

Turnstone Equityco 1 Limited

Annual report and consolidated financial
statements

Registered number 07496756

Year ended 31 March 2025

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Strategic report for the year ended 31 March 2025

The directors present the strategic report for the year ended 31 March 2025.

Principal activities

The principal activity of the company during the year was to act as a holding company.

The principal activity of the group of companies owned by Turnstone Equityco 1 Limited ('the group') during the year was the operation of dental practices, through the group's mydentist business. Through mydentist, the group provides a range of National Health Service ('NHS') and private dental services from practices throughout the United Kingdom.

mydentist's main trading entities are Petrie Tucker and Partners Limited, Whitecross Dental Care Limited and IDH Limited.

Business ownership

The group is jointly owned by management and Palamon Capital Partners ('Palamon'), a private equity partnership focused on providing equity for European growth services companies, that holds its interest in the group through its investment vehicle, ADP Primary Care Acquisitions Limited.

Subsequent to the year end, on 18 July 2025, management and Palamon signed a binding Share Purchase Agreement whereby funds managed by Bridgepoint Advisors Limited ('Bridgepoint') will acquire a majority shareholding in the group ('the Bridgepoint transaction'). As at the date of this report, completion remains subject to obtaining approval from the FCA.

Alongside this, on 17 July 2025, Bridgepoint entered into an agreement with Apollo Capital Management and KKR Credit Advisors for the provision of a new financing package to the group, comprising a £475m term loan, £125m Acquisition Capital Facility ('ACF') and a £70m Revolving Credit Facility ('RCF'). These facilities will replace all of the group's existing borrowing facilities, which will be repaid in full upon completion of the Bridgepoint transaction. The term loan will be drawn in full upon completion, whilst the ACF and RCF are expected to be undrawn. Both the term loan and ACF will be available for a term of 7 years upon closing, with the RCF having a minimum term of 5 years.

Business review and future developments

The group reported an operating profit of £0.4 million for the year ended 31 March 2025 ("FY2025"), decreased from an operating profit of £6.1 million for the year ended 31 March 2024 ("FY2024"). The decrease in operating profit was principally due to expenditure of £19.5 million (2024: £11.1 million) in relation to systems transformation, offset by improved profitability from a strong trading performance.

mydentist

mydentist's purpose is to 'help the nation smile'. Through our national chain of 517 dental practices (2024: 534), the group aims to deliver high quality affordable oral care across the UK. mydentist strives to be the market leader in customer-focussed patient care, through a national network of modern and scaled practices, and to be the best place in the UK to both work in, and practice dentistry. To achieve these aims, management seeks to optimise its operations through the use of technology and digital transformation.

The dental practices operated by mydentist offer a broad range of affordable NHS and private dentistry services to more than 4 million patients throughout the UK. This enables both our patients and clinicians to benefit from comprehensive choice, which includes dental examinations, fillings, extractions and restorations, as well as more specialised dental services such as dental implants and orthodontics. The group offers both private and NHS services in the majority of practices and is the largest provider of NHS dentistry in the UK.

The reduction in the number of dental practices operated by mydentist during FY2025 is the result of both the group's organic growth strategy, which involves the merger, relocation or expansion of smaller practices with limited growth opportunities, which are typically constrained both by size and/or a sub-optimal location, into larger and better located premises, typically in high footfall high street or retail park locations, together with the closure or disposal of a small number of loss making or marginal dental practices, where management does not consider there to be a viable recovery option.

mydentist continues to work with self-employed clinicians to ensure that they have the opportunity to develop their careers in a way that suits both the clinician and their patients. Over recent years, clinicians have chosen to allocate an increasing amount of their time to providing private dentistry services including specialisms such as implants and aligners. This, in conjunction with strong patient demand for private dentistry, has led mydentist's revenue to become broadly evenly split between NHS and private dentistry. This shift is now stabilising and, during FY2025, clinicians maintained a broadly consistent allocation of time between NHS and private dentistry, with private revenue mix increasing only marginally from 47.2% in FY2024 to 48.7%.

Strategic report for the year ended 31 March 2025 *(continued)*

Business review and future developments *(continued)*

Whilst private dentistry revenues are generated through a combination of pay-as-you-go and monthly payment plan arrangements with patients, NHS revenue in England and Wales is generated through long-term, fixed value contracts. Provided the group achieves certain performance related criteria on an annual basis, the fixed-income nature of the contracts provides the group with stability and visibility over these revenue and profit streams. Across England and Wales, the group typically receives payment of 1/12 of the contract value on the first working day of the following month. Dental practices also collect patient contributions on behalf of the NHS, and remit such amounts to the NHS in arrears within two-to-six weeks of receipt. Three to six months following the contract year end on 31 March each year, mydentist receive a statement detailing Unit of Dental Activity ('UDA') performance under each contract. If, at the end of the contract year, a practice has not performed all the UDAs allocated under its contract, the NHS may seek to reclaim UDAs paid for but not performed. Any reclamation of payment must be made after the end of the contract year of underperformance, although repayment may be made in-year (referred to as a 'handback') if both parties agree. NHS revenue generated in Scotland and Northern Ireland is variable, based on the nature of treatments provided to patients.

mydentist continues to expand its recruitment capabilities in order to increase the number of clinician hours available to patients, although the recruitment market remains challenging. mydentist continues to recruit clinicians from both UK and overseas sources, however the supply of clinicians from within the UK is constrained by the limited number of places available across UK dental schools, and supply of overseas clinicians has historically been constrained by the number of places available to sit the Overseas Registration Exam ('ORE'). The changes to the Section 60 legislation enacted by the government in early 2023 are expected to substantially reduce the barriers to recruiting clinicians from overseas, by opening up additional routes for overseas clinicians to sit the ORE. During FY2025, mydentist entered into a partnership agreement with a leading Indian dental school and the first clinicians to qualify under this arrangement are expected to start practising in the mydentist network towards the end of FY2026. This will represent a significant first step in maximising the opportunity created from this legislation change.

Financial review and key performance indicators ('KPI's')

The group's key profit performance indicator is EBITDA before adjusting items, (referred to, simply, as 'Adjusted EBITDA') which reflects earnings before interest, tax, depreciation, amortisation, adjusted to exclude certain adjusting items, but to include rental and other lease charges. This definition is also consistent with that set out in the group's banking documents. 'Adjusting items' are typically considered to be material items of a one-off, or non-recurring nature, or items which do not form part of the normal trading results of the group. Examples include the profit or loss arising from practice disposals; practice closure costs; redundancy and other costs resulting from business restructuring; costs associated with pilot programmes, prior to wider business roll-out; and legal and professional fees relating to capital transactions involving a change in ownership or financing, or to other one-off projects.

Management considers Adjusted EBITDA to be the key operating indicator as it measures the performance of the group, after adjusting for one-off events, and the ability of the group to service its debt.

Strategic report for the year ended 31 March 2025 (continued)

Financial review and key performance indicators ('KPI's') (continued)

The group's results for the year are summarised below, together with those other KPI's that are considered by management to be fundamental to the business and reflect focus on the drivers of value that will enable and inform the management team to achieve the business plans, strategic aims and objectives.

Summary financial results	2025	2024
Year ended 31 March	£m	£m
Revenue	631.6	573.8
Gross profit	311.5	289.6
Operating profit	0.4	6.1
Amortisation and depreciation	65.9	66.9
Net gain on termination or disposal of leases	(4.4)	(8.0)
Impairment of right of use assets	3.9	1.4
Impairment of intangible assets	1.5	1.8
Impairment of fixed assets	1.1	0.3
Impairment of non-current assets reclassified as held for sale and loss on closure or disposal of dental practices	6.7	3.9
Share based payments	2.7	2.7
Systems transformation costs	19.5	11.1
Insurance receipt	(6.3)	-
Utilities contract exit fee	-	7.7
Other adjusting items	8.9	3.5
Less rental and other lease charges	(13.5)	(13.6)
Adjusted EBITDA	86.4	83.8
Other KPI's	2025	2024
{my}dentist private revenue mix (%)	48.7%	47.2%
Gross profit margin (%)	49.3%	50.5%
Adjusted EBITDA margin (%)	13.7%	14.6%
Number of dental practices	517	534
Net debt (£'m)	391.7	362.6
Net debt to Proforma EBITDA (see note 32)	4.24	4.31
Liquidity (£'m) (see note 32)	86.0	102.0
Cash generated from operations (£'m)	81.6	68.1
Cash generated from operations net of interest paid (£'m)	27.7	17.3

Trading performance

Adjusted EBITDA for the year ended 31 March 2025 was £86.4 million, increased from £83.8 million in FY2024. The increase reflects strong revenue growth in both NHS and private dentistry volumes, driven by an increase in available clinical hours.

In addition, gross profit margin remained strong at 49.3% (2024: 50.5%), whilst EBITDA margin reduced from 14.6% in FY2024 to 13.5% in FY2025, largely due to the benefit arising from the release of legacy Covid related deferred UDA contract income in the previous year.

Revenue increased from £573.8 million in FY2024 to £631.6 million for the year ended 31 March 2025, with the proportion generated from private dentistry services increasing slightly from 47.2% to 48.7%. The group's affordable private dentistry offering, together with specialist services such as implants and orthodontic aligners, continue to drive growth in private dentistry revenues and the group has experienced strong demand in this area, which has continued into FY2026.

During FY2025, the group has disposed of a small number of loss making or marginal dental practices which, together with the group's organic growth strategy, which involves the merger and relocation of smaller practices into larger and better located premises, resulted in an overall reduction in the number of practices across the estate from 534 to 517.

As a consequence of increased adjusting items, which included £19.5 million in respect of the transformation of back office systems (2024: £11.1 million) and £6.2 million legal and professional fees, of which £6.3 million is in respect of the Bridgepoint transaction (2024: £1.5 million), partially offset by insurance receipts of £6.3 million which related to claims in respect of the Covid lockdown periods, operating profit decreased from £6.1 million in FY2024 to £0.4 million in FY2025.

Strategic report for the year ended 31 March 2025 *(continued)*

Financial review and key performance indicators ('KPI's') *(continued)*

Cash flow and financing

The group generated £81.6 million of cash from operations during the year (2024: £68.1 million), reflecting strong Adjusted EBITDA generation, driven principally by higher cash receipts from private dentistry, but partly offset by the increased level of NHS activity, which resulted in a reduction in the accrual in respect of undelivered UDA activity. Net of interest paid, cash generated from operations was £27.7 million (2024: £17.3 million). This enabled the £65.0 million RCF to, once again, remain undrawn throughout the year.

Capital expenditure totalled £55.8 million (2024: £44.0 million), including expenditure on the practice merger, relocation and expansion programme, a refresh programme across other areas of the estate and further investment into digital intra-oral scanners. £5.0 million (2024: £30.0 million) was drawn against the Committed Acquisition Facility ("CAF") during the year to part fund these expenditures.

As a consequence of the continued investment into the organic growth programme, net bank and bond debt increased from £362.6 million at 31 March 2024 to £391.7 million at 31 March 2025.

The facilities available to the group as of 31 March 2025, which were unchanged from those available at 31 March 2024, were as follows:

- £395.0 million Unitranche Facility B, due 16 August 2027, which is fully drawn, with interest based on a reference rate linked to SONIA plus a margin of between 6.5% and 8.0% dependent upon an adjusted net leverage ratio;
- £10.0 million ssTL, due 16 February 2027, which is fully drawn, with interest based on a reference rate linked to SONIA plus a margin of between 3.25% and 3.75% dependent upon an adjusted net leverage ratio;
- £65.0 million RCF, due 16 February 2027, with interest based on a reference rate linked to SONIA plus a margin of between 3.25% and 3.75% dependent upon an adjusted net leverage ratio. The RCF was undrawn throughout both the current, and previous, year;
- £50.0 million CAF, due 16 August 2027, with interest based on a reference rate linked to SONIA plus a margin of between 6.5% and 8.0% dependent upon an adjusted net leverage ratio. The total amount drawn against the CAF at 31 March 2025 was £35.0 million (2024: £30.0 million);

During both the current, and previous, year, interest costs in respect of £300.0 million of debt were fixed through an interest rate swap contract which was put in place in December 2021. This contract expired on 31 March 2025.

As a consequence of the above, the group had net liabilities of £308.9 million at 31 March 2025 (2024: £260.0 million) and the net assets of the company were £460.6 million (2024: £468.4 million).

Please also refer to note 23 for further information on the group's borrowings and debt structure.

The group comfortably complied with all covenant requirements both during the year and at year end. See note 32 for further information.

Please also refer to pages 1 and 19 for details of the replacement financing package that will come into effect upon completion of the Bridgepoint transaction.

Company result

The company made a loss of £7.8 million (2024: £11.7 million) arising from amounts accrued for dividends payable on preference shares.

Strategic report for the year ended 31 March 2025 (continued)

Principal risks and uncertainties

General economic conditions and inflationary pressures

Whilst the group is not directly impacted by many of the issues arising from recent geopolitical activity, including the wars in both Ukraine and the Middle East and the recent change in administration in the United States, the group does continue to experience higher than normal levels of cost inflation as an indirect consequence of the uncertainty and instability this activity has caused. This is particularly acute in respect of staff costs which continue to be impacted by above inflationary increases to the National Living Wage and the changes to National Insurance rates and thresholds announced in the October 2024 Budget Statement will impact the business through FY2026 and beyond. Cost pressures are also evident to a lesser extent, in respect of dental laboratory, materials and other overhead costs.

These cost increases place pressure on margins as the group does not have control over the setting of prices for NHS dentistry. The contract rate paid by the NHS for UDA delivery is subject to an annual uplift set by the government usually by reference to a calculation based on the recommendations of the Review Body on Doctors and Dentists Remuneration (“DDRB”) and inflation and, in recent years, this uplift has typically been lower than the rate of increase applied to the National Living Wage.

Although the group retains control over the pricing within its growing private dentistry business, the risk of a reduction in demand for private dentistry as a result of the challenging economic climate remains elevated. This risk is significantly mitigated by the group’s focus on the provision of affordable dentistry, together with an expanded range of payment options for patients. Historically, during periods of economic uncertainty, private dentistry has seen a decline in demand, however this typically results in a corresponding increase in the demand for NHS dentistry, which further mitigates the risk to the group.

Recruitment, retention and employment status of clinicians and other qualified staff

The group requires access to sufficient skilled clinicians and nurses in order to maintain and grow the business whilst continuing to provide customer-focussed patient care. In recent years, recruiting clinicians particularly for some practices located in rural or coastal areas has become ever more challenging. On 8 March 2023, the Government passed legislation to grant the General Dental Council the powers it needed to improve the process of recognising international dental qualifications through the Overseas Registration Exam, the capacity of which has historically been limited. Since then, the GDC has trebled the number of ORE Part 1 places, increased the number of ORE Part 2 places by 33%, and has launched a procurement process to find a new provider of the exam to increase capacity still further in the years ahead.

The directors recognise the importance of recruiting and retaining quality clinicians to ensure the continued success of the group and continue to invest in improving the recruitment capabilities and clinical support functions of mydentist to achieve this aim. This includes developing relationships with a range of partner organisations to provide opportunities for overseas clinicians to achieve qualifications that enable them to practice dentistry in the UK. The group also employs a number of experienced clinicians as Clinical Development Advisors (‘CDA’s’) to support self-employed associates working in practice to develop the careers that they want, including enhancing the range of treatments they can offer to patients in practice. This is often done in conjunction with the training and development programmes available through the mydentist Academy, which include clinical pathways to assist in developing special interests in areas such as implants and aligners.

The most common method of engaging with clinicians across the industry is for the clinician to operate as a self-employed associate dentist. Clinicians have freedom over the most appropriate course of treatment for patients, they can develop special interests and work across different practices or have a portfolio career which allows them to fulfil different types of roles within their working week. Increasing productivity and offering a range of private treatment gives them the flexibility and choice over the hours they work. In return, they contribute to the running costs of the practice and are responsible for a share of the laboratory costs relating to their own treatment plans. Self-employed clinicians are able to provide a substitute to cover their time away from the practice and they are also responsible for their own indemnity insurance and costs of membership and registration with the appropriate professional bodies.

This method of engagement was historically recognised as the normal approach for the industry through the use of a model contract developed by the British Dental Association (‘BDA’). HMRC previously published guidance that confirmed if an associate is engaged on the terms of the model contract and the terms are followed, then the associate can consider themselves to be self-employed. The group previously used this model contract as its basis of engagement with clinicians. More recently, in common with many industries where self-employed individuals are utilised widely, HMRC have undertaken an industry-wide review of the engagement terms used in dentistry and the way these terms are applied in practice. In April 2023, HMRC withdrew the specific guidance relating to dentistry and confirmed that they will not seek to challenge the self-employed status of associate clinicians prior to this date. HMRC has indicated that the withdrawal is due to their belief that they should not provide guidance on individual industry-specific contracts.

Strategic report for the year ended 31 March 2025 (continued)

Principal risks and uncertainties (continued)

Recruitment, retention and employment status of clinicians and other qualified staff (continued)

Subsequently, the group, supported by external advisors, has updated its associate clinician contract to clearly align with general self-employment principles. This brings further clarity to the roles and responsibilities of both mydentist and the associate dentist, supported by clear policies and procedures about how employed practice teams work with self-employed clinicians. Regular refresher training programmes are also available to staff to ensure that the contractual relationship is operated and managed in line with these self-employment principles in practice.

The group continues to invest in improving pay structures and incentivisation for employees and continues to monitor the likely impact of future increases to the National Living Wage and other potential regulatory changes. Alongside this, the group continues to enhance the range of career development opportunities available to our nurses and other employees, together with the support available to them, including through the mydentist Academy and an accompanying online learning system.

Regulatory risks

The activities of the group are governed by regulatory requirements related to health and safety, quality of care, the storage and distribution of controlled drugs and medicines, the disposal of hazardous waste and data protection. The group's dental practices are subject to regular review by the Care Quality Commission ('CQC') and could be closed if compliance with CQC guidelines cannot be demonstrated. As the leading provider of dental services in the United Kingdom, the group is well placed to respond to, and comply with, regulatory changes through dedicated regulatory and compliance teams. The group has a dedicated control system "mycomply" which allows senior management, compliance specialists and area and regional operational management to identify any areas that each practice needs to update in order to remain compliant.

The group receives, generates and stores significant volumes of personal data containing patients personal and medical information. The group is therefore subject to the privacy laws with respect to the use, transfer and disclosure of this data, including the European General Data Protection Regulation ('GDPR'). The group continually monitors the effectiveness of the internal safeguards that have been put in place and staff are required to undergo regular refresher training specific to the requirements of their role.

The group takes its obligations under GDPR seriously, and in particular, continues to invest in mitigating the risk from a potential cyber-attack. A failure to adequately safeguard confidential patient information could result in significant fines, penalties and litigation.

Changes to the NHS contract

The NHS contract for dentistry in England and Wales, introduced in April 2006, provides clear benefits to the group, in terms of income stability and visibility. This is because the majority of the group's NHS dentistry contracts are General Dentistry Services ('GDS') contracts, which are evergreen contracts with no end date, that automatically roll over upon the achievement of targeted UDA volumes. The group also has a small number of Personal Dentistry Services ('PDS') contracts, typically to deliver orthodontic dentistry services, which are for a fixed term of up to 10 years.

However, as with any system, there may be modifications to it over time, potentially through the introduction of a new contract structure. Over recent years the Welsh Government has piloted an alternative contract structure, with which the group is actively engaged, whilst in England, management has pro-actively worked with local Integrated Care Boards ('ICB's') to reallocate funding from undelivered UDA volumes through flexible commissioning initiatives to address local needs such as access to emergency care, and preventative programmes with a focus on, for example, supervised brushing or smoking cessation. The group maintains a close dialogue with governments across the UK in developing the existing dental contract frameworks and has previously participated in prototype programmes in England, with the overall goal of ensuring that the business is well prepared for future changes, if any.

Statement of Corporate Governance arrangements

The Companies (Miscellaneous Reporting) Regulations 2019 (the "Regulations") have been in force with effect from 1 January 2019. The Regulations introduced a requirement for large private companies to provide information on the approach taken to corporate governance. The Regulations also require the group to report how directors have considered their duties under section 172 of the Companies Act 2006 during the financial year. Whilst the group is not required to comply with The Wates Corporate Governance Principles for Large Private Companies ("Wates"), the Wates principles are used as a high level framework of corporate governance good practice and many of these principles are incorporated into the group's approach to corporate governance. For example, the composition of the group's Board includes senior independent non-executive director representation and separate audit and remuneration committees are in place, however the group does not currently have an Independent Chair, with Tom Riall having assumed the role of Executive Chair in April 2023, although the former Independent Chair remains on the Board in a Senior Independent Non-Executive Director capacity. Further information is also contained within the section 172(1) statement below.

Strategic report for the year ended 31 March 2025 (continued)

Statement of Corporate Governance arrangements (continued)

The Board develops and promotes the purpose of the group through regular engagement across the organisation, and challenging management to ensure that the values, strategy and culture of all group entities align with the group's purpose.

The group operates through clear Board protocols and governance procedures and is supported by the executive management team, with comprehensive, regular reporting covering all aspects of the group's operations, including clinical and operational issues, health and safety, employee engagement and risk management. Board meetings include regular presentations from members of the executive team with regular deep dive sessions on key opportunities that promote long term success and, on the identification, and mitigation of risks.

During the year, the Board consisted of an Executive Chairman, Tom Riall, a Senior Independent Non-Executive Director, Kevin Beeston, two directors appointed by Palamon, Nilesh Pandya, the Chief Executive Officer, and Richard Storah, the Chief Financial Officer.

The group also follows Sir David Walker's Guidelines for Disclosure and Transparency in Private Equity in its annual reporting. These guidelines were developed at the request of the British Venture Capital Association (BVCA) to demonstrate the private equity industry's commitment to transparency in portfolio company reporting. The guidelines provide a framework for private equity portfolio companies to enhance stakeholder's understanding of our activities through their annual reporting and require additional disclosure beyond compliance with regulatory requirements. The Guidelines are monitored by an independent body, the Private Equity Reporting Group.

Section 172(1) statement

The directors of the company and group must act in accordance with the duties detailed in section 172 of the Companies Act 2006:

"A director of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole and in doing so have regard (amongst other matters to) –

- the likely consequences of any decision in the long term;
- the interests of the company's employees;
- the need to foster the company's business relationships with suppliers, customers and others;
- the impact of the company's operations on the community and the environment;
- the desirability of the company maintaining a reputation for high standards of business conduct; and
- the need to act fairly between members of the company."

Consequences of decisions in the long term

The group has the following key strategies, which remain unchanged from the previous financial year:

- to maintain the highest clinical standards by developing best-in-class clinical pathways and procedures to deliver consistent, high quality and ethical dental care;
- to improve clinician and nurse resourcing, retention and engagement;
- to optimise practice productivity;
- to grow our private dentistry business through affordable and specialist options;
- to ensure every practice is sustainable for the future; and
- to transform our estate, in order to provide modern, well-equipped, better located practices, which are more accessible and attractive to our patients, clinicians and staff.

The directors believe these are critical long-term factors to ensure the success of the group. The group has detailed plans to provide investment to support these goals; examples include the transformation of the practice estate through the merger, relocation and expansion of smaller practices to larger, high street or retail locations, increasing the availability of specialist treatments across the practice network including through implants and orthodontics, continued development of affordable private treatment options for patients and the development of a nationwide clinical support network to assist self-employed clinicians to develop their own businesses and careers. During FY2025, the group made additional investments into its clinical support network and continued the transformation of the practice estate through the merger of nine sub-scale practices into four new, larger practices, relocated six practices to larger units and closed or sold 12 loss making practices.

Strategic report for the year ended 31 March 2025 (continued)

Section 172(1) statement (continued)

The group aims to operate and develop its mydentist business in a way that supports current needs and provides a platform for future development. This decision-making process takes into account the relevant economic, environmental and social factors to sustain the group for the long term. Part of this process includes decisions around resource allocation to ensure that capital is invested in order to both maximise returns and underpin long term operational goals. Management is focussed upon maximising the benefits from digitisation to improve both the patient experience and operational efficiency. During FY2025, the group has continued to invest in the transformation of back-office systems, alongside the roll-out of intra-oral scanner technology across the practice estate. These scanners deliver significant benefits to both patients and clinicians through improved workflow, reducing the number of patient visits and improved up-front visibility of treatment outcomes.

Engaging with our people

As a healthcare business, it is critical that the group maintains the highest possible clinical standards and our people, including our self-employed clinicians, are key to achieving this objective. Both the directors, and executive management, seek to create an environment where our people are engaged in the success of their practice and strive to provide the best possible customer-focussed patient care.

The Chief Executive Officer, Chief Operating Officer, and the Chief Clinical Officer regularly meet with our clinicians and practice employees gathering feedback on potential improvements and listening to local perspectives in order to understand what life is like at mydentist. This ongoing dialogue and engagement is facilitated through forums including face-to-face “town-hall” meetings, broadcasts, video conferencing, listening and focus groups and colleagues can also submit questions to the leadership team via our intranet site, Wisdom. Support Centre Heads of Department and the Executive team all make regular visits to practices to understand how central services can be further developed for the benefit of the wider practice teams.

Great Place to Work (employees) and Great Place to Practise (clinicians) engagement surveys are undertaken using consistent questions to measure changes in feedback from year to year. This feedback, which is also shared with the Board, is used to ensure that energy and investment are focussed upon those areas that really matter to our people in order to make it the best place to work and practise in UK dentistry and our FY2025 results continue to show strong levels of satisfaction and engagement across the business. We recognise the importance of the correlation between access to opportunities and career progression, to levels of engagement. As a result, we continue to invest in our Learning and Development function, with a focus on engaging highly skilled learning specialists capable of improving our development prospectus for both employees and self-employed clinicians. We are seeing positive outputs from this investment with the launch of comprehensive induction programmes and a schedule of activity which will see us continue to transform our approach to learning and career growth over the coming years. This year we have also launched a new Dental Nurse Apprenticeship which, within 12 months will see mydentist training between 900 and 1,200 dental nurse apprentices each year.

In addition, the group operates a Clinical Advisory Board, which comprises passionate clinicians and is chaired by our Chief Clinical Officer, Nyree Whitley and Executive Chairman, Tom Riall. The aim of the forum is to ensure that management’s clinical focus is on providing great customer-focussed patient care and strong clinical compliance, as well as driving innovation for the future. The group also regularly holds a clinical conference, which provides a forum for clinicians to meet, attend continuing professional development seminars led by industry experts, and gain an insight into the development of the group. It also provides an opportunity for clinicians to reflect on the positive changes their work can have on patients.

Management are also mindful of the mental health challenges that people face in today’s world including our own colleagues. Dentistry is acknowledged to be a stressful career, whilst young females in healthcare, who form a high proportion of our employee population, are reported to be more likely to suffer from common mental health issues. In response, the group is investing in a number of initiatives to support the health and mental health of mydentist colleagues, including a comprehensive mental health platform that will be available to managers across the business to enable them to be able to better support their teams, a recently launched wellbeing hub containing a wide range of support resources, access to a virtual GP service and a number of other benefits.

Further information is provided in the strategic report section “People”.

Understanding the views of all of our stakeholders and fostering of business relationships

Engaging stakeholders and developing meaningful partnerships is essential for long term business success. The group is engaged in regular and open dialogue with relevant stakeholders to understand perspectives, expectations, concerns and needs.

Strategic report for the year ended 31 March 2025 (continued)

Section 172(1) statement (continued)

The group maintains a wide range of relationships across the dental and healthcare sectors, in order to ensure management are able to plan effectively for the future. These include:

- with the NHS at a regional and national level to understand commissioning requirements;
- with the BDA to understand clinicians' key interests;
- with the Department of Health;
- with Members of Parliament with an interest in dentistry;
- with the UK dental schools to understand the aspirations of future clinicians;
- with overseas dental schools to increase awareness of clinicians to the opportunities available in the UK; and
- with suppliers to work on the future of dentistry including digital transformation.

The group is also a founder member of the Association of Dental Groups and through this works with other dental corporates across the UK on issues that affect the industry as a whole.

During FY2025, the group has continued to engage with key stakeholders to progress a number of initiatives, including through flexible commissioning and increasing overseas resourcing in response to the changes to Section 60 legislation.

Impact of the company's operations on the community and environment

We aim to deliver outstanding care to our patients, by ensuring both great clinical outcomes for them, together with a seamless patient journey through our network of dental practices. Feedback is collected from patients as part of our NHS commitments which generates a "Friends and Family test" recommendation that is published on the NHS website for each practice. The website also includes a section for reviews and ratings, and the patient support team supports our practices in responding to feedback, or resolving any issues that are raised, with the aim of achieving a satisfactory outcome for our patients.

We also take our environmental responsibilities seriously and, during FY2025, we have formed a new Environmental, Social and Governance ('ESG') committee, who will lead the development of the group's strategy in this area through FY2026 and beyond.

Further information is provided in the strategic report sections "Social matters" and "Climate related financial disclosures".

Maintaining a reputation for high standards of business conduct

The group's dental practices operate in highly regulated environment. This level of regulation is critical as it ultimately aims to protect patients and to ensure they receive the right level of care and are treated fairly. Our objective in this regard is to maintain the highest clinical standards and this is supported by the significant investments that have been in our clinical support network over recent years. In addition, mydentist operates a bespoke system which monitors compliance against targets across each of our practices, with performance being regularly reviewed by operational management.

Alongside clinical compliance, our health and safety specialists assist our dental practices in maintaining a safe environment for all patients and colleagues. The robust processes and procedures in place have led to mydentist being awarded a President's Award certificate this year, in recognition of eleven consecutive years of attaining a RoSPA Gold-level award (or higher). In RoSPA's words, "Organisations receiving a RoSPA Award are recognised as being world-leaders in health and safety practice. Every year, nearly 2,000 entrants vie to achieve the highest possible accolade in what is the UK's longest-running H&S industry awards".

From a wider investor and stakeholder perspective, the Chief Executive Officer and Chief Financial Officer regularly meet with the holders of the group's debt in order to update them on the group's progress against its strategic objectives.

The need to act fairly between members of the company

After weighing up all relevant factors, the directors consider which course of action best enables delivery of the group's strategy for the long term, taking into consideration the impact on stakeholders both individually, and collectively.

Strategic report for the year ended 31 March 2025 (continued)

Financial risk management

The Board of Directors has overall responsibility for the establishment and oversight of the group's risk management framework. The group's activities expose it to a variety of financial risks: credit risk, liquidity risk, market risk (including currency and interest rate risk) and inflation risk.

The group's risk management policies are established to identify and analyse the risks faced by the group, to set appropriate risk limits and controls to monitor both the risks and adherence to limits set. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the group's activities. Further details can be found in note 32 to the financial statements.

Climate related financial disclosures

The group aims to minimise the impact of all of its business activities upon the environment, in addition to complying with all relevant laws and regulations. Whilst management do not expect climate change to have a material impact upon the group's operations in the short to medium term, management have developed a formal governance framework, led by a newly formed ESG committee and have begun to formally integrate climate related risks and opportunities into existing business processes.

Governance

The group formed its ESG committee at the start of FY2025 to lead the development of a more formal ESG governance framework, which includes responsibility for the group's response to climate change. The committee has considered relevant climate related targets for the group and expects to formalise a net zero target and carbon reduction plan for the group during FY2026. The committee and its activities have Executive Management Team sponsorship through the General Counsel & Company Secretary and is chaired by the group's Head of Health and Safety, with staff representation from operations and a range of functional teams across the business. It meets quarterly and has a direct reporting line into the Board.

Strategy The group's strategic vision is to deliver high quality affordable oral care across the UK, through the leading network of modern and scaled practices, underpinned by operations optimised by digital technology. This vision will ensure that mydentist is well positioned to respond effectively to both the challenges and opportunities, that climate change will present.

In developing the group's approach to ESG, a strategy has been developed that addresses the environmental and social impact of Our People, Our Planet and Our Places. As part of this strategy, we have identified the following actions related to addressing our climate risks and opportunities:

- Decarbonising our energy usage, across gas, electricity and other sources of energy;
- implementing responsible supplier standards for purchased goods and services, including capital expenditure;
- sourcing sustainable resources, including dental materials and reducing waste; and
- supporting employees, self-employed clinicians and patients in reducing their emissions linked to the group's operations.

The group will deliver this activity through its existing programme management structure such as, for example the group's organic growth strategy, which involves the merger and/or relocation of smaller, typically older practices into purpose-built, modern practices with significantly better insulation, low power LED lighting and, therefore, improved energy efficiency, in addition to upgrades across the existing estate.

Risk management

The group does not currently have a formal climate risk management process, however, the group's risk management committee, which comprises members of the Executive Management team, meets at least quarterly to discuss the likely impact of emerging risks upon the group as a whole, together with any developments to existing risks that have been identified, and any actions that may be taken to reduce the residual impact of each risk. This would include risks related to climate change however, to date, no climate related risks have been identified that are material to the group's operations. The group's strategic risk register, which documents and scores risks, taking into account mitigating actions and controls in place, is reported regularly to both the Executive Management Team and to the Board, and is used to inform strategic decision making. Given that no material climate related risks have been identified to date, the group has not previously considered it necessary to have more formal processes in place to manage and respond to climate related risks, however the formation of the ESG committee represents a first step to increase the level of focus in this area.

Strategic report for the year ended 31 March 2025 (continued)

Climate related financial disclosures (continued)

Risk management (continued)

Whilst climate change will ultimately present a number of challenges to the group as well as some opportunities, as outlined in more detail in the assessment on the following page, none of these risks are currently considered to be critical to the group's operations in the short to medium term. The most significant risk currently arises from the net zero requirement set by the NHS across its value chain, which is a material source of income for the group. The group expects to formalise a net zero target during FY2026 which will represent a significant first step in mitigating this risk. Otherwise, the group's existing business model and strategy is expected to be resilient to reasonably possible physical and transitional climate risks, in both of the scenarios considered below.

This assessment, which management intend to revisit on at least a three-yearly cycle, was undertaken during FY2024 by members of the Executive Management Team and has considered the potential short term (1-2 years), medium term (2-5 years) and long term (greater than 5 years) impact of these risks in the context of two separate climate change scenarios. The timeframes considered have been aligned to the group's short and medium term planning cycles, with longer term risks considered to be those that fall outside the period covered by the group's 5 year plan.

The two scenarios that have been considered, both of which are aligned to the Network for Greening the Financial System ('NGFS') are as follows:

- 1) **"Paris" scenario.** This assumes that the increase in the global average temperature by 2100 is held to "well below 2°C above pre-industrial levels" and, ideally, to no more than 1.5°C, in line with the 2015 Paris Agreement. The agreement recognised that, to do so, would significantly reduce the risks and impacts of climate change.
- 2) **A "3°C" scenario.** This assumes that there is a slower response to climate change than required to meet the aims of the Paris Agreement from both governments, through policy changes, and from society more widely. Such a scenario would likely result in a greater frequency and severity of extreme weather events, and an increased impact upon key infrastructure, and upon the population as a whole.

The scenarios utilised are reputable and are widely adopted across multiple sectors for climate risk assessment. This ensures comparability and strengthens the analysis. Risks identified from these scenarios have been assessed to be either Low, Medium, or High based on the following assessment criteria:

Low: Not expected to have any significant impact upon the group's operations, or financial position

Medium: Expected to have some impact upon the group's operations, or financial position

High: Likely to have a significant impact upon the group's operations, or financial position

Risk	Risk assessment		Business response
	Paris scenario	3°C scenario	
Transitional risks			
Failure to secure new NHS commissioning contracts that contain a requirement to support delivery of the NHS net zero commitment and social value.	Short and Medium term: Medium Long term: High	Short and Medium term: Medium Long term: High	The NHS has a set net zero target of 2045 across its value chain. In the short to medium term, this may impact the group’s ability to secure new contracts with the NHS. However, this may pose a risk to the group’s existing contracts over the longer term, which currently comprise around half of overall group revenues. In response, the group expected to formalise a net zero target during FY2026 and develop a detailed action plan to achieve it. Opportunities may arise from this approach in the future, given that the group’s scale provides a competitive advantage to respond to a changing regulatory environment.

Strategic report for the year ended 31 March 2025 (continued)

Climate related financial disclosures (continued)

Risk	Risk assessment		Business response
	Paris scenario	3°C scenario	
Transitional risks			
Changes in government policy accelerates the requirement for emissions to be reduced or result in changes to tax rates or other regulatory changes (for example, to building regulations) that may impact the group’s operations.	Short term: Low Medium term: Medium Long term: High The risks are exacerbated in this scenario by increased pressure to act more quickly.	Short term: Low Medium term: Low Long term: Medium	Management are committed to operating in a sustainable and responsible manner and intend to launch our first full ESG report, outlining our targets and commitments in FY2026, including formal climate related targets. Such targets will be regularly reviewed to ensure that they are aligned with all current and future legislative requirements and that they address any stakeholder concerns. We have already made progress in improving energy efficiency and reducing waste and this work will continue under the remit of the ESG Committee in FY2026. We have established a “Going Green” initiative to identify carbon reduction opportunities and deliver energy savings and benefits will be monitored by the Executive Management Team. This focus also has the opportunity to generate cost savings for the group. In addition, through our position as the leading provider of affordable dentistry across the UK, the group’s operations deliver a significant social benefit to a significant proportion of the UK’s population. Assurance is provided from competitor benchmarking undertaken across environmental, sustainability and social metrics with the group comparing favourably to competitors within UK dentistry.
Reputational damage from a perceived lack of response to climate change by the group reduces demand for mydentist’s dentistry services; impacts our ability to attract and retain high calibre employees and clinicians; and damages investor sentiment resulting in an increased cost of capital.			
Increased supply chain costs, or disruption, as a result of rising fuel or energy costs, or other areas of the group’s supply chain being more directly impacted by the physical risks of climate change.	Short and Medium term: Low Long term: Medium	Short and Medium term: Low Long term: Medium to High	The group works closely with its suppliers to manage both costs and continuity of supply. Furthermore, the increasing use of technology, for example through intra-oral scanners, will decrease reliance upon some materials and reduce waste, as well as create opportunities to strengthen the group’s affordable dentistry offering.

Strategic report for the year ended 31 March 2025 (continued)

Climate related financial disclosures (continued)

Physical risks			
Severe weather events such as heatwaves, localised heavy rain or flooding impact the operation of the group's dental practices, or support centre. The frequency and extremity of such events and, therefore, their impact upon infrastructure and the population more widely, is likely to be greater in the 3°C scenario.	Short and Medium term: Low Long term: Medium	Short and Medium term: Low Long term: Medium to High	Robust business continuity plans are in place to ensure continuity of the group's operations in a wide range of scenarios, including climate related weather events. All new dental practices being opened by the group under the organic growth programme comply with all relevant building regulations and use air-conditioning and other technology to ensure a comfortable operating environment for all colleagues and patients. They are also very well located and accessible via major transport links that are likely to be unaffected by such weather events or reinstated as a priority, therefore minimising any impact. The group's scale and ability to invest in more resilient infrastructure also represents an opportunity to grow existing market share.

Metrics and targets

The group currently uses the Streamlined Energy and Carbon Reporting ("SECR") metrics to monitor progress on emissions reduction, however management expect to finalise a net zero target during FY2026 and are currently developing the more detailed plans that would be required to meet this. This will build on existing work over a number of years to operate more sustainably and to reduce energy usage, emissions and waste. Initiatives rolled-out across the business over the last few years have been successful in reducing the impact on the environment and, in many cases, reducing overhead costs. These initiatives have included providing all Practice Managers with environmental training and appointing them as the Environmental Champion for their respective sites; reducing staff travel through the use of online meetings; providing more energy efficient vehicles for fleet drivers; working with consultants to reduce heat and light usage and waste across our dental practices, including through the use of low power LED lighting; initiatives to reduce waste across our dental practices and in our support centre including moving towards a paperless environment. The group also contracts with a third party to manage the safe and responsible disposal of all of our clinical waste.

Streamlined Energy and Carbon Reporting ("SECR")

The group's SECR data for the year ended 31 March 2025 together with comparatives for the year ended 31 March 2024 is set out in the table below. During the financial year-ended 31 March 2025 carbon emissions have decreased over FY2024, due to improvements made in the practice estate on energy consumption and efficiency. Please refer to the metrics and targets section above for details on how the business increases energy efficiency.

Across scope 1 and 2, the group emitted 2,908 tCO₂e (tonnes of carbon dioxide equivalent) during FY2025 (2024: 2,945) with an intensity indicator of 0.30 tCO₂e per operational staff member (including self-employed clinicians) and 4.62 tCO₂e per £ million of revenue. When Scope 3 business travel is added, this brings the total to 3,423 tCO₂e (2024: 3,545).

The group has adopted an operational control approach to establishing the boundary. The methodology adopted is in line with the Greenhouse Gas Protocol and the BEIS and DEFRA Environmental Reporting Guidelines. The calculations have been completed on the SmartCarbon™ Calculator using the UK Government emissions factors 2025.

Strategic report for the year ended 31 March 2025 (continued)

Streamlined Energy and Carbon Reporting ("SECR") (continued)

Emissions source	kWh	Carbon (tCO ₂ e)	Carbon (tCO ₂ e)
	2025	2025	2024
Scope 1			
Diesel	473,303	120	180
Natural gas	781,386	143	124
Refrigeration gas	-	79	3
Petrol	527,913	122	93
Other	86,438	24	29
Total Scope 1	1,869,040	488	430
Scope 2			
Electricity - National Grid	11,687,942	2,420	2,515
Total Scope 1 & 2	13,556,982	2,908	2,945
Total tCO₂e per *operational staff member on gross scope 1 & 2		0.30	0.31
Total tCO₂e per *£m Revenue on gross scope 1 & 2		4.62	5.13
Scope 3			
Electricity (Transmission and Distribution)	11,687,942	214	295
Gas oil	-	-	-
Passenger car	989,763	248	265
Rail travel	-	4	29
Flights	-	49	11
Other	-	-	-
Total Scope 3	12,677,705	515	600
Total Scope 1, 2 & 3	26,234,687	3,423	3,545
Total tCO₂e per * operational staff member on gross scope 1, 2 & 3		0.35	0.37
Total tCO₂e per *£m revenue on gross scope 1, 2 & 3		5.44	6.18

*For the year ended 31 March 2025 the number of operational staff members (including self-employed clinicians) was 9,792 (2024: 9,526) and revenue was £631.6 million (2024: £573.8 million).

Social matters

The dental practices operated by mydentist offer a broad range of affordable NHS and private dentistry services to more than 4 million patients throughout the UK. This enables both our patients and clinicians to benefit from comprehensive choice. The UK Government has a long-term goal of increasing access to NHS dentistry for the UK population and mydentist, as the largest provider of NHS dentistry services in the UK, plays an important role towards the UK Government achieving its access target. The group recognises that NHS dentistry has limitations in both the range of treatments available and the nature of the materials that can be used. At the same time, the wider range of treatments and often higher cost materials used in private dentistry, can be expensive and, therefore, prohibitive to some patients. In order to make high quality, affordable dentistry available as widely as possible and to increase the choices available for patients, the group has continued to expand its affordable private dentistry offering, with a focus upon providing an extensive range of treatment options together with transparent pricing and payment options. Revenues generated from affordable private dentistry have continued to grow in FY2025 as both clinicians and patients take advantage of the offering.

The group has also used its scale to help raise awareness of the importance of dental hygiene, particularly amongst children. Tooth decay is nearly entirely preventable in around 90% of cases, however around 25% of all five-year-olds have tooth decay, and it remains the number one reason for childhood hospital admissions for general anaesthesia, the point at which it is too late. It is also one of the main reasons for school absence and can also have a longer-term impact upon physical and mental health, development, confidence and educational achievement. mydentist kids' clubs, involving visits to schools, nurseries and other organisations throughout the UK, have provided expert advice to children and parents on subjects including brushing techniques and tooth-friendly foods, through interactive role-play and games. The group also has online information to assist parents in improving the dental hygiene of their children, which can be found at www.mydentist.co.uk/dental-health/dental-treatment/kids-club.

Strategic report for the year ended 31 March 2025 (continued)

Social matters (continued)

In addition, during FY2025 the group worked closely with its clinical charity partner, Bridge2Aid. Bridge2Aid takes clinicians from the UK to some of the poorest areas of the developing world to provide emergency dental care, as well as training for local health workers to allow them to continue to provide vital treatment, and the group has supported them by providing one trip sponsored by mydentist per year, at an approximate cost of £2,500. The group also provides financial aid by making a donation to Bridge2Aid each time a clinician is successfully referred to the group and since 2013 the group has raised approximately £179,000 for Bridge2Aid. During FY2025, the group has donated more than £3,000 (2024: £6,000) to charitable causes.

mydentist has also recently become involved with a campaign from Real Links to improve the dental health of vulnerable children living in areas of severe social deprivation in local areas around some of the group's practice locations. With the money raised from the first such campaign, the group purchased 1,317 toothbrush packs and donated them to four local charities around Middlesbrough, including a community hub that provides early years and youth services, an autism and neurodiversity project, a baby bank and clothing exchange and a provider of emergency food care packages. During FY2025, the group's charity committee has been integrated within the newly formed ESG committee. The ESG committee are currently in the process of selecting new corporate and regional partners that reflect the recent ESG strategy development work completed by the committee, which includes a survey to understand the ESG priorities of our people.

People

mydentist is first and foremost a people business, working in partnership with a network of self-employed clinicians to improve access to high quality, affordable oral care. Dentistry is a high skill, high demand profession and, in a talent scarce market, the leadership team understand just how important it is for mydentist to not only be a great place to work, but inarguably the best place to work, and practise dentistry, in the UK.

Management's commitment to this mission is at the heart of our business strategy and the group has made considerable progress towards achieving this objective. A key priority is to ensure that all employees and self-employed clinicians have a voice in how we do things. Our Great Place to Work survey (employees) and Great Place to Practise Survey (clinicians) ensure that energy and investment are focussed upon those areas that really matter to our people in order to make it the best place to work and practise in UK dentistry. The group's clinical forum, which comprises passionate clinicians and is chaired by our Chief Clinical Officer, Nyree Whitley and Executive Chairman, Tom Riall, ensures that management's clinical focus is on providing great customer-focussed patient care and strong clinical compliance, as well as driving innovation for the future.

The understanding gained through these forums has allowed the group to focus investment upon areas critical to improving engagement with our colleagues. As the first dental corporate to introduce structured pay frameworks that recognise the experience and skills of our Dental Nurses as well as to define career progression, mydentist continues to prioritise investment in maintaining these structures over and above consistent growth in the national living wage. A range of benefits are also made available to all colleagues in support of their daily lives, including access to retail discounts, a virtual GP service, extension of the existing life assurance scheme, introduction of an accessible and dynamic wellbeing hub and a salary finance scheme to help colleagues with their personal financial management. It is an overall goal of our people strategy to continue to make sensible investments in the areas that really matter and demonstrate to our colleagues that mydentist is a great place to work.

mydentist is an industry leader in the provision of learning and development interventions, with the mydentist Academy focussed on providing opportunities for all employees, and self-employed clinicians. The Academy delivers practical learning to empower our colleagues to grow their careers, and our clinicians to practise the dentistry of their choice. Through its scale, the group is also able to leverage strong partnerships with other market leaders across the industry in pursuit of this goal. mydentist's affordable private offering, myoptions, provides clinicians with the opportunity to practise a wider range of higher value, but affordable dentistry. This provides clinicians with the opportunity to enhance their skillset as well as improve their earning potential. The group plans to continue to grow the offering available through the Academy during FY2026 and beyond, to further enhance the support available to our colleagues.

As a regulated business, the group is proud of the quality of the central support we provide to our clinicians and practice teams, particularly in areas of health and safety and clinical compliance. One example of our success in this area is evidenced through mydentist being awarded a President's Award certificate this year, in recognition of eleven consecutive years of attaining a RoSPA Gold-level award (or higher). Management are focussed on providing safe environments that enable our clinicians to focus entirely on offering great patient care.

Strategic report for the year ended 31 March 2025 (continued)

People (continued)

In FY2025, the group successfully completed the implementation of a new Human Capital Management ('HCM') system which will help improve the day to day lives of all our colleagues. This system supports the whole colleague lifecycle from the accuracy of their pay to the timeliness of contractual changes, as well as enabling colleagues to access tools designed to support career growth and overall engagement. Importantly, as we continue to enhance these systems, mydentist will be able to move forward, at pace, with further improvements to our overall colleague offering, which will ultimately contribute to achieving the group's strategic goals.

Management understands that engaged and happy people are critical to the group's success and, mydentist has ambitious, achievable plans to become the best place to work and practise dentistry in the UK.

Human rights

The group is committed to respecting the rights and dignity of all of the people with whom we engage, including our patients, customers, self-employed clinicians, employees, suppliers, and other stakeholders. The group's employee handbook sets out expectations for all employees in this regard. The group has processes in place to mitigate the risk of slavery and human trafficking occurring in our supply chains and to protect whistle blowers. The group's whistle blowing policy also aligns to the NHS's 'Freedom to Speak Up' guidance. The group's full statement in respect of the Modern Slavery Act 2015 can be found on our website at www.mydentist.co.uk/customer-services/legal.

Anti-corruption and bribery

The group is committed to the highest standards of ethical conduct and integrity in its business activities. Senior management are committed to implementing effective measures to prevent, monitor and eliminate bribery by fostering a culture of integrity in which bribery is unacceptable. As such, the group will not tolerate any form of bribery by, or of, its employees, consultants or any person or body acting on its behalf. The group believes that a zero-tolerance approach towards bribery will ultimately deliver benefits to the group in terms of maintaining our reputation and confidence in the group from its customers and business partners. The group has an anti-bribery policy, which is periodically reviewed and updated when necessary, and provides mandatory annual training on the content of this policy to all employees.

Furthermore, the group is alert to the possibility that it may become the subject of an attempt to involve it in a transaction involving the laundering of money. The group has procedures to verify the identity of parties with whom it transacts and provides training to all relevant employees.

Future outlook and strategy

Whilst the market for clinical recruitment within the UK continues to be challenging, the directors are encouraged by continued strong patient demand for both the group's NHS and private dentistry services as well as the performance of the recently merged, relocated and expanded practices under the organic growth programme, which have seen strong demand from both patients and clinicians. The directors also believe that the group remains well positioned to benefit from the opportunity created by the legislative changes to Section 60 that came into effect in 2023.

Management will continue to position the business to deliver high quality affordable oral care across the UK, by focussing upon:

- transforming the mydentist estate to create a national network of modern and scaled practices;
- delivering market leading customer-focussed patient care through a commitment to affordability, treatment choice, and the highest clinical standards; and
- being the best place to both work in, and practice, dentistry in the UK.

These objectives will be supported by investments in technology and digital transformation, including into technologies such as intra-oral scanners and the implementation of modern back-office systems.

Approved for issue on behalf of the Board of Directors

R Storah
Director
24 July 2025

Directors' report for the year ended 31 March 2025

The directors present their report and the audited consolidated financial statements of Turnstone Equityco 1 Limited for the year ended 31 March 2025.

Matters addressed within the strategic report

Please refer to the strategic report for the following matters, which are included within this Directors report by way of cross-reference:

- the financial risk management section, for a description of the group's financial risk management processes;
- the business review and future outlook sections for an overview of expected future developments;
- the climate related financial disclosures section for energy consumption and emissions disclosures; and
- the Section 172(1) section and the business review and future outlook sections for information regarding the directors approach to fostering of business relationships with suppliers, customers and others.

Proposed dividend

The directors do not recommend the payment of a dividend for the year (2024: £nil).

Directors

The directors of the company who held office during the year and up to the date of signing the financial statements were as follows:

K Beeston
F Giuseppetti
A Kadar
N Pandya
T Riall
R Storah

The directors benefitted from qualifying third-party indemnification provisions in place during the financial year and to the date of this report. The group also provided qualifying third-party indemnity provisions to certain directors of subsidiary companies during the financial year and to the date of this report.

Through the year, the Board comprised two representatives from Palamon Capital Partners, an executive chairman, two executive directors and a senior independent non-executive director.

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the group and the company financial statements in accordance with United Kingdom adopted international accounting standards. The group and company financial statements also comply with International Financial Reporting Standards (IFRSs) as issued by the IASB.

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the group for that period.

In preparing these financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements of the financial reporting framework are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

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

Directors' report for the year ended 31 March 2025 *(continued)*

Statement of directors' responsibilities *(continued)*

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

Employees

The group is an equal opportunities employer and is committed to the principle of equality regardless of race, religion, creed, colour, nationality, gender, disability, age, gender re-assignment or sexual orientation. Applications for employment from disabled persons are given full and fair consideration with regard paid only to the ability of candidates to carry out satisfactorily the duties of the job. Should an existing employee become disabled, every effort is made to ensure continuing employment with retraining arranged where necessary. Disabled persons share in the opportunities for career development and promotion while training takes account of any special needs.

Please also refer to the strategic report and Section 172(1) statement for further detail of the group's employment engagement and consultation policies.

Engagement with suppliers, customers and others

The directors remain conscious of the impact their decisions have on employees, patients of mydentist, clinicians, the NHS, communities, suppliers, regulators, investors and the environment. The directors focus on engagement with all stakeholders, and this informs the group's decision-making process.

Political and charitable contributions

The group made charitable contributions totalling £3,000 during the year (2024: £6,000).

The group made no political donations during the year (2024: £nil).

Policy and practice on the payment of creditors

It is the group's policy in respect of all suppliers, including self-employed clinicians, to agree payment terms in advance of the supply of goods and to adhere to those payment terms.

Supplier payments are principally made by Petrie Tucker and Partners Limited on behalf of all group companies. Petrie Tucker and Partners Limited reported payments to creditors are on average were made within 50 days for the six months ending 31 March 2025 (52 days for the six months ending 31 March 2024).

Subsequent events

Subsequent to the year end, on 18 July 2025, management and Palamon signed a binding Share Purchase Agreement whereby funds managed by Bridgepoint Advisors Limited ('Bridgepoint') will acquire a majority shareholding in the group ('the Bridgepoint transaction'). As at the date of this report, completion remains subject to obtaining approval from the FCA.

Alongside this, on 17 July 2025, Bridgepoint entered into an agreement with Apollo Capital Management and KKR Credit Advisors for the provision of a new financing package to the group, comprising a £475m term loan, £125m Acquisition Capital Facility ('ACF') and a £70m Revolving Credit Facility ('RCF'). These facilities will replace all of the group's existing borrowing facilities, which will be repaid in full upon completion of the Bridgepoint transaction. The term loan will be drawn in full upon completion, whilst the ACF and RCF are expected to be undrawn. Both the term loan and ACF will be available for a term of 7 years upon closing, with the RCF having a minimum term of 5 years.

Also following the year end, a number of the groups dormant and non-trading companies have been dissolved as part of a group simplification exercise. See note 17 to the financial statements for further details.

Going concern

The group meets its normal day to day working capital requirements through cash generated from operations and its available borrowing facilities.

As part of the directors' consideration of the appropriateness of adopting the going concern basis in preparing the financial statements, a range of scenarios have been reviewed. Furthermore, in the context of the Bridgepoint transaction and the agreement entered into with Apollo Capital Management and KKR Credit Advisors for the provision of a new financing package, consideration has also been given to the cashflows expected to arise from these transactions and the group's ability to operate within both its existing and the newly arranged, borrowing facilities in the event that the transaction fails to complete, or that completion is delayed. Management's trading forecasts have also been sensitised to reflect a severe but plausible downside scenario. These projections demonstrate that the group is able to operate

Directors' report for the year ended 31 March 2025 *(continued)*

Going concern *(continued)*

within the level of both its existing and newly arranged borrowing facilities for a period of at least 12 months from the date of this report, in any plausible scenario.

The key drivers of management's trading forecasts include the number of clinical hours available and the productivity of those hours, which is significantly influenced by the mix of private dentistry. In this context, management's base case scenario assumes that there will continue to be strong demand for the group's private dentistry services, and that both clinician recruitment and retention will remain broadly in line with recent history. The group continues to invest in its clinical support network and in technologies such as intra-oral scanners, which help underpin the retention and productivity assumptions. The forecasts assume only a small benefit from the legislative changes to Section 60 during both FY2026 and FY2027. The forecast also assumes that the group will continue with its organic growth programme and will complete a limited number of acquisitions, to be expanded or relocated through the brownfield programme, however all of this expenditure is discretionary.

Management have also considered a mitigated downside scenario where demand for private dentistry reduces, as a result of current cost of living pressures, or in which the number of clinical hours recruited is lower than currently expected. However, to date, demand for private dentistry remains robust and the number of clinical hours available to the group is in line with management expectations. This scenario is also more conservative around the timing of working capital movements, and assumes that some mitigating actions are taken, including the deferral of some discretionary capital expenditure during FY27.

Whilst the mitigated downside scenario would have a negative impact on profitability, both scenarios show that the group would generate positive Adjusted EBITDA and cash flow throughout the year ended 31 March 2026 and beyond, and that sufficient cash and liquidity would be available to meet all anticipated obligations as they fall due for a period of at least 12 months from the date of signing of these financial statements. This includes the payment of all cash interest due under the group's borrowing facilities and all repayments expected to be made to the NHS in respect of undelivered UDA activity.

In the event that the Bridgepoint transaction failed to complete, the group's debt would not require refinancing, and no principal repayments fall due during the forecast period in either funding scenario. The forecasts also take into account that the group held cash of £41.0m as of 31 March 2025. Under the existing borrowing facilities, the group also has access to committed undrawn facilities of £80.0m, comprising the £65.0m RCF which is currently undrawn, and the £15.0m undrawn element of the CAF. Please refer also to the financial review and key performance indicators section of the strategic report for further details. In addition, both scenarios demonstrate that the group would remain compliant with all covenant obligations over the same period. Further details of the group's covenant obligations are set out in note 32 to these financial statements.

Upon completion of the Bridgepoint transaction, the group expects to draw the £475.0m term loan in full, which would leave committed, undrawn facilities totalling £170.0 million, comprising a £100.0m ACF and £70.0m RCF, both of which are expected to be undrawn at completion. The new facilities are available for a term of 7 years in the case of the term loan and ACF, whilst the RCF has a minimum term of 5 years. The term loan and ACF have no financial covenant requirements attached, whilst the RCF is subject to a net leverage covenant, tested quarterly and only once a certain proportion of the facility is drawn.

Disclosure of information to auditors

The directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Directors' report for the year ended 31 March 2025 *(continued)*

Independent auditors

Deloitte LLP have indicated their willingness to continue in office and a resolution that they be reappointed will be proposed at the Annual General Meeting.

On behalf of the Board



R Storah
Director
24 July 2025

Europa House
Europa Trading Estate
Stoneclough Road
Kearsley
Manchester
M26 1GG

Independent auditor's report to the members of Turnstone Equityco 1 Limited

Report on the audit of the financial statements

Opinion

In our opinion:

- the financial statements of Turnstone Equityco 1 Limited (the 'parent company') and its subsidiaries (the 'group') give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2025 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated income statement;
- the consolidated statement of comprehensive income;
- the consolidated and company balance sheets;
- the consolidated and company statements of changes in equity;
- the consolidated and company cash flow statements; and
- the related notes 1 to 39.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom adopted international accounting standards and, as regards the parent company financial statements, as applied in accordance with the provisions 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 Financial Reporting Council's (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.

Our evaluation of the directors' assessment of the group and parent company's ability to continue to adopt the going concern basis of accounting included:

- review of the group's financing arrangements as disclosed in note 23, and the availability of funding which could be drawn on the group's committed facilities, being the Revolving Credit Facility ("RCF") and Committed Acquisition Facility ("CAF").
- an assessment of management's cash flow forecast for a period of 12 months from the date of approval of the financial statements, including the impact of a plausible downside scenario and the process by which the forecasts and downside scenario were prepared;

Independent auditor's report to the members of Turnstone Equityco 1 Limited (con't)

Report on the audit of the financial statements (continued)

Conclusions relating to going concern (continued)

- reviewed the group's banking covenant terms associated with its financing facilities and assessed the impact of these conditions at year end and throughout the going concern period on the forecast cash flows including the downside scenario considered;
- consideration of headroom against available undrawn committed facilities as at the date of the approval of the financial statements;
- an assessment of post year end trading performance and whether this significantly varied in a way which would impact going concern from management's expectations; and
- assessed managements historical forecasting accuracy by reviewing previous periods forecasted results to the actual results achieved.
- considered the impact of the scenario disclosed in the going concern disclosure in note 2a of the financial statements on the headroom and covenant position; and
- reviewed management's disclosures in note 37 and the going concern disclosures included within note 2a of the financial statements for reasonableness.

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.

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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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.

Independent auditor's report to the members of Turnstone Equityco 1 Limited (con't)

Report on the audit of the financial statements (continued)

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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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

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

We considered the nature of the group's industry and its control environment, and reviewed the group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the group's business sector.

We obtained an understanding of the legal and regulatory frameworks that the group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, pensions legislation, tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty. These included the group's regulatory requirements in relation to the Care Quality Commission.

We discussed among the audit engagement team including relevant internal specialists such as tax, regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following area, and our procedures performed to address them are described below:

- We identified a significant risk due to fraud in relation to the occurrence of revenue, specific to the provision associated with the under-delivery of NHS revenue. We performed the following procedures to address this risk:
 - obtained an understanding of the transactions, associated processes and control environment;
 - tested accuracy of the brought forward provision by comparing to actual amounts agreed with the NHS during the year, and obtained evidence of amounts recovered by the NHS;
 - disaggregated the population to perform additional procedures on certain practices of audit interest;
 - performed detailed substantive testing through sampling practice level revenue and recalculating the expected year end revenue and provision by comparing the contracted activity to actual activity delivered; and
 - tested the accuracy and completeness of underlying activity reports.
- We identified a significant risk in relation to the impairment of intangible assets, PPE and RoU at underperforming practices. We performed the following procedures to address this risk:
 - obtained an understanding of the transactions, associated processes and control environment;
 - obtained management's stage 1 assessment and challenged the impairment indicators and associated judgements used in the model;
 - tested the clerical accuracy of management's assessment;
 - obtained and challenged management's FY26 budgets and allocated cash flow at a practice level; and

Independent auditor's report to the members of Turnstone Equityco 1 Limited (con't)

Report on the audit of the financial statements (continued)

Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)

- tested the underlying practice level information for completeness and accuracy.

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

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

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

Report on other legal and regulatory requirements

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 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 strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the group and of the company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

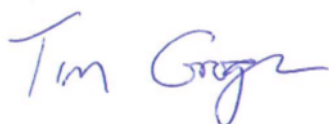
We have nothing to report in respect of these matters.

Independent auditor's report to the members of Turnstone Equityco 1 Limited *(con't)*

Report on the audit of the financial statements *(continued)*

Use of our report

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



Tim Grogan, BSc FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Manchester, United Kingdom
24 July 2025

Consolidated income statement
for the year ended 31 March 2025

	<i>Note</i>	2025 Group £'000	2024 Group £'000
Revenue	5	631,591	573,803
Cost of sales		(320,065)	(284,214)
Gross profit		311,526	289,589
Administrative expenses		(312,565)	(284,877)
Other income	9	1,463	1,405
Operating profit		424	6,117
Finance costs	10	(81,252)	(79,197)
Finance income	11	15,304	16,073
Net finance costs		(65,948)	(63,124)
Loss before income tax		(65,524)	(57,007)
Income tax credit	12,25	14,515	5,889
Loss for the year		(51,009)	(51,119)
Attributable to:			
Owners of the parent		(51,009)	(51,119)

The notes on pages 35 to 79 form part of these financial statements.

Consolidated statement of comprehensive income
for the year ended 31 March 2025

	<i>Note</i>	2025 £'000	2024 £'000
Loss for the year		(51,009)	(51,119)
Other comprehensive income:			
<i>Items that will not be reclassified to the income statement</i>			
Re-measurement gain/(loss) in respect of defined benefit pension scheme, net of deferred taxation	33	134	(255)
Total comprehensive expense for the year		(50,875)	(51,374)
Attributable to:			
Owners of the parent		(50,875)	(51,374)

Movements above are disclosed net of income tax.

The notes on pages 35 to 79 form part of these financial statements.

Consolidated balance sheet at 31 March 2025

	<i>Note</i>	2025 £'000	2024 £'000
Assets			
Non-current assets			
Goodwill	14	124,879	124,875
Other intangible assets	14	146,380	171,178
Property, plant and equipment	15	148,134	127,277
Right of use assets	16	80,558	81,750
Deferred income tax assets	25	42,624	28,867
		542,575	533,947
Current assets			
Inventories	18	6,442	6,761
Trade and other receivables	19	32,316	33,504
Derivative financial instruments	22	-	12,391
Cash and cash equivalents	20	41,046	61,974
		79,804	114,630
Assets held for sale			
Dental practice current assets	28	-	309
Dental practice current liabilities	28	-	(98)
		-	211
Total assets		622,379	648,788
Equity attributable to the owners of the parent			
Share capital	26	3,280	3,280
Share premium	27	962,551	962,551
Capital reserve	27	44,154	44,154
Accumulated losses	27	(1,318,848)	(1,269,960)
Total equity		(308,863)	(259,975)

Consolidated balance sheet (continued)
at 31 March 2025

	<i>Note</i>	2025 £'000	2024 £'000
Liabilities			
Non-current liabilities			
Borrowings	23,36	557,282	541,409
Trade and other payables	21	65	77
Lease liabilities	16	74,161	75,733
Post-employment benefits	33	905	1,136
Provisions	24	9,823	10,804
Derivative financial instruments	22	2,052	1,929
		644,288	631,088
Current liabilities			
Trade and other payables	21	265,388	260,878
Lease liabilities	16	20,174	16,388
Provisions	24	1,392	409
		286,954	277,675
Total liabilities			
		931,242	908,763
Total equity and liabilities			
		622,379	648,788

The notes on pages 35 to 79 form part of these financial statements.

The financial statements on pages 26 to 79 were approved by the Board of Directors on 24 July 2025 and were signed on its behalf by:



R Storah
Director

Consolidated statement of changes in equity
for the year ended 31 March 2025

	Share capital £'000	Share premium £'000	Capital reserve £'000	Accumulated losses £'000	Total equity £'000
Balance at 1 April 2023	3,280	962,551	44,154	(1,220,573)	(210,588)
Comprehensive income for the year					
Loss for the year	-	-	-	(51,119)	(51,119)
Other comprehensive expense					
Items that will not be reclassified to the statement of comprehensive income	-	-	-	(255)	(255)
Total other comprehensive expense	-	-	-	(255)	(255)
Total comprehensive expense for the year	-	-	-	(51,374)	(51,374)
Transactions with owners recognised directly in equity					
Value of employed services arising from shares granted to directors and employees	-	-	-	2,650	2,650
Deferred tax in relation to the above	-	-	-	(663)	(663)
Total transactions with owners	-	-	-	1,987	1,987
Balance at 31 March 2024	3,280	962,551	44,154	(1,269,960)	(259,975)
Comprehensive income for the year					
Loss for the year	-	-	-	(51,009)	(51,009)
Other comprehensive income					
Items that will not be reclassified to the statement of comprehensive income	-	-	-	134	134
Total other comprehensive income	-	-	-	134	134
Total comprehensive expense for the year	-	-	-	(50,875)	(50,875)
Transactions with owners recognised directly in equity					
Value of employed services arising from shares granted to directors and employees	-	-	-	2,650	2,650
Deferred tax in relation to the above	-	-	-	(663)	(663)
Total transactions with owners	-	-	-	1,987	1,987
Balance at 31 March 2025	3,280	962,551	44,154	(1,318,848)	(308,863)

Consolidated cash flow statement
for the year ended 31 March 2025

	<i>Note</i>	2025 £'000	2024 £'000
Cash flows from operating activities			
Cash generated from operations	35	81,576	68,077
Net cash inflow from operating activities		81,576	68,077
Cash flows from investing activities			
Acquisitions (net of cash acquired)		(96)	(6,147)
Proceeds from disposal of property, plant and equipment		120	-
Purchase of property, plant and equipment	15	(50,594)	(39,294)
Purchase of intangible assets	14	(5,211)	(4,735)
Proceeds on business and asset disposals		-	1,215
Receipts from interest rate swap contract	11	13,171	11,291
Interest received	11	3,640	4,151
Net cash outflow from investing activities		(38,970)	(33,519)
Cash flows from financing activities			
Drawdown of bank loans	23	5,000	30,000
Loan arrangement fees and associated professional costs		-	(57)
Bank interest paid		(53,877)	(50,803)
Principal element of lease payment		(9,472)	(10,159)
Interest element of lease payment	16	(5,185)	(4,721)
Net cash outflow from financing activities		(63,534)	(35,740)
Net decrease in cash and cash equivalents		(20,928)	(1,182)
Cash and cash equivalents at the start of the year		61,974	63,156
Cash and cash equivalents at the end of the year		41,046	61,974

At both 31 March 2025 and 31 March 2024, all cash and cash equivalents relate to continuing operations.
The notes on pages 35 to 79 form part of these financial statements.

Company balance sheet at 31 March 2025

	Note	2025 £'000	2024 £'000
Assets			
Non-current assets			
Investments	17	586,647	586,647
Trade and other receivables	19	396	396
		<u>587,043</u>	<u>587,043</u>
Current assets			
Cash and cash equivalents	20	298	266
		<u>298</u>	<u>266</u>
Total assets		<u>587,341</u>	<u>587,309</u>
Equity			
Share capital	26	3,280	3,280
Share premium	27	962,551	962,551
Accumulated losses brought forward	27	(497,448)	(485,770)
Current year losses	13	(7,787)	(11,678)
Total equity		<u>460,596</u>	<u>468,383</u>
Liabilities			
Non-current liabilities			
Borrowings	23	124,548	116,885
Derivative financial instruments	22	2,052	1,929
		<u>126,600</u>	<u>118,814</u>
Current liabilities			
Trade and other payables	21	145	112
Total liabilities		<u>126,745</u>	<u>118,926</u>
Total equity and liabilities		<u>587,341</u>	<u>587,309</u>

The company made a loss of £7.8 million for the year ended 31 March 2025 (2024: £11.7 million). See note 13 for more details.

The notes on pages 35 to 79 form part of these financial statements.

The financial statements on pages 26 to 79 were approved by the Board of Directors on 24 July 2025 and were signed on its behalf by:

R Storah
Director

Company statement of changes in equity
for the year ended 31 March 2025

	Share capital £'000	Share premium £'000	Accumulated losses £'000	Total equity £'000
Balance at 1 April 2023	3,280	962,551	(485,770)	480,061
Comprehensive expense for the year				
Loss and total comprehensive expense for the year	-	-	(11,678)	(11,678)
Balance at 31 March 2024	3,280	962,551	(497,448)	468,383
Comprehensive expense for the year				
Loss and total comprehensive expense for the year	-	-	(7,787)	(7,787)
Balance at 31 March 2025	3,280	962,551	(505,235)	460,596

The company has no items of comprehensive income during either the current or previous year, other than the loss for the year.

The notes on pages 35 to 79 form part of these financial statements.

Company cash flow statement
for the year ended 31 March 2025

	Note	2025 £'000	2024 £'000
Cash flows from operating activities			
Cash generated from/(used in) operations	35	32	(4)
Net cash inflow/(outflow) from operating activities		32	(4)
Net increase/(decrease) in cash and cash equivalents		32	(4)
Cash and cash equivalents at the start of the year		266	270
Cash and cash equivalents at the end of the year		298	266

The notes on pages 35 to 79 form part of these financial statements.

Notes to the consolidated financial statements

1 Company information

Turnstone Equityco 1 Limited (the 'company') is a private company, limited by shares, incorporated in the United Kingdom under the Companies Act and registered in England and Wales. The address of the registered office is Europa House, Europa Trading Estate, Stoneclough Road, Kearsley, Manchester M26 1GG.

The company is the holding company of Turnstone Midco 1 Limited and its subsidiaries (collectively, the 'group'). The principal activity of the company during the year was to act as a holding company.

The principal activity of the group during the year was the operation of dental practices. The group provides a range of National Health Service ('NHS') and private dentistry services from practices located in England, Wales, Scotland and Northern Ireland.

2 Accounting policies

(a) Basis of preparation

The parent company and consolidated financial statements have been prepared in accordance with UK-adopted international accounting standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards. Future changes to IFRS are subject to endorsement by the UK Endorsement Board.

The parent company and consolidated financial statements for the year ended 31 March 2025 have been prepared on the historical cost basis, as modified for the revaluation of certain financial instruments including derivatives and contingent consideration and in accordance with the accounting policies set out below which have been consistently applied.

The parent company and consolidated financial statements are presented in Sterling (£). Sterling is the company's functional currency, being the currency of the primary economic environment in which it operates. All amounts in these financial statements are presented in thousands of pounds Sterling (£'000), unless otherwise stated.

The group meets its normal day to day working capital requirements through cash generated from operations and its available borrowing facilities.

As part of the directors' consideration of the appropriateness of adopting the going concern basis in preparing the financial statements, a range of scenarios have been reviewed. Furthermore, in the context of the Bridgepoint transaction and the agreement entered into with Apollo Capital Management and KKR Credit Advisors for the provision of a new financing package, consideration has also been given to the cashflows expected to arise from these transactions and the group's ability to operate within both its existing and the newly arranged, borrowing facilities in the event that the transaction fails to complete, or that completion is delayed. Management's trading forecasts have also been sensitised to reflect a severe but plausible downside scenario. These projections demonstrate that the group is able to operate within the level of both its existing and newly arranged borrowing facilities for a period of at least 12 months from the date of this report, in any plausible scenario.

The key drivers of management's trading forecasts include the number of clinical hours available and the productivity of those hours, which is significantly influenced by the mix of private dentistry. In this context, management's base case scenario assumes that there will continue to be strong demand for the group's private dentistry services, and that both clinician recruitment and retention will remain broadly in line with recent history. The group continues to invest in its clinical support network and in technologies such as intra-oral scanners, which help underpin the retention and productivity assumptions. The forecasts assume only a small benefit from the legislative changes to Section 60 during both FY2026 and FY2027. The forecast also assumes that the group will continue with its organic growth programme and will complete a limited number of acquisitions, to be expanded or relocated through the brownfield programme, however all of this expenditure is discretionary.

Management have also considered a mitigated downside scenario where demand for private dentistry reduces, as a result of current cost of living pressures, or in which the number of clinical hours recruited is lower than currently expected. However, to date, demand for private dentistry remains robust and the number of clinical hours available to the group is in line with management expectations. This scenario is also more conservative around the timing of working capital movements, and assumes that some mitigating actions are taken, including the deferral of some discretionary capital expenditure during FY27.

Notes to the consolidated financial statements *(continued)*

2 Accounting policies *(continued)*

(a) Basis of preparation (continued)

Whilst the mitigated downside scenario would have a negative impact on profitability, both scenarios show that the group would generate positive Adjusted EBITDA and cash flow throughout the year ended 31 March 2026 and beyond, and that sufficient cash and liquidity would be available to meet all anticipated obligations as they fall due for a period of at least 12 months from the date of signing of these financial statements. This includes the payment of all cash interest due under the group's borrowing facilities and all repayments expected to be made to the NHS in respect of undelivered UDA activity.

In the event that the Bridgepoint transaction failed to complete, the group's debt would not require refinancing, and no principal repayments fall due during the forecast period in either funding scenario. The forecasts also take into account that the group held cash of £41.0m as of 31 March 2025. Under the existing borrowing facilities, the group also has access to committed undrawn facilities of £80.0m, comprising the £65.0m RCF which is currently undrawn, and the £15.0m undrawn element of the CAF. Please refer also to the financial review and key performance indicators section of the strategic report for further details. In addition, both scenarios demonstrate that the group would remain compliant with all covenant obligations over the same period. Further details of the group's covenant obligations are set out in note 32 to these financial statements.

Upon completion of the Bridgepoint transaction, the group expects to draw the £475.0m term loan in full, which would leave committed, undrawn facilities totalling £170.0 million, comprising a £100.0m ACF and £70.0m RCF, both of which are expected to be undrawn at completion. The new facilities are available for a term of 7 years in the case of the term loan and ACF, whilst the RCF has a minimum term of 5 years. The term loan and ACF have no financial covenant requirements attached, whilst the RCF is subject to a net leverage covenant, tested quarterly and only once a certain proportion of the facility is drawn.

(b) Basis of consolidation

Subsidiaries

The group controls an entity when the group has power over that entity, is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect these returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

Partnerships

Certain members of the group management team act as partners on behalf of group companies in a number of dental practice partnerships. These partnerships are held on trust on behalf of a number of group companies. All profits arising from partnership activity are transferred to a group trading company.

As a result, the group considers that it has control of these partnerships and consequently the results of the partnerships are consolidated into the group's financial statements. The partnerships are accounted for in accordance with the group's accounting policies.

Transactions eliminated on consolidation

Intragroup balances, and any gains and losses or income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial information. Losses are eliminated in the same way as gains, but only to the extent that there is no evidence of impairment.

(c) New standards, amendments and interpretations

Standards, amendments and interpretations effective and adopted by the group:

The group has adopted the following new standards, amendments or interpretations that have become effective during the year ended 31 March 2025. This has not led to any changes to the group's accounting policies or had any other material impact on the financial position or performance of the group.

Amendments to IAS 1	<i>Classification of Liabilities as Current or Non-current</i>
Amendments to IAS 1	<i>Non-current Liabilities with Covenants</i>
Amendments to IAS 7 and IFRS 7	<i>Supplier Finance Arrangements</i>
Amendments to IFRS 16	<i>Lease Liability in a Sale and Leaseback</i>

Notes to the consolidated financial statements (continued)

2 Accounting policies (continued)

(c) New standards, amendments and interpretations (continued)

Standards, amendments and interpretations which are not effective or early adopted by the group:

The following new, revised and amended accounting standards and interpretations are currently endorsed but are effective for annual periods beginning on or after 1 January 2025, and have not been applied in preparing these consolidated financial statements. These standards, interpretations or are not expected to have a material effect on the group's financial statements.

Amendments to IAS 21	<i>The Effects of Changes in Foreign Exchange Rates</i>	<i>Effective for periods commencing on, or after, 1 January 2025</i>
Amendments to IFRS 9 and IFRS 7	<i>Classification and Measurement of Financial Instruments</i>	<i>Effective for periods commencing on, or after, 1 January 2026</i>
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	<i>Effective for periods commencing on, or after, 1 January 2026</i>
IFRS 19	<i>Subsidiaries without Public Accountability: Disclosures</i>	<i>Effective for periods commencing on, or after, 1 January 2027</i>

The following new standard is expected to change the presentation of our financial statements:

IFRS 18	<i>Presentation and Disclosure of Financial Statements</i>	<i>Effective for periods commencing on, or after, 1 January 2027</i>
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(d) Foreign currency translation

Transactions and balances

The group does not enter into a material level of transactions in foreign currency. Where applicable, foreign currency transactions are translated into the functional currency of each subsidiary or partnership using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the income statement.

(e) Business combinations

The acquisition of subsidiaries is accounted for using the purchase method. The fair value of consideration of the acquisition is measured at the aggregate of the fair values at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control over the acquiree. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 – Business Combinations (Revised) ('IFRS 3') are recognised at their fair values at the acquisition date. All acquisition costs are expensed as incurred and included within administrative expenses.

Any contingent consideration to be transferred by the group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration are recognised at fair value through profit or loss.

(f) Intangible assets

Goodwill

Goodwill has an indefinite life and represents the excess of the fair value of consideration paid on acquisition of a business over the fair value of assets, including any intangible assets identified, liabilities and contingent liabilities acquired. Goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that they might be impaired. See also note 2(g). On disposal of a subsidiary, the attributable net book value of goodwill, based on relative fair value, is included in the determination of the profit or loss on disposal.

Notes to the consolidated financial statements (continued)

2 Accounting policies (continued)

(f) Intangible assets (continued)

Externally acquired intangible assets

Externally acquired intangible assets are initially recognised at cost and subsequently amortised on a straight-line basis over their useful economic lives. The amortisation expense is included within administrative expenses in the income statement. Intangible assets are recognised on business combinations if they are separable from the acquired entity or give rise to other contractual or legal rights. The amounts ascribed to such intangibles are determined by using appropriate valuation techniques.

The significant intangible assets recognised by the group, their estimated useful economic lives and the methods used to determine the cost of intangible assets acquired through business combinations, are as follows:

Intangible asset	Estimated useful economic life	Valuation method
Contractual arrangements and relationships	20 years	Estimated discounted cash flow
Customer relationships	10-20 years	Estimated discounted cash flow
Computer software	4 years	Amortised cost

Contractual arrangements reflect long term, fixed income, contracts with the NHS for the delivery of dentistry services. These contracts specify targeted annual volumes of units of dental activity ('UDAs') for a contracted dental practice or entity. The majority of these contracts have no fixed term and will roll over indefinitely provided that certain performance targets are achieved. The intangible assets arising from these contractual arrangements are amortised over a period of 20 years to reflect the potential for future changes to government policy in this area.

(g) Impairment of non-financial assets

The carrying amounts of the group's non-financial assets, other than inventories and deferred income tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated at the same time in each period.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to dispose. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the 'cash-generating unit' or 'CGU'). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to groups of CGUs. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, the group of CGUs to which goodwill has been allocated is such that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. For mydentist, although each dental practice typically represents a separate CGU, goodwill is allocated and monitored at an aggregate level and hence the group of CGUs comprising the mydentist business are considered to represent a single CGU for the purpose of discussion goodwill and intangible assets.

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

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Notes to the consolidated financial statements *(continued)*

2 Accounting policies *(continued)*

(h) Property, plant and equipment

Owned assets

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset into its working condition for its intended use. When parts of an item of property, plant and equipment have different useful lives, those components are accounted for as separate items of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the income statement within administrative expenses.

Depreciation

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives are as follows:

Freehold and long leasehold property	50 years
Fixtures, fittings and equipment:	4-10 years

Fixtures, fittings and equipment include short leasehold improvements.

The residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each accounting period.

(i) Inventories

Inventory is stated at the lower of cost (determined based upon the weighted average purchase price) and net realisable value (net realisable value is the price at which inventories can be sold after allowing for costs of sale).

Dental practice consumables are valued at the weighted average purchase cost during the financial year. Average purchase cost is calculated to take account of trade discounts received and transport and handling costs incurred.

Goods for resale are valued at actual cost, including the value of any trade discounts received or transport and handling costs incurred.

Provision is made for obsolete, slow moving and defective inventory.

(j) Financial instruments

Non-derivative financial instruments comprise investments, trade receivables and prepayments, cash and cash equivalents, trade and other payables and borrowings.

Investments

Investments in subsidiaries are held at cost less accumulated impairment losses.

Trade receivables and prepayments

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less appropriate allowances for expected lifetime credit losses ('ECLs'). In accordance with the accounting policy for impairment of financial assets, the group recognises an allowance for ECLs for customers and other receivables. As permitted by IFRS 9 the group applies the simplified approach which requires ECLs to be recognised from initial recognition of the receivables. An estimate is made of the ECL at the end of each reporting period, based on the group's historical default rates as well as forward looking estimates, which take account of any relevant macro-economic pressures that could influence default rates. In reviewing historical default rates, management consider the proportion of receivables that are ultimately recovered at both the point the receivable is initially recognised, and at various stages of ageing once the amount becomes overdue. Receivables are ultimately written off at the point that the chance of recovery becomes highly improbable. Subsequent recoveries of previously impaired trade receivables are recognised as a credit to the income statement as they are realised.

Accrued income includes amounts due from the NHS in England and Wales in respect of the group's long term fixed income contracts to deliver dentistry services.

Notes to the consolidated financial statements *(continued)*

2 Accounting policies *(continued)*

(j) Financial instruments (continued)

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with an original maturity of three months or less.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other payables

Trade and other payables are initially stated at fair value and subsequently measured at amortised cost. The carrying amounts of trade and other payables are considered to be the same as their fair value due to their short-term nature.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fees are deferred until the drawdown occurs and are subsequently amortised through the income statement over the term of the facility.

Preference shares, which are mandatorily redeemable on a specific date or have a set rate of return, are classified as liabilities due to the fixed return. The dividends on these preference shares are recognised in the income statement as a finance cost.

Derivative financial instruments

The group's activities expose it to the financial risks resulting from fluctuations in interest rates. During both the current and previous years a fixed interest rate contract was in place to hedge a proportion of the group's exposure to movements in interest rates. However, this contract expired on 31 March 2025.

Separately, share purchase warrants over the group's 'A' ordinary shares were issued to a lender as part of the re-financing in August 2021. The number of shares that would be issued under the warrant at exit was dependent on the time frame for the settlement of the subordinated PIK facility. The facility was repaid in June 2022 following the sale of DD, fixing the number of 'A' shares over which warrants are held at 12,500.

The group does not hedge account for any derivative financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into, and they are subsequently remeasured to their fair value at the end of each reporting period.

The use of financial derivatives is governed by the group's policies approved by the Board of Directors, which provide written principles in the use of financial derivatives consistent with the group's risk management strategy. The group does not use derivative financial instruments for speculative purposes. See note 32 for further details.

(k) Government grants

Grants received to assist with the purchase of property, plant and equipment are credited to deferred income within trade and other payables and are amortised to the income statement over a period to match the useful life of the asset acquired. Revenue grants are recognised in the income statement through administrative expenses in the financial year in which the related service or obligation is performed.

(l) Provisions

A provision is recognised in the balance sheet when the group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability. The increase in the provision due to passage of time is recognised within finance costs. Further details are provided in note 24.

Notes to the consolidated financial statements *(continued)*

2 Accounting policies *(continued)*

(m) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in share premium as a deduction from the proceeds.

(n) Revenue

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 completed the specific performance obligations and has therefore obtained the right to consideration. Amounts are stated net of discounts, returns and value added taxes. Revenue derived from NHS general dentistry contracts in England and Wales is recognised based upon the volume of dental activity delivered in the financial year. Amounts received from the NHS in advance of dental activity delivery are held on the balance sheet within accruals. More information on this is provided in note 21. Revenue from all private dental work and NHS patients in Scotland is recognised based upon the completion of each piece of treatment carried out. Patients pay for treatments as these occur, with the transaction price being based either upon the relevant NHS charge, or the relevant charge for each particular item of private treatment. As such, the performance obligation is identified to be the services being provided to a patient which is deemed to be recognised at a point in time. The group also generates revenue from NHS orthodontic contracts and from private patients under dental plan arrangements, where revenue is recognised over time as the individual performance obligations are met.

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.

(o) Leases

The group's lease arrangements are principally short leasehold properties, most notably in respect of the group's dental practice estate as well as some motor vehicles and other equipment.

The lease liability is initially measured at the present value of the remaining lease payments, discounted using the incremental cost of borrowing at the date of initial application. Subsequent to initial measurement, the liability is reduced for payments made and increased for interest. It is remeasured to reflect any modification, with a corresponding adjustment reflected in the right of use asset.

The incremental cost of borrowing is determined by reference to recent third-party financing received by the group, adjusted to reflect changes in financing conditions between the date of financing and the inception of the lease.

The right of use asset is initially measured at cost which comprises the amount of the initial measurement of the lease liability, adjusted for any lease payments made at or before the commencement date less any lease incentives received plus any initial direct costs incurred and restoration costs. The right of use asset is depreciated on a straight-line basis over the lease term.

The group has elected to account for short term leases and low value assets using practical expedients. Instead of recognising a right of use asset and lease liability, the payments in relation to these are recognised in the consolidated income statement on a straight-line basis over the lease term. There are no material lease agreements under which the group is a lessor.

(p) Net finance costs

Finance costs

Finance costs comprise interest payable on borrowings, associated transaction costs and dividends on redeemable preference shares. Finance costs are charged to the income statement on an accruals basis using the effective interest rate method. In addition, finance costs also include interest in respect of lease liabilities, the unwinding of discount on provisions and fair value movements on hedging arrangements.

Finance income

Finance income comprises interest receivable on cash and cash equivalents, or other funds invested and cash received from interest rate hedging arrangements. Interest income is recognised in the income statement as it accrues using the effective interest method.

Notes to the consolidated financial statements *(continued)*

2 Accounting policies *(continued)*

(q) Income tax

Income tax comprises current and deferred income tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current income tax is the expected tax payable or refundable on the taxable income or loss for the year, based upon the tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred income tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of other assets or liabilities that affect neither accounting nor taxable profit; nor differences relating to investments in subsidiaries to the extent that they are unlikely to reverse in the foreseeable future. The amount of deferred income tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date.

A deferred income tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred income tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except for on deferred income tax liabilities where the timing of the reversal of the temporary difference is controlled by the group and it is probable that the temporary difference will not reverse in the foreseeable future. Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend.

(r) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting of business performance to the Board of Directors and the Executive Management Team that are used to facilitate both performance and strategic decision making. The Chief Executive Officer has been identified as the chief operating decision maker in accordance with the requirements of IFRS 8 – Operating Segments. Based upon this assessment, the group is considered to have one operating segment, being the mydentist business. Accordingly, no additional segmental disclosures are provided.

(s) Employee benefits: pension obligations

The group makes contributions to a small number of defined contribution pension schemes on behalf of its employees, including the National Employment Savings Trust ('NEST'). Contributions are recognised in the income statement on an accruals basis. In addition, the group also operates a stakeholder defined contribution pension scheme, to which the group makes no contributions on behalf of its employees. The assets of both of these schemes are held separately from those of the group in independently administered funds. The group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior years.

The group also operates a pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the group. The scheme is closed to new members and has no active members. The group makes contributions in respect of current or past service. The group also funds the administration costs of the scheme which are charged to administrative expenses within the income statement as incurred. The re-measurement loss arising from the actual return on assets and changes in demographic and financial assumptions underlying the present value of scheme liabilities is taken to other comprehensive income.

Notes to the consolidated financial statements *(continued)*

2 Accounting policies *(continued)*

(t) Share based payments

As set out in more detail in note 29, certain employees of the group purchased new 'B' ordinary shares in the company at the time of the re-financing in August 2021. The shares were purchased at a market value based on an assessment of the value of the group and the rights of the shares. Within the terms of the scheme there is a service requirement for the holder of the shares to remain in employment until sale in order to retain all of the shares acquired. IFRS 2 considers that, regardless of the amount subscribed, the shares are being awarded in connection with, and in return for employee services. The fair value of the employee services received in exchange for the issue of the shares is recognised as an expense, within administrative expenses in the income statement.

The amount to be expensed is adjusted to reflect management's estimate of the number of leavers. At each balance sheet date, the group revisits its estimate of the number of leavers when determining the charge to be recognised in the income statement.

(u) Adjusting items

The group's definition of Adjusted EBITDA is earnings before interest, tax, depreciation and amortisation, adjusted to exclude certain adjusting items, but to include rental and other lease charges. This definition is also consistent with that set out in the group's banking documents. 'Adjusting items' are typically considered to be material items of a one-off, or non-recurring nature, or items which do not form part of the normal trading results of the group. Examples include the profit or loss arising from practice disposals; practice closure costs; redundancy and other costs resulting from business restructuring; costs associated with pilot programmes prior to wider business roll-out; and legal and professional fees relating to capital transactions involving a change in ownership or financing, or to other one-off projects.

(v) Investments

Investments in subsidiaries are held at cost less accumulated impairment losses.

(w) Assets held for sale

Assets are classified as held for sale when their carrying value is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell. The carrying value of assets held for sale is reviewed for evidence of impairment at each balance sheet date and any resulting impairment is charged to the income statement.

3 Critical accounting judgements and estimates

The preparation of the group's consolidated financial information under IFRS requires the directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities. Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The directors consider that the following estimates and judgements are likely to have the most significant effect on the amounts recognised in the consolidated financial information.

(a) Critical judgements

Indicators of CGU level impairments (Group)

As set out in more detail in note 2(g), each dental practice within the mydentist business typically represents a separate CGU. The directors are required to consider annually whether any indicators of impairment exist within these individual CGU's. In determining whether any such indicators exist, management considers the current, and expected future, trading performance of each dental practice, alongside the future strategy for the practice. Indicators of impairment may include:

- where the decision has been taken to dispose of a practice (through either closure or sale) and the recoverable value of the CGU is likely to be lower than its carrying value;
- where a plan to relocate a practice to new premises as part of the group's organic growth programme has been approved which may reduce the value in use of assets associated with the site that is to be vacated including right-of-use assets and certain categories of PPE; or
- where a practice is persistently loss making and where there is no clear plan to restore the practice to profitability within a reasonable timeframe.

Notes to the consolidated financial statements *(continued)*

3 Critical accounting judgements and estimates *(continued)*

(a) Critical judgements (continued)

Application of tax laws (Group)

The group is subject to complex tax laws. Changes in tax laws and their interpretation could adversely affect our tax position, including our effective tax rate or tax payments. We often rely on generally available interpretations of applicable tax laws and regulations including guidance published by HMRC on their website. We also maintain a regular, open, dialogue with HMRC over issues that could affect either the group or the industry generally, which includes the self-employed status of clinicians. From April 2023, HMRC withdrew the specific self-employment guidance relating to dentistry, including recognition of the BDA model contract and have also confirmed that they will not seek to challenge the self-employed status of associate clinicians prior to this date. HMRC have indicated that the withdrawal is due to their belief that they should not provide guidance on individual industry-specific contracts.

Having considered guidance and case law, the group, supported by external advisors, has engaged with a range of stakeholders to update its associate clinician contract to bring further clarity to the roles and responsibilities of both mydentist and the associate clinician. As a result, the group has concluded that the engagement terms for its associate clinicians remain consistent with self-employed status.

If any tax positions are subject to a successful challenge by HMRC, the imposition of additional taxes could require us to pay taxes that we currently do not collect or pay, or increase the costs of our services to track and collect such taxes, which could increase the cost of our operations or the effective tax rate. In certain circumstances, it is possible for HMRC to require any tax they deem to be due to be paid before their interpretation can be challenged through appeal.

However, the likelihood of any such challenge being successful is considered by management, after discussion with specialist advisors including legal counsel, as not probable and accordingly these financial statements do not include any provision in relation to the ongoing tax discussions relating to self-employment status.

Recognition of deferred tax asset in respect of carried forward losses (Group)

The group has recognised a deferred tax asset of £8.0 million (2024: £9.1 million) in respect of carried forward trading losses. This position is informed by management's latest 5-year strategic plan, which demonstrates that the group is expected to be profitable through this period and, therefore, provides visibility that the losses can be utilised.

In addition to the trading losses, the group also has non-trade related losses available which it may be possible to utilise in future. However, the group's ability to utilise such losses is currently uncertain and, therefore, the associated deferred tax asset of £13.8 million (2024: £15.6 million) has not been recognised.

(b) Key sources of estimation uncertainty

Time period for share based payment and preference share dividend recognition (Group and Company)

The return due on the preference shares is fixed at 1.5 times the par value, payable at the point of an equity transaction. In order to accrue for the return, management has estimated the time period to allocate the cost to the income statement. The time period has been determined based on the typical period that similar investments would be held for. The same estimate has also been utilised in the allocation of the value of employee services arising from the grant of shares issued to directors and employees.

If management was to increase the estimated period by one year, this would have the effect of reducing the preference share dividends of £7.7 million (see note 10) accrued in respect of FY2025 by approximately £3.9 million and reducing the share-based payment charge of £2.7 million (see notes 4 and 29) by £1.2 million.

Vacant property and dilapidations provision (Group)

Under the terms of the group's property leases, there is typically an obligation to hand back the property in an equivalent condition to that at the start of the lease and, therefore, for example, to strip out any modifications that have been made, or to repair any damage that has resulted from normal wear and tear. The cost is charged to the income statement as the obligation arises and the provision is expected to be substantially utilised between the balance sheet date and the termination date of the associated leases, which typically run for around 15 years.

As at 31 March 2025, the group held a provision of £11.2 million (2024: £11.2 million) in respect of these obligations. Due to the large number of property leases held by the group and the subjectivity around predicting when the associated remediation costs will be incurred, looking many years into the future, the dilapidations provision is considered a key source of estimation uncertainty.

Notes to the consolidated financial statements (continued)

3 Critical accounting judgements and estimates (continued)

(b) Key sources of estimation uncertainty (continued)

Vacant property and dilapidations provision (Group) (continued)

The provision has been calculated using historical experience of actual expenditure incurred on dilapidations and estimated lease exit dates. The provision has been discounted using a rate of 8.0% (2024: 7.5%). This discount rate reflects the group's marginal cost of debt and the variability risk inherent within the provision. Settlement of the provision where required would be expected to be through the group's borrowing facilities and, therefore, reflects the group's best estimate of the risk specific to the liability and the cost of finance the group would incur upon settling the provision. The underlying cash flows used in the calculation of the provision are not risk adjusted. If the discount rate was reduced by 2.5%, the provision would increase by approximately £3.3 million.

4 Reconciliation of Adjusted EBITDA to operating profit

The group's key profit performance indicator is EBITDA before adjusting items, (referred to, simply, as 'Adjusted EBITDA') which reflects earnings before interest, tax, depreciation, amortisation, adjusted to exclude certain adjusting items, but to include rental and other lease charges. This definition is also consistent with that set out in the group's banking documents. 'Adjusting items' are typically considered to be material items of a one-off, or non-recurring nature, or items which do not form part of the normal trading results of the group. Examples include the profit or loss arising from practice disposals; practice closure costs; redundancy and other costs resulting from business restructuring; costs associated with pilot programmes, prior to wider business roll-out; and legal and professional fees relating to capital transactions involving a change in ownership or financing, or to other one-off projects.

Management consider Adjusted EBITDA to be the key operating indicator as it measures the normalised performance of the group and the ability of the group to service its debt.

Adjusted EBITDA for FY2025 was £86.4 million (2024: £83.8 million) and is reconciled to operating profit in the following table:

	Note	Group 2025 £'000	Group 2024 £'000
Operating profit		424	6,117
Amortisation of intangible assets	14	26,171	26,600
Depreciation	15/16	39,710	40,290
Amortisation of government grant income		(15)	(16)
Net gain on termination/disposal of leases		(4,412)	(9,374)
Impairment of intangible assets		1,488	1,853
Impairment of fixed assets		1,140	319
Impairment of right of use assets		3,907	1,381
Net impairment of non-current assets reclassified as held for sale and loss on closure or disposal of dental practices		6,733	5,280
Differences between contingent consideration paid and estimates initially recognised		-	(34)
System transformation costs		19,487	11,117
Insurance receipt		(6,316)	-
Utilities contract exit fee		(24)	7,744
Other adjusting items		8,975	3,536
Share based payments	29	2,650	2,650
Rental and other lease charges		(13,548)	(13,624)
Adjusted EBITDA		86,370	83,838

Notes to the consolidated financial statements *(continued)*

4 Reconciliation of Adjusted EBITDA to operating profit *(continued)*

Other adjusting items

The following items, which are considered by the directors to be non-recurring or which do not form part of the normal trading results of the group have been charged in arriving at operating profit.

	Group 2025 £'000	Group 2024 £'000
Restructuring costs	1,184	1,996
Legal and professional fees	6,858	1,450
Expenses in respect of defined benefit pension scheme (note 33)	95	65
Other	838	25
Other adjusting items	8,975	3,536

Net impairment of non-current assets reclassified as held for sale and profit/(loss) on closure or disposal of dental practices

The practice portfolio is regularly reviewed to identify practices which are no longer deemed viable due to reasons such as low UDA contract values or recruitment constraints arising from the geographical location. During the year ended 31 March 2025, 1 dental practice was sold, 11 were closed. No dental practices were classified as assets held for sale at year end (2024: 6 sold, 3 closed and 1 reclassified as assets held for sale). An impairment is recognised at the point a practice is reclassified to assets held for sale, where the fair value less costs to sell is expected to be lower than the carrying amount.

Differences between contingent consideration paid and estimates initially recognised

During the year ended 31 March 2024, the final contingent consideration payment relating to the acquisition of a dental practice was made. There was a difference of £34,000 between the consideration paid and the estimate initially recognised and this was released to the income statement.

System transformation

System transformation costs for the years ended 31 March 2025 and 31 March 2024 include the cost of detailed design and implementation work to bring the replacement HCM and ERP systems into use. The HCM system went live during FY2025, whilst go-live of the ERP system is scheduled for FY2026.

Insurance receipt

During FY2025 the group received a total of £6.3 million in full and final settlement of business interruption insurance claims made in respect of the Covid lockdown periods during 2020 to 2022.

Utilities contract exit fee

In March 2024, a one-off break fee was incurred to exit a fixed price utilities contract as the fixed rate was significantly above current market pricing.

Restructuring costs

Costs incurred during the year ended 31 March 2025 and the year ended 31 March 2024 principally relate to non-continuing senior management costs together with costs arising from other staff and business restructuring.

Legal and professional fees

Adjusting legal and professional fees include non-recurring legal and professional advisory services for one-off projects not related to normal trading activities. Recurring legal and professional fees are charged within the un-adjusted trading result. The amount for FY2025 includes £5.6 million in respect of the Bridgepoint transaction.

Other adjusting items

Principally includes costs incurred in assessing the feasibility of pilot programmes prior to wider business roll-out.

Notes to the consolidated financial statements *(continued)*

5 Revenue

Through mydentist, the group is the leading provider of dental services in the United Kingdom. mydentist owns and manages a national chain of dental practices with 517 locations at 31 March 2025 (2024: 534).

All services are provided in the United Kingdom.

Revenue is analysed by category as follows:

	2025 £'000	2024 £'000
Provision of services	629,858	571,872
Sale of goods	1,733	1,931
Total revenue	631,591	573,803

6 Auditors' remuneration

The total remuneration payable by the group to its auditors, Deloitte LLP, during the financial year is analysed below.

	2025 £'000	2024 £'000
Audit services		
Audit of the parent company and the consolidated financial statements*	596	576
Audit of the company's subsidiaries	406	294
	1,002	870
Non-audit services		
Debt covenant reporting	18	18
Total remuneration payable to the group's auditor	1,020	888

* The audit fees in respect of the consolidated and parent company financial statements for the years ended 31 March 2025 and 31 March 2024 have been borne by a subsidiary company.

Notes to the consolidated financial statements *(continued)*

7 Employees

The average monthly number of persons employed by the group (including directors) during the financial year was as follows:

	Group 2025 No of employees	Group 2024 No of employees
Business unit		
mydentist - surgery staff	3,837	3,980
mydentist - administration staff	2,697	2,309
	6,534	6,289

The staff costs of these persons were as follows:

	Group 2025 £'000	Group 2024 £'000
Wages and salaries	152,184	135,562
Social security costs	11,372	9,436
Other pension costs	2,498	2,128
	166,054	147,438

Company

The company has no employees (2024: none).

8 Directors' remuneration

The total emoluments received for services as a director of the group are shown in the table below. Management considers that the directors are also the key management personnel as defined by IFRS and the Companies Act 2009.

	Group 2025 £'000	Restated* Group 2024 £'000
Salary and other short-term benefits	2,025	1,973
Pension contributions	3	3
Aggregate emoluments	2,028	1,976

Two (2024: two) directors accrued retirement benefits totalling £3,000 (2024: £4,000) under money purchase pension schemes. Certain directors received no emoluments from the group for their services. Directors' remuneration excludes share based payments. Refer to note 29 for further information.

The aggregate remuneration, excluding share-based payments, for the highest paid director was £829,000 (2024: £939,000 as restated), which included benefits in kind of £4,000 (2024: £6,000).

The directors received no emoluments from the company for their services during the year (2024: £nil).

* Prior year restatement:

Directors' remuneration for the year end 31 March 2024 has been restated to remove bonus entitlements which were paid in FY2024 but which relate to services received, and bonuses accrued, for the year ended 31 March 2023. Management have concluded that this requires correction via a restatement owing to the focus placed by users on directors' remuneration. The effect of this restatement is to amend 'salary and other short-term benefits' from £2,446,000 to £1,973,000 resulting in the 'aggregate emoluments' changing from £2,450,000 to £1,976,000. This restatement relates solely to this disclosure note and has no impact upon the reported loss for the year, nor upon the balance sheet at either 31 March 2023 or 31 March 2024.

Notes to the consolidated financial statements *(continued)*

9 Other income

Other income of £1.5 million (2024: £1.4 million) principally represents amounts received from Scottish health boards to contribute to the running costs of premises and is based on the proportion of NHS treatment carried out by a dental practice. Income is also received from property rentals.

10 Finance costs

	Group 2025 £'000	Group 2024 £'000
<i>Amounts measured at amortised cost:</i>		
Bank loans and overdrafts	4,922	2,902
Unitranche loan	46,671	47,078
Amortisation of debt issue costs and related fees	3,210	3,276
Preference share dividends	7,663	11,224
Other interest payable – unwinding of discount (notes 16, 24)	5,090	5,654
Syndicate charges	1,130	1,643
Finance expense in respect of defined benefit pension scheme (note 33)	52	40
	68,738	71,817
<i>Amounts measured at fair value through profit or loss:</i>		
Fair value movement on share purchase warrants (note 22)	123	455
Mark-to-market movement on interest rate swap contract (notes 22 and 23)	12,391	6,925
	12,514	7,380
	81,252	79,197

11 Finance income

	Group 2025 £'000	Group 2024 £'000
<i>Amounts measured at amortised cost:</i>		
Bank deposit interest	3,640	4,151
Amounts received under interest rate swap contract	11,664	11,922
	15,304	16,073

Notes to the consolidated financial statements *(continued)*

12 Income tax credit

	Group 2025 £'000	Group 2024 £'000
Current income tax		
Current charge for the year	-	-
Deferred income tax		
Origin and reversal of temporary differences	(10,719)	(11,952)
Adjustments in respect of previous years	(3,796)	6,063
Total deferred income tax (note 25)	(14,515)	(5,889)
Total income tax credit	(14,515)	(5,889)

The income tax credit for the financial year is lower (2024: lower) than the standard rate of corporation tax in the UK for the year ended 31 March 2025 of 25% (2024: 25%). The differences are explained below:

	Group 2025 £'000	Group 2024 £'000
Loss before income tax	(65,524)	(57,007)
Loss before income tax multiplied by the standard rate of corporation tax in the UK of 25% (2024: 25%)	(16,381)	(14,252)
Effects of:		
Expenses not deductible for tax	5,845	4,207
Recognition of losses not previously recognised	(183)	(1,907)
Adjustments in respect of previous years	(3,796)	6,063
Total income tax credit for the year	(14,515)	(5,889)

Expenses not deductible for tax principally include finance costs relating to the loan notes and preference shares, the unrealised gain in the value of the interest rate swap and the impairment of goodwill which are not tax deductible. For FY2025, the adjustment in respect of the previous year results from alignment of the deferred tax position in respect of both leases and intangible assets, together with smaller differences arising from capital allowances claimed in the final subsidiary tax computations compared to the assumptions made in the group financial statements. For FY2024, the adjustment reflects the claiming of super deductions against qualifying capital expenditures in the subsidiary tax computations. At the time the group financial statements were finalised, a decision has not been taken to claim the available super deductions.

Please also refer to note 3(b) for further details of estimates that have been made in respect of the application of certain tax laws.

Notes to the consolidated financial statements *(continued)*

13 Parent company result

The company has taken advantage of Section 408(4) of the Companies Act 2006 and consequently an income statement for the company is not presented.

The company's loss of £7,787,000 for the year ended 31 March 2025 (2024: £11,678,000) principally arises from accrued dividends payable on preference shares.

14 Intangible assets

Group

	Goodwill	Contractual arrangement	Customer relationships	Computer software	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 April 2024	262,591	428,479	44,039	22,960	758,069
Additions	4	-	-	5,213	5,217
Disposals	-	(6,183)	(549)	(4,613)	(11,345)
At 31 March 2025	262,595	422,296	43,490	23,560	751,941
Accumulated amortisation					
At 1 April 2024	137,716	267,210	42,463	14,627	462,016
Charge for the year	-	20,440	752	4,979	26,171
Disposals	-	(3,833)	(549)	(4,611)	(8,993)
Impairment	-	1,488	-	-	1,488
At 31 March 2025	137,716	285,305	42,666	14,995	480,682
Net book value					
At 31 March 2025	124,879	136,991	824	8,565	271,259

Notes to the consolidated financial statements (continued)

14 Intangible assets (continued)

	Goodwill	Contractual arrangement	Customer relationships	Computer software	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 April 2023	258,972	424,682	43,754	18,229	745,637
Additions	3,619	2,888	590	4,735	11,832
Disposals	-	-	(326)	(4)	(330)
Transfer from assets held for sale	-	909	21	-	930
At 31 March 2024	262,591	428,479	44,039	22,960	758,069
Accumulated amortisation					
At 1 April 2023	137,716	244,025	41,459	10,131	433,331
Charge for the year	-	20,818	1,284	4,498	26,600
Disposals	-	-	(326)	(2)	(328)
Impairment	-	1,829	25	-	1,854
Transfer from assets held for sale	-	538	21	-	559
At 31 March 2024	137,716	267,210	42,463	14,627	462,016
Net book value					
At 31 March 2024	124,875	161,269	1,576	8,333	296,053

The above note has been represented to reallocate the impairment charge which was previously allocated between cost and accumulated amortisation to reflect the full impairment within the accumulated amortisation line.

Please refer to note 23 for more information about assets pledged as security in respect of group borrowings.

All amortisation charges have been included within administrative expenses in the income statement.

The weighted average unamortised useful life of intangible assets at 31 March 2025 was 7.4 years (2024: 8.2 years).

Cash Generating Units ('CGUs')

As described in further detail in note 2(g), the directors have grouped the CGUs within the mydentist business together into a single 'CGU' for the purposes of goodwill impairment testing, as this is the lowest level at which goodwill is monitored for internal reporting purposes. Hence at both 31 March 2025 and 31 March 2024, all goodwill was attributed to the mydentist CGU.

Annual impairment review

The annual impairment review for goodwill is based on an assessment of the CGU's recoverable amount based on a value in use model. This value is calculated from cash flow projections, based on budgets covering a minimum period of 12 months and a maximum period of 5 years which have been approved by the Board of Directors.

At each reporting date the impairment review is performed by comparing the estimated recoverable amount of the CGU with its carrying amount, including goodwill. The impairment reviews at both 31 March 2025 and 31 March 2024 have concluded that no impairment is required.

Cash flows outside of the budgeted period are estimated using the long-term growth rate stated below. The long-term growth rate applied does not exceed the long-term average growth rate for the market in which the CGU operates.

The directors have assessed the appropriate discount rate for the mydentist CGU using a Weighted Average Cost of Capital ('WACC') for comparable companies operating in similar markets. This 'base' WACC has been adjusted to reflect risks specific to mydentist. The discount rates applied are as shown below.

Notes to the consolidated financial statements *(continued)*

14 Intangible assets *(continued)*

Annual impairment review *(continued)*

The projections for future years have been adjusted to remove the EBITDA impact of the group's future growth plans, however the corresponding future capital expenditure cash flows related to practice merger, relocation and expansion projects have also been excluded as these are not committed. The cash flow projections take account of the expected impact from committed efficiency initiatives and the stability and maturity of the market in which the CGU operates.

Key assumptions by CGU

	Group 2025 %	Group 2024 %
Long term growth rate		
Mydentist	2.00	2.00
Pre-tax discount rate		
Mydentist	12.57	13.35

The impairment review performed at 31 March 2025 was based upon discounted cash flow forecasts, derived from management's latest five-year strategic plan, which was updated during the year from the plan that was used to inform the impairment review undertaken at 31 March 2024. In preparing this plan, the directors have considered the potential impact of key risks facing the business, including those from climate change.

The updated strategic plan assumes revenue growth in future years underpinned by a combination of continued investment into the organic growth programme and brownfield practices, together with an improved supply of clinicians from FY2026 as a result of the Section 60 legislative changes. Underlying organic revenue growth between FY2025 and FY2029 is driven by further investments into clinical support and intra-oral scanners to drive efficiency, volume growth resulting from resourcing and retention assumptions that are in line with recent history, and price.

Management does not consider that any reasonably possible changes to these key assumptions would result in an impairment.

Contractual arrangements and customer relationships

During both the years ended 31 March 2025 and 31 March 2024, the group agreed a number of permanent contract hand-backs with the relevant NHS Regions, principally relating to dental practices which have consistently failed to deliver the contractual volumes due to structural issues such as a shortage of patients, or where there are persistent dentist shortages, making it difficult to recruit. Where the group has agreed these permanent contract hand-backs, management has reduced the carrying value of the associated contractual arrangement intangible asset, to reflect this reduced earning potential. This resulted in a total impairment charge of £1.5 million being recorded in the income statement for the year ended 31 March 2025 (2024: £0.1 million).

In addition, during the year ended 31 March 2024, management identified a small number of impairments to contractual arrangements and customer relationships during the assessment conducted. These impairments related to three loss making practices where there was no clear route to restore them to profitability. No further impairments to contractual arrangements and customer relationships were identified during the current year assessment.

Company

The company does not own any intangible assets (2024: none).

Notes to the consolidated financial statements *(continued)*

15 Property, plant and equipment

Group

	Note	Freehold Property £'000	Long leasehold property £'000	Fixtures, fittings and equipment £'000	Total £'000
Cost					
At 1 April 2024		598	265	276,185	277,048
Additions		-	-	50,613	50,613
Disposals		(118)	(140)	(14,486)	(14,744)
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 March 2025		480	125	312,312	312,917
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
Accumulated depreciation					
At 1 April 2024		64	186	149,521	149,771
Charge for the year		10	3	25,811	25,824
Disposals		(9)	(140)	(11,803)	(11,952)
Impairment		-	-	1,140	1,140
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 March 2025		65	49	164,669	164,783
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net book value					
At 31 March 2025		415	76	147,643	148,134
		<u> </u>	<u> </u>	<u> </u>	<u> </u>

	Note	Freehold Property £'000	Long leasehold property £'000	Fixtures, fittings and equipment £'000	Total £'000
Cost					
At 1 April 2023		598	265	241,966	242,829
Additions		227	-	39,062	39,289
Disposals		(227)	-	(5,831)	(6,058)
Transfer from assets held for sale	28	-	-	988	988
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 March 2024		598	265	276,185	277,048
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
Accumulated depreciation					
At 1 April 2023		52	183	131,437	131,672
Charge for the year		16	3	21,528	21,547
Disposals		(4)	-	(4,534)	(4,538)
Impairment		-	-	318	318
Transfer from assets held for sale	28	-	-	772	772
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 March 2024		64	186	149,521	149,771
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net book value					
At 31 March 2024		534	79	126,664	127,277
		<u> </u>	<u> </u>	<u> </u>	<u> </u>

The above note has been represented to reallocate the impairment charge which was previously allocated between cost and accumulated depreciation to reflect the full impairment within the accumulated depreciation line.

Notes to the consolidated financial statements *(continued)*

15 Property, plant and equipment (continued)

Management identified a number of impairments to fixtures and fittings at 31 March 2025 totalling £1.1 million (2024: £0.5 million) in relation to practices that are currently loss making and where the associated practices are likely to either be divested, or relocated as part of the group's growth programme.

Company

The company does not own any property, plant and equipment (2024: none).

16 Leases

Right of use assets

Group

	Land and buildings £'000	Motor vehicles £'000	Other £'000	Total £'000
Cost				
At 1 April 2024	147,759	1,061	1,614	150,434
Additions	10,916	660	-	11,576
Disposals	(7,323)	(9)	-	(7,332)
Remeasurements	5,551	(11)	-	5,540
At 31 March 2025	156,903	1,701	1,614	160,218
Accumulated Depreciation				
At 1 April 2024	66,954	1,012	718	68,684
Charge for the year	12,812	178	896	13,886
Disposals	(6,817)	-	-	(6,817)
Impairment	3,907	-	-	3,907
At 31 March 2025	76,856	1,190	1,614	79,660
Net book value				
At 31 March 2025	80,047	511	-	80,558
	Land and buildings £'000	Motor vehicles £'000	Other £'000	Total £'000
Cost				
At 1 April 2023	126,447	1,019	1,614	129,080
Additions	9,493	40	-	9,533
Disposals	(694)	2	-	(692)
Remeasurements	11,783	-	-	11,783
Transfer from assets held for sale (note 28)	730	-	-	730
At 31 March 2024	147,759	1,061	1,614	150,434
Accumulated Depreciation				
At 1 April 2023	46,146	862	359	47,367
Charge for the year	18,234	150	359	18,743
Impairment	2,440	-	-	2,440
Transfer from assets held for sale (note 28)	134	-	-	134
At 31 March 2024	66,954	1,012	718	68,684
Net book value				
At 31 March 2024	80,805	49	896	81,750

Notes to the consolidated financial statements *(continued)*

16 Leases *(continued)*

The above note has been represented to reallocate the impairment charge which was previously allocated to cost, to reflect the full impairment within the accumulated depreciation line.

Lease liabilities

	£'000
As at 1 April 2024	92,121
Rental and operating lease payments	(14,657)
Lease additions	11,576
Disposals	(3,390)
Remeasurements	3,402
Interest on lease liability	5,185
Transfer from assets held for sale	98
As at 31 March 2025	94,335

Management identified impairments to lease right of use assets at 31 March 2025 totalling £3.9 million (2024: £1.4 million) in relation to a few practices that are currently loss making and where the associated practices are likely to either be divested, or relocated as part of the group's growth programme.

An interest charge of £5.2 million has been charged to finance costs in relation to the unwinding of the discount on the lease liability (2024: £5.0 million). The total cash outflow for leases for the year was £14.7 million (2024: £15.0 million). During the year ended 31 March 2025, an expense of £0.1 million (2024: £0.1 million) related to leases of low-value assets that are not shown above as short-term leases; £0.1m of income (2024: £0.1 million) resulting from subleasing was recognised; and there are no gains or losses from the remeasurement of lease commitments within adjusting items (2024: £nil).

Remeasurements reflect changes to lease liabilities for updates to rent review periods and changes in lease terms and charges during the year.

Company

The company does not have any lease liabilities (2024: none).

17 Investments

Company

	Shares in subsidiary £'000
Cost	
At 31 March 2024 and 31 March 2025	1,052,863
Accumulated impairment	
At 31 March 2024 and 31 March 2025	466,216
Net book value	
At 31 March 2024 and 31 March 2025	586,647

The company owns 100% of its immediate subsidiary, Turnstone Midco 1 Limited. The cost of its investment in that entity at 31 March 2025 is £1,052.9 million (2024: £1,052.9 million) and the net book value is £586.6 million (2024: £586.6 million), reflecting a previous impairment to align the carrying value with its fair value less costs to dispose. No further indicators of impairment have been identified during the year ended 31 March 2025.

The table below provides details of the company's subsidiary undertakings. All companies are indirectly owned with the exception of Turnstone Midco 1 Limited. All of the non-trading entities are holding companies for investments in other group companies.

Notes to the consolidated financial statements (continued)

17 Investments (continued)

The group holds 100% of the ordinary share capital of all of the companies listed. All companies are included in the consolidation.

The company has provided a guarantee to the members of certain subsidiary companies (marked ¹ below), over all of their respective outstanding liabilities, under section 479C of the Companies Act 2006. As a result, having also received agreement from all members of each company, the companies identified below are exempt from audit of their individual company financial statements for the year ended 31 March 2024 by virtue of section 479A of the Companies Act 2006. In the opinion of the directors the value of the company's investment in its subsidiaries is not less than the amount at which it is shown in the balance sheet.

Name of subsidiary	Company registration no.	Principal activity	Country of incorporation
Turnstone Midco 1 Limited	07496752	Non-trading	England ^a
Turnstone Midco 2 Limited	07496754	Non-trading	England ^a
Turnstone Bidco 1 Limited	07496765	Non-trading	England ^a
¹ Mydentist Finance Limited	08516986	Non-trading	England ^a
*1A Dental Practice Limited	05397004	Dormant	England ^a
¹ Adelstone Dental Care Limited	06484132	Dental practices	England ^a
*ADP Ashford Ltd	06353838	Dormant	England ^a
*ADP Healthcare Acquisitions Limited	06070000	Non-trading	England ^a
*ADP Healthcare Services Limited	06073690	Non-trading	England ^a
*ADP Holdings Limited	04298115	Non-trading	England ^a
*ADP No.1 Limited	04309934	Non-trading	England ^a
*ADP Yorkshire Ltd	04611149	Dormant	England ^a
¹ Aesthetic Dental Care Limited	06498164	Dental practices	England ^a
¹ Aesthetix Limited	05995943	Dental practices	England ^a
¹ Alemdent Limited	03924932	Dental practices	England ^a
¹ Alison Brett Dental Care LLP	OC319007	Dental practices	England ^a
*A-Z Dental (Subsidiary Number 1) Limited	01007593	Dormant	England ^a
¹ A-Z Dental Holdings Limited	01771172	Non-trading	England ^a
*Bramora Limited	06370357	Dormant	England ^a
² Butler and Finnigan Dental Practice Ltd	08438970	Dormant	England ^a
¹ Castle Hill Dental Practice Limited	07477770	Dental practices	England ^a
¹ Chapel Road Orthodontics Limited	06921478	Dental practices	England ^a
¹ Church Street Dentists Limited	07465435	Dental practices	England ^a
¹ Clarendon Dental Practice Limited	06817422	Dental practices	England ^a
¹ Community Dental Centres Limited	00549762	Dental practices	England ^a
¹ Confident Dental Practices Limited	07401490	Dental practices	England ^a
¹ Cromwell Dental Practice Limited	06414423	Dental practices	England ^a
¹ D and L Jordan Limited	07266159	Dental practices	England ^a
¹ D M Jordan Limited	06727738	Dental practices	England ^a
**DBG (UK) Limited	07165429	Dormant	England ^a
**DBG Acquisitions Limited	07121047	Non-trading	England ^a
**DBG Topco Limited	07128317	Non-trading	England ^a
¹ Dental Aesthetics Ltd	NI071062	Dental practices	Northern Ireland ^c
¹ Dental Excellence Group Ltd	NI605715	Non-trading	Northern Ireland ^c
¹ Dental Excellence Ltd	NI071064	Dental practices	Northern Ireland ^c
*Dental Health Care Limited	06047312	Dormant	England ^a
*Dental Talent Tree (Recruitment) Limited	06124960	Dormant	England ^a
¹ Denticare Limited	00525206	Dental practices	England ^a
*Denticare Properties Limited	05887222	Dormant	England ^a
¹ Denture Excellence Limited	03285380	Non-trading	England ^a
*DH Dental Holdings Limited	06545839	Non-trading	England ^a
¹ Diamond Disposal Co Limited	08948625	Non-trading	England ^a
*Diverse Acquisitions Limited	05109784	Non-trading	England ^a

Notes to the consolidated financial statements (continued)

17 Investments (continued)

Name of subsidiary	Company registration no.	Principal activity	Country of incorporation
*Diverse Holdings Limited	05140766	Non-trading	England ^a
*Diverse Property Investments Limited	05383234	Dormant	England ^a
¹ DM and LJ Jordan Limited	07266122	Dental practices	England ^a
¹ DMJ Norwich Limited	06553035	Dental practices	England ^a
¹ Du Toit and Burger Partnership (Harwich) Ltd	06021395	Dental practices	England ^a
¹ Du Toit and Burger Partnership (Ipswich) Ltd	06021397	Dental practices	England ^a
¹ Du Toit and Burger Partnership (Silvertown) Ltd	06021385	Dental practices	England ^a
¹ Du Toit and Burger Partnership (Stratford) Ltd	06021388	Dental practices	England ^a
¹ Du Toit and Burger Partnership Limited	05977968	Dental practices	England ^a
¹ Durgan and Ashworth Dental Care Limited	06218984	Dental practices	England ^a
¹ Euxton (No 1) Limited	06363149	Dental practices	England ^a
¹ Falchion Orthodontics Limited	05946559	Dental practices	England ^a
¹ Fallowfield (No 1) Limited	06363142	Dental practices	England ^a
¹ Family Dental Care Limited	SC312299	Dental practices	Scotland ^b
¹ Ffolliot Bird Associates Limited	06363142	Dental practices	England ^a
First Choice Dental Limited	05943470	Dental practices	England ^a
¹ Flagstaff Dental Clinic Limited	07355778	Non-trading	England ^a
¹ Fleetwood Practice Limited	06956383	Dental practices	England ^a
¹ Halldent Limited	06001895	Dental practices	England ^a
*Hayle Dental Practice Limited	07131294	Dormant	England ^a
**Healthcare Buying Group Limited	08460100	Non-trading	England ^a
¹ Hessle Grange Dental Care Limited	06169938	Dental practices	England ^a
¹ Hillcrest Ionian Limited	07162100	Dental practices	England ^a
¹ Hirst and O'Donnell Ltd	06538909	Dental practices	England ^a
¹ IDH 324 & 325 Ltd	06623539	Dental practices	England ^a
¹ IDH 331 Ltd	06693404	Dental practices	England ^a
*IDH 341 Ltd	06625791	Dormant	England ^a
¹ IDH 346 Ltd	06798870	Dental practices	England ^a
¹ IDH 363 Limited	06912433	Dental practices	England ^a
¹ IDH 403 Ltd	07083460	Dental practices	England ^a
¹ IDH 406 Ltd	06272581	Dental practices	England ^a
¹ IDH 418 Ltd	06603693	Dental practices	England ^a
¹ IDH 441 to 444 Ltd	06554780	Dental practices	England ^a
¹ IDH 449 Limited	06537479	Dental practices	England ^a
¹ IDH 450 Limited	06661373	Dental practices	England ^a
¹ IDH 474 Limited	06187853	Dental practices	England ^a
¹ IDH 476 Limited	05976507	Dental practices	England ^a
¹ IDH 477 Limited	06444010	Dental practices	England ^a
¹ IDH 622 Limited	07057470	Dental practices	England ^a
Mydentist Acquisitions Limited	05657372	Non-trading	England ^a
Mydentist Group Limited	05657369	Non-trading	England ^a
IDH Limited	00243708	Dental practices	England ^a
¹ IDH Mansfield Limited	06259003	Dental practices	England ^a
Integrated Dental Holdings Limited	03147164	Non-trading	England ^a
¹ Jackro Healthcare Services Limited	06427840	Dental practices	England ^a
¹ KH&GW Limited	06488805	Dental practices	England ^a
¹ M C Dentistry Limited	00475960	Dental practices	England ^a
¹ Maidwell Dental Practice Limited	07196678	Dental practices	England ^a
¹ Mainstone Health Limited	06509397	Dental practices	England ^a
¹ Manchester Orthodontists Limited	08829933	Dental practices	England ^a
¹ Murgelas Practice Management Limited	06553727	Dental practices	England ^a
² MyDentist Limited	05821987	Dormant	England ^a
¹ N S Dental Ltd	SC315659	Dental practices	Scotland ^b
*Natural Management Ltd	04013600	Non-trading	England ^a
¹ Offerton Fold Dental Practice Ltd	06403957	Dental practices	England ^a
¹ Olivers Dental Studio Limited	06473522	Non-trading	England ^a
¹ Orthocentres Limited	04281011	Dental practices	England ^a

Notes to the consolidated financial statements (continued)

17 Investments (continued)

Name of subsidiary	Company registration no.	Principal activity	Country of incorporation
¹ Orthodontic Centre (UK) Limited	04658389	Dental practices	England ^a
¹ Orthodontic Services Limited	NI606471	Non-trading	Northern Ireland ^c
¹ Orthoworld 2000 Limited	00506666	Dental practices	England ^a
*Orthoworld Limited	03605059	Dormant	England ^a
¹ Padgate (No 1) Limited	06360395	Dental practices	England ^a
¹ Palmerston Precinct Practice Limited	06412222	Dental practices	England ^a
*Pearl Bidco Limited	06475333	Non-trading	England ^a
³ Pearl Cayman 1 Limited		Non-trading	Cayman Islands ^d
³ Pearl Cayman 2 Limited		Non-trading	Cayman Islands ^d
*Pearl Topco Limited	06475300	Non-trading	England ^a
Petrie Tucker and Partners Limited	SC030254	Dental practices	Scotland ^{b,e}
¹ Phoenix Dental Limited	06228245	Dental practices	England ^a
¹ Phoenix Dental Practice Limited	07716530	Dental practices	England ^a
¹ Pierce & Geddes Limited	06707580	Dental practices	England ^a
¹ PJ Burridge Ltd	06205795	Dental practices	England ^a
¹ Premier Dental Limited	06286259	Dental practices	England ^a
¹ Priory House Dental Care Limited	06789606	Dental practices	England ^a
Q Dental Care Limited	06545882	Dental practices	England ^a
*Q Dental Surgeries Limited	07052288	Dormant	England ^a
¹ Queensferry Dental Surgery Limited	06044978	Dental practices	England ^a
¹ Richard Flanagan & Associates Limited	06064375	Non-trading	England ^a
¹ Richmond House Practice Limited	07678756	Dental practices	England ^a
¹ Romford Orthodontics Centre Limited	07077945	Non-trading	England ^a
¹ S L S Dental Care Limited	06862901	Dental practices	England ^a
¹ Saltergate Dental Care Limited	06195981	Dental practices	England ^a
*Shadeshire Limited	01446739	Non-trading	England ^a
¹ Silverdale Dental Care Ltd	06944461	Dental practices	England ^a
¹ Smile Stylist Ltd	06772891	Dental practices	England ^a
¹ South Tyneside Smiles Limited	06522874	Dental practices	England ^a
*Speed 8599 Limited	01006781	Dormant	England ^a
¹ SRDP Limited	06249860	Dental practices	England ^a
¹ Stalbridge Dental Practice Limited	06528950	Dental practices	England ^a
¹ Stunning Smiles Ltd	NI606362	Dental practices	Northern Ireland ^c
¹ The Bristol Endodontic Clinic Limited	06167928	Non-trading	England ^a
¹ The Crescent Specialist Dental Centre Ltd	06045924	Dental practices	England ^a
¹ The Domiciliary Dental Practice Limited	06588742	Dental practices	England ^a
¹ The Plains' Dental Practice Limited	06455788	Dental practices	England ^a
*The Village Practice Ltd	06209458	Dormant	England ^a
¹ The Visiting Dental Service Ltd	07972197	Dental practices	England ^a
¹ Tully Crine Limited	07070078	Dental practices	England ^a
¹ Unnati Limited	07185594	Dental practices	England ^a
*Viren Patel and Associates Limited	06845787	Dormant	England ^a
¹ Westhoughton (No 1) Limited	06363150	Dental practices	England ^a
¹ Westpark Dental Practice Limited	07111969	Dental practices	England ^a
¹ White Dental Care Ltd	NI606409	Dental practices	Northern Ireland ^c
Whitecross Dental Care Limited	00244415	Dental practices	England ^a
*Whitecross Group Limited	03536089	Non-trading	England ^a
*Whitecross Healthcare Limited	02893060	Non-trading	England ^a
¹ Wishaw Cross Dental Care Limited	SC335804	Dental practices	Scotland ^b

Notes to the consolidated financial statements (continued)

17 Investments (continued)

¹ Company exempt from audit under section 479A of the Companies Act 2006

² Company exempt from audit under section 480 of the Companies Act 2006

³ Company exempt from audit by virtue of the legislation in the country of incorporation.

^a Registered office address: Europa House, Europa Trading Estate, Stoneclough Road, Kearsley, Manchester, M26 1GG

^b Registered office address: 1 Johnston Street, Paisley, Renfrewshire, Scotland, PA1 1XQ

^c Registered office address: c/o A&L Goodbody Solicitors, 6th Floor, 42-46 Fountain Street, Belfast, BT1 5EF

^d Registered office address: c/o Intertrust Corporate Services (Cayman) Limited, 190 Elgin Avenue, George Town, Grand Cayman Ky1-9005, Cayman Islands

^e Countries of operation are England, Scotland and Wales

*Company has been dissolved since 31 March 2025 as part of a group simplification exercise

**Company has been placed in members voluntary liquidation and is expected to be dissolved during FY2026

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

Name of partnership

1A Group Dental Practice Partnership
Avondale Dental Practice Partnership
Bank House Dental Practice Partnership
Birchfield Dental Practice Partnership
Bolton and Bury Dental Practice Partnership
Brinsworth Lane Dental Care Partnership
Broadwalk Dental Practice Partnership
Carcroft Dental Practice Partnership
Castle View House Dental Practice Partnership
Chequer Hall Dental Practice Partnership
Colne & Earby Dental Partnership
Crown Dental Practice Partnership
Effingham Square Dental Practice Partnership
Florence House Dental Practice Partnership
Front Street Dental Practice Partnership

Hampton Court Dental Centre Partnership
Harbour Dental Practice Partnership
Heaton Road and Blakelaw Dental Practice Partnership
Henfield Dental Surgery Partnership

High Street Dental Practice Partnership
Hollinwood Dental Practice Partnership
Jeffries Reed & Associates
J F Scott Dental Surgeon Partnership
Kettering Central Dental Practice Partnership
Lambert Coutts & Associates Dental Practice Partnership
Low Fell Dental Practice Partnership
Mill Dental Practice Partnership
Mostyn House Dental Practice Partnership
Narborough Road South Dental Practice Partnership
North Marine Road Dental Practice Partnership
Northgate Dental Health Practice Partnership
Picton Road Dental Practice Partnership
Red Rose Dental Group
Rhyl and Abergele Elwy Dental Partnership
Ripponden Road Dental Practice Partnership

Name of partnership

Risley Hill Dental Centre Partnership
River Wye Dental Practice Partnership
Roe Lane Family Dental Practice Partnership
Severn Street Dental Practice Partnership
Shaw Family Dental Practice Partnership
Sneyd Green Dental Practice Partnership
South England Dental Practice Partnership
Spital Hill Dental Surgery Partnership
Stanhope Road Dental Practice Partnership
The Bell Lane Practice
The Boulevard Dental Practice Partnership
The Burnby Lane Dental Practice Partnership
The Burnham Dental Practice Partnership
The Church House Dental Practice Partnership
The Crab Tree Lane and Church Street Dental Practice Partnership
The Dental Surgery Partnership
The Fairfield Dental Practice Partnership
The Gairloch House Dental Practice Partnership
The Grainger Stockton, Birtley and Stanley Dental Practice Partnership
The Killingworth Dental Practice Partnership
The Loddon Dental Practice Partnership
The London Road Dental Practice Partnership
The Lyppard Dental Centre Practice Partnership
The Marden House Dental Practice Partnership
The Peterborough Dental Practice Partnership
The Peterlee Dental Practice Partnership
The Pon Dental Surgery Dental Practice Partnership
The Sea Road Dental Practice Partnership
The Severnside Dental Practice Partnership
The Southwick and Whitburn Dental Practice Partnership
Tower Gardens Dental Practice Partnership
V1 Dental Centre Partnership
Westbury Park Dental Practice Partnership
Whiston Village Dental Practice Partnership
Woodview Dental Health Practice Partnership

All of the above partnerships have their registered office address at: Europa House, Europa Trading Estate, Stoneclough Road, Kearsley, Manchester, M26 1GG.

Group

The group does not own any investments (2024: none).

Notes to the consolidated financial statements *(continued)*

18 Inventories

	Group 2025 £'000	Group 2024 £'000
Dental practice consumables	6,442	6,761

Inventories are shown net of provisions of £nil (2024: £nil) in respect of obsolete or slow-moving items.

The cost of inventories recognised as an expense within cost of sales during the year amounted to £20.9 million. (2024: £20.2 million).

The replacement cost of inventories are not materially different to their carrying value.

Company

The company has no inventories (2024: £nil).

19 Trade and other receivables

	Group 2025 £'000	Company 2025 £'000	Group 2024 £'000	Company 2024 £'000
Current				
Trade receivables	1,741	-	1,544	-
Other debtors and prepayments	16,100	-	19,364	-
Accrued income	14,475	-	12,596	-
	32,316	-	33,504	-
Non-current				
Amounts owed by group undertakings	-	396	-	396

Amounts owed by group undertakings included within current assets are unsecured, are not subject to an interest charge and are repayable on demand. However, as there is no current intention to request repayment, the balance is considered to be non-current.

Accrued income includes amounts due from the NHS in England and Wales in respect of the group's long term fixed income contracts to deliver dentistry services. Other assets relates predominantly to laboratory fees recoverable from clinicians.

The fair value of trade and other receivables is not considered to be materially different to the carrying values, with the majority of the balance being short term in nature. Trade and other receivables are considered to be past due once they have passed their contracted due date.

All of the company's and group's receivables are denominated in Sterling.

No trade receivables are past due and/or impaired as at either 31 March 2025 or 31 March 2024.

Notes to the consolidated financial statements *(continued)*

20 Cash and cash equivalents

	Group	Company	Group	Company
	2025	2025	2024	2024
	£'000	£'000	£'000	£'000
Cash at bank and in hand	41,046	298	61,974	266

Cash deposits are principally held with institutions that hold a minimum credit rating meeting two of the following: BBB+ (Standard and Poor's or Fitch); or Baa1 (Moody's). Please also refer to note 32.

All of the group's and company's cash and cash equivalents are denominated in Sterling.

21 Trade and other payables

	Group	Company	Group	Company
	2025	2025	2024	2024
	£'000	£'000	£'000	£'000
Current				
Trade payables	19,113	-	11,839	-
Amounts owed to group undertakings	-	145	-	112
Amounts owed to related undertakings	13	-	13	-
Accruals	220,795	-	227,844	-
Deferred income	21,900	-	18,031	-
Other taxation and social security	3,496	-	3,136	-
Corporation tax	59	-	-	-
Government grants	12	-	15	-
	265,388	145	260,878	112
Non-current				
Government grants	65	-	77	-

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

The amounts owed to related undertakings comprise loans made by group companies to the Employee Benefit Trust.

Included within accruals is an amount due to the NHS of £150.9 million in respect of UDAs not delivered, principally during the FY2025 and FY2024 contract years (2024: £167.3 million), along with fees of £30.6 million payable to self-employed clinicians in respect of work completed (2024: £26.2 million).

The fair value of financial liabilities is not considered to be materially different from their carrying values, due to the short term to maturity.

All of the group's and company's payables are denominated in Sterling.

Notes to the consolidated financial statements *(continued)*

22 Derivative financial instruments

Derivative financial liabilities

	Group 2025 £'000	Company 2025 £'000	Group 2024 £'000	Company 2024 £'000
Current assets				
Interest rate swap contract (see note 23)	-	-	12,391	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Non-current liabilities				
Share purchase warrants	2,052	2,052	1,929	1,929
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Share purchase warrants

As part of the re-financing in August 2021, share purchase warrants were issued to a lender. The number of shares that would be issued under the warrant at exit was dependent on the time frame for the settlement of the subordinated PIK facility. The facility was repaid in June 2022 following the sale of DD, fixing the number of 'A' shares over which warrants are held at 12,500. The warrant has been valued using a Black Scholes model using observable inputs as far as possible, or unobservable inputs where no observable value is available. Management have considered a range of sensitivities to the material unobservable inputs used in the valuation model (being the share price and volatility assumptions, which management estimate using historical reported, and forecast future, Adjusted EBITDA), however any reasonable changes to these inputs do not result in a material change to the valuation. The warrants are expected to be settled upon completion of the Bridgepoint transaction.

Notes to the consolidated financial statements *(continued)*

23 Borrowings

	Group 2025 £'000	Group 2024 £'000
Non-current		
Loans (due between one and two years)	10,000	-
Loans (due between two and five years)	430,000	435,000
Less: unamortised arrangement fees and related costs	(7,266)	(10,476)
	432,734	424,524
 Redeemable preference shares	 124,548	 116,885
	557,282	541,409

All of the group's borrowings are denominated in Sterling and are secured by means of a floating charge against the assets of certain group subsidiary companies. See note 36 for a reconciliation of net debt.

At both 31 March 2024 and 31 March 2025, the group's available borrowing facilities comprised:

- £395.0 million Unitranche Facility B, due 16 August 2027, with interest based on a reference rate linked to SONIA plus a margin of between 6.5% and 8.0% dependent upon an adjusted net leverage ratio;
- £10.0 million ssTL, due 16 February 2027, with interest based on a reference rate linked to SONIA plus a margin of between 3.25% and 3.75% dependent upon an adjusted net leverage ratio;
- £65.0 million RCF, due 16 February 2027, with interest based on a reference rate linked to SONIA plus a margin of between 3.25% and 3.75% dependent upon an adjusted net leverage ratio;
- £50.0 million CAF, due 16 August 2027, with interest based on a reference rate linked to SONIA plus a margin of between 6.5% and 8.0% dependent upon an adjusted net leverage ratio;

Both the £395.0 million Unitranche Facility B and £10.0 million ssTL were fully drawn at both 31 March 2025 and 31 March 2024. £35 million was drawn against the CAF at 31 March 2025 (2024: £30.0 million), and the RCF was undrawn at both 31 March 2025 and 31 March 2024.

The group is required to comply with certain financial and non-financial covenants under the terms of its various borrowing facilities. Further details of certain financial covenants can be found in note 32.

The directors do not consider the fair value of the group's other borrowings to be materially different from their carrying values.

On 10 December 2021, the group entered into a fixed interest rate swap contract with Santander UK Plc for £300.0 million. This contract expired on 31 March 2025 and, as a result, at 31 March 2025, interest costs were fixed in respect of none of the groups drawn debt (2024: 69%).

Redeemable preference shares

Preference shares with a par value of £83.6 million were issued at par as part of the re-financing in August 2021. The shares have a fixed return of 1.5x the par value, payable at the time of an exit from the group by Palamon Capital Partners. The dividend payable at exit will be accrued over time. At 31 March 2025, cumulative dividends of £40.9 million were accrued (2024: £33.3 million). The preference shares, together with accrued dividends will be settled in full upon completion of the Bridgepoint transaction. Therefore, should the deal conclude, then it is likely that the preference shares would be redeemed within the next 12 months.

Company

The company has preference shares with a par value of £83.6 million in issue (2024: £83.6 million). £40.9 million of cumulative accrued dividends were payable at 31 March 2025 (2024: £33.3 million).

Notes to the consolidated financial statements *(continued)*

24 Provisions

	Vacant property & dilapidations £'000
At 1 April 2023	12,044
Charged to the income statement	3,492
Released to the income statement	(2,308)
Utilised in the financial year	(2,632)
Unwinding of discount	617
At 31 March 2024	11,213
	£'000
At 1 April 2024	11,213
Charged to the income statement	5,617
Released to the income statement	(3,416)
Utilised in the financial year	(2,109)
Unwinding of discount	329
Change in discount rate	(419)
At 31 March 2025	11,215
	Group
	2025
	£'000
Current	1,392
Non-current	9,823
	11,215
	Group
	2024
	£'000
	409
	10,804
	11,213

Vacant property and dilapidations provisions

In addition to the associated lease liabilities which have been recognised in accordance with IFRS 16, the group has made provision for the costs associated with contractual obligations to return practices to their original condition at the end of the lease, together with other onerous contracts associated with a small number of vacant and partly sub-let leasehold properties arising from the closure of loss making practices, after taking into account existing sub-tenant arrangements. It is not assumed that the properties will be able to be sublet beyond the periods in the present sub-lease agreements. Amounts expected to be settled in future periods have been discounted to their present value using a discount rate of 8.0% (2024: 7.5%). Leases that are expected to be exited in the near term, either because the property has already been vacated, or will shortly be vacated, are discounted over a short period of time of between 0 and 2 years to reflect this expected near term settlement, whilst leases for practices where the group has no approved plan for relocation or disposal are discounted over 15 years, representing the group's typical normal lease term. The provision is expected to be substantially utilised between the balance sheet date and the termination date of the associated leases, which typically run for around 15 years. Please also refer to note 3 for further details.

Company: The company has no provisions (2024: £nil).

Notes to the consolidated financial statements *(continued)*

25 Deferred income tax

Deferred income tax is provided in full on temporary differences using the liability method and a tax rate of 25% (2024: 25%). See also note 12. The movement on the deferred income tax account is as shown below:

	Arising on losses £'000	Arising on share based payments £'000	Arising on defined benefit pension obligation £'000	Capital allowances £'000	Arising on ROU Asset £'000	Arising on lease liabilities £'000	Arising on intangible assets £'000	Arising on financial assets and liabilities £'000	Total £'000
At 1 April 2023	8,450	-	223	44,666	(20,428)	21,683	(25,290)	(4,829)	24,475
Recognised in income	657	663	26	399	(9)	220	2,202	1,731	5,889
Recognised in other comprehensive expense	-	-	35	-	-	-	-	-	35
Recognised directly in equity	-	(663)	-	-	-	-	-	-	(663)
Recognised in goodwill	-	-	-	-	-	-	(869)	-	(869)
At 31 March 2024	9,107	-	284	45,065	(20,437)	21,903	(23,957)	(3,098)	28,867
Recognised in income	(1,067)	663	37	4,474	297	1,681	5,332	3,098	14,515
Recognised in other comprehensive expense	-	-	(95)	-	-	-	-	-	(95)
Recognised directly in equity	-	(663)	-	-	-	-	-	-	(663)
At 31 March 2025	8,040	-	226	49,539	(20,140)	23,584	(18,625)	-	42,624

The group has estimated losses of £87.3 million (2024: £99.0 million) available for carry forward against future profits. A deferred tax asset has been recognised in respect of trading losses to the extent that management's latest 5-year strategic plan demonstrates that these can be utilised, and therefore, the group has a reasonable expectation that it will generate sufficient future taxable profits to recover the recognised deferred income tax assets shown above.

In addition, the group has an unrecognised deferred income tax asset of £13.8 million (2024: £15.6 million) which includes £13.7 million (2024: £15.5 million) is in respect of non-trading losses as the future recoverability is uncertain or not currently anticipated. The group expects these losses to be available indefinitely.

Deferred income tax arising on intangible assets has arisen as a result of business combinations.

Net deferred income tax of approximately £4.7 million is expected to unwind to the income statement during the year ending 31 March 2026.

Company: The company has no deferred income tax (2024: £nil).

Notes to the consolidated financial statements *(continued)*

26 Share capital

Group and company	Number issued	2025 £'000	Number issued	2024 £'000
Authorised, allotted, called up and fully paid				
'A' Ordinary shares of £0.0001	754,520	-	754,520	-
'B' Ordinary shares of £0.0001	245,480	-	245,480	-
Deferred shares of £0.0001	32,797,653,241	3,280	32,797,653,241	3,280
	32,798,653,241	3,280	32,798,653,241	3,280

The 'A' and 'B' Ordinary shares rank pari-passu.

Share purchase warrants for additional 'A' Ordinary shares were issued to a lender as part of the re-financing in August 2021. The number of shares that would be issued under the warrant at exit was dependent on the time frame for the settlement of the subordinated PIK facility. The facility was repaid in June 2022 following the sale of DD, fixing the number of 'A' shares over which warrants are held at 12,500. The share purchase warrants have been recognised as a derivative financial liability in the balance sheet, refer also to note 32.

The deferred shares have no voting rights and no entitlement to any dividend or any other distribution of the company.

27 Reserves

The following describes the nature and purpose of each reserve within equity attributable to owners of the parent:

Share premium

The amount subscribed for share capital in excess of nominal value less any costs directly attributable to the issue of new shares.

Capital reserve

As part of the re-financing in August 2021, equity shareholders waived the requirement for some outstanding preference share dividends to be settled. The amount of dividends waived has been classified as a capital contribution and is held in the capital reserve.

Retained earnings or accumulated losses

Cumulative net gains and losses recognised in the group or parent company income statement or through equity.

Notes to the consolidated financial statements *(continued)*

28 Assets held for sale

The practice portfolio is regularly reviewed to identify sites which are no longer deemed viable due to reasons such as low UDA contract values or recruitment issues due to geography. During the year ended 31 March 2025, 1 dental practice was sold and 11 were closed. There are currently no practices in the disposal process and therefore there are no assets held for sale at 31 March 2025 (2024: 3 sold, 6 closed and 1 reclassified as assets held for sale).

The assets reclassified as at 31 March 2024 were as follows:

	2025 £'000	2024 £'000
Current assets		
Other intangible assets	-	173
Property, plant and equipment	-	41
Right of use assets	-	86
Inventories	-	9
Total current assets	-	309
Current liabilities		
Lease liabilities	-	98
Total current liabilities	-	98
Total assets held for sale	-	211

29 Share based payments

On 16 August 2021, the company issued a total of 245,480 'B' Ordinary shares of £0.0001p to members of the group's management and an Employee Benefit Trust. The 'B' Ordinary shares were issued for £1.00 per share to all participants.

The 'B' Ordinary shares entitle the holders to a share of the equity value of the company in the event of a sale of the business. Holders of the 'B' Ordinary shares are subject to certain vesting conditions and leaver conditions. In the event of a sale of the business, all remaining shares held by current employees of the group at such a time will immediately vest.

The fair value of the shares issued at grant date, determined using a Black Scholes model, was £46.59 for each 'B' Ordinary share. The expected value model considered a range of probability weighted enterprise value outcomes in the event of a sale of the business.

No shares were granted, exercised or forfeited during either the current, or previous, year.

The fair value of the shares issued is charged to the income statement over the expected life of the shares. As a result, a charge of £2.7 million (2024: £2.7 million) has been recognised in the income statement, which represents 24% (2024: 24%) of the lifetime fair value of the shares.

Notes to the consolidated financial statements *(continued)*

30 Commitments

Group

Operating lease commitments

The group has a number of non-cancellable lease agreements, principally in relation to property. The majority of lease agreements would be renewable at the end of the lease period through negotiation of mutually acceptable terms with the lessor. The terms of the property leases vary, although they will typically contain provision for one or more upwards only rent reviews at intervals throughout the lease term, usually linked either to RPI or to market valuation. The group has recognised right of use assets for these leases, together with corresponding lease liabilities (see note 16), except for a small number of short term and low value leases which principally relate to storage or car parking facilities.

The future aggregate minimum lease payments under these short term or low value non-cancellable operating leases are shown below.

Land and buildings	Group 2025 £'000	Group 2024 £'000
Within one year	10	17
Between one year and five years	17	10
After five years	29	47
	56	74

Company: The company has no commitments (2024: £nil).

31 Contingencies

Assigned leases

Upon disposal of dental practices, the group has typically assigned the associated leases to the purchaser. In the event that the purchaser defaults on their lease payments and should the landlord be unable to mitigate their losses sufficiently, then there is an obligation on the group to take on these lease commitments.

In the opinion of the directors such eventualities are unlikely, as dental practices have been disposed of as going concerns. As a result, there is no such provision against such eventualities made in these financial statements. The group has no experience of any leases that it has assigned, in relation to dental practices, reverting back to it.

Partnership guarantees

A number of individuals in the management team have entered into partnerships as part of the group's acquisition of the trade and assets of those partnerships. The partners hold their interest in the partnership under a trust deed on behalf of one of the group companies. In order to indemnify the partners against specific risks in relation to this arrangement, a guarantee of £1.8 million has been agreed, supported by a letter of credit from the group's bank for £1.8 million (2024: £1.8 million).

Company: The company has no contingencies (2024: £nil).

Notes to the consolidated financial statements *(continued)*

32 Financial instruments

Financial risk management

The Board of Directors has overall responsibility for the establishment and oversight of the group's risk management framework. The group's activities expose it to a variety of financial risks including credit risk, liquidity risk, market (including currency and interest rate risk) and inflation risk.

The group's risk management policies are established to identify and analyse the risks faced by the group, to set appropriate limits and controls to monitor both the risks and adherence to limits set. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the group's activities.

Credit risk

Credit risk is the risk of financial loss to the group if a customer fails to meet its contractual obligations. The nature of the group's contracts with the NHS Regions means that credit risk is minimised for a significant proportion of group revenue. The patient's contribution to NHS charges is usually collected before treatment in order to minimise risk to the group, however a risk may arise if treatment plans change and additional charges are not collected at the time of the appointment. Payment is also requested in advance for many courses of private treatment, with credit risk further mitigated by the large number of individual customers, none of whom individually represent a significant proportion of the group's revenue. Cash deposits are held with institutions that hold a minimum credit rating meeting two of the following: BBB+ (Standard and Poor's or Fitch); or Baa1 (Moody's).

Liquidity risk

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they fall due. The group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without unacceptable losses or risking damage to the group's reputation.

The group regularly monitors its cash flow forecasts and currently maintains funds on demand to meet all operational expenses including the servicing of financial obligations. Further details of the group's bank facilities and other borrowings are set out in note 23 and the group's trade and other payables are set out in note 21.

Market risk

Market risk is the risk that changes in foreign exchange rates and interest rates will affect the group's income or costs.

The group's debt facilities includes a variable cost element based on SONIA and subjects the group to interest rate risk. In order to mitigate this risk, the group previously entered into an interest swap contract to fix the SONIA rate in respect of £300.0 million of drawn debt. This contract expired on 31 March 2025 and management are currently considering options to hedge against interest rate risk in future periods. At 31 March 2024, the market value of the interest swap contract was £12.4 million, with the fair value movement in the current year through to expiry of the contract in March recognised through the income statement. Further details are set out in note 23.

All continuing operations are carried out in the United Kingdom and all income, other expenses and facilities are denominated in Sterling. Whilst mydentist is not directly exposed to foreign exchange fluctuations to any material extent, the group's suppliers source various dental materials and consumables from overseas and, therefore, currency movements will impact upon the cost of such materials and consumables to the group. This risk is managed through the competitive tendering of all significant supply contracts.

Inflation risk

Inflation risk is the risk that the cost of key services and products procured by the group will rise with inflation and affect the group's income. The rates paid under the terms of the group's NHS contracts are reviewed on an annual basis and, over the course of the past few years, this uplift has typically been lower than the rate of increase applied to the National Living Wage. The group undergoes a regular review of key suppliers through its procurement programme to mitigate cost increases, using tendering processes where possible. The group also retains control over the pricing within its growing private dentistry business.

Sensitivity analysis

Management have considered the risk of changes in interest rates upon the group's financial performance. As at 31 March 2025, all of the group's drawn external debt is sensitive to movements in SONIA (2024: 31%, with interest costs in respect of 69% of drawn debt fixed). A 1% increase or decrease in the rate of SONIA would have the effect of increasing or decreasing the group's annual cash interest costs by approximately £4.4 million, based upon the drawn debt at 31 March 2025 (2024: £1.4 million).

Notes to the consolidated financial statements *(continued)*

32 Financial instruments *(continued)*

Capital management

The primary objective from the management of net debt (which includes cash and specifically excludes redeemable preference shares) is to ensure that the group maintains its capital ratios in order to support continued investment in the business and to maximise shareholder value. The group makes changes to its capital structure in light of both changes to economic conditions and the expected needs of the business. Such changes may include the arrangement of new, or re-financing of existing, debt facilities, adjusting returns of capital to shareholders, or the issue of new equity. The following key indicators are monitored:

Borrowing covenants

The terms of the group's borrowing facilities require it to meet the following financial covenant requirements, all of which were comfortably met at both 31 March 2025 and 31 March 2024:

- the ratio of senior debt to Adjusted EBITDA adjusted to reflect the estimated annualised impact of acquisitions and growth projects ("Proforma EBITDA"). Senior debt is defined as amounts drawn under the Unitranche, ssTL, CAF and RCF less cash plus deferred consideration. Redeemable preference shares, lease liabilities and unamortised arrangement fees are excluded. The ratio is tested quarterly and is required to be lower than 6.25 times at 31 March 2025 (2024: 7.25 times). At 31 March 2025, the ratio was 4.24 (2024: 4.31).
- A quarterly liquidity test, which requires the group to retain available liquidity of at least £20.0 million at 31 March 2025 (2024: £25.0 million) measured by reference to cash plus amounts undrawn against the RCF. The liquidity requirement reduced by £1.25 million per quarter before reaching a floor of £20.0 million at 31 March 2025. At 31 March 2025, the group had available liquidity of £86.0 million (2024: £102.0 million).
- An annual RCF 'clean-down' requirement, which requires the RCF to be repaid in full for at least one business day in each financial year. The RCF remained undrawn throughout FY2025, thereby comfortably meeting the requirement.

Non-derivative financial liabilities

The table below analyses the group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period to the contractual maturity date at the balance sheet date. The amounts disclosed in the table below are the contractual undiscounted cash flows, measured on an amortised cost basis.

At 31 March 2024

	Less than one year £'000	Between one and two years £'000	Between two and five years £'000	After five years £'000
Loans and borrowings	-	116,885	435,000	-
Trade and other payables	239,710	-	46	31
Lease liabilities	17,680	13,622	8,681	52,138
	<u>257,389</u>	<u>130,507</u>	<u>443,727</u>	<u>52,169</u>

At 31 March 2025

	Less than one year £'000	Between one and two years £'000	Between two and five years £'000	After five years £'000
Loans and borrowings	-	134,548	430,000	-
Trade and other payables	239,992	-	-	65
Lease liabilities	20,174	15,821	9,427	48,913
	<u>260,166</u>	<u>150,369</u>	<u>439,427</u>	<u>48,978</u>

Notes to the consolidated financial statements *(continued)*

32 Financial instruments *(continued)*

Financial instruments measured at fair value

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The following table presents the group's financial assets and liabilities that are measured at fair value. Valuation techniques have been applied consistently year on year. See note 22 for details of the group's derivative financial instruments.

All of the amounts shown in the table below are current, with the exception of the Level 3 derivative financial liability, which is due between 1 and 2 years at both 31 March 2025 and 31 March 2024.

Fair value measurements	At 31 March 2025			At 31 March 2024		
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000
Financial assets						
Trade receivables	-	-	1,741	-	-	1,544
Derivative financial instruments	-	-	-	-	12,391	-
	=====	=====	=====	=====	=====	=====
Financial liabilities						
Derivative financial instruments	-	-	(2,052)	-	-	(1,929)
	=====	=====	=====	=====	=====	=====

Derivative financial liabilities are measured at fair value at the end of each reporting period. A reconciliation of movements in contingent consideration has been included in the table below. Any gains or losses arising as a result of the measurement of contingent consideration are recognised through the income statement within administrative expenses.

Management do not consider there to be any significant exposure to credit risk in respect of the derivative financial instruments at either 31 March 2025 or 31 March 2024.

There were no transfers between levels 1 and 2 or between levels 2 and 3 during the year (2024: none).

Financial instruments in level 2

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments are as follows:

- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves; and
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

Notes to the consolidated financial statements *(continued)*

32 Financial instruments *(continued)*

Financial instruments in level 3

The following tables present the changes in level 3 financial instruments:

Contingent consideration

	Group 2025 £'000	Group 2024 £'000
At 1 April	-	34
Differences between contingent consideration paid and estimates initially recognised	-	(34)
At 31 March	-	-

Share purchase warrants

Share purchase warrants were issued to a lender as part of the re-financing in August 2021. At both 31 March 2025 and 31 March 2024, the warrants were valued using a Black Scholes model as set out in note 22.

	Group 2025 £'000	Group 2024 £'000
At 1 April	1,929	1,474
Charged to the income statement (see note 10)	123	455
At 31 March	2,052	1,929

33 Post-employment benefits

The group makes contributions to a small number of defined contribution pension schemes on behalf of its employees, including the National Employment Savings Trust ('NEST'). The pension cost charge for the financial year represents contributions payable by the group to the schemes and amounted to £2,498,000 (2024: £2,209,000). There were no outstanding or prepaid contributions at either the beginning or end of the financial year (2024: £nil).

The group also operates a small defined benefit pension scheme, which is closed to new members and has no active members. The scheme is governed by reference to the trust deed and rules dated June 1973, together with the supplementary trust deed and rules dated July 2006. Governance and administration of the scheme on a day-to-day basis is outsourced. The vast majority of the scheme's assets are invested into lower risk asset classes in order to minimise risk over future investment returns.

During the year to 31 March 2025 the group contributed £150,000 directly into the scheme (2024: £150,000) and the cost of insuring death in service benefits and other trustee expenses were paid by the group and amounted to £55,000 (2024: £85,000). The group expects to make contributions of £150,000 to the scheme and does not expect the costs of the scheme to change significantly in the next financial year.

The latest full actuarial valuation for which results are available, was carried out as at 5 April 2023 and was updated for disclosure purposes to 31 March 2025 and 31 March 2024 by a qualified independent actuary.

The significant actuarial assumptions were as follows:

	Group 2025 %	Group 2024 %
Rate of increase in pensions in payment and deferred pensions	3.20	3.30
Discount rate applied to scheme liabilities	5.60	4.70
Inflation assumption	3.30	3.40

Notes to the consolidated financial statements (continued)

33 Post-employment benefits (continued)

The assumptions used by the actuary are chosen from a range of possible actuarial assumptions which, due to the timescale covered, may not necessarily be borne out in practice.

Mortality assumptions are based on standard mortality tables which allow for future mortality improvements. The assumptions are that a member who retires at the age of 65 in 2025 will on average live for a further 22.5 years (2024: 22.1 years) after retirement if they are male and 24.0 years (2024: 24.5 years) if they are female.

It is also assumed that members retiring in 20 years' time will on average live for a further 22.8 years (2024: 23.4 years) after retirement if they are male and 25.4 years (2024: 25.9 years) if they are female.

The amounts recognised in the balance sheet are determined as follows:

	Group 2025 £'000	Group 2024 £'000
Present value of funded obligations	(5,226)	(5,855)
Fair value of plan assets	4,321	4,719
Deficit recognised in the balance sheet	(905)	(1,136)

The movement in the deficit (prior to de-recognition of any surplus) is as follows:

	Present value of funded obligations £'000	2025 Fair value of plan assets £'000	Deficit £'000	Present value of funded obligations £'000	2024 Fair value of plan assets £'000	Deficit £'000
At 1 April	(5,855)	4,719	(1,136)	(5,784)	4,893	(891)
Scheme expenses paid out	-	(95)	(95)	-	(65)	(65)
Employer contributions	-	150	150	-	150	150
Interest (expense)/income	(270)	218	(52)	(266)	226	(40)
	(270)	273	3	(266)	311	45
Re-measurement:						
Return on plan assets excluding interest income	-	(460)	(460)	-	(238)	(238)
Re-measurement gain/(loss) from changes in financial assumptions	688	-	688	(52)	-	(52)
	688	(460)	228	(52)	(238)	(290)
Benefits paid	211	(211)	-	247	(247)	-
At 31 March	(5,226)	4,321	(905)	(5,855)	4,719	(1,136)

The government has previously issued a consultation document on how Trustees might equalise a scheme for the effects of inequalities in Guaranteed Minimum Pensions ("GMPs") between male and female members. The High Court has ruled that equalisation is legally required but there is no consensus around how to achieve it. A further High Court judgement confirmed that GMP equalisation will also be required for members whose benefits have been transferred-out in the past.

Notes to the consolidated financial statements *(continued)*

33 Post-employment benefits *(continued)*

In June 2023, the High Court handed down a decision (*Virgin Media Limited v NTL Pension Trustees II Limited and others*) which potentially has implications for the validity of amendments made by pension schemes which were contracted-out on a salary-related basis between 6 April 1997 and the abolition of contracting-out in 2016. The High Court ruled that any amendments made to these pension schemes during the relevant period would be void unless the scheme actuary had confirmed that the pension scheme would continue to satisfy the statutory standard for contracted-out schemes. On 25 July 2024, the Court of Appeal upheld the original decision. The group understands that the trustees have reviewed all available scheme documents. Following legal advice, the group understands that in respect of the scheme, the trustees are seeking to locate and review further historical documents in order to be able to assess whether there are any issues in this scheme, however no other issues have been found with scheme amendments in any other schemes. The group's legal advisors have reviewed the advice given to the trustees so far and have agreed with the conclusions reached. Therefore, the group has not made any allowance for the possible impact of the ruling as it is currently unclear whether any additional liabilities might arise on the scheme given the ongoing nature of the due diligence.

Plan assets are comprised as follows:

	2025		2024	
	Value	Percentage of plan assets	Value	Percentage of plan assets
	£'000	%	£'000	%
Equities	251	6	243	5
Absolute return/diversified growth funds	1,068	25	1,031	22
Bonds	984	23	1,228	26
Alternatives funds	297	7	276	6
Cash	302	7	317	7
Insured annuitants	1,419	32	1,624	34
Total market value of plan assets	4,321	100	4,719	100

The sensitivity of the defined benefit obligation to changes in the principal assumptions are as follows:

Assumption	Change in assumption	Change in liabilities (£000's)
Discount rate	Decrease by 0.1%	Increase by 57
Rate of inflation	Increase by 0.1%	Increase by 13
Life expectancy	Increase by one year	Increase by 101

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. The sensitivity of the defined benefit obligation to significant actuarial assumptions has been estimated, based on the average age and the normal retirement age of members and the duration of the liabilities of the scheme.

34 Related party transactions

Group and company

Preference shares

ADP Primary Care Acquisitions Limited, an entity controlled by Palamon Capital Partners and a related party due to common control, held preference shares with a par value of £83.6 million (2024: £83.6 million) in Turnstone Equityco 1 Limited. The preference shares provide a fixed return of 1.5x of par value, payable on the sale of the business. At 31 March 2025, accrued dividends of £40.9 million (2024: £33.3 million) were outstanding. Please also refer to note 3 for more details.

Key management personnel

Management consider that the directors are also the key management personnel as defined by IFRS and the Companies Act 2006. The total emoluments paid to the directors are shown in note 8.

Notes to the consolidated financial statements *(continued)*

35 Cash generated from operations

Group

	<i>Note</i>	Group 2025 £'000	Group 2024 £'000
Loss before income tax from continuing operations		(65,524)	(57,007)
<i>Adjustments:</i>			
Depreciation	15/16	39,710	40,290
Amortisation of government grant income		(15)	(16)
Amortisation of intangible assets	14	26,171	26,600
Impairment of intangible assets	14	1,488	1,853
Impairment of right of use assets	16	3,907	1,381
Impairment of fixed assets	15	1,140	318
Finance costs	10	81,252	79,197
Finance income	11	(15,304)	(16,073)
Loss/(gain) on business and asset disposals, net of cash receipts		2,207	(5,064)
Differences between contingent consideration paid and estimates initially recognised		-	(34)
Share based payments	29	2,650	2,650
Defined benefit pension scheme expenses	33	95	65
Pension contributions	33	(150)	(150)
Cash generated from operations before movements in working capital		77,627	74,010
<i>Movements in working capital:</i>			
Decrease/(increase) in inventories		243	(720)
Decrease/(increase) in trade and other receivables		1,269	(2,630)
Increase/(decrease) in trade and other payables		4,546	(902)
Decrease in provisions		(2,109)	(1,681)
Total movements in working capital		3,949	(5,933)
Cash generated from operations		81,576	68,077

Company

	Company 2025 £'000	Company 2024 £'000
Loss before income tax	(7,787)	(11,678)
<i>Adjustments:</i>		
Finance expense	7,787	11,678
Cash generated from operations before movements in working capital	-	-
<i>Movements in working capital:</i>		
Increase /(decrease) in other payables	32	(4)
Cash generated from operations	32	(4)

Notes to the consolidated financial statements (continued)

36 Net debt reconciliation

	Other assets	Liabilities from financing activities			
		Bank and bond liabilities more than one year	Shareholder debt	Lease liabilities	Total
	£'000	£'000	£'000	£'000	£'000
Balance at 1 April 2023	63,156	(391,305)	(105,661)	(89,244)	(523,054)
Cash flows	13,915	(30,000)	-	-	(16,085)
Amortisation of debt issue costs	-	(3,328)	-	-	(3,328)
Debt issue costs	(109)	109	-	-	-
Preference share dividends accrued	-	-	(11,224)	-	(11,224)
Lease payments	(14,988)	-	-	14,988	-
Net additions, disposals and remeasurements of lease liabilities	-	-	-	(12,313)	(12,313)
Interest on lease liabilities	-	-	-	(5,037)	(5,037)
Transferred to assets held for sale	-	-	-	(515)	(515)
Balance at 31 March 2024	61,974	(424,524)	(116,885)	(92,121)	(571,556)
Cash flows	(6,271)	(5,000)	-	-	(11,271)
Amortisation of debt issue costs	-	(3,210)	-	-	(3,210)
Preference share dividends accrued	-	-	(7,663)	-	(7,663)
Lease payments	(14,657)	-	-	14,657	-
Net additions, disposals and remeasurements of lease liabilities	-	-	-	(11,588)	(11,588)
Interest on lease liabilities	-	-	-	(5,185)	(5,185)
Transferred from assets held for sale	-	-	-	(98)	(98)
Balance at 31 March 2025	41,046	(432,734)	(124,548)	(94,335)	(610,571)

Shareholder debt includes preference shares of £124.5 million (2024: £116.9 million) including cumulative accrued dividends payable.

The gross cash flow in the year within bank debt and bond debt reflects a £5.0 million drawdown against the CAF (2024: £30.0 million).

37 Post balance sheet events

Subsequent to the year end, on 18 July 2025, management and Palamon signed a binding Share Purchase Agreement whereby funds managed by Bridgepoint Advisors Limited ('Bridgepoint') will acquire a majority shareholding in the group ('the Bridgepoint transaction'). As at the date of this report, completion remains subject to obtaining approval from the FCA.

Alongside this, on 17 July 2025, Bridgepoint entered into an agreement with Apollo Capital Management and KKR Credit Advisors for the provision of a new financing package to the group, comprising a £475m term loan, £125m Acquisition Capital Facility ('ACF') and a £70m Revolving Credit Facility ('RCF'). These facilities will replace all of the group's existing borrowing facilities, which will be repaid in full upon completion of the Bridgepoint transaction. The term loan will be drawn in full upon completion, whilst the ACF and RCF are expected to be undrawn. Both the term loan and ACF will be available for a term of 7 years upon closing, with the RCF having a minimum term of 5 years.

Also following the year end, a number of the groups dormant and non-trading companies have been dissolved as part of a group simplification exercise. See note 17 to the financial statements for further details.

Notes to the consolidated financial statements *(continued)*

38 Controlling party

Throughout the years ended 31 March 2025 and 31 March 2024, the ultimate controlling party is considered by the directors to be ADP Primary Care Acquisitions Limited, an investment vehicle for Palamon Capital Partners which is incorporated in the United Kingdom.

No other financial statements consolidate the results of the group. Turnstone Equityco 1 Limited is the parent undertaking of the smallest and largest group to consolidate these financial statements.

39 Business combinations

During the year ended 31 March 2024, mydentist acquired four dental practices through two separate acquisitions in Birmingham and Chesterfield. The final acquisition balance sheet is reported below alongside the provisional amount reported previously at 31 March 2024.

Smile Stylist Limited and Birchfield Dental Practice Partnership (Birmingham) Acquired 2 October 2023:

	Provisional at 31 March 2024 £'000	Final March 2024 £'000
Consideration		
Cash	5,462	5,421
Total consideration	5,462	5,421
Fair value of assets and liabilities acquired		
Intangible assets	2,504	2,504
Property, plant and equipment	10	10
Cash at bank	910	910
Trade and other receivables	153	153
Trade and other payable	(539)	(579)
Corporation tax	(44)	(44)
Deferred tax	(626)	(626)
Total identifiable net assets	2,368	2,328
Goodwill	3,094	3,093
Total	5,462	5,421

Notes to the consolidated financial statements *(continued)*

39 Business combinations *(continued)*

Saltergate Dental Care Limited (Chesterfield): Acquired 18 March 2024

	Provisional at 31 March 2024 £'000	Final March 2024 £'000
Consideration		
Cash	1,595	1,732
Total consideration	1,595	1,732
Fair value of assets and liabilities acquired		
Intangible assets	974	974
Trade and other receivables	418	683
Trade and other payable	-	(52)
Corporation tax	(78)	(150)
Deferred tax	(244)	(253)
Total identifiable net assets	1,070	1,202
Goodwill	525	530
Total	1,595	1,732

Included within the cash consideration for Saltergate Dental Care Limited are loans made by the acquiring entities to the acquired company in order to settle vendor shareholder loans of £0.3 million.

In addition to the consideration shown above, acquisition related fees and expenses of £0.3 million were incurred. All fees and expenses have been expensed to administrative expenses within the income statement and are shown separately in note 4.

Goodwill represents additional synergies and benefits that the group expects to derive from the businesses acquired.

During the year ended 31 March 2024, the above acquisitions contributed revenue of £1.1 million and EBITDA before non-adjusting items of £0.1 million to the group results.

If the above acquisitions had all been completed on 1 April 2023, Smile Stylist Limited and Birchfield Dental Partnership's contribution to group revenue and EBITDA before non-adjusting items would have been approximately £3.2 million and £0.8 million respectively. Saltergate Dental Care Limited's contribution to group revenue and EBITDA before non-adjusting items would have been approximately £1.2 million and £0.2 million respectively.