferred to the entity.

At the acquisition date, the Company recognises goodwill at the acquisition date as:

- the fair value of the consideration (excluding contingent consideration) transferred; plus
- estimated amount of contingent consideration (see below); plus
- the fair value of the equity instruments issued; plus
- directly attributable transaction costs; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities and contingent liabilities assumed.

When the excess is negative, this is recognised and separately disclosed on the face of the balance sheet as negative goodwill.

Consideration which is contingent on future events is recognised based on the estimated amount if the contingent consideration is probable and can be measured reliably. Any subsequent changes to the amount are treated as an adjustment to the cost of the acquisition.

All business combinations where the cash outflow on acquisition is greater than £10m will be disclosed separately. All other business combinations will be aggregated.

##### 2.9 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. 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 (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

##### 2.10 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

##### 2.11 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

##### 2.12 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

## THE OASIS HEALTHCARE GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

#### 2. Accounting policies (continued)

##### 2.13 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

##### 2.14 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.15 Impairment excluding stocks and deferred tax assets

**Financial assets (including trade and other debtors)**

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

**Non-financial assets**

The carrying amounts of the entity's non-financial assets, other than stocks and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing is allocated to cash-generating units, or ("CGU") that are expected to benefit from the synergies of the combination. For the purpose of goodwill impairment testing, if goodwill cannot be allocated to individual CGUs or groups of CGUs on a non-arbitrary basis, the impairment of goodwill is determined using the recoverable amount of the acquired entity in its entirety, or if it has been integrated then the entire group of entities into which it has been integrated.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss recognised for goodwill is not reversed. Impairment losses recognised for other assets is reversed only if the reasons for the impairment have ceased to apply.

2.16 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

## THE OASIS HEALTHCARE GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

#### 2. Accounting policies (continued)

##### 2.17 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated Statement of Comprehensive Income in the same period as the related expenditure.

##### 2.18 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

On consolidation, the results of overseas operations are translated into GBP at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

##### 2.19 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

##### 2.20 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

## **THE OASIS HEALTHCARE GROUP LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020**

#### **2. Accounting policies (continued)**

##### **2.21 Pensions**

###### **Defined contribution pension plan**

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

##### **2.22 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

##### **2.23 Current and deferred taxation**

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

## THE OASIS HEALTHCARE GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

#### 2. Accounting policies (continued)

##### 2.24 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

##### 2.25 Contingent consideration

The Group uses contingent consideration as 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 of contingent consideration is interest free, recognised in creditors and discounted where material. The unwinding of any discount is taken to the Statement of Comprehensive Income and included within interest payable and similar charges.

#### 3. Judgments in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

##### Key accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

##### (i) Provision for NHS Clawback for English practices

These provisions require management's best estimates of the clawback that will be incurred in the following NHS contract year. NHS England have confirmed there will be an abatement of 16.75% for the period the dental practices were closed from 1 April to 7 June 2020. The provision applied since the date the practices reopened required management's judgement.

##### (ii) Impairment of intangible assets and goodwill

The Group considers whether intangible assets and/or goodwill are impaired. Where an indication of impairment is identified, the estimation of recoverable value of the cash generating units (CGUs) is tested. This requires estimation of the future cash flows from the CGUs and also selection of appropriate discount rates in order to calculate the net present value of those cash flows.

##### (iii) Provisions for dilapidations, onerous lease and contingencies

Provision is made for dilapidations and contingencies. These provisions require management's best estimates of the costs that will be incurred. The timing of the cash flows and the discount rates used to establish net present value of the obligations require management's judgement.

#### 4. Turnover

The whole of the turnover is attributable to the one principal activity of the Group being the operation of dental practices and provision of dental services.

All turnover arose within the United Kingdom and Republic of Ireland.

**THE OASIS HEALTHCARE GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**5. Exceptional administrative expenses**

	2020 £000	2019 £000
Restructuring costs	1,026	1,075
Dilapidations provision	685	9,985
Loss on disposal of tangible fixed asset	840	780
Other	462	809
	<u>3,013</u>	<u>12,649</u>

**6. Operating loss**

The operating loss is stated after charging:

	2020 £000	2019 £000
Exchange differences	33	(3)
Other operating lease rentals	15,292	14,315
	<u>15,292</u>	<u>14,315</u>

**7. Auditor's remuneration**

	2020 £000	2019 £000
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	228	191
	<u>228</u>	<u>191</u>

**Fees payable to the Group's auditor and its associates in respect of:**

Fees payable to the Group's auditor and its associates for the audit of subsidiary companies	65	47
	<u>65</u>	<u>47</u>

## THE OASIS HEALTHCARE GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

#### 8. Employees

Staff costs, including Directors' remuneration, were as follows:

	2020 £000	2019 £000
Wages and salaries	118,186	109,619
Social security costs	8,903	7,911
Cost of defined contribution scheme	2,797	2,432
	<u>129,886</u>	<u>119,962</u>

The average monthly number of employees, including the Directors, during the year was as follows:

	2020 No.	2019 No.
Dentists	20	14
Practice staff	5,612	5,138
Administration staff	363	329
	<u>5,995</u>	<u>5,481</u>

The Company has no employees other than the Directors, who did not receive any remuneration (2019 - £NIL)

#### 9. Directors' remuneration

	2020 £000	2019 £000
Directors' emoluments	672	766
Company contributions to defined contribution pension schemes	30	41
	<u>702</u>	<u>807</u>

During the year retirement benefits were accruing to 2 Directors (2019 - 2) in respect of defined contribution pension schemes.

The highest paid Director received remuneration of £456,000 (2019 - £445,000).

All Directors' remuneration was settled by a subsidiary on behalf of the Group.

**THE OASIS HEALTHCARE GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**10. Interest payable and similar expenses**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Bank interest payable	<b>97</b>	<b>268</b>
Intra-group loan interest payable	<b>1,126</b>	<b>705</b>
	<b>1,223</b>	<b>973</b>

**11. Taxation**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
<b>Corporation tax</b>		
Current tax on losses for the year	<b>(13,814)</b>	<b>1,489</b>
Adjustments in respect of previous periods	<b>(26)</b>	<b>(755)</b>
<b>Total current tax</b>	<b>(13,840)</b>	<b>734</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	<b>(3,627)</b>	<b>(2,436)</b>
Changes to tax rates	<b>3,577</b>	<b>7</b>
Adjustment in respect of prior periods	<b>(604)</b>	<b>(432)</b>
<b>Total deferred tax</b>	<b>(654)</b>	<b>(2,861)</b>
<b>Taxation on loss on ordinary activities</b>	<b>(14,494)</b>	<b>(2,127)</b>

**THE OASIS HEALTHCARE GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**11. Taxation (continued)**

**Factors affecting tax credit for the year**

The tax assessed for the year is higher than (2019 - higher than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Loss on ordinary activities before tax	<b>(82,939)</b>	<b>(30,675)</b>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	<b>(15,758)</b>	<b>(5,828)</b>
<b>Effects of:</b>		
Expenses not deductible for tax purposes	<b>1,323</b>	<b>4,560</b>
Payment for tax losses surrendered as group relief	<b>(3,989)</b>	<b>-</b>
Adjustments in respect of current income tax of previous years	<b>(26)</b>	<b>(755)</b>
Different taxation rates in foreign jurisdictions	<b>185</b>	<b>21</b>
Tax rate change	<b>3,622</b>	<b>346</b>
Movement on Deferred Tax Asset not recognised	<b>753</b>	<b>(39)</b>
Adjustments in respect of deferred tax of previous years	<b>(604)</b>	<b>(432)</b>
<b>Total tax credit for the year</b>	<b>(14,494)</b>	<b>(2,127)</b>

**Factors that may affect future tax charges**

The UK deferred tax liability as at 31 December 2020 has been calculated at the rate of 19% (as enacted on the 22 July 2020). The prior period comparatives were calculated at the rate of 17%.

**THE OASIS HEALTHCARE GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**12. Intangible assets**

**Group**

	Patient list £000	Brands £000	Goodwill £000	Total £000
<b>Cost</b>				
At 1 January 2020	284,709	905	360,399	646,013
Disposals	-	(8)	(906)	(914)
On acquisition of subsidiaries	744	-	4,371	5,115
Adjustments to contingent consideration	-	-	1,320	1,320
Foreign exchange movement	224	-	282	506
At 31 December 2020	285,677	897	365,466	652,040
<b>Amortisation</b>				
At 1 January 2020	47,294	905	76,079	124,278
Charge for the year on owned assets	16,819	-	14,542	31,361
On disposals	-	(8)	(572)	(580)
Impairment charge	-	-	12,096	12,096
Foreign exchange movement	37	-	100	137
At 31 December 2020	64,150	897	102,245	167,292
<b>Net book value</b>				
At 31 December 2020	221,527	-	263,221	484,748
At 31 December 2019	237,415	-	284,320	521,735

Amortisation is charged to administrative expenses in the Statement of Comprehensive Income.

Significant levels of goodwill and intangible assets are held in respect of prior acquisitions. Impairment reviews are inherently complex and require a high level of judgment to be applied due to the uncertainty involved in forecasting future cash flows and judging the appropriateness of discount rates used and future growth rates of NHS and Private dentistry.

For a number of the Group's CGUs (Cash Generating Units), both the short-term cash flow impacts of the pandemic and the uncertainty regarding any longer-term impact have further increased the level of judgment inherent in this assessment.

Management have reviewed the key assumptions within impairment assessments and considered the short-term impacts of the pandemic, such as the closure of dental practices for a period in 2020. The review resulted in an impairment charge of £12,096,000 being recognised in the profit and loss account.

**THE OASIS HEALTHCARE GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**12. Intangible assets (continued)**

In the year, £2,349,000 of goodwill was recognised in respect of further costs and fair value adjustments of subsidiaries acquired in the prior year, which comprises:

	£000
Cash payments	675
Adjustments to non cash items	2,316
Cash receipts	(642)
	<u>2,349</u>

**13. Tangible assets**

**Group**

	Freehold property £000	Motor vehicles £000	Fixtures and fittings £000	Leasehold improvements £000	Total £000
<b>Cost or valuation</b>					
At 1 January 2020	16,221	133	93,669	48,745	158,768
Additions	1,031	-	9,628	4,923	15,582
Acquisition of subsidiary	-	-	366	-	366
Disposals	(1,143)	(16)	(388)	(818)	(2,365)
Transfers between classes	60	-	(49)	(11)	-
Exchange adjustments	75	-	381	119	575
At 31 December 2020	<u>16,244</u>	<u>117</u>	<u>103,607</u>	<u>52,958</u>	<u>172,926</u>
<b>Depreciation</b>					
At 1 January 2020	1,731	96	37,390	16,776	55,993
Charge for the year on owned assets	441	23	11,366	4,030	15,860
Disposals	(396)	(14)	(16)	(432)	(858)
Transfers between classes	-	-	(13)	13	-
Exchange adjustments	3	-	244	52	299
At 31 December 2020	<u>1,779</u>	<u>105</u>	<u>48,971</u>	<u>20,439</u>	<u>71,294</u>
<b>Net book value</b>					
At 31 December 2020	<u>14,465</u>	<u>12</u>	<u>54,636</u>	<u>32,519</u>	<u>101,632</u>
At 31 December 2019	<u>14,490</u>	<u>37</u>	<u>56,279</u>	<u>31,969</u>	<u>102,775</u>

**THE OASIS HEALTHCARE GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**14. Fixed asset investments**

**Company**

	<b>Investments in subsidiary companies £000</b>
<b>Cost or valuation</b>	
At 1 January 2020	267,908
Disposals	(163,568)
At 31 December 2020	<u>104,340</u>
At 1 January 2020	163,568
Impairment on disposals	(163,568)
At 31 December 2020	<u>-</u>
<b>Net book value</b>	
At 31 December 2020	<u><u>104,340</u></u>
At 31 December 2019	<u><u>104,340</u></u>

On 13 October 2020, Oasis Healthcare Midco 1 Limited was dissolved.

Details of the subsidiaries can be found in note 29.

**15. Stocks**

	<b>Group 2020 £000</b>	<b>Group 2019 £000</b>
Raw materials and consumables	12,530	7,336
Finished goods and goods for resale	1,009	855
	<u><u>13,539</u></u>	<u><u>8,191</u></u>

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 DECEMBER 2020**

**16. Debtors**

	<b>Group 2020 £000</b>	<b>Group 2019 £000</b>	<b>Company 2020 £000</b>	<b>Company 2019 £000</b>
Trade debtors	17,960	20,589	-	-
Amounts owed by group undertakings	-	-	377,838	350,526
Other debtors including corporation tax	13,610	6,272	3,587	1,402
Prepayments and accrued income	8,831	11,359	-	-
	<b>40,401</b>	<b>38,220</b>	<b>381,425</b>	<b>351,928</b>

Amounts owed by group undertakings are unsecured, interest free and repayable on demand. The balance includes £367,838,000 (2019: £342,994,000) due after more than one year.

**17. Creditors: Amounts falling due within one year**

	<b>Group 2020 £000</b>	<b>Group 2019 £000</b>	<b>Company 2020 £000</b>	<b>Company 2019 £000</b>
Bank overdrafts	-	992	-	-
Contingent consideration	6,782	16,885	-	-
Trade creditors	20,980	24,376	-	-
Amounts owed to group undertakings	135,640	91,840	84,738	45,928
Corporation tax	-	3,078	-	-
Other taxation and social security	2,162	2,176	-	-
Other creditors	544	367	-	-
Accruals and deferred income	37,444	31,798	-	-
	<b>203,552</b>	<b>171,512</b>	<b>84,738</b>	<b>45,928</b>

Amounts owed to group undertakings includes the Bupa Finance plc loan of £115,533,000 (2019 - £74,435,000) and interest accrued thereon of £510,000 (2019 - £76,000). Other amounts owed to group undertakings are unsecured, interest free and repayable on demand.

**18. Creditors: Amounts falling due after more than one year**

	<b>Group 2020 £000</b>	<b>Group 2019 £000</b>
Contingent consideration	5,540	4,588

**THE OASIS HEALTHCARE GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**19. Financial instruments**

	<b>Group 2020 £000</b>	<b>Group 2019 £000</b>	<b>Company 2020 £000</b>	<b>Company 2019 £000</b>
<b>Financial assets</b>				
Financial assets measured at fair value through profit or loss	<b>4,660</b>	9,096	-	-
Financial assets that are debt instruments measured at amortised cost	<b>20,220</b>	27,937	<b>377,838</b>	350,526
	<b>24,880</b>	37,033	<b>377,838</b>	350,526
<b>Financial liabilities</b>				
Financial liabilities measured at amortised cost	<b>(192,800)</b>	(148,382)	-	-

Financial assets measured at fair value through profit or loss comprises cash at bank.

Financial assets that are debt instruments measured at amortised cost comprise trade debtors, other debtors, accrued income and amounts due from group undertakings (Company only).

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, accruals and amounts owed to group undertakings.

**20. Deferred taxation**

<b>Group</b>	<b>2020 £000</b>	<b>2019 £000</b>
At beginning of year	<b>31,213</b>	23,148
Charged/(credited) to Consolidated Statement of Comprehensive Income	<b>(654)</b>	(2,861)
Foreign exchange	<b>21</b>	-
Arising on business combinations	<b>143</b>	10,926
<b>At end of year</b>	<b>30,723</b>	31,213

**THE OASIS HEALTHCARE GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**20. Deferred taxation (continued)**

The provision for deferred taxation is made up as follows:

	<b>Group 2020 £000</b>	<b>Group 2019 £000</b>
Accelerated capital allowances	(1,739)	(2,846)
Tax losses carried forward	(1,809)	(2,290)
Post employment benefit asset/(liability)	(87)	-
Acquired intangible assets	36,185	38,106
Other timing differences	(1,826)	(1,757)
	<u><u>30,724</u></u>	<u><u>31,213</u></u>

The Group has unprovided deferred tax balances of £1,112,000 (2019 - £426,000) in respect of tax losses. These amounts are unprovided as their recovery is not currently assessed as probable.

**21. Provisions**

**Group**

	<b>Property provisions £000</b>
At 1 January 2020	10,377
Charged to profit or loss	549
Utilised in year	(344)
<b>At 31 December 2020</b>	<u><u>10,582</u></u>

The property provisions are in respect of onerous leases and dilapidations and are the Directors' best estimate of the liability. The provision has been discounted.

**22. Share capital**

	<b>2020 £000</b>	<b>2019 £000</b>
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
1 (2019 - 1) ordinary share of £1	<u><u>-</u></u>	<u><u>-</u></u>

# THE OASIS HEALTHCARE GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

### 23. Reserves

#### Capital redemption reserve

On 12 December 2019, the Company reduced its share capital from £597,326,285 to £1 and its £990,000 share premium to £nil. This £598,316,000 has been accounted for in the capital redemption reserve.

#### Foreign exchange reserve

The foreign exchange reserve represents the cumulative foreign exchange translation differences arising as a result of the retranslation of foreign subsidiaries on consolidation.

#### Profit and loss account

The profit and loss account represents the accumulated profits, losses, forgiven preference share dividends and distributions of the Group or Company.

### 24. Business combinations

During the year, the Group acquired a single dental practice, The Clinic Dental Facial Limited, on 3 January 2020. The fair value of assets and liabilities were as follows:

	Book value £000	Fair value adjustment £000	Fair value £000
Tangible	366	-	366
Intangible	-	744	744
	<u>366</u>	<u>744</u>	<u>1,110</u>
Stocks	72	-	72
Debtors	120	(40)	80
Cash at bank and in hand	65	-	65
	<u>623</u>	<u>704</u>	<u>1,327</u>
<b>Total assets</b>			
<b>Creditors</b>			
Due within one year	(115)	-	(115)
Deferred tax on differences between fair value and tax bases	(31)	(127)	(158)
	<u>477</u>	<u>577</u>	<u>1,054</u>
<b>Total identifiable net assets</b>			
Goodwill			2,022
<b>Total purchase consideration</b>			<u>3,076</u>

**THE OASIS HEALTHCARE GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**24. Business combinations (continued)**

Consideration

	£000
Cash	2,310
Contingent consideration	743
Acquisition costs	23
<b>Total purchase consideration</b>	<b>3,076</b>

**Cash outflow on acquisition**

Purchase consideration settled in cash, as above	2,333
Contingent consideration	743
	<b>3,076</b>
Less: Cash and cash equivalents acquired	(65)
<b>Net cash outflow on acquisition</b>	<b>3,011</b>

The results since acquisition are as follows:

	Current period since acquisition
Turnover	1,095
Loss for the period	108

**25. Contingent liabilities**

Under a group registration, the Company is jointly and severally liable for Value Added Tax due by certain other Bupa Group undertakings. The UK VAT submission is managed centrally by Bupa, as such the Company is unable to quantify the value of the contingent liability.

## THE OASIS HEALTHCARE GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

#### 26. Capital commitments

At 31 December, the Group had capital commitments as follows:

	<b>Group 2020 £000</b>	<b>Group 2019 £000</b>
Contracted for but not provided in these financial statements	<b>5,873</b>	<b>9,624</b>

#### 27. Pension commitments

The Group has established a stakeholders' pension scheme for all employees who are eligible to join. In the year to 31 December 2020, the Group charge was £2,797,000 (2019 - £2,432,000).

The Group operates a defined benefit scheme for 2 (2019 - 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.

#### 28. Commitments under operating leases

At 31 December 2020 the Group had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	<b>Group 2020 £000</b>	<b>Group 2019 £000</b>
Not later than 1 year	<b>14,058</b>	<b>13,474</b>
Later than 1 year and not later than 5 years	<b>45,821</b>	<b>44,861</b>
Later than 5 years	<b>35,284</b>	<b>37,987</b>
	<b>95,163</b>	<b>96,322</b>

## THE OASIS HEALTHCARE GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

#### 29. Subsidiary undertakings

The following were subsidiary undertakings of the Company as at 31 December 2020. Oasis Healthcare Limited is directly owned and all the other subsidiary undertakings are indirectly owned. The Group has provided the necessary guarantees under section 479a of the Companies Act 2006 to enable all subsidiaries apart from those marked with an asterisk (\*) to claim exemption from audit and under section 394c of the Companies Act 2006 to enable all entities that are dormant and marked with 2 asterisks (\*\*) to claim exemption from preparing financial statements:

Name	Class of shares	Holding
Oasis Healthcare Limited	Ordinary	100%
Oasis Dental Care Limited	Ordinary	100%
Oasis Dental Care (Central) Limited	Ordinary	100%
Oasis Dental Care (Southern) Holdings Limited**	Ordinary A	100%
	Ordinary B	100%
	B Ordinary	100%
	Ordinary C	100%
	Ordinary D	100%
	Ordinary E	100%
Oasis Dental Care (Southern) Limited	Ordinary	100%
Dentalign Orthodontics Limited	Ordinary	100%
Dentalign Orthodontics LLP	Partnership interest	100%
Dentalign Colwyn Bay Limited	Ordinary	100%
Dentalign Eastbourne Limited	Ordinary	100%
Dentalign Wrexham Limited	Ordinary	100%
Ortho 2008 Limited	Ordinary	100%
Orthoscene Limited	Ordinary	100%
Nigel Reynolds Limited	Ordinary	100%
Roberts-Harry Clinic Limited	Ordinary	100%
Harbour Way Surgery Limited	A Ordinary	100%
Steeple Grange Smiles Limited	Ordinary	100%
Kidson Orthodontics Limited	Ordinary	100%
Deysbrook Dental Surgery Limited	Ordinary	100%
BASDAC (2011) LLP	Partnership interest	100%
Apex Dental Care Limited	Ordinary	100%
Caring Dentistry Limited	Ordinary	100%
Smile Lincs Limited	Ordinary	100%
JDH Holdings Limited	Ordinary	100%
Xeon Smiles UK Limited	Ordinary	100%
Highland Dental Care Limited	Ordinary	100%
Den Dental Group Practice LLP	Partnership interest	100%
Goodteeth Dental Surgeries Limited	Ordinary	100%
The Adams and Lee Dental Practice Limited	Ordinary	100%
Hillington Park Dental Practice Limited	Ordinary	100%
Total Orthodontics Limited	Ordinary	100%
Winning Smiles (Gillingham) Limited	Ordinary	100%
J A Jordan and Associates Limited	Ordinary	100%
Grosvenor Orthodontic Clinic (Beckenham) Limited	Ordinary	100%
Mojo-D Limited	Ordinary	100%
Quantum Ortho Limited	Ordinary	100%
Devon Smiles Limited	Ordinary	100%
Smile Dental Care Limited	Ordinary	100%
Priors Croft Dental Practice Limited	Ordinary	100%
James Taylor and Partners Limited	Ordinary	100%
Milehouse Dental Care Limited	Ordinary	100%
Eckington Dental Practice Limited	Ordinary	100%
Richley Dental Ceramics Limited	Ordinary	100%
Aesthetic Dental Laboratory Limited	Ordinary	100%

# THE OASIS HEALTHCARE GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

Quest Dental Care LLP	Partnership interest	100%
Cheshire Cat Orthodontics Limited	Ordinary	100%
Lawrence Street Dental Practice Limited	Ordinary	100%
Oral Implantology Limited	Ordinary	100%
A4 Health Group Limited	Ordinary	100%
MFM Community Limited	Ordinary	100%
Dencraft (South Yorkshire) Limited	Ordinary	100%
BE White Limited	Ordinary	100%
Synergy Ceramics Limited	Ordinary	100%
Colchester Dental Referral Centre Limited	Ordinary	100%
Windslade Limited	Ordinary	100%
Highwoods and St Johns Limited	Ordinary	100%
Derwent House Orthodontics Limited	A Ordinary	100%
J.J. Thompson (Orthodontic Appliances) Limited	Ordinary	100%
Eurodonic Limited	Ordinary	100%
Oswestry Dental Laboratory Limited	Ordinary	100%
Creative Designs Dental Laboratory Limited	Ordinary	100%
North Devon Orthodontic Centre Limited	Ordinary	100%
Partick Dental Limited	Ordinary	100%
Croft Dental Care Limited	Ordinary	100%
Peter Baldwin (VHO) Limited	Ordinary	100%
Mark Fazakerley (VHO) Limited	Ordinary	100%
The Exeter Dental Centre Limited	Ordinary	100%
G & M Moynes Limited	Ordinary	100%
Stop The Clock Dental Care Limited	Ordinary	100%
The Tutbury Dental Practice Limited	Ordinary	100%
Wylde Green Orthodontics LLP	Partnership interest	100%
Linden Dental Centre Limited	Ordinary	100%
TDK Dental Limited	Ordinary A	100%
Pembury TM Limited	Ordinary	100%
Metrodental Limited	Ordinary	100%
Avsan Gloucester Limited	Ordinary	100%
Fairfield Dental Surgery Limited	Ordinary	100%
Avsan Fleet Limited	Ordinary	100%
Avsan Ferryburn Limited	Ordinary	100%
Avsan Knebworth Limited	Ordinary	100%
Avsan Dental Edinburgh Limited	Ordinary	100%
Avsan Fife Limited	Ordinary	100%
Avsan Visage Limited	Ordinary	100%
Avsan Cove Limited	Ordinary	100%
Avsan Queenscross Limited	Ordinary	100%
Avsan Queensroad Limited	Ordinary	100%
Avsan Kseat Limited	Ordinary	100%
Rise Park Dental Practice Limited	Ordinary A	100%
	Ordinary B	100%
Avsan Halstead Limited	Ordinary	100%
J & M Dental Care Limited	Ordinary	100%
Tidge and Lou Limited**	Ordinary	100%
Wylde Valley Dentistry Limited	Ordinary	100%
Stob Dearg Limited	Ordinary	100%
Dental Excellence - Harewood Practice LLP	Partnership interest	100%
Tooth Fixer Limited	Ordinary	100%
Wessington Way Limited	Ordinary	100%
North Lakeland Limited	Ordinary	100%
The Dental Solutions Centre Limited	Ordinary	100%
Dental Confidence Limited	Ordinary	100%
Wimborne Total Dental Care Limited	Ordinary	100%
Martin and Martin Dental Care Limited	Ordinary	100%

# THE OASIS HEALTHCARE GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

Private Dental Services Limited	Ordinary	100%
The Spire Halifax Limited	Ordinary	100%
Hospital Lane Dental Clinic Limited	Ordinary	100%
B Dental Limited	Ordinary	100%
King Lane Dental Care Limited	Ordinary	100%
Luke Barnett Clinic Limited	Ordinary	100%
Luke Barnett Limited	Ordinary	100%
Aqua Dental Spa Limited	Ordinary	100%
Bupa Dental Services Limited	Ordinary	100%
Perlan Limited	Ordinary	100%
Cranbrook Dental Practice Limited	Ordinary	100%
The Smile Centres Limited	Ordinary	100%
Lab 53 Limited	Ordinary	100%
Ultimate Smile Spa Limited	Ordinary	100%
Store Dental Care Limited	Ordinary	100%
In Store Dental Limited	Ordinary	100%
Paul Coulthard Limited	Ordinary	100%
Stephen E B Jones Limited	Ordinary	100%
David Row Limited	Ordinary	100%
Andrew Greenwood Limited	Ordinary	100%
NM Jones Limited	Ordinary	100%
MCM (Dental Services) Limited	Ordinary	100%
Siobhan Owen Limited	Ordinary	100%
Highworth Dental Care Limited	Ordinary	100%
Mainstream Dental Care Limited	A Ordinary	100%
	C Ordinary	100%
MDANZ Limited	Ordinary	100%
MZINC Limited	Ordinary	100%
Future Drilling Limited	Ordinary	100%
MDANZ Holdings Limited**	Ordinary	100%
Clock Tower Dental Care Limited	Ordinary	100%
KN Wellness Limited**	Ordinary	100%
The Facial Aesthetics & Dental Centre Limited	Ordinary	100%
Arnica Dental Care Limited	Ordinary	100%
Dencraft (Leicester) Limited	Ordinary	100%
Diamond House Dental Practice Limited	Ordinary	100%
Ratcliffe Dental Limited	Ordinary	100%
Shaw & Associates Dental Surgeons Limited	Ordinary	100%
Iosis Clinic Limited	Ordinary	100%
Raglan Suite Limited	Ordinary	100%
Silverwell Surgery Limited	Ordinary	100%
Whole Tooth Limited	Ordinary	100%
Hope Dental Practice Limited	Ordinary	100%
	B Ordinary	100%
Haven Green Clinic Limited	Ordinary	100%
Freshdental Practice Limited	Ordinary	100%
Archway Dental Practice Limited	Ordinary	100%
The Bramhope Dental Clinic Limited	Ordinary	100%
The Clinic Dental Facial Limited	Ordinary	100%
Cranmore Excellence in Dentistry Limited	Ordinary	100%
DE (Belmont Road) Limited	Ordinary	100%
Oasis Healthcare Holdings Ireland Limited *	Ordinary	100%
Xeon Dental Services Limited *	Ordinary	100%
Smiles Dental Practices North Limited	Ordinary	100%
Blueapple Dental and Implant Team Limited	Ordinary	100%
Hugh Bradley Limited *	Ordinary	100%
Fortwilliam and Ballymena Specialist Dental Clinics Limited	Ordinary	100%

## THE OASIS HEALTHCARE GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

Belfast Orthodontic Clinic Limited	Ordinary	100%
Woodquay Dental Limited *	Ordinary	100%
GK Medical and Dental Services Limited*	Ordinary	100%

On 29 September 2020, Christopher F. Stafford Holdings Limited was dissolved. On 13 October 2020, Oasis Healthcare Midco 1 Limited, Oasis Healthcare Midco 2 Limited, Oasis Healthcare Bidco Limited, Oasis Healthcare International Limited, Duke Street Capital Oasis Midco Limited, Duke Street Capital Oasis Acquisitions Limited, Oasis Dental Care (Central) Holdings Limited, Duke Street Capital Oasis Orthodontics Holdings Limited, Duke Street Capital Oasis Orthodontics Limited, Windmill Dental Surgery Limited, Apex Holding Limited, Avsan Holdings Limited, Morrison Shenfine Holdings Limited and Victoria Oral Clinic Limited were dissolved.

Mind Your Business (Ni) Ltd, 1 Elmfield Avenue, Warrenpoint, Newry, County Down, Northern Ireland, BT34 3HQ is the registered office for Smiles Dental Practices North Limited, Blueapple Dental and Implant Team Limited, Cranmore Excellence in Dentistry Limited, DE (Belmont Road) Limited, Belfast Orthodontic Clinic Limited and Fortwilliam and Ballymena Specialist Dental Clinics Limited.

1st Floor, 9 Exchange Place, I.F.S.C., Dublin 1, Ireland, D01 X8H2 is the registered office for Xeon Dental Services Limited, Oasis Healthcare Holdings Ireland Limited, Hugh Bradley Limited, Woodquay Dental Limited and GK Medical and Dental Services Limited.

Pinsent Masons LLP, 13 Queens Road, Aberdeen, Aberdeenshire, AB15 4YL is the registered office for Hillington Park Dental Practice Limited, MFM Community Limited, Partick Dental Limited and Martin and Martin Dental Care Limited.

The registered office for the remaining subsidiary undertakings is Bupa Dental Care, Vantage Office Park, Old Gloucester Road, Hambrook, Bristol, BS16 1GW.

#### 30. Ultimate parent company and controlling party

The Company's immediate parent company is Bupa Finance plc, a company incorporated in England and Wales. The Company's ultimate parent undertaking is The British United Provident Association Limited, a company incorporated in England and Wales.

The smallest group for which group financial statements will be prepared is The Oasis Healthcare Group Limited. The largest group for which group financial statements will be prepared is The British United Provident Association Limited. The financial statements of The British United Provident Association Limited may be obtained from its registered office at 1 Angel Court, London, EC2R 7HJ.

The financial statements of The Oasis Healthcare Group Limited may be obtained from its registered office at Bupa Dental Care, Vantage Office Park, Old Gloucester Road, Hambrook, Bristol, BS16 1GW.