

Registered number: 09874287

BEATTY TOPCO LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020



BEATTY TOPCO LIMITED

COMPANY INFORMATION

Directors	T J W Ashlin M Charman S J Davidson J F Hall S W Duncan R A Robson
Registered number	09874287
Registered office	1 Park Row Leeds LS1 5AB
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 110 Queen Street Glasgow G1 3BX
Bankers	Santander Bank 301 St Vincent Street Glasgow G2 5HN
Solicitors	Davidson Chalmers Stewart 163 Bath Street Glasgow G2 4SQ

BEATTY TOPCO LIMITED

CONTENTS

	Page
Group Strategic Report	1 - 3
Directors' Report	4 - 6
Independent Auditor's Report	7 - 10
Consolidated Statement of Comprehensive Income	11
Consolidated Statement of Financial Position	12
Company Statement of Financial Position	13
Consolidated Statement of Changes in Equity	14
Company Statement of Changes in Equity	15
Consolidated Statement of Cash Flows	16 - 17
Consolidated Analysis of Net Debt	18
Notes to the Financial Statements	19 - 55

BEATTY TOPCO LIMITED

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2020**

Introduction

The directors present the Group Strategic Report for the year ended 31 March 2020.

Business review

The principal activity of the Company is that of a holding company. The principal activity of the Group is the operation of dental practices and the provision of dental services, with revenue derived from both National Health Service and private treatments.

Over recent years the Group has successfully implemented a strategy of developing a significant and effective presence in the Scottish dental market. In doing so, the Group has created an operational infrastructure to support rapid growth, including dedicated acquisition and integration teams. A highly motivated and expert team of over 500 employees and dental clinicians delivers the highest level of patient care to the local communities across Scotland in which the Group operates.

The last fifteen months have seen a human and economic crisis of previously unimaginable scale due to the impact of the Covid-19 Coronavirus pandemic. This has had a major impact on all parts of the UK economy and dentistry has not been immune.

However, the importance of the Nation's oral healthcare was recognised early in the crisis by the Scottish Government and measures put in place with NHS Scotland to ensure the long term viability of an independent dental sector to complement the public dental service. As a result, the sector as a whole, including the Group, has been supported both financially and with expert guidance, assistance and other support from NHS Scotland.

Clinical and support staff in both the public and private dental sectors have worked tirelessly and extremely professionally throughout the pandemic to ensure that the sector as a whole was in the best possible shape to recommence treating patients once that was permitted. Many in the Clyde Munro team volunteered to assist in Emergency Dental Centres at the height of the pandemic, and others have worked long and hard to support them and our patients generally.

Under guidance from Scotland's Chief Dental Officer, 39 of the Group's then 40 dental practices were closed in the initial lockdown from March 2020 through to July 2020. The Fort William practice remained open as an NHS Emergency Dental Centre, operating under control of the Public Dental Service.

Although face to face clinical procedures were not possible during that period, previous investment in an integrated communications network allowed the Group to successfully operate a telephone advisory service for all patients who contacted any of its practices.

From July 2020 onwards the Group's dental practices were able to open to treat patients. Initially for emergencies only, the number of patients being seen and treated has steadily grown as new protocols and procedures have been introduced to make more treatments Covid-safe. The patient journey has been improved to take account of the new circumstances, with more use of technology allowing most of the administration to be carried out on-line before patients are seen by a clinician.

Significant investment has been made in technology and other alterations such as improved ventilation and equipment to make attending the dentist as safe as possible for our patients, clinicians and staff. Those learnings will not be lost and the business is much better prepared should the worst happen and there is any step backward in dealing with the pandemic.

BEATTY TOPCO LIMITED

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

Financial performance

In the year to 31 March 2020, the Group acquired 20 practices, while a further 11 practices have been acquired since the year end. The Group now owns and operates 51 practices, making it the largest independent provider of dental services in Scotland, and continues to seek opportunities to expand its holdings throughout Scotland.

Performance of the practices acquired has, as a whole, been above plans made at the time of acquisition and, after allowing for the impact of the Covid-19 pandemic, Group performance was in line with expectations.

On 15 December 2020, the Group secured additional facilities of £10,000,000 with Investec Bank plc. These facilities are being utilised to support the acquisition plans and working capital needs of the business.

In previous years the Group was in the early stages of implementing the strategy described above and as a result the income generated by acquired practices was not sufficient to cover the costs of the central infrastructure and funding. That is a common feature of strategies such as that being implemented and was in line with the Group's business plan as agreed with shareholders and the bank.

In recent months the Group has reached critical mass and as a result is now generating positive EBITDA and cash flow month on month. That performance will continue to improve as the impact of acquired businesses flows through to bottom line profit.

As a consequence of the underlying strategy, the results for the period show a loss of £3,541,611 (2019: loss of £2,302,025) before interest and exceptional charges. Much of the Group's funding is in the form of shareholder and external debt that will be repaid on exit and bears interest that is rolled up and not paid in cash. Thus, after interest and exceptional charges there was a loss after taxation of £6,634,725 (2019: £4,167,048).

Principal risks and uncertainties

The management of the business and the execution of the Group's strategy are subject to a number of risks and uncertainties. The key business risks and uncertainties are set out below, together with the Group's approach to monitoring and mitigation.

Going concern

Due to the impact of the Coronavirus pandemic limiting the absolute number of patients that can be treated by dentists, the dental sector continues to receive financial support from NHS Scotland. Principally through a "top-up" grant approximating to 80% of the NHS treatment income received in the year to 31 March 2020. In addition, various incremental allowances continue to be paid and NHS Scotland has provided other support, such as supplies of PPE.

The Chancellor's extension of the Coronavirus Job Retention Scheme is welcome and provides flexibility to furlough a relatively small number of staff as business needs dictate.

The Group recently increased its bank facilities with an additional £10m of acquisition debt and at the date of signing has unused Revolving Credit Facilities of £1m. The Directors have prepared short term cash flows and longer term business plans under a variety of scenarios. They are thus confident that the combination of strong current trading, the increased facilities, ongoing financial support from NHS Scotland and the compensation being received under the CJRS provides sufficient cash resources to enable the Group to trade positively for the foreseeable future and continue to provide all of our patients with the high quality service that they expect from the Group. Accordingly, the Directors are of the view that it continues to be appropriate to prepare the accounts on the going concern basis.

BEATTY TOPCO LIMITED

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

Human resources

The Group's ability to attract and retain dentists and clinical staff is essential to its continuing operations and future growth. The Directors are committed to effective recruitment and retention of both self-employed contracted dentists and employed staff, with a focus on training and continuing professional development. The business is now well established in the Scottish market, with a strong brand identity which emphasises excellence in clinical standards, development opportunities and a commitment to innovation. A clinical recruitment and development team is now in place and together these initiatives are attracting individuals to engage and remain with the business.

Clinical standards

The business is regulated by NHS Scotland and its practices are regularly inspected to ensure clinical standards reach the required levels. If such standards were not met, the practices could be closed. Practice teams are supported by operational staff and clinical specialists who are highly experienced in the dental sector. The Directors are committed to ensuring clinical standards are maintained and provide significant support to practice teams, including a clinical internal audit framework and practitioner and staff supervision and mentoring.

Growth strategy

The principal risks to the Group's growth strategy are a shortage of suitable acquisition opportunities and ineffective assessment of such opportunities leading to losses. The Directors continue to build on the enviable reputation of the Group within the Scottish marketplace through a transparent and fair acquisition process and continuing support to vendors post-acquisition, which in turn attracts practitioners or other operators to sell their practices to the Group. Each potential acquisition is rigorously assessed by experienced internal teams, supplemented by external advisors as necessary, to ensure it meets the Group's principal criteria in relation to location, profitability and strategic fit.

Financial key performance indicators

The principal key financial indicator is practice EBITDA which is measured as a percentage of revenue and against budget or acquisition target and prior year performance. Revenue is monitored for each practice as a whole and for each surgery.

Revenue for the period was £18,128,525 (2019: £9,924,267) and practice EBITDA was £2,848,685 (2019: £1,629,246).

In addition, the Group's cashflow is carefully monitored to ensure sufficient funds for ongoing operations. Through regular reporting of revenue and profitability, the Board is kept well informed of progress. The Board believe these indicators are performing as expected based on the current plan.

Other key performance indicators

Clinical standards, practice inspection results and practitioner and staff retention are the principal non-financial performance measures for the Group.

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


R A Robson
Director

Date: 2/6/2021

BEATTY TOPCO LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2020**

The directors present their report and the financial statements for the year ended 31 March 2020.

Results and dividends

The loss for the year, after taxation, amounted to £6,634,725 (2019: loss £4,167,048).

Directors

The directors who served during the year were:

T J W Ashlin
S M Beckwith (resigned 20 December 2019)
M Charman
S J Davidson
J F Hall
S W Duncan
R A Robson (appointed 1 October 2019)

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Future developments

Future developments have been discussed within the strategic report.

BEATTY TOPCO LIMITED

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

Engagement with employees

The Group engages with its employees on a regular basis and in a number of ways to suit their different work patterns. This includes:

- line manager and regional briefings;
- newsletters and regular updates from the Chief Executive;
- a dedicated App (Beekeeper) that provides channels for general communications, specialist updates and social activities;
- email updates;
- social media groups; and
- regular face to face briefings from senior management.

Qualifying third party indemnity provisions

Pursuant to the Company's Articles of Association each of the directors of the Company and its subsidiaries has the benefit of a "qualifying third party indemnity" (as defined in section 234 of the Companies Act 2006). This indemnity applied throughout the tenure of each director during the period and currently applies. No indemnity is provided for the Company's auditor. The Company also purchased and maintained throughout the period directors' and officers' liability insurance in respect of itself and its directors and the directors of any subsidiary of the Company.

Post balance sheet events

Since the year end the group has acquired 1 company and 10 individual dental practices for a total consideration of £7,994,876 (2019: £11,550,000).

Since 31 March 2020, the spread of COVID-19 has severely impacted many local economies around the globe. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown.

39 of the Group's then 40 dental practices were closed in the initial lockdown from March 2020 through to July 2020. From July 2020 onwards the Group's dental practices were able to open to treat patients. Initially for emergencies only, the number of patients being seen and treated has steadily grown as new protocols and procedures have been introduced to make more treatments Covid-safe.

The importance of the Nation's oral healthcare was recognised early in the crisis by the Scottish Government and measures put in place with NHS Scotland to ensure the long term viability of an independent dental sector to complement the public dental service. Due to the impact of the Coronavirus pandemic limiting the absolute number of patients that can be treated by dentists, the dental sector continues to receive financial support from NHS Scotland. Principally through a "top-up" grant approximating to 80% of the NHS treatment income received in the year to 31 March 2020.

Disclosure of information to auditor

The directors confirm that:

- so far as each director is 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 they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

BEATTY TOPCO LIMITED

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

Auditor

The auditor, Grant Thornton UK 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.



**R A Robson
Director**

Date: 2/6/2021



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BEATTY TOPCO LIMITED

Opinion

We have audited the financial statements of Beatty Topco Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2020, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated Statement of Cash Flows, the Consolidated and Company Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 March 2020 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Group and the parent 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.

The impact of macro-economic uncertainties arising on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the Group's or the parent Company's future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the Group's or the parent Company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company associated with these particular events.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BEATTY TOPCO LIMITED (CONTINUED)

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

In our evaluation of the directors' conclusions, we considered the risks associated with the Group's or the parent Company's business model, including effects arising from macro-economic uncertainties such as Covid-19 and Brexit, and analysed how those risks might affect the Group's or the parent Company's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this Auditor's Report is not a guarantee that the Group and the parent Company will continue in operation.

Other information

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

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

We have nothing to report in this regard.

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.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BEATTY TOPCO LIMITED (CONTINUED)

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the Group and the 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.

Matters on which we are required to report by exception

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

Responsibilities of directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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. This description forms part of our Auditor's Report.

Use of our report

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



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BEATTY TOPCO LIMITED (CONTINUED)

Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Thornton UK LLP

James Chadwick
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Glasgow
Date: 3/6/2021

BEATTY TOPCO LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2020

	Note	2020 £	2019 £
Turnover	4	18,128,525	9,924,267
Cost of sales		(9,743,287)	(5,471,509)
Gross profit		8,385,238	4,452,758
Administrative expenses		(11,926,849)	(6,491,396)
Exceptional administrative expenses		-	(263,387)
Operating loss	5	(3,541,611)	(2,302,025)
Interest receivable and similar income	9	540	-
Interest payable and similar charges	10	(2,928,821)	(1,865,023)
Loss before taxation		(6,469,892)	(4,167,048)
Tax on loss	11	(164,833)	-
Loss for the financial year		(6,634,725)	(4,167,048)

There was no other comprehensive income for 2020 (2019: £Nil).

The notes on pages 19 to 55 form part of these financial statements.

BEATTY TOPCO LIMITED
REGISTERED NUMBER:09874287

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	13	19,042,960	8,480,096
Tangible assets	14	2,662,857	1,869,576
		<u>21,705,817</u>	<u>10,349,672</u>
Current assets			
Stocks		250,720	81,384
Debtors: amounts falling due within one year	16	2,130,752	1,366,262
Cash at bank and in hand	17	634,436	278,152
		<u>3,015,908</u>	<u>1,725,798</u>
Creditors: amounts falling due within one year	18	(4,952,937)	(1,910,745)
Net current liabilities		<u>(1,937,029)</u>	<u>(184,947)</u>
Total assets less current liabilities		<u>19,768,788</u>	<u>10,164,725</u>
Creditors: amounts falling due after more than one year	19	(35,983,125)	(19,863,830)
Provisions for liabilities			
Deferred taxation	22	(308,049)	(113,856)
Net liabilities		<u>(16,522,386)</u>	<u>(9,812,961)</u>
Capital and reserves			
Called up share capital	23	826,712	826,712
Share premium account	24	3,288	3,288
Treasury share reserve	24	(74,700)	-
Profit and loss account	24	(17,277,686)	(10,642,961)
Equity attributable to owners of the parent Company		<u>(16,522,386)</u>	<u>(9,812,961)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 2/6/2021



R A Robson
 Director

The notes on pages 19 to 55 form part of these financial statements.

BEATTY TOPCO LIMITED
REGISTERED NUMBER:09874287

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020

	Note	2020 £	2019 £
Fixed assets			
Investments	15	3	3
Current assets			
Debtors: amounts falling due after more than one year	16	1,550,889	1,469,255
Debtors: amounts falling due within one year	16	3,597	3,597
		<u>1,554,486</u>	<u>1,472,852</u>
Total assets less current liabilities		1,554,489	1,472,855
Creditors: amounts falling due after more than one year	19	(656,718)	(586,171)
Net assets		<u>897,771</u>	<u>886,684</u>
Capital and reserves			
Called up share capital	23	826,712	826,712
Share premium account	24	3,288	3,288
Profit and loss account	24	67,771	56,684
		<u>897,771</u>	<u>886,684</u>

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 year was £11,087 (2019: profit £16,688).

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

2/6/2021


R A Robson
 Director

The notes on pages 19 to 55 form part of these financial statements.

BEATTY TOPCO LIMITED

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

	Called up share capital	Share premium account	Treasury share reserve	Profit and loss account	Equity attributable to owners of parent Company	Total equity
	£	£	£	£	£	£
At 1 April 2019	826,712	3,288	-	(10,642,961)	(9,812,961)	(9,812,961)
Loss for the year	-	-	-	(6,634,725)	(6,634,725)	(6,634,725)
Repurchase of own shares	-	-	(74,700)	-	(74,700)	(74,700)
At 31 March 2020	826,712	3,288	(74,700)	(17,277,686)	(16,522,386)	(16,522,386)

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

	Called up share capital	Share premium account	Profit and loss account	Equity attributable to owners of parent Company	Total equity
	£	£	£	£	£
At 1 April 2018 (as previously stated)	826,712	3,288	(6,207,382)	(5,377,382)	(5,377,382)
Prior year adjustment	-	-	(268,531)	(268,531)	(268,531)
At 1 April 2018 (as restated)	826,712	3,288	(6,475,913)	(5,645,913)	(5,645,913)
Loss for the year	-	-	(4,167,048)	(4,167,048)	(4,167,048)
At 31 March 2019	826,712	3,288	(10,642,961)	(9,812,961)	(9,812,961)

The notes on pages 19 to 55 form part of these financial statements.

BEATTY TOPCO LIMITED

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

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2019	826,712	3,288	56,684	886,684
Profit for the year	-	-	11,087	11,087
At 31 March 2020	826,712	3,288	67,771	897,771

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

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2018	826,712	3,288	39,996	869,996
Profit for the year	-	-	16,688	16,688
At 31 March 2019	826,712	3,288	56,684	886,684

The notes on pages 19 to 55 form part of these financial statements.

BEATTY TOPCO LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2020**

	2020 £	2019 £
Cash flows from operating activities		
Loss for the financial year	(6,634,725)	(4,167,048)
Adjustments for:		
Amortisation of intangible assets	1,677,712	846,763
Depreciation of tangible assets	577,512	383,296
Interest paid	2,928,822	1,865,023
Interest received	(540)	-
Taxation charge	164,833	-
(Increase)/decrease in stocks	(57,321)	1,470
(Increase) in debtors	(451,217)	(246,805)
Increase in creditors	1,187,894	291,866
Corporation tax (paid)/received	(65,586)	-
Impairment of goodwill	-	263,387
Net cash generated from operating activities	(672,616)	(762,048)
Cash flows from investing activities		
Acquisition of subsidiaries net of cash	(4,942,676)	-
Acquisition of fixed assets	(826,265)	(528,339)
Acquisition of new business net of cash	(6,535,287)	(3,015,241)
Net cash from investing activities	(12,304,228)	(3,543,580)

BEATTY TOPCO LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

	2020 £	2019 £
Cash flows from financing activities		
Issue costs of new loans	(214,755)	(572,801)
Interest paid	(881,262)	(209,080)
Repayments of hire purchase and other loans	(79,225)	(297,801)
New Loan	14,508,370	4,883,755
New loan notes	-	484,833
Net cash used in financing activities	13,333,128	4,288,906
Net increase/(decrease) in cash and cash equivalents	356,284	(16,722)
Cash and cash equivalents at beginning of year	278,152	294,874
Cash and cash equivalents at the end of year	634,436	278,152
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	634,436	278,152

The notes on pages 19 to 55 form part of these financial statements.

BEATTY TOPCO LIMITED

**CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 MARCH 2020**

	At 1 April 2019 £	Cash flows £	New loans £	Other non- cash changes £	At 31 March 2020 £
Cash at bank and in hand	278,152	356,284	-	-	634,436
Bank loans	(4,607,861)	-	(10,500,070)	276,311	(14,831,620)
Loan notes	(10,879,453)	-	(3,953,200)	66,131	(14,766,522)
Preference shares	(399,840)	-	-	-	(399,840)
Finance leases	(25,598)	31,478	(55,100)	-	(49,220)
Other loans	(72,295)	47,749	-	-	(24,546)
	<u>(15,706,895)</u>	<u>435,511</u>	<u>(14,508,370)</u>	<u>342,442</u>	<u>(29,437,312)</u>

The notes on pages 19 to 55 form part of these financial statements.

BEATTY TOPCO LIMITED

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

1. General information

Beatty Topco Limited is a private company limited by shares and incorporated in England and Wales. Its registered head office is located at 1 Park Row, Leeds, LS1 5AB.

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

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

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 acquisition method. In the Statement of Financial Position, 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.

2.3 Going concern

While the Group has negative net assets, the majority of the creditors falling due after more than one year relate to Loan Notes which are not repayable until the earlier of an Exit Event, Refinance or December 2023.

After reviewing the Group's forecast and projections, the directors have a reasonable expectation that the Group has adequate resources to continue in operation for the foreseeable future. Please refer to the Strategic report for further discussion around going concern.

BEATTY TOPCO LIMITED

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

2. Accounting policies (continued)

2.4 Revenue

Provision of dental services

Revenue represents the income received in the ordinary course of business for dentistry or other goods or services provided to the extent that the group has obtained the right to consideration. Amounts are stated net of discounts and returns.

Revenue from all private dental work is recognised based on service performed and revenue from NHS patients is recognised based upon completion of each piece of treatment carried out. Revenue from orthodontic treatment is recognised on the stage of completion reached during the course of treatment.

Deferred income

Where the Group receives an amount upfront in respect of future income streams, the value of the receipt is amortised over the period of the contract as the services are delivered and the unexpired element is disclosed in trade and other payables as deferred income.

2.5 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.

Where a business' share capital has been acquired and the trade and assets subsequently "hived-up", Goodwill is recognised based on the fair value of its identifiable assets and liabilities at the date of acquisition. This is then amortised on a straight line basis from the date of acquisition to the Statement of income and retained earnings.

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.

2.6 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.

BEATTY TOPCO LIMITED

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

2. Accounting policies (continued)**2.6 Tangible fixed assets (continued)**

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.

The estimated useful lives range as follows:

Leasehold improvements	- 10 years
Motor vehicles	- 4 years
Equipment, fixtures and fittings	- 3 - 10 years

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

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

2.7 Impairment of fixed assets and goodwill

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

2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.9 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.

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

2.10 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.

BEATTY TOPCO LIMITED

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

2. Accounting policies (continued)**2.11 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.

2.12 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.

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 reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position 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.

2.13 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.

BEATTY TOPCO LIMITED

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

2. Accounting policies (continued)

2.14 Functional and presentation currency

The Group's functional and presentational currency is GBP..

2.15 Finance costs

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

2.16 Operating leases: the Group as lessee

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.17 Pensions

Defined contribution pension plan

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

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

2.18 Interest income

Interest income is recognised in profit or loss using the effective interest method.

BEATTY TOPCO LIMITED

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

2. Accounting policies (continued)**2.19 Current and deferred taxation**

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting 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 Statement of Financial Position 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 reporting date.

2.20 Exceptional items

Previously some transactions within administrative expenses were presented as exceptional due to their size. As a result of the increasing levels of activity and the impact this has on the level of administrative expenses now being incurred it is considered there are now no transactions of a size within the administrative expenses which would merit disclosure as exceptional items.

During the prior year an impairment charge had been recognised against Goodwill which is deemed to be an exceptional item outside of the policy and therefore disclosed this way.

BEATTY TOPCO LIMITED

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

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

In the application of the Group's accounting policies, the Directors are required to make judgements, estimates and assumptions concerning the carrying value of assets and liabilities and about the future. Historical experience and other relevant factors are considered when making such estimates and these are reviewed on an on-going basis. Actual results may differ from the estimates.

Revisions to accounting estimates are accounted for in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where both current and future periods would be affected.

For the current year, a judgement has been made around a change in the exceptional items policy, as discussed in note 2.20.

A further judgement has been made in relation to the transfer of shares in Clyde Dental Practice Limited from Clyde DH Limited to Clyde Munro Group Limited as a result of the group restructure. This judgement has determined that the book value was at a value equal to the market value for these shares at the time of this transfer.

Fair values on acquisitions

The Group establishes a reliable estimate of the useful life of tangible and intangible assets arising on business combinations. This estimate is based on the expected use in the acquired business, the expected use of the cash generating unit to which goodwill is attributed, any legal, regulatory or contractual provisions and assumptions that would be considered by market participants in respect of similar businesses. Contingent considerations require estimation of future profitability of the acquired business and of discount rates applied to long-term liabilities.

Impairment

When indicators of impairment are noted the group performed an impairment review at the lowest level of cash generating unit. Judgements have been made within this impairment review and ultimate recoverability.

Useful expected life of tangible and intangible assets including investments

The Group considers whether any tangible asset, intangible asset or investment is impaired by reference to the future cash generation potential of the asset or investment and applicable discount rates, which requires estimation of future profitability of the acquired business and of applicable discount rates.

4. Turnover

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

	2020 £	2019 £
Provision of dental services	18,128,525	9,924,267

All turnover arose within the United Kingdom.

BEATTY TOPCO LIMITED

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

5. Operating loss

The operating loss is stated after charging:

	2020 £	2019 £
Depreciation of tangible fixed assets	577,512	383,296
Amortisation of intangible assets, including goodwill	1,677,712	846,763
Other operating lease rentals - property	611,650	354,194
Other operating lease rentals - equipment	24,314	11,891
	<u>577,512</u>	<u>1,677,712</u>

6. Auditor's remuneration

	2020 £	2019 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	40,250	34,000
	<u>40,250</u>	<u>34,000</u>

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

Taxation compliance services	9,500	4,850
Other services relating to taxation	30,430	15,100
All other assurance services	6,500	-
	<u>46,430</u>	<u>19,950</u>

BEATTY TOPCO LIMITED

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

7. Employees

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

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Wages and salaries	5,163,545	2,488,528	-	-
Social security costs	414,644	197,884	-	-
Cost of defined contribution scheme	95,372	43,930	-	-
	<u>5,673,561</u>	<u>2,730,342</u>	<u>-</u>	<u>-</u>

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

	2020 No.	2019 No.
Staff	<u>243</u>	<u>127</u>

8. Directors' remuneration

	2020 £	2019 £
Directors' emoluments	391,552	312,367
Directors pension costs	12,400	14,399
Compensation for loss of office as director	30,000	-
	<u>433,952</u>	<u>326,766</u>

During the year retirement benefits were accruing to 1 directors (2019: 3) in respect of defined contribution pension schemes.

The total remuneration paid to key management personnel in the year was £482,675 (2019: £364,116).

9. Interest receivable and similar income

	2020 £	2019 £
Bank interest	<u>540</u>	<u>-</u>

BEATTY TOPCO LIMITED

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

10. Interest payable and similar expenses

	2020 £	2019 £
Bank interest payable	-	11,462
Other loan interest payable	2,847,197	1,781,481
Interest payable on preference shares	70,547	62,804
Finance leases and hire purchase contracts	11,077	9,276
	<u>2,928,821</u>	<u>1,865,023</u>

11. Taxation

	2020 £	2019 £
Corporation tax		
Current tax on loss for the year	11,912	-
Total current tax	<u>11,912</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	117,681	-
Adjustment in respect of prior periods	19,546	-
Effect of tax rate change on opening balance	15,694	-
Total deferred tax	<u>152,921</u>	<u>-</u>
Taxation on loss on ordinary activities	<u>164,833</u>	<u>-</u>

BEATTY TOPCO LIMITED

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

11. Taxation (continued)

Factors affecting tax charge for the year

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

	2020 £	2019 £
Loss on ordinary activities before tax	(6,469,892)	(4,167,048)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	(1,229,280)	(791,739)
Effects of:		
Expenses not deductible for tax purposes	731,905	603,765
Fixed asset differences	23,314	-
Rate difference	-	24,068
Adjustments to tax charge in respect of prior periods (deferred tax)	19,546	-
Other tax adjustments, reliefs and transfers	53,232	-
Deferred tax not recognised	566,116	163,906
Total tax charge for the year	164,833	-

Factors that may affect future tax charges

In the Spring Budget 2020, the Government announced that from 1 April 2020 the corporation tax rate would remain at 19% (rather than reducing to 17%, as previously enacted). This new law was substantively enacted on 17 March 2020. Deferred tax assets and liabilities at 31 December 2020 have been calculated based on the rate of 19% enacted at the balance sheet date. The 2021 budget proposal increases the corporation tax rate to 25% from 1 April 2023. As the proposal to increase the rate to 25% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements. However, it is likely that the overall effect of the change, had it been substantively enacted by the balance sheet date would not materially impact the deferred tax liability recognised at 31 December 2020.

12. Exceptional items

	2020 £	2019 £
Impairment of goodwill	-	263,387

BEATTY TOPCO LIMITED

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

13. Intangible assets

Group and Company

	Software £	Goodwill £	Total £
Cost			
At 1 April 2019	142,050	10,604,075	10,746,125
Additions	30,829	12,209,747	12,240,576
At 31 March 2020	172,879	22,813,822	22,986,701
Amortisation			
At 1 April 2019	36,934	2,229,095	2,266,029
Charge for the year on owned assets	38,974	1,638,738	1,677,712
At 31 March 2020	75,908	3,867,833	3,943,741
Net book value			
At 31 March 2020	96,971	18,945,989	19,042,960
At 31 March 2019	105,116	8,374,980	8,480,096

Amortisation on intangible assets is charged to admin expenses.

The Goodwill additions are made up of the business combinations included in Note 25. Any additional amounts were additional amounts of consideration for prior years' acquisitions.

No impairment charge has been identified (2019: £263,387) after an impairment review carried out at the lowest level of CGU identified none was required.

BEATTY TOPCO LIMITED

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

14. Tangible fixed assets

Group

	Leasehold improvements £	Motor vehicles £	Equipment, fixtures and fittings £	Total £
Cost or valuation				
At 1 April 2019	476,308	-	2,198,843	2,675,151
Additions	90,457	-	668,244	758,701
Acquisition of subsidiary	98,906	11,534	501,652	612,092
Disposals	(5,962)	-	-	(5,962)
At 31 March 2020	659,709	11,534	3,360,739	4,039,902
Depreciation				
At 1 April 2019	121,188	-	684,387	805,575
Charge for the year on owned assets	94,863	2,225	480,424	577,512
Disposals	(5,962)	-	-	(5,962)
At 31 March 2020	210,089	2,225	1,164,811	1,377,125
Net book value				
At 31 March 2020	449,620	9,309	2,203,928	2,662,857
At 31 March 2019	355,120	-	1,514,456	1,869,576

BEATTY TOPCO LIMITED

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

14. Tangible fixed assets (continued)

The net book value of land and buildings may be further analysed as follows:

	2020 £	2019 £
Long leasehold	<u>449,620</u>	<u>355,120</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2020 £	2019 £
Furniture & equipment	<u>100,534</u>	<u>68,619</u>

15. Fixed asset investments**Company**

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2019	3
At 31 March 2020	<u>3</u>
Net book value	
At 31 March 2020	<u>3</u>
At 31 March 2019	<u>3</u>

BEATTY TOPCO LIMITED

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

15. Fixed asset investments (continued)**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Clyde DH Limited	163 Bath Street, Glasgow	Ordinary	100%
Clyde Munro Limited	163 Bath Street, Glasgow	Ordinary	100%
Clyde Dental Practice Limited*	163 Bath Street, Glasgow	Ordinary	100%
Clyde Munro Trustees Limited*	163 Bath Street, Glasgow	Ordinary	100%
Clyde Munro Group Limited*	163 Bath Street, Glasgow	Ordinary	100%
Dollar Dental Care Limited*	163 Bath Street, Glasgow	Ordinary	100%
PM & AM Ltd*	163 Bath Street, Glasgow	Ordinary	100%
Nanodent Ltd*	55 Wells Street, London, England	Ordinary	100%
Toothdoctor Larkhall Ltd*	163 Bath Street, Glasgow	Ordinary	100%
Muirhead Dental Care Ltd*	163 Bath Street, Glasgow	Ordinary	100%
Tomorrow Healthcare Ltd*	163 Bath Street, Glasgow	Ordinary	100%
M&S Dental Care Ltd*	163 Bath Street, Glasgow	Ordinary	100%
Uddingston Dental Care Ltd*	163 Bath Street, Glasgow	Ordinary	100%

* Indirect subsidiary undertakings

The following subsidiaries have claimed the exemption from audit under s479a of the Companies Act 2006:

PM & AM Ltd
Dollar Dental Care Limited
Tomorrow Healthcare Ltd
Uddingston Dental Care Ltd
Nanodent Ltd
Toothdoctor Larkhall Ltd
Muirhead Dental Care Ltd
M&S Dental Care Ltd

BEATTY TOPCO LIMITED

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

16. Debtors

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Loan notes to group undertakings	-	-	273,507	245,219
Amounts owed by group undertakings	-	-	1,277,382	1,224,036
	<u>-</u>	<u>-</u>	<u>1,550,889</u>	<u>1,469,255</u>

The intercompany loans above are all accruing a market rate of interest.

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Trade debtors	1,581,434	718,979	-	-
Due from participating interests	3,597	3,597	3,597	3,597
Other debtors	105,850	40,069	-	-
Prepayments and accrued income	439,871	603,617	-	-
	<u>2,130,752</u>	<u>1,366,262</u>	<u>3,597</u>	<u>3,597</u>

An impairment loss of £nil (2019: £nil) was recognised against trade debtors.

BEATTY TOPCO LIMITED

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

17. Cash and cash equivalents

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Cash at bank and in hand	634,436	278,152	-	-

18. Creditors: Amounts falling due within one year

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Other loans	22,605	47,947	-	-
Trade creditors	1,536,091	706,426	-	-
Corporation tax	198,216	56,461	-	-
Other taxation and social security	236,105	72,411	-	-
Obligations under finance lease and hire purchase contracts	18,127	21,119	-	-
Other creditors	1,551,749	192,274	-	-
Accruals and deferred income	1,358,097	814,107	-	-
Deferred grants	31,947	-	-	-
	4,952,937	1,910,745	-	-

Disclosure of the terms and conditions attached to the non-equity shares is made in note 23.

BEATTY TOPCO LIMITED

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

19. Creditors: Amounts falling due after more than one year

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Bank loans	14,831,620	4,607,861	-	-
Other loans	1,941	24,348	-	-
Net obligations under finance leases and hire purchase contracts	31,094	4,479	-	-
Loan notes	14,766,522	10,879,453	-	-
Preference share premium treated as debt	399,840	399,840	399,840	399,840
Accruals and deferred income	5,952,068	3,947,809	256,838	186,291
Preference shares treated as debt	40	40	40	40
	35,983,125	19,863,830	656,718	586,171

Disclosure of the terms and conditions attached to the non-equity shares is made in note 23.

The loan notes are secured by the following, in each case in favour of Synova Capital Fund II LP (LP015649) in its capacity as security trustee for the loan note holders:

- guarantees and indemnities granted by each of Clyde DH Limited (SC499268), Clyde Dental Practice Limited (SC372122); and
- floating charges granted by each of those same three companies over the whole of its property and undertaking.

On 23 August 2018 the Group secured facilities of £10,500,000 with Investec Bank plc. The facilities consist of a £10,000,000 term loan repayable in 12 equal quarterly instalments commencing on 31 December 2020, and a £500,000 revolving credit facility. These repayment terms have subsequently been amended as a result of the additional facilities referenced in the strategic report, with repayments starting in September 2021.

The facilities are secured by a debenture and floating charges over the Group's assets, share pledges and standard securities over the leases on certain of the Group's properties. There is a cross-guarantee in place with the subsidiary entities of the Group.

BEATTY TOPCO LIMITED

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

20. Loans

	Group 2020 £	<i>Group 2019 £</i>
Amounts falling due within one year		
Other loans	22,605	47,947
Amounts falling due 1-2 years		
Bank loans	-	743,922
Other loans	1,941	22,408
Amounts falling due 2-5 years		
Bank loans	14,831,620	3,863,939
Other loans	-	1,940
Amounts falling due after more than 5 years		
Loan notes	14,766,522	10,879,453

21. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2020 £	<i>Group 2019 £</i>
Within one year	18,127	21,119
Between 1-2 years	13,230	4,479
Between 2-5 years	17,864	-
	49,221	25,598

BEATTY TOPCO LIMITED

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

22. Deferred taxation**Group**

	2020	2019
	£	£
At beginning of year	(113,856)	(85,099)
Intra-group transfer	(194,193)	(28,757)
At end of year	<u>(308,049)</u>	<u>(113,856)</u>

The provision for deferred taxation is made up as follows:

	Group	Group
	2020	2019
	£	£
Accelerated capital allowances	<u>(308,049)</u>	<u>(113,856)</u>

BEATTY TOPCO LIMITED

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

23. Share capital

	2020	2019
	£	£
Shares classified as equity		
Allotted, called up and fully paid		
581,000 A Ordinary shares of £1.00 each	581,000	581,000
41,500 B Ordinary shares of £1.00 each	41,500	41,500
127,520 C Ordinary shares of £1.00 each	127,520	127,520
3,321 D Ordinary shares of £0.01 each	33	33
10,812 E Ordinary shares of £1.00 each	10,812	10,812
41,500 F Ordinary shares of £1.00 each	41,500	41,500
	802,365	802,365
Allotted and called up		
20,750 (2019: 20,750) C Ordinary shares of £1.00 each	20,750	20,750
3,597 (2019: 3,597) E Ordinary shares of £1.00 each	3,597	3,597
	24,347	24,347
	2020	2019
	£	£
Shares classified as debt		
Allotted, called up and fully paid		
332,194 A Preference shares of £0.0001 each	33	33
67,686 B Preference shares of £0.0001 each	7	7
	40	40

BEATTY TOPCO LIMITED

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

23. Share capital (continued)

On 23 August 2018 the Company issued a warrant to Investec Investments (UK) Ltd. The warrant entitles the holder to subscribe for shares representing 3% of the fully diluted share capital of the Company at the time of issue of such shares.

During the prior period the Company was incorporated and shares above were issued. Amounts due from shareholders within note 16 includes the amounts remaining to be paid for the partly paid shares.

Share rights

The key rights attaching to the classes of share capital are as follows:

Income

The Preference Shares are entitled to a fixed cumulative preference dividend at an annual rate of 12% of the issue price of the shares, compounding annually. Any dividends declared will first be distributed to holders of preference shares including any accrued unpaid dividends from earlier years.

All Ordinary shares rank pari passu to receive dividends that the company may from time to time declare.

Redemption and return of capital

The preference shares are entitled to first distribution or return of capital up to the value of their issue price together with any accrued unpaid dividends.

All Ordinary shares rank pari passu for redemption or return of initial capital thereafter shall participate in any return of capital subject to a ratchet mechanism set out in the Articles of Association.

Voting

The holders of 'A', 'B' and 'C' Ordinary shares are entitled to attend and vote at any General Meeting of the company with each share entitled to one vote. The holders of 'D' and 'E' Ordinary shares are entitled to receive notice of General Meetings and to receive a copy of any written resolutions but are not entitled to attend, speak or vote at any such meeting.

The holders of preference shares are not entitled to attend or vote at any General Meeting of the Company.

24. Reserves

Share premium account

Includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Profit and loss account

Includes all current and prior periods retained profits and losses.

Treasury share reserve

These are shares which are owned by Clyde Munro Trustees Ltd, a Clyde Munro Group Company.

BEATTY TOPCO LIMITED

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

25. Business combinations

Acquisition of Business 1

Recognised amounts of identifiable assets acquired and liabilities assumed

	Book value £	Fair value adjustment £	Fair value £
Tangible	30,612	-	30,612
	<u>30,612</u>	<u>-</u>	<u>30,612</u>
Stock	4,000	-	4,000
	<u>4,000</u>	<u>-</u>	<u>4,000</u>
Total assets	34,612	-	34,612
	<u>34,612</u>	<u>-</u>	<u>34,612</u>
Total identifiable net assets	34,612	-	34,612
	<u>34,612</u>	<u>-</u>	<u>34,612</u>
Goodwill			777,106
			<u>777,106</u>
Total purchase consideration			811,718
			<u>811,718</u>
Consideration			
			£
Cash			710,000
Contingent consideration			41,931
Directly attributable costs			59,787
			<u>811,718</u>
Total purchase consideration			811,718
			<u>811,718</u>

BEATTY TOPCO LIMITED

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

25. Business combinations (continued)

Acquisition of Business 2

	Book Value £	Fair value adjustment £	Fair Value £
Fixed assets			
Tangible	94,410	-	94,410
Intangible	707,743	-	707,743
	<u>802,153</u>	<u>-</u>	<u>802,153</u>
Current assets			
Stock	9,685	-	9,685
Debtors	170,112	-	170,112
Cash at bank and in hand	73,212	-	73,212
Total assets	<u>1,055,162</u>	<u>-</u>	<u>1,055,162</u>
Creditors			
Creditors: Third party	(242,996)	-	(242,996)
Total identifiable net assets	<u>812,166</u>	<u>-</u>	<u>812,166</u>
Goodwill			925,987
Total purchase consideration			<u>1,738,153</u>
Consideration			£
Cash to vendor			1,160,000
Completion net assets settlement			(587)
Directly attributable costs			43,642
Capital contribution			522,498
Balance of completion payment			7,502
Net amount written off			5,098
Total purchase consideration			<u>1,738,153</u>

BEATTY TOPCO LIMITED

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

25. Business combinations (continued)

Acquisition of Business 3

	Book Value £	Fair value adjustment £	Fair Value £
Fixed assets			
Tangible	25,000	-	25,000
	<u>25,000</u>	<u>-</u>	<u>25,000</u>
Total identifiable net assets	<u>25,000</u>	<u>-</u>	<u>25,000</u>
Goodwill			568,893
Total purchase consideration			<u>593,893</u>
			£
Consideration			
Cash to vendor			425,000
Directly attributable costs			17,563
Contingent consideration			151,330
			<u>593,893</u>

BEATTY TOPCO LIMITED

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

25. Business combinations (continued)

Acquisition of Business 4

	Book Value £	Fair value adjustment £	Fair Value £
Fixed assets			
Tangible	27,769	-	27,769
	<u>27,769</u>	<u>-</u>	<u>27,769</u>
Current assets			
Stock	5,000	-	5,000
Debtors	51,412	-	51,412
Cash at bank and in hand	(1,841)	-	(1,841)
Total assets	<u>82,340</u>	<u>-</u>	<u>82,340</u>
Creditors			
Creditors: Due within one year	(72,680)	-	(72,680)
Total identifiable net assets	<u>9,660</u>	<u>-</u>	<u>9,660</u>
Goodwill			568,425
Total purchase consideration			<u>578,085</u>
			£
Consideration			
Cash to vendor			340,460
Settlement of liabilities on acquisition			210,090
Completion net assets settlement			(11,065)
Directly attributable costs			38,600
			<u>578,085</u>

BEATTY TOPCO LIMITED

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

25. Business combinations (continued)

Acquisition of Business 5

	Book Value £	Fair value adjustment £	Fair Value £
Fixed assets			
Tangible	21,800	-	21,800
	<u>21,800</u>	<u>-</u>	<u>21,800</u>
Current assets			
Stock	13,830	-	13,830
Debtors	48,703	-	48,703
Cash at bank and in hand	11,618	-	11,618
Total assets	<u>95,951</u>	<u>-</u>	<u>95,951</u>
Creditors			
Creditors: Due within one year	(95,851)	-	(95,851)
Total identifiable net assets	<u>100</u>	<u>-</u>	<u>100</u>
Goodwill			582,402
Total purchase consideration			<u>582,502</u>
			£
Consideration			
Cash to vendor			372,985
Completion net assets settlement			(21,410)
Directly attributable costs			30,927
Contingent consideration			200,000
			<u>582,502</u>

BEATTY TOPCO LIMITED

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

25. Business combinations (continued)

Acquisition of Business 6

	Book Value £	Fair value adjustment £	Fair Value £
Fixed assets			
Tangible	170,000	-	170,000
	<u>170,000</u>	<u>-</u>	<u>170,000</u>
Current assets			
Stock	62,000	-	62,000
Total assets	<u>232,000</u>	<u>-</u>	<u>232,000</u>
Total identifiable net assets	<u>232,000</u>	<u>-</u>	<u>232,000</u>
Goodwill			3,121,201
Total purchase consideration			<u>3,353,201</u>

	£
Consideration	
Cash to vendor	3,135,000
Directly attributable costs	53,201
Deferred Consideration	165,000
	<u>3,353,201</u>

BEATTY TOPCO LIMITED

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

25. Business combinations (continued)

Acquisition of Business 7

	Book Value £	Fair value adjustment £	Fair Value £
Fixed assets			
Tangible	33,730	-	33,730
Intangible	45,833	-	45,833
	<u>79,563</u>	<u>-</u>	<u>79,563</u>
Current assets			
Stock	5,000	-	5,000
Debtors	23,001	-	23,001
Cash at bank and in hand	92,486	-	92,486
	<u>200,050</u>	<u>-</u>	<u>200,050</u>
Total assets			
Creditors			
Creditors: Due within one year	(55,377)	-	(55,377)
	<u>144,673</u>	<u>-</u>	<u>144,673</u>
Total identifiable net assets			
Goodwill			492,664
Total purchase consideration			<u>637,337</u>
			£
Consideration			
Cash to vendor			557,227
Completion net assets settlement			54,449
Directly attributable costs			25,661
			<u>637,337</u>

BEATTY TOPCO LIMITED

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

25. Business combinations (continued)

Acquisition of Business 8

	Book Value £	Fair value adjustment £	Fair Value £
Fixed assets			
Tangible	100,000	-	100,000
	<u>100,000</u>	<u>-</u>	<u>100,000</u>
Total identifiable net assets	<u>100,000</u>	<u>-</u>	<u>100,000</u>
Goodwill			1,339,253
Total purchase consideration			<u><u>1,439,253</u></u>
			£
Consideration			
Cash to vendor			1,190,000
Directly attributable costs			39,253
Contingent consideration			210,000
			<u><u>1,439,253</u></u>

BEATTY TOPCO LIMITED

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

25. Business combinations (continued)

Acquisition of Business 9

	Book Value £	Fair value adjustment £	Fair Value £
Fixed assets			
Tangible	7,415	-	7,415
	<u>7,415</u>	<u>-</u>	<u>7,415</u>
Total identifiable net assets	<u>7,415</u>	<u>-</u>	<u>7,415</u>
Goodwill			<u>242,585</u>
Total purchase consideration			<u><u>250,000</u></u>
			£
Consideration			
Cash to vendor			<u><u>250,000</u></u>

BEATTY TOPCO LIMITED

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

25. Business combinations (continued)

Acquisition of Business 10

	Book Value £	Fair value adjustment £	Fair Value £
Fixed assets			
Tangible	54,611	-	54,611
	<u>54,611</u>	<u>-</u>	<u>54,611</u>
Current assets			
Stock	5,000	-	5,000
Debtors	130,470	-	130,470
Cash at bank and in hand	138,983	-	138,983
Total assets	<u>329,064</u>	<u>-</u>	<u>329,064</u>
Creditors			
Creditors: Due within one year	(165,757)	-	(165,757)
Total identifiable net assets	<u>163,307</u>	<u>-</u>	<u>163,307</u>
 Goodwill			 1,253,028
Total purchase consideration			<u>1,416,335</u>
			£
Consideration			
Cash to vendor			950,000
Retention bonus			10,000
Deferred consideration			300,000
Completion net assets settlement			122,587
Directly attributable costs			33,748
			<u>1,416,335</u>

BEATTY TOPCO LIMITED

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

25. Business combinations (continued)

Acquisition of Business 11

	Book Value £	Fair value adjustment £	Fair Value £
Fixed assets			
Tangible	10,000	-	10,000
	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Current assets			
Stock	2,500	-	2,500
Total assets	<u>12,500</u>	<u>-</u>	<u>12,500</u>
Total identifiable net assets	<u>12,500</u>	<u>-</u>	<u>12,500</u>

Goodwill		456,107
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Total purchase consideration		<u>468,607</u>
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	£
Consideration	
Cash to vendor	350,000
Directly attributable costs	18,607
Deferred Consideration	100,000
	<u>468,607</u>

BEATTY TOPCO LIMITED

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

25. Business combinations (continued)

Acquisition of Business 12

	Book Value £	Fair value adjustment £	Fair Value £
Fixed assets			
Tangible	5,000	-	5,000
	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Total identifiable net assets	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Goodwill			281,875
Total purchase consideration			<u>286,875</u>
			£
Consideration			
Cash to vendor			270,000
Directly attributable costs			16,875
			<u>286,875</u>

BEATTY TOPCO LIMITED

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

25. Business combinations (continued)

Acquisition of Business 13

	Book Value £	Fair value adjustment £	Fair Value £
Fixed assets			
Tangible	35,070	-	35,070
Intangible	286,849	-	286,849
	<u>321,919</u>	<u>-</u>	<u>321,919</u>
Current assets			
Stock	5,000	-	5,000
Debtors	101,924	-	101,924
Cash at bank and in hand	11,427	-	11,427
	<u>440,270</u>	<u>-</u>	<u>440,270</u>
Total assets			
Creditors			
Creditors: Due within one year	(73,482)	-	(73,482)
	<u>366,788</u>	<u>-</u>	<u>366,788</u>
Total identifiable net assets			
			<u>507,463</u>
Goodwill			
			<u>874,251</u>
Total purchase consideration			
			<u>874,251</u>
			£
Consideration			
Cash to vendor			329,592
Cash received from vendor			(200,000)
Completion net assets settlement			262,966
Repayment of third party loans			445,408
Directly attributable costs			36,285
			<u>874,251</u>

BEATTY TOPCO LIMITED

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

26. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £85,337 (2019: £43,930). Contributions totaling £22,065 (2019: £14,633) were payable to the fund at the reporting date.

27. Commitments under operating leases

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

	Group 2020 £	Group 2019 £
Property		
Not later than 1 year	834,176	417,343
Later than 1 year and not later than 5 years	2,811,399	1,493,798
Later than 5 years	3,862,150	2,233,786
	<u>7,507,725</u>	<u>4,144,927</u>
	Group 2020 £	Group 2019 £
Equipment		
Not later than 1 year	10,681	10,681
Later than 1 year and not later than 5 years	12,941	13,215
	<u>23,622</u>	<u>23,896</u>

28. Related party transactions

During the period the group paid rent of £15,039 (2019: £70,930) to a SIPP in the name of one of the Directors relating to 6 practices.

Amounts due to one of the directors at 31 March 2020 were £173,775 (2019: £8,423), which were included within Accruals and deferred income in Note 18. Amounts due to this director arising in the year is for his work as an Associate and is paid to him the following month. These are not therefore loans and as such no interest is charged on these amounts.

Amounts due to the ultimate controlling party at 31 March 2020 were £173,775 (2019: £109,500), which were included within trade creditors in Note 18.

The total remuneration paid to key management personnel in the year was £482,675 (2019: £364,116).

BEATTY TOPCO LIMITED

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

29. Post balance sheet events

Since the year end the group has acquired 1 company and 10 individual dental practices for a total consideration of £7,994,876 (2019: £11,550,000).

Since 31 March 2020, the spread of COVID-19 has severely impacted many local economies around the globe. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown.

39 of the Group's then 40 dental practices were closed in the initial lockdown from March 2020 through to July 2020. From July 2020 onwards the Group's dental practices were able to open to treat patients. Initially for emergencies only, the number of patients being seen and treated has steadily grown as new protocols and procedures have been introduced to make more treatments Covid-safe.

The importance of the Nation's oral healthcare was recognised early in the crisis by the Scottish Government and measures put in place with NHS Scotland to ensure the long term viability of an independent dental sector to complement the public dental service. Due to the impact of the Coronavirus pandemic limiting the absolute number of patients that can be treated by dentists, the dental sector continues to receive financial support from NHS Scotland. Principally through a "top-up" grant approximating to 80% of the NHS treatment income received in the year to 31 March 2020.

30. Controlling party

The directors consider that the ultimate controlling party is Synova Capital LLP who manage Synova Capital Fund II LP's majority shareholding in the Company.