

Registration number: 09315294

**ENVISAGE DENTAL UK LIMITED**  
**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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**ENVISAGE DENTAL UK LIMITED**

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## **ENVISAGE DENTAL UK LIMITED**

### **COMPANY INFORMATION**

<b>Directors</b>	Dr S K Dau H S Gill R J Maclachlan S A Hollis
<b>Registered office</b>	Devonshire House Office 129 Ward Road Basingstoke RG24 8PE
<b>Auditors</b>	Hazlewoods LLP Windsor House Bayshill Road Cheltenham GL50 3AT

## **ENVISAGE DENTAL UK LIMITED**

### **STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023**

The directors present their strategic report for the year ended 31 March 2023.

#### **Fair review of the business**

The results for the year, which are set out in the profit and loss account, show an operating profit before amortisation, depreciation and exceptional costs of £7,158,800 (2022 - £3,176,827) and an operating loss of £212,284 (2022 - £1,063,898).

As at 31 March 2023, the Group had total assets less current liabilities of £3,583,929 (2022 - £3,409,831) and net liabilities of £2,503,347 (2022 - £2,265,261).

The directors are pleased with the results for the year and consider the financial position of the Group and Company at the year-end to be strong. The Company currently has 928 colleagues across 45 clinics delivering over 450,000 appointments per annum. The impact of newly acquired clinics delivering a full year of trading will also take revenue to £63m per annum with a strong pipeline of new clinics wishing to join the group.

The directors are particularly pleased to have become the first nationwide dental group to achieve the B Corporation Certification in January 2023 with an impact score of 86.3. The business has a mission to build one of the best healthcare companies in the world that our colleagues are proud to be part of and where we can deliver the highest quality of patient care, and our B-Corp Certification is closely aligned with this mission. The business aims to deliver through each of the five B-Corp impact areas as described below.

#### **Environment**

We take our commitment to the environment seriously and monitor our impact on air, climate, water, land and biodiversity. This includes our own operations as well as reviewing our supply chain. The company recently engaged with a Climate Zero initiative where we are the first dental group with its support function becoming carbon zero through various external and internal initiatives. The directors are keen to continue building on this momentum across the group to build a sustainable and environmentally friendly business.

#### **Governance**

As part of our commitment to B-Corp we have updated our articles of association, which provides a legal responsibility to allow directors to consider the interests of all stakeholders, not just shareholders, when making important decisions. This means balancing purpose with profit and ensuring we make impact across our environment, colleagues, patients, and local communities; all of which are underpinned by the strong cultural values the company operates within.

#### **Colleagues**

The company currently has over 900 colleagues (including self employed hygienists and associates, as well as the employed numbers reported in note 7) in the group, including dentists, hygienists, nurses and support staff in clinics, as well as the central support team. Our colleagues are the heartbeat of our business and ensuring they have the support plus tools needed to bring out their best is a key ingredient of our success. We survey colleagues twice a year with our latest engagement score being 97%.

#### **Community**

Our business is made up of localised dental clinics that operate within the local community. The company has a policy to hire locally, use local suppliers and support local charities in order for our local businesses to remain part of the local fabric of the communities they serve. We also have our group charity, Operation Smile, where we have donated over 150 cleft lip and palate surgeries to date across the world.

#### **Patients**

We deliver just under 500k appointments each year and ensuring our patients have the very best experience is critical to our long term success. The company made an early investment into a bespoke NPS platform which seamlessly integrates with local clinics to measure patient satisfaction across multiple touch points of their journey as well as different treatment types being delivered. Businesses who use NPS sign up to the toughest criteria of customer satisfaction. Anything above 20 is considered "favourable" with anything above 50 being "excellent" and above 80 considered as "world class". The company is delighted to have a patient NPS score of 84, positioning the company as a world class customer centric business.

#### **Key performance indicators**

The Group uses a number of indicators to monitor and improve the development, performance and the position of the business. Indicators are reviewed and altered to meet changes in both the internal and external environments. The key performance indicators are turnover, gross profit and operating profit before depreciation, amortisation, profit on disposal of fixed assets and exceptional items (EBITDA), all of which are shown on the face of the consolidated profit and loss account.

#### **Principal risks and uncertainties**

## **ENVISAGE DENTAL UK LIMITED**

### **STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023**

The management of the business and the execution of the Group's strategy are subject to a number of risks. The key business risks and uncertainties affecting the Group are considered to relate to the ongoing compliance with current and future legislation affecting the sector.

#### **Section 172 statement**

The Directors believe that they have effectively implemented their duties under section 172 of the Companies Act 2006. The Directors have considered the long-term strategy of Group as mentioned in "Future developments" in the directors' report below and consider that this strategy will continue to deliver long term success to the Group's business and its stakeholders.

The Directors recognise the importance of wider stakeholders in delivering their strategy and achieving sustainability within the business. The main stakeholders in the Group are considered to be the shareholders, employees, suppliers and customers.

Due to the nature of our business, good customer and community relations are key to the ongoing success of the Group. The Group is committed to maintaining an excellent reputation and strives to achieve high standards. As a part of this, the Group is selective in the suppliers used and aims to provide a range of dental services to the communities in which we operate while maintaining cost efficiencies for the benefit of our shareholders.

In ensuring that all our stakeholders are considered as part of every decision process we believe we act fairly and mutually between all members of the Group.

## **ENVISAGE DENTAL UK LIMITED**

### **STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023**

#### **Engagement with employees**

The Group believes that it is important that all associates and employees are closely involved in the fortunes of the business for which they work and have a clear understanding of the particular contribution which each should make to the realisation of that business' objectives.

Communication has continued at all levels, with the aim that all associates and employees are aware of the financial and economic performance of the business. The Group has developed a variety of communication and discussion practices closely tailored to its needs and circumstances, the most important of these being regular briefing sessions of associates with their managers. Associates are asked to take on direct and total responsibility for results, exercising initiative and making decisions, as their tasks require.

Single status treatment of its associates is one of the hallmarks of the Group's industrial relations policy. It is an equal opportunity employer, the only criteria for selection and promotion being the skills and aptitude of the individual in relation to the particular job and needs of the business concerned.

The Group is glad to provide worthwhile employment for disabled or medically restricted persons. It is the Group's practice to identify jobs that are within the capabilities of such persons and fill them with these personnel. Should associates become disabled, it is the Group's policy to continue their employment where possible with appropriate training and redeployment where necessary.

Training and career development programmes are designed on an individual basis for all associates and employees so that the particular needs and aptitudes of each person can best be met and developed.

In ensuring that all our stakeholders are considered as part of every decision process we believe we act fairly and mutually between all members of the Group.

#### **Supplier payment policy**

The Group agrees terms and conditions for its business transactions with suppliers before orders are placed. Payments are then made in accordance with these obligations.

As a Group we believe it is important to pay our suppliers promptly and on time for the service they provide. The intention is that suppliers are paid in line with their agreed payment terms with the average time to pay invoices being within 30 days, which is the average payment terms agreed with suppliers.

#### **Supply-chain management**

The Group makes use of trusted suppliers and where possible, the Group will seek to benefit from these close relationships and look to engineer cost efficient solutions which result in mutual benefit to the Group and its suppliers, as well as the customer.

#### **Streamlined energy and carbon reporting (SECR)**

The Group has taken advantage of the exemption from disclosing SECR information on the basis that it is included in the consolidated financial statements of Envisage Dental Holdings Limited, which can be obtained from Companies House.

29/9/2023

Approved by the Board on ..... and signed on its behalf by:

*Harry Gill*

.....  
H S Gill  
Director

## **ENVISAGE DENTAL UK LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2023**

The directors present their report and the consolidated financial statements for the year ended 31 March 2023.

#### **Principal activity**

The principal activity of the Group and Company is the management and provision of dental services. A full list of subsidiaries is detailed in note 13.

#### **Directors of the company**

The directors who held office during the year were as follows:

Dr S K Dau

H S Gill

The following directors were appointed after the year end:

R J Maclachlan (appointed 22 September 2023)

S A Hollis (appointed 22 September 2023)

#### **Dividends**

The directors do not propose a dividend in the current year (2022 £Nil).

#### **Future developments**

The external environment is expected to remain competitive, however the directors are confident that the Group will continue to improve its financial performance going forward.

#### **Financial instruments**

##### ***Objectives and policies***

The board constantly monitors the Group's trading results and revises the projections as appropriate to ensure that the Group can continue to meet its future obligations as they fall due.

##### ***Price risk, credit risk, liquidity risk and cash flow risk***

The Group has relatively little exposure to the usual credit and cash flow risk associated with selling on credit because the majority of income is either paid for at the point of delivery or derived from NHS contracts. However, where credit risk exposure does exist, the group manages this through credit control procedures.

#### **Going concern**

In accordance with the Financial Reporting Council's 'Going Concern and Liquidity Risk: Guidance for Directors of UK Companies 2009', the directors of all companies are now required to provide disclosures regarding the going concern basis of accounting.

The directors have prepared forecasts for the next 12 months that indicate that the group has sufficient resources available and that cash flows will be sufficient for the Group to meet its financing commitments as they fall due. The directors therefore have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and have continued to adopt the going concern basis in the financial statements.

#### **Engagement with employees and stakeholders**

The Group encourages the involvement of employees in its management through regular departmental meetings. Further information in respect of employee involvement and how the Directors have had regard to other stakeholders has been reported in the Strategic Report.

#### **Employment of disabled persons**

The Group's policy is to consider the recruitment of disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

#### **Matters covered in the Strategic Report**

The Company has chosen in accordance with Section 414C(II) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out within the Company's Strategic Report, the information required by Schedule 7 of the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulation 2008. This includes information that would have been included in the business review, details of the principal risks and uncertainties and carbon emissions.

## **ENVISAGE DENTAL UK LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2023**

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

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

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

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

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

#### **Directors' liabilities**

Post year end the Group has made a number of acquisitions in line with their growth strategy.



**ENVISAGE DENTAL UK LIMITED**

**DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2023**

**Disclosure of information to the auditor**

Each of the persons who is a director at the date of approval of the financial statements confirms that:

- 1) so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- 2) the director has taken all steps they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

**Reappointment of auditors**

Hazlewoods LLP have expressed their willingness to continue in office.

29/9/2023

Approved by the Board on ..... and signed on its behalf by:

*Harry Gill*

.....  
H S Gill  
Director

## **ENVISAGE DENTAL UK LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENVISAGE DENTAL UK LIMITED**

#### **Opinion**

We have audited the financial statements of Envisage Dental UK Limited (the 'parent company') and its subsidiaries (the 'Group') for the year ended 31 March 2023, which comprise the Consolidated Profit and Loss Account, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Changes in Equity, Statement of Changes in Equity, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the parent company's affairs as at 31 March 2023 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **ENVISAGE DENTAL UK LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENVISAGE DENTAL UK LIMITED**

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

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

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

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept 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.

#### **Responsibilities of directors**

As explained more fully in the Directors' Report set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the 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 the directors 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 for the audit of the financial statements**

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

#### *Extent to which the audit was capable of detecting irregularities, including fraud*

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We considered the nature of the group's industry and its control environment and reviewed the group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the group operates in and identified the key laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements, including the UK Companies Act and tax legislation, and, those that do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

## **ENVISAGE DENTAL UK LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENVISAGE DENTAL UK LIMITED**

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgments made in accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatements due to fraud;
- enquiring of management concerning actual and potential litigation and claims and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **Use of our report**

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.



James Morter (Senior Statutory Auditor)  
For and on behalf of Hazlewoods LLP, Statutory Auditor

Windsor House  
Bayshill Road  
Cheltenham  
GL50 3AT

29/9/2023

Date:.....

**ENVISAGE DENTAL UK LIMITED****CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2023**

	Notes	2023 £	2022 £
Turnover	3	45,063,125	27,291,293
Cost of sales		<u>(24,043,969)</u>	<u>(14,966,273)</u>
<b>Gross profit</b>		<b>21,019,156</b>	<b>12,325,020</b>
Administrative expenses		(13,860,356)	(9,153,925)
Other operating income		<u>-</u>	<u>5,732</u>
<b>Operating profit before amortisation, depreciation and exceptional items</b>		<b>7,158,800</b>	<b>3,176,827</b>
Exceptional items	4	(278,075)	(268,007)
Amortisation of intangible fixed assets		(6,382,219)	(3,484,335)
Depreciation of tangible fixed assets and loss on disposal		<u>(710,790)</u>	<u>(488,383)</u>
<b>Operating loss after amortisation, depreciation and exceptional items</b>	5	<b>(212,284)</b>	<b>(1,063,898)</b>
Profit on disposal of fixed asset investments		-	241
Interest payable and similar charges	6	<u>(25,802)</u>	<u>(14,038)</u>
<b>Loss before tax</b>		<b>(238,086)</b>	<b>(1,077,695)</b>
Taxation	9	<u>-</u>	<u>(13,654)</u>
<b>Loss for the financial year</b>		<b><u>(238,086)</u></b>	<b><u>(1,091,349)</u></b>

The above results were derived from continuing operations.

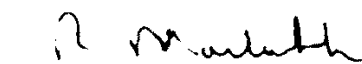
The group has no other comprehensive income for the year.

The notes on pages 16 to 31 form an integral part of these financial statements.

**ENVISAGE DENTAL UK LIMITED****(REGISTRATION NUMBER: 09315294)****CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2023**

	Notes	2023 £	2022 £
<b>Fixed assets</b>			
Intangible assets	10	64,704,428	38,717,982
Tangible assets	12	<u>4,036,722</u>	<u>2,875,583</u>
		<u>68,741,150</u>	<u>41,593,565</u>
<b>Current assets</b>			
Stocks	14	635,338	324,664
Debtors	15	943,178	662,542
Cash at bank and in hand		<u>18,384,100</u>	<u>6,175,346</u>
		19,962,715	7,162,552
Creditors: Amounts falling due within one year	16	<u>(85,119,936)</u>	<u>(45,346,286)</u>
Net current liabilities		<u>(65,157,221)</u>	<u>(38,183,734)</u>
<b>Total assets less current liabilities</b>		<u>3,583,929</u>	<u>3,409,831</u>
Creditors: Amounts falling due after more than one year	16	5,842,515	5,520,854
Provisions		<u>244,761</u>	<u>154,238</u>
		6,087,276	5,675,092
<b>Capital and reserves</b>			
Called up share capital	19	100	100
Profit and loss account	20	<u>(2,503,447)</u>	<u>(2,265,361)</u>
Total equity		<u>(2,503,347)</u>	<u>(2,265,261)</u>
<b>Total capital, reserves and long-term liabilities</b>		<u>3,583,929</u>	<u>3,409,831</u>

Approved and authorised by the Board on <sup>29/9/2023</sup> and signed on its behalf by:



R J MacLachlan  
Director

The notes on pages 16 to 31 form an integral part of these financial statements.

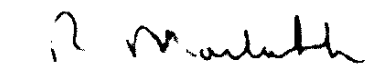
**ENVISAGE DENTAL UK LIMITED****(REGISTRATION NUMBER: 09315294)  
BALANCE SHEET AS AT 31 MARCH 2023**

	Notes	2023 £	2022 £
<b>Fixed assets</b>			
Intangible assets	10	47,770,231	18,872,518
Tangible assets	12	2,235,025	1,446,269
Investments	13	30,941,364	26,084,082
		<u>80,946,620</u>	<u>46,402,869</u>
<b>Current assets</b>			
Stocks	14	446,015	210,416
Debtors	15	1,592,732	1,335,525
Cash at bank and in hand		17,231,021	4,852,103
		<u>19,269,768</u>	<u>6,407,044</u>
Creditors: Amounts falling due within one year	16	(95,170,712)	(49,895,687)
Net current liabilities		<u>(75,900,944)</u>	<u>(43,488,643)</u>
<b>Total assets less current liabilities</b>		<u>5,045,676</u>	<u>2,914,226</u>
Creditors: Amounts falling due after more than one year	16	5,842,515	5,520,854
Provisions		96,728	33,821
		<u>5,939,243</u>	<u>5,554,675</u>
<b>Capital and reserves</b>			
Called up share capital	19	100	100
Profit and loss account	20	(893,667)	(2,640,549)
Total equity		<u>(893,567)</u>	<u>(2,640,449)</u>
<b>Total capital, reserves and long-term liabilities</b>		<u>5,045,676</u>	<u>2,914,226</u>

The company made a profit after tax for the financial year of £1,746,882 (2022 - loss of £1,065,526).

29/9/2023

Approved and authorised by the Board on ..... and signed on its behalf by:


R J MacLachlan  
Director

The notes on pages 16 to 31 form an integral part of these financial statements.

**ENVISAGE DENTAL UK LIMITED**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023**

	<b>Share capital £</b>	<b>Profit and loss account £</b>	<b>Total £</b>
At 1 April 2022	100	(2,265,361)	(2,265,261)
Loss for the year	-	(238,086)	(238,086)
At 31 March 2023	<u>100</u>	<u>(2,503,447)</u>	<u>(2,503,347)</u>

	<b>Share capital £</b>	<b>Profit and loss account £</b>	<b>Total £</b>
At 1 April 2021	100	(1,174,012)	(1,173,912)
Loss for the year	-	(1,091,349)	(1,091,349)
At 31 March 2022	<u>100</u>	<u>(2,265,361)</u>	<u>(2,265,261)</u>

The notes on pages 16 to 31 form an integral part of these financial statements.



**ENVISAGE DENTAL UK LIMITED****STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023**

	<b>Share capital £</b>	<b>Profit and loss account £</b>	<b>Total £</b>
At 1 April 2022	100	(2,640,549)	(2,640,449)
Profit for the year	-	1,746,882	1,746,882
At 31 March 2023	<u>100</u>	<u>(893,667)</u>	<u>(893,567)</u>

	<b>Share capital £</b>	<b>Profit and loss account £</b>	<b>Total £</b>
At 1 April 2021	100	(1,575,023)	(1,574,923)
Loss for the year	-	(1,065,526)	(1,065,526)
At 31 March 2022	<u>100</u>	<u>(2,640,549)</u>	<u>(2,640,449)</u>

The notes on pages 16 to 31 form an integral part of these financial statements.

## ENVISAGE DENTAL UK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

#### 1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

Devonshire House

Office 129

Wade Road

Basingstoke

RG24 8PE

England

#### 2 Accounting policies

##### Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland and the Companies Act 2006'.

##### Basis of preparation

These financial statements have been prepared using the historical cost convention except for, where disclosed in these accounting policies, certain items that are shown at fair value.

The presentational currency of the financial statements is Pounds Sterling, being the functional currency of the primary economic environment in which the company operates. Monetary amounts in these financial statements are rounded to the nearest Pound.

##### Summary of disclosure exemptions

FRS 102 allows a qualifying entity certain disclosure exemptions subject to conditions. The Company has taken advantage of the following exemptions in its individual financial statements:

- from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cashflows is included in the consolidated financial statements of its ultimate parent undertaking, Envisage Dental Holdings Limited;
- from the financial instrument disclosures, required under FRS 102 paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a) (iii), 11.48(a)(iv), 11.48(b), 11.48(c), 12.26, 12.29(a), 12.29(b) and 12.29A as information is provided in the consolidated financial statements of its ultimate parent undertaking, Envisage Dental Holdings Limited; and
- from disclosing the Company key management personnel compensation as required by FRS 102 paragraph 33.7.

##### Basis of consolidation

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 March 2023.

No Profit and Loss account is presented for the company as permitted by section 408 of the Companies Act 2006. The company made a profit after tax for the financial year of £1,746,882 (2022 - loss of £1,065,526).

## **ENVISAGE DENTAL UK LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023**

A subsidiary is an entity controlled by the company. Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the Profit and Loss account from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the Group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the company and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination.

#### **Going concern**

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

#### **Critical accounting judgements and key sources of estimation uncertainty**

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

#### **Judgements**

No significant judgements have been made by management in preparing these financial statements.

#### **Key sources of estimation uncertainty**

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

#### **Deferred consideration**

The balance sheet includes amounts which are payable for the acquisition of subsidiaries which are dependent on the future performance of the trade acquired. These amounts have been estimated based on the terms of the purchase agreements and the expected future performance based on information available at the balance sheet date and may vary depending on actual results.

#### **Revenue recognition**

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the Group's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company. The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities.

**ENVISAGE DENTAL UK LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023****Government grants**

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

**Tax**

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the group operates and generates taxable income.

**Tangible assets**

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

**Depreciation**

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Freehold land	Nil
Freehold property	Nil
Leasehold improvements	Straight line over 5 to 10 years or over the term of the lease
Fixtures and office equipment	Straight line over 3 to 10 years
Plant and machinery	Straight line over 5 to 10 years

**Business combinations**

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the Group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

**Goodwill**

Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

**Intangible assets**

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date.

Negative goodwill arising on an acquisition is recognised on the face of the balance sheet on the acquisition date and subsequently the excess up to the fair value of non-monetary assets acquired is recognised in profit or loss in the periods in which the non-monetary assets are recovered.

**Amortisation**

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

<b>Asset class</b>	<b>Amortisation method and rate</b>
Software	Straight line over 3 years

## **ENVISAGE DENTAL UK LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023**

#### **Investments**

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Dividends on equity securities are recognised in income when receivable.

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits.

#### **Trade debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. All trade debtors are repayable within one year and hence are included at the undiscounted cost of cash expected to be received. A provision for the impairment of trade debtors is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the debtors.

#### **Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to sell.

#### **Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the Group does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and all are repayable within one year and hence are included at the undiscounted amount of cash expected to be paid.

#### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the profit and loss account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

#### **Leases**

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

## ENVISAGE DENTAL UK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

#### Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

#### Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the Group has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

#### Financial instruments

##### Classification

Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability on the balance sheet. The corresponding dividends relating to the liability component are charged as interest expenses in the profit and loss account.

##### Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

##### Impairment

Assets, other than those measured at fair value are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

A non financial asset is impaired where there is objective evidence that, as a result of one or more events that occurred, after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

The recoverable amount of goodwill is derived from, measurement of the present value of the future cash flows of the cash-generating units ('CGUs') of which the goodwill is a part. Any impairment loss in respect of a CGU is allocated first to the goodwill attached to that CGU, and then to other assets within that CGU on a pro-rata basis.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised. Where a reversal of impairment occurs in respect of a CGU, the reversal is applied first to the assets (other than goodwill) of the CGU on a pro-rata basis and then to any goodwill allocated to that CGU.

For financial assets carried at amortised cost, the amount of any impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

**ENVISAGE DENTAL UK LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023****3 Turnover**

The total turnover of the Group has been derived from its principal activity wholly undertaken in the United Kingdom.

**4 Exceptional items**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Exceptional expenses	<u>278,075</u>	<u>387,678</u>

Exceptional costs consist on non-recurring legal and professional costs, recruitment costs, restructuring costs, aborted acquisition costs and other non-recurring costs.

**5 Operating profit**

Arrived at after charging/(crediting)

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Depreciation	713,440	486,603
Amortisation	6,382,219	3,484,335
Operating lease - property	1,080,465	667,784
Operating lease - plant and machinery	13,848	16,491
(Profit)/loss on disposal of tangible fixed assets	(2,650)	1,780
Auditor's remuneration - audit services	53,000	30,000
Auditor's remuneration - non-audit services	<u>63,700</u>	<u>35,000</u>

**6 Interest payable and similar expenses**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Bank loan interest	-	4,500
Other finance liabilities	<u>25,802</u>	<u>9,538</u>
	<u>25,802</u>	<u>14,038</u>

**7 Staff costs****Group**

The aggregate payroll costs (including directors' remuneration) were as follows:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Wages and salaries	9,060,474	6,188,968
Social security costs	823,139	484,722
Pension costs, defined contribution scheme	<u>163,275</u>	<u>93,077</u>
	<u>10,046,888</u>	<u>6,766,767</u>

The average number of persons employed by the group (including directors) during the year, analysed by category was as follows:

	<b>2023</b>	<b>2022</b>
	<b>No.</b>	<b>No.</b>
Nurses, practice support and administration	<u>394</u>	<u>292</u>

**ENVISAGE DENTAL UK LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023****8 Directors' remuneration**

The directors' remuneration for the year was as follows:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Remuneration	301,988	294,545
Contributions paid to money purchase schemes	<u>2,642</u>	<u>2,642</u>
	<u>304,630</u>	<u>297,187</u>

There were two (2022 - two) directors who were members of a money purchase pension scheme.

In respect of the highest paid director:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Remuneration	188,787	452,961
Company contributions to money purchase pension schemes	<u>1,321</u>	<u>1,321</u>

**9 Taxation**

Tax charged/(credited) in the consolidated profit and loss account

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Current taxation</b>		
UK corporation tax	<u>-</u>	<u>13,654</u>

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2022 - higher than the standard rate of corporation tax in the UK) of 19% (2022 - 19%).

The differences are reconciled below:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Loss before tax	<u>(238,086)</u>	<u>(1,077,695)</u>
Corporation tax at standard rate	(45,236)	(204,762)
Effect of expense not deductible in determining taxable profit (tax loss)	1,243,645	134,600
Tax decrease from effect of capital allowances and depreciation	(228,333)	(111,597)
Tax increase from disallowable amortisation	-	429,693
Tax decrease from effect of unrelieved tax losses carried forward	(19,277)	-
Tax decrease arising from group relief	<u>(950,799)</u>	<u>(234,280)</u>
Total tax charge	<u>-</u>	<u>13,654</u>

Provisions comprise a deferred tax liability amounting to £244,761 (2022 - £154,238), relating to accelerated capital allowances. The movement in the year relates to acquisitions.



**ENVISAGE DENTAL UK LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023****10 Intangible assets****Group**

	<b>Goodwill £</b>	<b>Software £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 April 2022	47,493,135	112,434	47,605,569
Additions	11,448,740	142,482	11,591,222
Acquisitions	20,429,750	-	20,429,750
Other movements	347,693	-	347,693
At 31 March 2023	<u>79,719,318</u>	<u>254,916</u>	<u>79,974,234</u>
<b>Amortisation</b>			
At 1 April 2022	8,884,087	3,500	8,887,587
Amortisation charge	6,371,274	10,945	6,382,219
At 31 March 2023	<u>15,255,361</u>	<u>14,445</u>	<u>15,269,806</u>
<b>Carrying amount</b>			
At 31 March 2023	<u>64,463,957</u>	<u>240,471</u>	<u>64,704,428</u>
At 31 March 2022	<u>38,609,048</u>	<u>108,934</u>	<u>38,717,982</u>

Included in other movements to goodwill of £347,693 is the net impact of changes to deferred consideration estimates made in the year.

**Company**

	<b>Goodwill £</b>	<b>Software £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 April 2022	20,091,824	105,115	20,196,939
Additions	32,199,862	133,772	32,333,634
At 31 March 2023	<u>52,291,686</u>	<u>238,887</u>	<u>52,530,573</u>
<b>Amortisation</b>			
At 1 April 2022	1,321,421	3,000	1,324,421
Amortisation charge	3,425,317	10,604	3,435,921
At 31 March 2023	<u>4,746,738</u>	<u>13,604</u>	<u>4,760,342</u>
<b>Carrying amount</b>			
At 31 March 2023	<u>47,544,948</u>	<u>225,283</u>	<u>47,770,231</u>
At 31 March 2022	<u>18,770,403</u>	<u>102,115</u>	<u>18,872,518</u>

**ENVISAGE DENTAL UK LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023****11 Business combinations**

During the year, Envisage Dental UK Limited acquired 100% of the issued share capital of the following entities, obtaining control:

7 Oaks Caring Dentistry Limited;  
 CD Rosser Dental Practice Ltd;  
 Cedar Dental Care II Limited;  
 Complete Healthcare Limited;  
 D R Guppy Limited;  
 Excellence in Healthcare Limited;  
 Fairfield Dental Care Limited;  
 Glebe Practice Services Limited;  
 MJ Dooley (Dental Surgeon) Limited;  
 Oakleigh Dental Limited;  
 Sturminster Dental Care Limited.

The above entities contributed £10,384,000 revenue and £2,592,000 to the Group's earnings before interest, tax, depreciation and amortisation for the period between the date of their respective acquisition and the Balance Sheet date.

In addition, Envisage Dental UK Limited acquired the trade and assets of the following entities during the year:

Abbeymead Dental Centre;  
 Chalkwell Dental Practice;  
 Green Park Dental Practice;  
 Guinea Court Dental Surgery.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below:

	<b>Fair value on acquisition £</b>
<b>Assets and liabilities acquired</b>	
Financial assets	3,476,313
Tangible assets	660,713
Identifiable intangible assets	1,034,877
Financial liabilities	<u>(1,173,705)</u>
Total identifiable assets	<u>3,998,198</u>
Goodwill	<u>31,878,490</u>
Total consideration	<u>35,876,688</u>
<b>Satisfied by:</b>	
Cash	27,845,982
Deferred consideration	<u>8,030,705</u>
Total consideration transferred	<u>35,876,687</u>
<b>Cash flow analysis:</b>	
Cash consideration	27,845,982
Less: cash and cash equivalent balances acquired	<u>(1,822,558)</u>
Net cash outflow arising on acquisition	<u>26,023,424</u>

The useful life of goodwill is 10 years.

**ENVISAGE DENTAL UK LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023****12 Tangible assets****Group**

	<b>Land and buildings £</b>	<b>Leasehold improvements £</b>	<b>Fixtures and office equipment £</b>	<b>Plant and machinery £</b>	<b>Total £</b>
<b>Cost</b>					
At 1 April 2022	482,254	647,412	2,848,879	261,636	4,240,181
Additions	-	355,947	219,672	650,015	1,225,634
Acquired through business combinations	-	25,068	33,066	602,579	660,713
Disposals	-	(12,387)	(2,189)	-	(14,576)
Transfers	-	-	(1,716,114)	1,716,114	-
At 31 March 2023	<u>482,254</u>	<u>1,016,040</u>	<u>1,383,314</u>	<u>3,230,344</u>	<u>6,111,952</u>
<b>Depreciation</b>					
At 1 April 2022	-	142,195	1,158,552	63,851	1,364,598
Charge for the year	-	115,035	145,805	452,600	713,440
Eliminated on disposal	-	(2,808)	-	-	(2,808)
Transfers	-	-	(642,413)	642,413	-
At 31 March 2023	<u>-</u>	<u>254,422</u>	<u>661,944</u>	<u>1,158,864</u>	<u>2,075,230</u>
<b>Carrying amount</b>					
At 31 March 2023	<u>482,254</u>	<u>761,618</u>	<u>721,370</u>	<u>2,071,480</u>	<u>4,036,722</u>
At 31 March 2022	<u>482,254</u>	<u>505,217</u>	<u>1,690,327</u>	<u>197,785</u>	<u>2,875,583</u>

Included within the net book value of land and buildings above is £482,254 (2022 - £482,254) in respect of freehold land and buildings.

**ENVISAGE DENTAL UK LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023****Company**

	<b>Leasehold improvements £</b>	<b>Fixtures &amp; office equipment £</b>	<b>Plant &amp; machinery £</b>	<b>Total £</b>
<b>Cost</b>				
At 1 April 2022	452,873	249,244	1,122,561	1,824,678
Additions	276,043	193,813	398,778	868,634
Transfer of assets on hive up of subsidiaries	4,259	25,075	363,382	392,716
Disposals	(12,387)	(779)	-	(13,166)
At 31 March 2023	<u>720,788</u>	<u>467,353</u>	<u>1,884,721</u>	<u>3,072,862</u>
<b>Depreciation</b>				
At 1 April 2022	74,785	87,895	215,729	378,409
Charge for the year	80,629	102,317	279,290	462,236
Eliminated on disposal	(2,808)	-	-	(2,808)
At 31 March 2023	<u>152,606</u>	<u>190,212</u>	<u>495,019</u>	<u>837,837</u>
<b>Carrying amount</b>				
At 31 March 2023	<u>568,182</u>	<u>277,141</u>	<u>1,389,702</u>	<u>2,235,025</u>
At 31 March 2022	<u>378,088</u>	<u>161,349</u>	<u>906,832</u>	<u>1,446,269</u>

**13 Investments****Company**

	<b>2023 £</b>	<b>2022 £</b>
Investments in subsidiaries	<u>30,941,364</u>	<u>26,084,082</u>

**Subsidiaries**

	<b>£</b>
<b>Cost</b>	
At 1 April 2022	26,084,082
Additions	24,148,549
Adjustments on finalisation of acquisitions and changes to deferred consideration	516,893
Transfers to goodwill	(19,808,160)
At 31 March 2023	<u>30,941,364</u>
<b>Carrying amount</b>	
At 31 March 2023	<u>30,941,364</u>
At 31 March 2022	<u>26,084,082</u>

**ENVISAGE DENTAL UK LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023****Details of undertakings**

Details of the investments (including principal place of business of unincorporated entities) in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Subsidiary undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2023	2022
Envisage Dental Alton Limited**	England and Wales	Ordinary	100%	100%
Envisage Dental Basingstoke Limited**	England and Wales	Ordinary	100%	100%
Envisage Dental Emsworth Limited**	England and Wales	Ordinary	100%	100%
Envisage Dental West Moors Limited**	England and Wales	Ordinary	100%	100%
Envisage Dental Drayton Limited**	England and Wales	Ordinary	100%	100%
Envisage Dental Ferndown Limited**	England and Wales	Ordinary	100%	100%
The City Dental Laboratory Limited*	England and Wales	Ordinary	100%	100%
City Dental Lab Limited**	England and Wales	Ordinary	100%	100%
Transform Smiles Limited**	England and Wales	Ordinary	100%	100%
Mortiboys Dental Spa Limited**	England and Wales	Ordinary	100%	100%
Lewes Smiles Limited**	England and Wales	Ordinary	100%	100%
Esthetiquedental Limited**	England and Wales	Ordinary	100%	100%
World Of Mouth Limited**	England and Wales	Ordinary	100%	100%
Newcastle Under Lyme Dental Practice Limited**	England and Wales	Ordinary	100%	100%
Titchfield Dental Health Limited**	England and Wales	Ordinary	100%	100%
Cloud 10 Property Management Limited**	England and Wales	Ordinary	100%	100%
Temple Square Limited**	England and Wales	Ordinary	100%	100%
Smiles Centre Limited**	England and Wales	Ordinary	100%	100%
EMCCF Limited**	England and Wales	Ordinary	100%	100%
Paul Ellis Limited**	England and Wales	Ordinary	100%	100%
The Dental Health Centre Limited**	England and Wales	Ordinary	100%	100%
Castle Park Limited**	England and Wales	Ordinary	100%	100%
Guildford Health Limited**	England and Wales	Ordinary	100%	100%
Fairfield Dental Care Limited ***/**	England and Wales	Ordinary	100%	0%
7 Oaks Caring Dentistry Limited****/**	England and Wales	Ordinary	100%	0%
CD Rosser Dental Practice Limited ***/**	England and Wales	Ordinary	100%	0%
Complete Healthcare Limited****/**	England and Wales	Ordinary	100%	0%
Glebe Practice Services Limited****/**	England and Wales	Ordinary	100%	0%
Sturminster Dental Care Limited ***/**	England and Wales	Ordinary	100%	0%

**ENVISAGE DENTAL UK LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023**

<b>Subsidiary undertaking</b>	<b>Registered office</b>	<b>Holding</b>	<b>Proportion of voting rights and shares held</b>	
Excellence in Healthcare Limited ***/**	England and Wales	Ordinary	100%	0%
MJ Dooley (Dental Surgeon) Limited***/**	England and Wales	Ordinary	100%	0%
Cedar Dental Care II Limited **	England and Wales	Ordinary	100%	0%
D R Guppy Limited **	England and Wales	Ordinary	100%	0%
Oakleigh Dental Limited **	England and Wales	Ordinary	100%	0%

The principal activity of City Dental Lab Limited is the provision of laboratory services. The principal activity of Cloud 10 Property Management Limited is the provision of property management services. The City Dental Laboratory Limited, Envisage Dental Emsworth Limited, Envisage Dental Basingstoke Limited, Envisage Dental Alton Limited, Envisage Dental Ferndown Limited, Envisage Dental West Moors Limited, Temple Square Limited, Paul Ellis Limited, Lewes Smiles Limited, Envisage Dental Drayton Limited, Mortiboys Dental Spa Limited, Smiles Centre Ltd, EMCCF Ltd and Guildford Health Limited were dormant in the year. MJ Dooley (Dental Surgeon) Limited, Excellence in Healthcare Limited, Sturminster Dental Care Limited, Glebe Practice Services Limited, Complete Healthcare Limited, CD Rosser Dental Practice Ltd, 7 Oaks Caring Dentistry Limited and Fairfield Dental Care Limited's principal activity, prior to becoming a subsidiary, of Envisage Dental UK Limited was the provision of dental services and thereafter, these companies were dormant. The principal activity for all other companies is the provision of dental services.

J Phelps Limited and Finnsmile Limited were dissolved on 31 January 2023.

\* These subsidiaries are not direct subsidiaries of Envisage Dental UK Limited.

The registered office for Envisage Dental UK Limited and all subsidiaries listed above is Devonshire House, Office 129, Wade Road, Basingstoke, England, RG24 8PE.

\*\* Envisage Dental UK Limited has provided guarantees for these entities in accordance with section 479A of the Companies Act 2006 to allow them to claim exemption from audit.

\*\*\*These subsidiaries were hived into Envisage Dental UK Limited upon acquisition.

**14 Stocks**

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Consumables	<u>635,338</u>	<u>324,664</u>	<u>446,015</u>	<u>219,416</u>

**15 Debtors**

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	99,086	115,568	4,254	-
Amounts owed by group undertakings	-	-	887,815	912,935
Other debtors	35,435	30,678	35,416	-
Prepayments	<u>808,657</u>	<u>516,296</u>	<u>665,247</u>	<u>422,590</u>
	<u>943,178</u>	<u>662,542</u>	<u>1,592,732</u>	<u>1,335,525</u>

**ENVISAGE DENTAL UK LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023****16 Creditors**

		<b>Group</b>		<b>Company</b>	
	<b>Note</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Due within one year</b>					
Loans and borrowings	17	380,028	325,559	117,175	65,968
Trade creditors		1,286,575	664,167	1,074,501	535,759
Amounts owed to group undertakings		71,729,113	38,537,482	82,402,128	44,329,264
Social security and other taxes		295,761	262,540	245,310	177,595
Other creditors		8,863,170	4,010,643	9,307,351	3,734,930
Accruals and deferred income		2,184,900	1,330,182	1,709,269	965,227
Corporation tax liability	9	380,389	215,713	314,978	86,944
		<u>85,119,936</u>	<u>45,346,286</u>	<u>95,170,712</u>	<u>49,895,687</u>
<b>Due after one year</b>					
Loans and borrowings	17	-	92,971	-	92,971
Other creditors		5,442,515	5,427,883	5,442,515	5,427,883
Amounts owed to group undertakings		400,000	-	400,000	-
		<u>5,842,515</u>	<u>5,520,854</u>	<u>5,842,515</u>	<u>5,520,854</u>

Details of debt including security are disclosed in note 18 to the financial statements.

**17 Loans and borrowings**

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Current loans and borrowings</b>				
Bank borrowings	248,609	259,591	-	-
Hire purchase contracts	131,419	65,968	117,175	65,968
	<u>380,028</u>	<u>325,559</u>	<u>117,175</u>	<u>65,968</u>
<b>Non-current loans and borrowings</b>				
Hire purchase contracts	-	92,971	-	92,971

Hire purchase liabilities are secured against the assets to which they relate to.

**18 Pension and other schemes****Defined contribution pension scheme**

The Group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Group to the scheme and amounted to £163,275 (2022 - £93,077).

Contributions totalling £5,173 (2022 - £24,591) were payable to the scheme at the end of the year and are included in creditors.

# **ENVISAGE DENTAL UK LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023**

### **19 Share capital**

#### **Allotted, called up and fully paid shares**

	<b>2023</b>		<b>2022</b>	
	<b>No.</b>	<b>£</b>	<b>No.</b>	<b>£</b>
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

#### **Share rights**

The shares have attached to them full voting, dividend and capital distribution rights (including on winding up). They do not confer any right of redemption.

### **20 Reserves**

#### **Group and company**

##### **Profit and loss account**

The profit and loss account represents accumulated profits and losses along with unrealised gains since the later of either incorporation or the date at which the group obtained control.

### **21 Contingent liabilities**

#### **Group and company**

At 31 March 2023, the Group had no capital commitments.

Hire purchase liabilities are secured against the assets to which they relate.

Within the Group there is an intra-group guarantee headed by Envisage Management Limited in respect of bank debt with other members of the Group. The amount of guarantee at 31 March 2023 is £71,000,000 (2022 - £32,000,000)



**ENVISAGE DENTAL UK LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023****22 Obligations under leases and hire purchase contracts****Group****Operating leases**

The total of future minimum lease payments is as follows:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Not later than one year	1,285,774	751,310
Later than one year and not later than five years	4,842,990	2,742,796
Later than five years	<u>8,616,069</u>	<u>5,763,679</u>
	<u><b>14,744,833</b></u>	<u><b>9,257,785</b></u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £1,080,465 (2022 - £667,784).

**Company****Operating leases**

The total of future minimum lease payments is as follows:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Not later than one year	956,129	530,809
Later than one year and not later than five years	3,761,468	2,086,868
Later than five years	<u>6,608,439</u>	<u>4,605,194</u>
	<u><b>11,326,036</b></u>	<u><b>7,222,871</b></u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £821,322 (2022 - £384,608).

**23 Related party transactions****Company**

The company has taken advantage of the exemption available and has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary of that Group.

The only other related party transactions within the year are directors' emoluments disclosed in note 8.

**24 Non adjusting events after the financial period**

Post year end the Group has made a number of acquisitions in line with their growth strategy.

**25 Parent and ultimate parent undertaking**

The company's immediate parent is Envisage Management Limited, incorporated in England and Wales.

The ultimate parent is Envisage Dental Holdings Limited, incorporated in England and Wales.

The most senior parent entity producing publicly available financial statements is Envisage Dental Holdings Limited. These financial statements are available upon request from Companies House.