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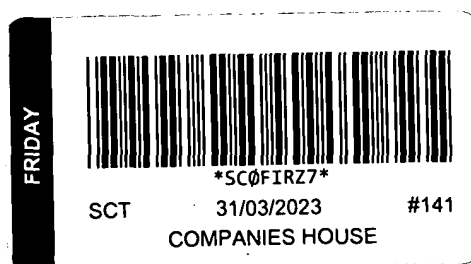
Section 479a

# Thistle Holdco Limited

Registered number: 13342897

## Annual report

For the period ended 31 March 2022



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**THISTLE HOLDCO LIMITED**

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**COMPANY INFORMATION**

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|                            |                                                                                                                         |
|----------------------------|-------------------------------------------------------------------------------------------------------------------------|
| <b>Directors</b>           | F M Abouchalache<br>J P Dib<br>U A Goheer<br>J S Hans<br>P Keegans                                                      |
| <b>Company secretary</b>   | Oakwood Corporate Secretary Limited                                                                                     |
| <b>Registered number</b>   | 13342897                                                                                                                |
| <b>Registered office</b>   | 3rd Floor<br>1 Ashley Road<br>Altrincham<br>Cheshire<br>WA14 2DT                                                        |
| <b>Independent auditor</b> | Mazars LLP<br>Chartered Accountants & Statutory Auditor<br>Capital Square<br>58 Morrison Street<br>Edinburgh<br>EH3 8BP |

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**THISTLE HOLDCO LIMITED**

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## THISTLE HOLDCO LIMITED

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### GROUP STRATEGIC REPORT FOR THE PERIOD ENDED 31 MARCH 2022

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#### Introduction

The Directors present their Group Strategic Report for the 10 month period from incorporation on 19 April 2021 to 31 March 2022.

#### Business review

The Group provides dental services to more than 300,000 patients across Scotland. The Group receives its turnover from both the NHS and private treatments.

#### COVID-19

During FY22, the dental industry operations continued to be impacted by the COVID-19 pandemic. In January 2022, the Group's dental practices had further restriction measures implemented due to the Omicron variant. As a result, in line with guidance the of NHS Scotland, the Group had controls and procedures in place to ensure the safety of patients and staff. Following this, the Group's activity has increased steadily and is anticipated to do so into the foreseeable future.

NHS Scotland and the UK/Scottish Government have continued to support dentistry through this period in a number of ways, including the Coronavirus Job Retention scheme, additional NHS COVID-19 financial support and assistance with the cost of PPE and ventilation equipment to make provision of services safer for all.

Despite these operational challenges, FY22 was a successful year, as the Group continued to build a business of significant scale which has the potential to grow significantly further both organically and inorganically, offering best in class services to patients.

#### Future developments

The Directors expects the level of activity within the Group to increase in the forthcoming year compared to FY22 which was impacted by COVID-19. The Group has plans to continue its growth with the expansion of its footprint and service offering. Furthermore, the Group continues to develop its back office support capabilities including Finance, HR, IT, acquisition and integration.

#### Principal risks and uncertainties

Set out below are the principal risks and uncertainties which exist within the Group, these are actively identified and dealt with by the management team but nevertheless, could adversely affect the Group, operations and financial condition. The following risk information is not intended to be a comprehensive overview of the risks inherent within the Group nor is it intended to rank the risks in order of importance or materiality.

#### Recruitment and retention

Scottish (and UK) dentistry faces a shortage of available dentists and clinical staff. Failure to effectively recruit and retain staff is a key risk for the Group. In order to mitigate this risk, the Directors continuously develop the Group's offering to contracted dentists and employed staff through improvements in training, development, reward and benefits.

#### IR35

The Group continues to review Dentist contracts to ensure that they are outside of IR35 regulations.

Periodically, the Group uses tax advisors to provide advice on any changes to IR35 guidelines.

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**THISTLE HOLDCO LIMITED**

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**GROUP STRATEGIC REPORT (CONTINUED)  
FOR THE PERIOD ENDED 31 MARCH 2022**

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**Financial key performance indicators**

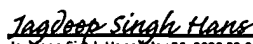
The Executive Management team monitors key performance indicators on a weekly and monthly basis. The primary KPIs monitored are practice Turnover and EBITDA. These KPIs are measured against historical performance and budget on a Group and by practice level. Turnover for the period to March 2022 was £21,908,354 and EBITDA was £4,462,773, including furlough income (£462,514) and excluding one-off non-recurring costs (£122,932).

The Directors expect that, with continued funding, the Group will continue to grow its KPIs as the Group invests in further acquisitions across the UK.

**Other key performance indicators**

The principal non-financial KPIs is the number of dental practices that the Group owns. At the end of the period the number of dental practices owned was 56.

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

  
Jagdeep Singh Hans (Mar 30, 2023 22:09 GMT+1)

**J S Hans**  
Director

Date: Mar 30, 2023

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## THISTLE HOLDCO LIMITED

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### DIRECTORS' REPORT FOR THE PERIOD ENDED 31 MARCH 2022

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The Directors present their report and the financial statements for the period ended 31 March 2022.

The Company was incorporated on 19 April 2021, thus there are no prior year comparatives.

#### **Directors' responsibilities statement**

The Directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 Company and the Group and of the profit or loss of the Group for that period.

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

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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

#### **Principal activity**

The principal activity of Thistle Holdco Limited is that of a holding company. The principal activity of the Group is the provision of dental services.

#### **Results and dividends**

The loss for the period, after taxation, amounted to £5,193,716. EBITDA was £4,462,773, including furlough income (£462,514) and excluding one-off non-recurring costs (£122,932).

No dividends were paid in the period.

#### **Directors**

The Directors who served during the period were:

F M Abouchalache (appointed 1 June 2021)  
J P Dib (appointed 19 April 2021)  
U A Goheer (appointed 1 June 2021)  
J S Hans (appointed 1 June 2021)  
P Keegans (appointed 1 June 2021)

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## THISTLE HOLDCO LIMITED

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### DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2022

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#### Future developments

The Directors expect the level of activity within the Group to increase in the forthcoming year compared to FY22, that were impacted by COVID-19. The Group has plans to continue the growth of the business with the expansion of the Group's footprint and service offering. Furthermore, the Group has plans to increase its back office support capabilities including Finance, HR, IT, acquisition and integration.

#### Matters covered in the Group Strategic Report

As permitted by Paragraph 1A Schedule 7 to the Large and Medium-sized Companies and Groups (Accounts and report) Regulations 2008 certain matters which are required to be disclosed in the Directors' report have been omitted as they are included in the Group Strategic Report instead. These matters relate to business review, principal risks and uncertainties, financial key performance indicators and other key performance indicators.

#### 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 Directors are aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- the Directors have taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

#### Economic impact of global events

UK businesses are currently facing many uncertainties such as the consequences of Brexit, COVID-19, environmental sustainability and geopolitical events such as the Russian invasion of Ukraine. These uncertainties have contributed to an environment where there exists a range of issues and risks, including inflation, rising interest rates, labour shortages, disrupted supply chains and new ways of working.

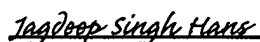
The Directors have carried out an assessment of the potential impact of these uncertainties on the business, including the impact of mitigation measures, and have concluded that these are non-adjusting events with the greatest impact on the business expected to be from the economic ripple effect on the global economy. The Directors have taken account of these potential impacts in their going concern assessment.

The Group continues to work with its partners to minimise any impacts of these events and maximise the realisation of any opportunities they may provide to the business.

#### Auditor

The auditor, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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

  
Jagdeep Singh Hans (Mar 30, 2023 22:09 GMT+1)

**J S Hans**  
Director

Date: Mar 30, 2023

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## THISTLE HOLDCO LIMITED

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THISTLE HOLDCO LIMITED

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#### Opinion

We have audited the financial statements of Thistle Holdco Limited (the 'Parent Company') and its subsidiaries (the 'Group') for the period ended 31 March 2022 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, the Consolidated Statement of Cash Flows 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 FRS 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 Parent Company's affairs as at 31 March 2022 and of its loss for the period 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's responsibilities for the audit of the financial statements section of our report. We are independent of the Company 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 and Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are 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.

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## **THISTLE HOLDCO LIMITED**

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### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THISTLE HOLDCO LIMITED**

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#### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

#### **Opinions on other matters 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 Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

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

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

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

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

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## THISTLE HOLDCO LIMITED

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THISTLE HOLDCO LIMITED

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#### Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 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 the Directors intend either 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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.

Based on our understanding of the Group and Parent Company and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation, anti-money laundering regulation and non-compliance with implementation of government support schemes relating to COVID-19.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the Group and Parent Company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the Group and the Parent Company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, the Companies Act 2006.

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## THISTLE HOLDCO LIMITED

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THISTLE HOLDCO LIMITED

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In addition, we evaluated the Directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of override of controls, and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to revenue recognition (which we pinpointed to the cut-off assertion), and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the Directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located 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 the audit 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.

Craig Maxwell

Craig Maxwell (Mar 30, 2023 22:12 GMT+1)

Craig Maxwell (Senior statutory auditor)

for and on behalf of

Mazars LLP  
Chartered Accountants and Statutory Auditor  
Capital Square  
58 Morrison Street  
Edinburgh  
EH3 8BP

Date: Mar 30, 2023

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THISTLE HOLDCO LIMITED

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 31 MARCH 2022

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|                                                                   | Note | 2022<br>£          |
|-------------------------------------------------------------------|------|--------------------|
| Turnover                                                          | 4    | 21,908,354         |
| Cost of sales                                                     |      | (10,783,606)       |
| <b>Gross profit</b>                                               |      | <b>11,124,748</b>  |
| Administrative expenses                                           |      | (12,561,537)       |
| Other operating income                                            | 5    | 462,514            |
| <b>Operating loss</b>                                             | 6    | <b>(974,275)</b>   |
| Interest payable and similar expenses                             | 10   | (3,440,935)        |
| <b>Loss before taxation</b>                                       |      | <b>(4,415,210)</b> |
| Tax on loss                                                       | 11   | (778,506)          |
| <b>Loss for the financial period</b>                              |      | <b>(5,193,716)</b> |
| <br><b>Total comprehensive income for the period</b>              |      | <b>(5,193,716)</b> |
| <b>Loss for the period attributable to:</b>                       |      |                    |
| Owners of the Parent Company                                      |      | (5,193,716)        |
| <b>Total comprehensive income for the period attributable to:</b> |      |                    |
| Owners of the Parent Company                                      |      | (5,193,716)        |

The notes on pages 16 to 38 form part of these financial statements.

**THISTLE HOLDCO LIMITED**  
**REGISTERED NUMBER: 13342897**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 MARCH 2022**

|                                                            | Note | 2022<br>£          |
|------------------------------------------------------------|------|--------------------|
| <b>Fixed assets</b>                                        |      |                    |
| Intangible fixed assets                                    | 12   | 53,479,396         |
| Tangible fixed assets                                      | 13   | 3,145,799          |
|                                                            |      | <u>56,625,195</u>  |
| <b>Current assets</b>                                      |      |                    |
| Stocks                                                     | 15   | 1,212,839          |
| Debtors: amounts falling due within one year               | 16   | 4,629,895          |
| Cash and cash equivalents                                  | 17   | 1,766,434          |
|                                                            |      | <u>7,609,168</u>   |
| Creditors: amounts falling due within one year             | 18   | (7,115,918)        |
|                                                            |      | <u>493,250</u>     |
| <b>Net current liabilities</b>                             |      |                    |
|                                                            |      | <u>493,250</u>     |
| <b>Total assets less current liabilities</b>               |      | 57,118,445         |
| Creditors: amounts falling due after more than one year    | 19   | (60,326,806)       |
| <b>Provisions for liabilities</b>                          |      |                    |
| Deferred taxation                                          | 23   | (571,945)          |
|                                                            |      | <u>(571,945)</u>   |
| <b>Net (liabilities)/assets</b>                            |      | <u>(3,780,306)</u> |
| <b>Capital and reserves</b>                                |      |                    |
| Called up share capital                                    | 24   | 10,635             |
| Share premium account                                      | 25   | 1,402,775          |
| Profit and loss account                                    | 25   | (5,193,716)        |
|                                                            |      | <u>(3,780,306)</u> |
| <b>Equity attributable to owners of the Parent Company</b> |      | <u>(3,780,306)</u> |

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Jagdeep Singh Hans  
Jagdeep Singh Hans (Mar 30, 2023 22:09 GMT+1)

**J S Hans**  
Director

Date: Mar 30, 2023

The notes on pages 16 to 38 form part of these financial statements.

**THISTLE HOLDCO LIMITED**  
**REGISTERED NUMBER: 13342897**

**COMPANY BALANCE SHEET**  
**AS AT 31 MARCH 2022**

|                                                         | Note | 2022<br>£    |
|---------------------------------------------------------|------|--------------|
| <b>Fixed assets</b>                                     |      |              |
| Investments                                             | 14   | 12,436,281   |
| <b>Current assets</b>                                   |      |              |
| Debtors: amounts falling due after more than one year   | 16   | 5,748,324    |
| Debtors: amounts falling due within one year            | 16   | 42,400       |
|                                                         |      | 5,790,724    |
| Creditors: amounts falling due within one year          | 18   | (68,141)     |
| <b>Net current assets</b>                               |      | 5,722,583    |
| <b>Total assets less current liabilities</b>            |      | 18,158,864   |
| Creditors: amounts falling due after more than one year | 19   | (17,313,374) |
| <b>Net assets</b>                                       |      | 845,490      |
| <b>Capital and reserves</b>                             |      |              |
| Called up share capital                                 | 24   | 10,635       |
| Share premium account                                   | 25   | 1,402,775    |
| Loss for the period                                     |      | (567,920)    |
| Profit and loss account carried forward                 |      | (567,920)    |
|                                                         |      | 845,490      |

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. The loss after tax of the Parent Company for the period was £567,920.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Jagdeep Singh Hans  
Jagdeep Singh Hans (Mar 30, 2023 22:09 GMT+1)

**J S Hans**  
Director

Date: Mar 30, 2023

The notes on pages 16 to 38 form part of these financial statements.

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**THISTLE HOLDCO LIMITED**

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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 MARCH 2022**

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|                                                  | Called up<br>share capital<br>£ | Share<br>premium<br>account<br>£ | Profit and<br>loss account<br>£ | Total equity<br>£ |
|--------------------------------------------------|---------------------------------|----------------------------------|---------------------------------|-------------------|
| At 19 April 2021                                 | -                               | -                                | -                               | -                 |
| <b>Comprehensive income for the period</b>       |                                 |                                  |                                 |                   |
| Loss for the period                              | -                               | -                                | (5,193,716)                     | (5,193,716)       |
| <b>Total comprehensive income for the period</b> | -                               | -                                | (5,193,716)                     | (5,193,716)       |
| Shares issued during the period                  | 10,635                          | 1,402,775                        | -                               | 1,413,410         |
| <b>Total transactions with owners</b>            | 10,635                          | 1,402,775                        | -                               | 1,413,410         |
| <b>At 31 March 2022</b>                          | 10,635                          | 1,402,775                        | (5,193,716)                     | (3,780,306)       |

The notes on pages 16 to 38 form part of these financial statements.

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THISTLE HOLDCO LIMITED

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COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 MARCH 2022

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|                                                  | Called up<br>share capital<br>£ | Share<br>premium<br>account<br>£ | Profit and<br>loss account<br>£ | Total equity<br>£ |
|--------------------------------------------------|---------------------------------|----------------------------------|---------------------------------|-------------------|
| At 19 April 2021                                 | -                               | -                                | -                               | -                 |
| <b>Comprehensive income for the period</b>       |                                 |                                  |                                 |                   |
| Loss for the period                              | -                               | -                                | (567,920)                       | (567,920)         |
| <b>Total comprehensive income for the period</b> | -                               | -                                | (567,920)                       | (567,920)         |
| Shares issued during the period                  | 10,635                          | 1,402,775                        | -                               | 1,413,410         |
| <b>Total transactions with owners</b>            | 10,635                          | 1,402,775                        | -                               | 1,413,410         |
| <b>At 31 March 2022</b>                          | 10,635                          | 1,402,775                        | (567,920)                       | 845,490           |

The notes on pages 16 to 38 form part of these financial statements.

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THISTLE HOLDCO LIMITED

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CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 31 MARCH 2022

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|                                                                 | 2022<br>£           |
|-----------------------------------------------------------------|---------------------|
| <b>Cash flows from operating activities</b>                     |                     |
| (Loss)/profit for the financial period                          | (5,193,716)         |
| <b>Adjustments for:</b>                                         |                     |
| Amortisation of intangible assets                               | 4,669,427           |
| Depreciation of tangible assets                                 | 646,152             |
| Taxation charge                                                 | 778,506             |
| (Increase)/decrease in stocks                                   | (505,993)           |
| (Increase)/decrease in debtors                                  | (173,289)           |
| Increase in creditors                                           | 3,422,838           |
| Corporation tax paid                                            | (421,302)           |
| <b>Net cash generated from operating activities</b>             | <b>3,222,623</b>    |
| <b>Cash flows from investing activities</b>                     |                     |
| Purchase of intangible fixed assets (note 26)                   | (7,171,668)         |
| Purchase of tangible fixed assets                               | (1,608,576)         |
| Acquisition of subsidiaries net of cash (note 26)               | (38,954,320)        |
| <b>Net cash used in investing activities</b>                    | <b>(47,734,564)</b> |
| <b>Cash flows from financing activities</b>                     |                     |
| Issue of ordinary shares                                        | 1,413,410           |
| New loans                                                       | 41,476,975          |
| Repayment of loans                                              | (12,050,141)        |
| Interest paid                                                   | (456,462)           |
| Issue of preference shares                                      | 17,313,374          |
| Movement in Directors loan                                      | (1,418,781)         |
| <b>Net cash generated from financing activities</b>             | <b>46,278,375</b>   |
| <b>Net increase in cash and cash equivalents</b>                | <b>1,766,434</b>    |
| <b>Cash and cash equivalents at the end of period</b>           | <b>1,766,434</b>    |
| <b>Cash and cash equivalents at the end of period comprise:</b> |                     |
| Cash at bank and in hand                                        | 1,766,434           |
|                                                                 | <b>1,766,434</b>    |

The notes on pages 16 to 38 form part of these financial statements.

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**THISTLE HOLDCO LIMITED**

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**CONSOLIDATED ANALYSIS OF CASH FLOWS  
FOR THE PERIOD ENDED 31 MARCH 2022**

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|                          | <b>Cash flows</b>   | <b>At 31 March</b>  |
|--------------------------|---------------------|---------------------|
|                          | <b>£</b>            | <b>2022</b>         |
|                          |                     | <b>£</b>            |
| Cash at bank and in hand | 1,766,434           | 1,766,434           |
| Debt due after 1 year    | (58,278,348)        | (58,278,348)        |
| Debt due within 1 year   | (61,020)            | (61,020)            |
| Finance leases           | (5,002)             | (5,002)             |
|                          | <u>(56,577,936)</u> | <u>(56,577,936)</u> |

The notes on pages 16 to 38 form part of these financial statements.

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## THISTLE HOLDCO LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

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#### 1. General information

Thistle Holdco Limited ("the Company") is a private company limited by shares, registered and incorporated in England and Wales. The address of its registered office is 3rd Floor 1 Ashley Road, Altrincham, Cheshire, WA14 2DT. The Company's registered number is 13342897.

The principal activity of Thistle Holdco Limited is that of a holding company. The principal activity of the Group is the provision of dental services.

The Company was incorporated on 19 April 2021, thus there are no prior year comparatives.

The functional currency of the Company and Group is Pounds Sterling (£), this being the currency of the primary economic environment in which the Company and Group operates.

Monetary amounts in these financial statements are rounded to the nearest £.

#### 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 preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement 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.

The following principal accounting policies have been applied:

##### 2.2 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.

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 19 April 2021.

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## THISTLE HOLDCO LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

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#### 2. Accounting policies (continued)

##### 2.3 Going concern

These financial statements have been prepared on a going concern basis as the Directors have not identified any material uncertainties related to events or conditions that may cast significant doubt about the ability of the Company or Group to continue as a going concern.

The Directors have prepared detailed financial forecasts and projections, across a range of different scenarios, including sensitivity analysis to understand the Groups ability to meet debts as they fall due and to maintain adherence with bank covenants.

Whilst there is economic uncertainty caused by factors including COVID-19, Brexit and the conflict in Ukraine, there remains a significant demand for essential dental services in Scotland that will protect future turnover delivery. The Group continues to benefit from financial support from NHS Scotland through a revised scheme, offering a "multiplier" to dental fees, with the aim of encouraging increased activity in the sector.

The Group meets its day to day working capital requirements through use of its revolving credit facility and cash in bank. The Group has met all covenants tests up to the date of signing and the financial forecast and sensitivity analysis confirms that this is expected to continue for the foreseeable future.

Consequently, the Directors' view is that it is appropriate to prepare the accounts on a going concern basis.

##### 2.4 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 the Consolidated Statement of Comprehensive Income 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 the Consolidated Statement of Comprehensive Income within 'other operating income'.

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## THISTLE HOLDCO LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

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#### 2. Accounting policies (continued)

##### 2.4 Foreign currency translation (continued)

On consolidation, the results of overseas operations are translated into Sterling 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.

##### 2.5 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Group and the turnover can be reliably measured. Turnover 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 turnover is recognised:

###### Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

###### Rendering of services

Turnover 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 turnover 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.

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

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight-line basis over the lease term.

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## THISTLE HOLDCO LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

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#### 2. Accounting policies (continued)

##### 2.7 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 the Consolidated Statement of Comprehensive Income 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.

##### 2.8 Finance costs

Finance costs are charged to the Consolidated Statement of Comprehensive Income 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.

##### 2.9 Borrowing costs

All borrowing costs are recognised in the Consolidated Statement of Comprehensive Income in the period in which they are incurred.

##### 2.10 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 the Consolidated Statement of Comprehensive Income 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.

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## THISTLE HOLDCO LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

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#### 2. Accounting policies (continued)

##### 2.11 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income 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.

##### 2.12 Intangible assets

###### Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the Consolidated Statement of Comprehensive Income over its useful economic life.

###### 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 ten years.

Goodwill is amortised over a period of 10 years.

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## THISTLE HOLDCO LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

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#### 2. Accounting policies (continued)

##### 2.13 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.

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:

|                       |   |     |
|-----------------------|---|-----|
| Plant and machinery   | - | 20% |
| Fixtures and fittings | - | 20% |
| Office equipment      | - | 20% |
| Dental equipment      | - | 20% |

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 the Consolidated Statement of Comprehensive Income.

##### 2.14 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

##### 2.15 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 the Consolidated Statement of Comprehensive Income.

##### 2.16 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.

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## THISTLE HOLDCO LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

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#### 2. Accounting policies (continued)

##### 2.17 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.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

##### 2.18 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.

##### 2.19 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 the Consolidated Statement of Comprehensive Income 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.

##### 2.20 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 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 in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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.

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## THISTLE HOLDCO LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

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#### 2. Accounting policies (continued)

##### 2.20 Financial instruments (continued)

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.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

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.

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

In applying the Group's accounting policies, the Directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The Directors' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

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.

The key judgements made by management include:

##### *Stock*

A number of factors make a full count of stock challenging for the Group. These include the lack of available access to practices due to COVID-19, the physical difficulty of counting medical stock items, the fast stock cycle time and geographic dispersion of practices. As such, the Group performs analytical review of stock levels utilising analysis such as materials purchases, treatment volumes and external comparable data to define an average stock value by practice type. This desktop review is then supported by a sample of on-site stock counts.

##### *Investments and goodwill*

The Group performs value in use analysis on each investment to identify any instances of impairment, by forecasting EBITDA by practice over the next 5 years and multiplying by a multiple in line with industry analysis.

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**THISTLE HOLDCO LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2022**

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**4. Turnover**

An analysis of turnover by class of business is as follows:

|                              | <b>2022<br/>£</b> |
|------------------------------|-------------------|
| Provision of dental services | 21,908,354        |

All turnover arose within the United Kingdom.

**5. Other operating income**

|                 | <b>2022<br/>£</b> |
|-----------------|-------------------|
| Furlough income | 462,514           |

**6. Operating (loss)/profit**

The operating (loss)/profit is stated after charging/(crediting):

|                                            | <b>2022<br/>£</b> |
|--------------------------------------------|-------------------|
| Depreciation of tangible fixed assets      | 646,152           |
| Amortisation of intangible fixed assets    | 4,669,427         |
| Operating lease rentals                    | 713,244           |
| Gain on disposal of fixed asset investment | (1,535,900)       |

**7. Auditor's remuneration**

|                                                                                              | <b>2022<br/>£</b> |
|----------------------------------------------------------------------------------------------|-------------------|
| Fees payable to the Group's auditor for the audit of the Group's annual financial statements | 55,000            |

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

|                    |       |
|--------------------|-------|
| All other services | 5,700 |
|--------------------|-------|

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**THISTLE HOLDCO LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2022**

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**8. Employees**

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

|                                     | <b>Group<br/>2022<br/>£</b> |
|-------------------------------------|-----------------------------|
| Wages and salaries                  | 4,639,963                   |
| Social security costs               | 334,756                     |
| Cost of defined contribution scheme | 65,370                      |
|                                     | <u>5,040,089</u>            |

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

|           | <b>2022<br/>No.</b> |
|-----------|---------------------|
| Employees | <u>274</u>          |

**9. Directors' remuneration**

|                                                       | <b>2022<br/>£</b> |
|-------------------------------------------------------|-------------------|
| Directors' emoluments                                 | 268,681           |
| Contributions to defined contribution pension schemes | -                 |
|                                                       | <u>268,681</u>    |

The highest paid Director received remuneration of £116,285.

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £NIL.

**10. Interest payable and similar expenses**

|                                        | <b>2022<br/>£</b> |
|----------------------------------------|-------------------|
| Bank interest payable                  | 547,000           |
| Shareholder loan note interest payable | 2,035,518         |
| Preference share interest payable      | 858,417           |
|                                        | <u>3,440,935</u>  |

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THISTLE HOLDCO LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2022

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11. Taxation

|                                                | 2022<br>£      |
|------------------------------------------------|----------------|
| <b>Corporation tax</b>                         |                |
| Current tax on profits for the year            | 610,896        |
| Adjustments in respect of previous periods     | (10,852)       |
| <b>Total current tax</b>                       | <u>600,044</u> |
| Origination and reversal of timing differences | 45,426         |
| Changes to tax rates                           | 133,036        |
| <b>Taxation on loss on ordinary activities</b> | <u>778,506</u> |

**Factors affecting tax charge for the period**

The tax assessed for the period is higher than the standard rate of corporation tax in the UK of 19%. The differences are explained below:

|                                                                                             | 2022<br>£          |
|---------------------------------------------------------------------------------------------|--------------------|
| Loss on ordinary activities before tax                                                      | <u>(4,415,210)</u> |
| Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% | (838,890)          |
| <b>Effects of:</b>                                                                          |                    |
| Expenses not deductible for tax purposes                                                    | 1,478,616          |
| Income not taxable for tax purposes                                                         | 16,596             |
| Adjustments to tax charge in respect of prior periods                                       | (10,852)           |
| Deferred tax on acquisitions                                                                | 133,036            |
| <b>Total tax charge for the period</b>                                                      | <u>778,506</u>     |

**Factors that may affect future tax charges**

The UK Government announced in the 2021 budget that from 1 April 2023, the rate of corporation tax in the United Kingdom will increase from 19% to 25%. Companies with profits of £50,000 or less will continue to be taxed at 19%, which is a new small profits rate. Where taxable profits are between £50,000 and £250,000, the higher 25% rate will apply but with a marginal relief applying as profits increase.

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THISTLE HOLDCO LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2022

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12. Intangible assets

Group

Goodwill  
£

Cost

Arising on business combinations

62,832,613

At 31 March 2022

62,832,613

Amortisation

Arising on business combinations

4,683,790

Charge for the period

4,669,427

At 31 March 2022

9,353,217

Net book value

At 31 March 2022

53,479,396

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THISTLE HOLDCO LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2022

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**13. Tangible fixed assets**

**Group**

|                                  | <b>Fixtures,<br/>fittings and<br/>equipment<br/>£</b> |
|----------------------------------|-------------------------------------------------------|
| <b>Cost</b>                      |                                                       |
| Arising on business combinations | 5,429,520                                             |
| Additions                        | 1,608,576                                             |
| At 31 March 2022                 | <u>7,038,096</u>                                      |
| <b>Depreciation</b>              |                                                       |
| Arising on business combinations | 3,246,145                                             |
| Charge for the period            | 646,152                                               |
| At 31 March 2022                 | <u>3,892,297</u>                                      |
| <b>Net book value</b>            |                                                       |
| At 31 March 2022                 | <u><u>3,145,799</u></u>                               |

**14. Fixed asset investments**

**Company**

|                  | <b>Investments<br/>in<br/>subsidiary<br/>companies<br/>£</b> |
|------------------|--------------------------------------------------------------|
| <b>Cost</b>      |                                                              |
| Additions        | 12,436,281                                                   |
| At 31 March 2022 | <u><u>12,436,281</u></u>                                     |

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**THISTLE HOLDCO LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2022**

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**14. Fixed asset investments (continued)****Direct subsidiary undertaking**

The following was a direct subsidiary undertaking of the Company:

| <b>Name</b>           | <b>Registered office</b>                                       | <b>Class of shares</b> | <b>Holding</b> |
|-----------------------|----------------------------------------------------------------|------------------------|----------------|
| Thistle Bidco Limited | 3rd Floor, 1 Ashley Road,<br>Altrincham, Cheshire, WA14<br>2DT | Ordinary               | 100%           |

**Indirect subsidiary undertakings**

The following were indirect subsidiary undertakings of the Company:

| <b>Name</b>                          | <b>Registered office</b>                                                                | <b>Class of shares</b> | <b>Holding</b> |
|--------------------------------------|-----------------------------------------------------------------------------------------|------------------------|----------------|
| Kingdom Holding Group Limited        | 25 Queen Street, Edinburgh,<br>EH2 1JX                                                  | Ordinary               | 100%           |
| The Real Good Dental Company Limited | 25 Queen Street, Edinburgh,<br>EH2 1JX                                                  | Ordinary               | 100%           |
| Westerwood Smile Limited             | 25 Queen Street, Edinburgh,<br>EH2 1JX                                                  | Ordinary               | 100%           |
| Firth of Forth Clinical Limited      | 25 Queen Street, Edinburgh,<br>EH2 1JX                                                  | Ordinary               | 100%           |
| Gorgie Dental Limited                | 25 Queen Street, Edinburgh,<br>EH2 1JX                                                  | Ordinary               | 100%           |
| Glenrothes Dental Practice Limited   | Spiersbridge Business Park, 1<br>Spiersbridge Way,<br>Thornliebank, Glasgow, G46<br>8NG | Ordinary               | 100%           |
| H Maclean Limited                    | 25 Queen Street, Edinburgh,<br>EH2 1JX                                                  | Ordinary               | 100%           |
| Bathgate Dental Practice Ltd.        | 25 Queen Street, Edinburgh,<br>EH2 1JX                                                  | Ordinary               | 100%           |
| Byres Road Dental Practice Ltd       | 25 Queen Street, Edinburgh,<br>EH2 1JX                                                  | Ordinary               | 100%           |
| BMR Holdco Limited                   | 25 Queen Street, Edinburgh,<br>EH2 1JX                                                  | Ordinary               | 100%           |
| Blackhills Clinic Limited            | 25 Queen Street, Edinburgh,<br>EH2 1JX                                                  | Ordinary               | 100%           |
| A&S McGregor Ltd.                    | 25 Queen Street, Edinburgh,<br>EH2 1JX                                                  | Ordinary               | 100%           |
| The Renfrew Dental Centre Limited    | 25 Queen Street, Edinburgh,<br>EH2 1JX                                                  | Ordinary               | 100%           |
| Essential Dental Care Ltd.           | 25 Queen Street, Edinburgh,<br>EH2 1JX                                                  | Ordinary               | 100%           |
| Eilertsen Holdings Limited           | 25 Queen Street, Edinburgh,<br>EH2 1JX                                                  | Ordinary               | 100%           |
| Eilertsen Dental Care Limited        | 25 Queen Street, Edinburgh,<br>EH2 1JX                                                  | Ordinary               | 100%           |

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**THISTLE HOLDCO LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2022**

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**14. Fixed asset investments (continued)****Indirect subsidiary undertakings (continued)**

| <b>Name</b>                    | <b>Registered office</b>               | <b>Class of shares</b> | <b>Holding</b> |
|--------------------------------|----------------------------------------|------------------------|----------------|
| Glenburn Dental Limited        | 25 Queen Street, Edinburgh,<br>EH2 1JX | Ordinary               | 100%           |
| Skye Dental Limited            | 25 Queen Street, Edinburgh,<br>EH2 1JX | Ordinary               | 100%           |
| Devonshire Dental Care Limited | 25 Queen Street, Edinburgh,<br>EH2 1JX | Ordinary               | 100%           |

The following subsidiaries were exempt from the requirements relating to the audit of individual financial statements by virtue of Section 479A of the Companies Act 2006:

Thistle Bidco Limited  
Kingdom Holding Group Limited  
Westerwood Smile Limited  
Firth of Forth Clinical Limited  
Gorgie Dental Ltd  
Glenrothes Dental Practice Limited  
H Maclean Limited  
Bathgate Dental Practice Ltd.  
Byres Road Dental Practice Ltd  
BMR Holdco Limited  
Blackhills Clinic Limited  
A&S McGregor Ltd.  
The Renfrew Dental Centre Limited  
Essential Dental Care Ltd.  
Eilertsen Holdings Limited  
Eilertsen Dental Care Limited  
Glenburn Dental Limited  
Skye Dental Limited  
Devonshire Dental Care Limited

**15. Stocks**

|                                |                             |
|--------------------------------|-----------------------------|
|                                | <b>Group<br/>2022<br/>£</b> |
| Raw materials and consumables. | <b>1,212,839</b>            |

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**THISTLE HOLDCO LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**16. Debtors**

|                                              | <b>Group<br/>2022<br/>£</b> | <b>Company<br/>2022<br/>£</b> |
|----------------------------------------------|-----------------------------|-------------------------------|
| Amounts owed by group undertakings (note 29) | -                           | 5,748,324                     |
|                                              | <u>-</u>                    | <u>5,748,324</u>              |
|                                              | <b>Group<br/>2022<br/>£</b> | <b>Company<br/>2022<br/>£</b> |
| Trade debtors                                | 1,515,551                   | -                             |
| Other debtors                                | 161,382                     | -                             |
| Prepayments and accrued income               | 2,952,962                   | 42,400                        |
|                                              | <u>4,629,895</u>            | <u>42,400</u>                 |
|                                              | <u>4,629,895</u>            | <u>42,400</u>                 |

Amounts owed by group undertakings are unsecured and interest applies at a margin above SONIA. They are repayable in ten years from the agreement date.

**17. Cash and cash equivalents**

|                          | <b>Group<br/>2022<br/>£</b> | <b>Company<br/>2022<br/>£</b> |
|--------------------------|-----------------------------|-------------------------------|
| Cash at bank and in hand | 1,766,434                   | -                             |
|                          | <u>1,766,434</u>            | <u>-</u>                      |

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

|                                                                       | <b>Group<br/>2022<br/>£</b> | <b>Company<br/>2022<br/>£</b> |
|-----------------------------------------------------------------------|-----------------------------|-------------------------------|
| Bank loans (note 20)                                                  | 61,020                      | -                             |
| Trade creditors                                                       | 1,405,752                   | -                             |
| Corporation tax                                                       | 1,400,224                   | 68,141                        |
| Other taxation and social security                                    | 1,353,713                   | -                             |
| Obligations under finance lease and hire purchase contracts (note 22) | 5,002                       | -                             |
| Other creditors                                                       | 1,668,997                   | -                             |
| Accruals and deferred income                                          | 1,221,210                   | -                             |
|                                                                       | <u>7,115,918</u>            | <u>68,141</u>                 |
|                                                                       | <u>7,115,918</u>            | <u>68,141</u>                 |

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**NOTES TO THE FINANCIAL STATEMENTS  
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**19. Creditors: Amounts falling due after more than one year**

|                      | <b>Group<br/>2022<br/>£</b> | <b>Company<br/>2022<br/>£</b> |
|----------------------|-----------------------------|-------------------------------|
| Bank loans (note 20) | 10,000,000                  | -                             |
| Loan notes (note 20) | 30,964,974                  | -                             |
| Preference shares    | 17,313,374                  | 17,313,374                    |
| Other creditors      | 2,048,458                   | -                             |
|                      | <u>60,326,806</u>           | <u>17,313,374</u>             |

Preference shares are redeemable on an exit, these shares are non-voting and have a coupon rate of 8% per annum.

**20. Loans**

|                                                    | <b>Group<br/>2022<br/>£</b> | <b>Company<br/>2022<br/>£</b> |
|----------------------------------------------------|-----------------------------|-------------------------------|
| <b>Amounts falling due within one year</b>         |                             |                               |
| Bank loans                                         | 61,020                      | -                             |
| <b>Amounts falling due 1-2 years</b>               |                             |                               |
| Bank loans                                         | 10,000,000                  | -                             |
| <b>Amounts falling due after more than 5 years</b> |                             |                               |
| Loan notes                                         | 30,964,974                  | -                             |
|                                                    | <u>41,025,994</u>           | <u>-</u>                      |

The bank loan comprises a revolving credit facility ("RCF"). The interest rate incurred by the Group is based on a margin above SONIA. The facility is secured by fixed and floating charges over certain assets. It was repayable on 1 June 2023 but was included in the refinancing exercise post year end (refer note 30).

Loan notes are payable to Trispan LLP affiliates and Management under loan agreements dated 1 June 2021 and 2 June 2021 and are repayable in ten years from the date of agreement. Interest applies at 8%.

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FOR THE PERIOD ENDED 31 MARCH 2022

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**21. Hire purchase and finance leases**

Minimum lease payments under hire purchase fall due as follows:

|                 | <b>Group<br/>2022<br/>£</b> |
|-----------------|-----------------------------|
| Within one year | 5,002                       |

**22. Financial instruments**

|                                                                | <b>Group<br/>2022<br/>£</b> | <b>Company<br/>2022<br/>£</b> |
|----------------------------------------------------------------|-----------------------------|-------------------------------|
| <b>Financial assets</b>                                        |                             |                               |
| Financial assets measured at fair value through profit or loss | 1,766,434                   | -                             |
| Financial assets measured at amortised cost                    | 1,641,603                   | 5,758,924                     |
|                                                                | <u>3,408,037</u>            | <u>5,758,924</u>              |
| <b>Financial liabilities</b>                                   |                             |                               |
| Financial liabilities measured at amortised cost               | (64,223,681)                | (17,313,374)                  |

Financial assets measured at fair value through profit or loss comprise cash and cash equivalents.

Financial assets that are debt instruments measured at amortised cost comprise trade debtors, other debtors and amounts owed by group undertaking.

Financial liabilities measured at amortised cost comprise trade creditors, bank overdrafts, bank loans, loan notes, other creditors and accruals.

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THISTLE HOLDCO LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2022

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**23. Deferred taxation**

**Group**

|                                  | <b>2022</b><br><b>£</b>                 |
|----------------------------------|-----------------------------------------|
| Charged to profit or loss        | (180,168)                               |
| Arising on business combinations | (391,777)                               |
| <b>At end of year</b>            | <u>(571,945)</u>                        |
|                                  | <b>Group</b><br><b>2022</b><br><b>£</b> |
| Accelerated capital allowances   | <u>(571,945)</u>                        |

**24. Share capital**

|                                           | <b>2022</b><br><b>£</b> |
|-------------------------------------------|-------------------------|
| <b>Allotted, called up and fully paid</b> |                         |
| 1,063,498 Ordinary shares of £0.01 each   | <u>10,635</u>           |

During the year, the Company issued 1 Ordinary A share at par value.

During the year, the Company issued a further 520,825 Ordinary A shares at the value of £1 per share, a premium of £0.99 per share issued.

During the year, the Company issued a further 115,998 Ordinary A shares at the value of £3.56 per share, a premium of £3.55 per share issued.

During the year, the Company issued 379,174 Ordinary B shares at a value of £1 per share, a premium of £0.99 per share issued.

During the year, the Company issued 27,500 Ordinary C shares at a value of £2.11 per share, a premium of £2.10 per share issued.

During the year, the Company issued a further 20,000 Ordinary C shares at a value of £2.12 per share, a premium of £2.11 per share issued.

The Group's Ordinary shares carry voting rights but no right to fixed income.

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THISTLE HOLDCO LIMITED

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FOR THE PERIOD ENDED 31 MARCH 2022

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**25. Reserves**

**Share premium account**

The Share premium account represents income from share in excess of the par value at the time of issue.

**26. Business combinations**

The following business combinations have been accounted for using the acquisition method.

The table below shows the fair value of assets and liabilities acquired:

**Acquisition of Group A**

**Recognised amounts of identifiable assets acquired and liabilities assumed**

|                                           | Book value<br>£    | Fair value<br>£          |
|-------------------------------------------|--------------------|--------------------------|
| <b>Fixed assets</b>                       |                    |                          |
| Tangible fixed assets                     | 1,824,764          | 1,824,764                |
| Intangible fixed assets                   | 8,845,403          | 8,845,403                |
|                                           | <u>10,670,167</u>  | <u>10,670,167</u>        |
| <b>Current Assets</b>                     |                    |                          |
| Stocks                                    | 410,822            | 410,822                  |
| Debtors                                   | 3,097,066          | 3,097,066                |
| Cash and cash equivalents                 | 406,278            | 406,278                  |
| <b>Total Assets</b>                       | <u>14,584,333</u>  | <u>14,584,333</u>        |
| <b>Creditors</b>                          |                    |                          |
| Due within one year                       | (10,084,190)       | (10,084,190)             |
| Due after more than one year              | (7,615,437)        | (7,615,437)              |
| Deferred taxation                         | (360,619)          | (360,619)                |
| <b>Total Identifiable net liabilities</b> | <u>(3,475,913)</u> | <u>(3,475,913)</u>       |
| Goodwill                                  |                    | <u>31,229,101</u>        |
| <b>Total purchase consideration</b>       |                    | <u><u>27,753,188</u></u> |

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**THISTLE HOLDCO LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2022**

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**26. Business combinations (continued)**

**Consideration**

|                                     | £                 |
|-------------------------------------|-------------------|
| Cash                                | 25,952,932        |
| Directly attributable costs         | 1,800,256         |
| <b>Total purchase consideration</b> | <b>27,753,188</b> |

**Acquisition of a further 7 entities during the year**

**Recognised amounts of identifiable assets acquired and liabilities assumed**

|                                      | Book value<br>£  | Fair value<br>£          |
|--------------------------------------|------------------|--------------------------|
| <b>Fixed Assets</b>                  |                  |                          |
| Tangible fixed assets                | 605,552          | 605,552                  |
| Intangible fixed assets              | 3,227,266        | 3,227,266                |
|                                      | <u>3,832,818</u> | <u>3,832,818</u>         |
| <b>Current Assets</b>                |                  |                          |
| Stocks                               | 296,024          | 296,024                  |
| Debtors                              | 1,602,000        | 1,602,000                |
| Cash at bank and in hand             | 1,056,953        | 1,056,953                |
| <b>Total Assets</b>                  | <u>6,787,795</u> | <u>6,787,795</u>         |
| <b>Creditors</b>                     |                  |                          |
| Due within one year                  | (1,423,235)      | (1,423,235)              |
| Due after more than one year         | (228,278)        | (228,278)                |
| <b>Total identifiable net assets</b> | <u>5,136,282</u> | <u>5,136,282</u>         |
| Goodwill                             |                  | <u>7,528,082</u>         |
| <b>Total purchase consideration</b>  |                  | <u><u>12,664,364</u></u> |

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**26. Business combinations (continued)**

**Consideration**

|                                     | £                 |
|-------------------------------------|-------------------|
| Cash                                | 10,468,837        |
| Deferred consideration              | 1,834,318         |
| Directly attributable costs         | 361,209           |
| <b>Total purchase consideration</b> | <b>12,664,364</b> |

There were also multiple trade and assets acquisitions during the financial period. These are summarised below:

|                                     |                  |
|-------------------------------------|------------------|
| Net assets                          | 824,382          |
| Goodwill                            | 7,171,635        |
| <b>Total purchase consideration</b> | <b>7,996,017</b> |

**Consideration**

|                                     | £                |
|-------------------------------------|------------------|
| Cash                                | 6,989,500        |
| Deferred consideration              | 815,000          |
| Directly attributable costs         | 191,517          |
| <b>Total purchase consideration</b> | <b>7,996,017</b> |

**27. Pension commitments**

The Group operates defined contribution pension scheme. The assets of the scheme are held separately from those of the Company, in independently administrative funds. The pension cost charge represents contributions payable by the Company to the funds and amounted to £65,370. Contributions totalling £20,896 were payable from the fund at the reporting date.

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**28. Commitments under operating leases**

At 31 March 2022 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

|                                              | <b>Group<br/>2022<br/>£</b>   |
|----------------------------------------------|-------------------------------|
| Not later than 1 year                        | 1,048,468                     |
| Later than 1 year and not later than 5 years | 4,126,616                     |
| Later than 5 years                           | 6,172,923                     |
|                                              | <hr/> <b>11,348,007</b> <hr/> |

**29. Related party transactions**

The Company is the parent in the group and as such has taken advantage of the exemption permitted by Section 33 Related Party Disclosures, not to provide disclosures of transactions entered into with wholly owned members of the Group.

During the period, the Group incurred rent of £283,249 from Four Seasons Real Estate Limited, a company with common directorship.

During the year monitoring fees of £99,890 were charged to the Group by Trispan LLP who are considered to be a related party of the Group.

At the period end an amount of £126,052 was due from a Director, which is included in other debtors, is unsecured and interest free.

**30. Post balance sheet events**

Since the year end the Group has completed nine acquisitions for a total consideration of £37,424,500. To fund the acquisitions, on 29 July 2022 the Group secured additional facilities of £19,955,000 with Santander plc, and throughout the year additional loan notes, preference shares and ordinary shares for a total value of £25,693,185.

**31. Controlling party**

In the opinion of the Directors, there is no ultimate controlling party.