

Company Registration No. 07772459 (England and Wales)

CENTRE FOR DENTISTRY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

CENTRE FOR DENTISTRY LIMITED

COMPANY INFORMATION

Directors L M Flanagan
Dr C Mistry
Dr O Mustafa
Dr C P Hayes (Appointed 14 November 2018)
Ms A Hudson (Appointed 14 November 2018)

Secretary Clarkson Hyde Company Secretaries Limited

Company number 07772459

Registered office 3rd Floor
Chancery House
St Nicholas Way
Sutton
Surrey
SM1 1JB

Auditor Clarkson Hyde LLP
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Chancery House
St Nicholas Way
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Business address Carriage Court
22A Circus Mews
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BA1 2PW

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Ariel House, 2138 Coventry Rd
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CENTRE FOR DENTISTRY LIMITED

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CENTRE FOR DENTISTRY LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present the strategic report for the year ended 31 December 2018.

Development, Performance and Position

We are pleased to report an annual turnover of £8.84m in 2018, 7.85% increase from £8.19m in 2017, broadly in line with our forecast for the year. The company's gross profit for the year was £3.66m, a 10.75% increase from £3.30m in 2017 due to an increase in annual turnover and better cost controls. Losses for the period were £1.90m compared to £2.54m in 2017, a 25.23% improvement over last year reflecting continuous growth and progress towards our long term goals of financial sustainability.

Company's net liabilities at the end of 2018 were £2.57m, £1.90m increase from £0.676m closing position at the end of 2017, largely due to the short-term intercompany loans received from Medico Dental Holdings Ltd to meet working capital needs during the year.

Our patient base continued to grow throughout the year with average new patient registrations at approximately 1,800 per month. The total registered patient base at the year end was 118,847. We anticipate our rate of patient acquisition to continue at these levels as our penetration within our locations remains well below 8%.

Much of dental consumables are European which has created upward pressure on margin as Sterling continued to soften against the Euro. We have resisted raising our treatment prices as much as possible so that we continue to offer great value private dentistry.

I would like to thank our dedicated staff up and down the country who through their hard work and care continue to make a difference to our patients.

On behalf of the board

L M Flanagan

Director

16 September 2019

CENTRE FOR DENTISTRY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their annual report and financial statements for the year ended 31 December 2018.

Principal activities

The principal activity of the company continued to be that of providing dental services.

Directors

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

L M Flanagan

Dr C Mistry

Dr O Mustafa

E Haywood

(Resigned 10 January 2018)

Dr C P Hayes

(Appointed 14 November 2018)

Ms A Hudson

(Appointed 14 November 2018)

Results and dividends

The results for the year are set out on page 6.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Auditor

Clarkson Hyde LLP were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

L M Flanagan

Director

16 September 2019

CENTRE FOR DENTISTRY LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2018

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

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

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

CENTRE FOR DENTISTRY LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CENTRE FOR DENTISTRY LIMITED

Opinion

We have audited the financial statements of Centre For Dentistry Limited (the 'company') for the year ended 31 December 2018 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

CENTRE FOR DENTISTRY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CENTRE FOR DENTISTRY LIMITED

Matters on which we are required to report by exception

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

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

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

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 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 company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

Peter Minchell (Senior Statutory Auditor)
for and on behalf of Clarkson Hyde LLP

16 September 2019

Chartered Accountants
Statutory Auditor

3rd Floor
Chancery House
St Nicholas Way
Sutton
Surrey
SM1 1JB

CENTRE FOR DENTISTRY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 £	2017 £
Turnover	3	8,837,580	8,194,181
Cost of sales		(5,180,464)	(4,891,904)
Gross profit		<u>3,657,116</u>	<u>3,302,277</u>
Administrative expenses		(5,522,604)	(5,806,493)
Operating loss	4	<u>(1,865,488)</u>	<u>(2,504,216)</u>
Interest payable and similar expenses	7	(31,529)	(33,026)
Loss before taxation		<u>(1,897,017)</u>	<u>(2,537,242)</u>
Tax on loss	8	-	-
Loss for the financial year		<u><u>(1,897,017)</u></u>	<u><u>(2,537,242)</u></u>

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

CENTRE FOR DENTISTRY LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2018

	Notes	2018		2017	
		£	£	£	£
Fixed assets					
Goodwill	9		84,563		111,993
Current assets					
Stocks	11	158,487		128,976	
Debtors	12	1,460,117		1,560,169	
Cash at bank and in hand		80,654		158,808	
			<u>1,699,258</u>		<u>1,847,953</u>
Creditors: amounts falling due within one year	13	<u>(4,357,076)</u>		<u>(2,636,184)</u>	
Net current liabilities			<u>(2,657,818)</u>		<u>(788,231)</u>
Total assets less current liabilities			<u>(2,573,255)</u>		<u>(676,238)</u>
Capital and reserves					
Called up share capital	17		9,000,098		9,000,098
Capital redemption reserve			2		2
Profit and loss reserves			(11,573,355)		(9,676,338)
Total equity			<u>(2,573,255)</u>		<u>(676,238)</u>

The financial statements were approved by the board of directors and authorised for issue on 16 September 2019 and are signed on its behalf by:

L M Flanagan

Director

Company Registration No. 07772459

CENTRE FOR DENTISTRY LIMITED
 STATEMENT OF CHANGES IN EQUITY
 FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	Share capital £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 January 2017		98	2	(7,139,096)	(7,138,996)
Year ended 31 December 2017:					
Loss and total comprehensive income for the year		-	-	(2,537,242)	(2,537,242)
Issue of share capital	17	9,000,000	-	-	9,000,000
Balance at 31 December 2017		9,000,098	2	(9,676,338)	(676,238)
Year ended 31 December 2018:					
Loss and total comprehensive income for the year		-	-	(1,897,017)	(1,897,017)
Balance at 31 December 2018		9,000,098	2	(11,573,355)	(2,573,255)

CENTRE FOR DENTISTRY LIMITED
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018		2017	
		£	£	£	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	22		(288,293)		95,618
Interest paid			(31,529)		(33,026)
Net cash (outflow)/inflow from operating activities			(319,822)		62,592
Investing activities					
Other investments and loans made		-		(57,521)	
Proceeds from other investments and loans		214,683		8,072	
Net cash generated from/(used in) investing activities			214,683		(49,449)
Net (decrease)/increase in cash and cash equivalents			(105,139)		13,143
Cash and cash equivalents at beginning of year			158,808		145,665
Cash and cash equivalents at end of year			53,669		158,808
Relating to:					
Cash at bank and in hand			80,654		158,808
Bank overdrafts included in creditors payable within one year			(26,985)		-

CENTRE FOR DENTISTRY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

Company information

Centre For Dentistry Limited is a private company limited by shares incorporated in England and Wales. The registered office is 3rd Floor, Chancery House, St Nicholas Way, Sutton, Surrey, SM1 1JB.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

As at 31 December 2018 the company had net liabilities of £2,573,255. The validity of the going concern concept is dependent on the continued support by the shareholders of its ultimate parent company, Medico-Dental Holdings Limited. The directors believe the going concern concept is still applicable as they believe the company will have sufficient resources to meet its future obligations as and when they fall due.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT (where applicable). The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.4 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 6 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.5 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

CENTRE FOR DENTISTRY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

1.6 Cash at bank and in hand

Cash and cash equivalents include cash in hand and deposits held at call with banks.

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

CENTRE FOR DENTISTRY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and loans from fellow group companies are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.9 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.11 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.12 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

CENTRE FOR DENTISTRY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

2 Judgements and key sources of estimation uncertainty

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

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

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2018	2017
	£	£
Turnover analysed by class of business		
Dental sales	8,837,580	8,194,181
	<u>8,837,580</u>	<u>8,194,181</u>
	2018	2017
	£	£
Turnover analysed by geographical market		
United Kingdom	8,837,580	8,194,181
	<u>8,837,580</u>	<u>8,194,181</u>

4 Operating loss

	2018	2017
	£	£
Operating loss for the year is stated after charging:		
Exchange (gains)/losses	-	156
Fees payable to the company's auditor for the audit of the company's financial statements	30,000	30,000
Amortisation of intangible assets	27,430	27,429
Cost of stocks recognised as an expense	626,059	828,583
Operating lease charges	1,151,135	1,046,481
	<u>1,834,624</u>	<u>1,932,549</u>

Exchange differences recognised in profit or loss during the year, except for those arising on financial instruments measured at fair value through profit or loss, amounted to £- (2017 - £156).

CENTRE FOR DENTISTRY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2018	2017
	Number	Number
Directors	7	10
Head Office administration, finance and marketing	8	10
Dental practice staff	145	134
	<u>160</u>	<u>154</u>

Their aggregate remuneration comprised:

	2018	2017
	£	£
Wages and salaries	3,620,908	3,557,072
Social security costs	310,075	290,685
Pension costs	43,405	19,542
	<u>3,974,388</u>	<u>3,867,299</u>

6 Directors' remuneration

	2018	2017
	£	£
Remuneration for qualifying services	316,857	418,073
Company pension contributions to defined contribution schemes	470	593
	<u>317,327</u>	<u>418,666</u>

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2018	2017
	£	£
Remuneration for qualifying services	<u>145,000</u>	<u>145,000</u>

CENTRE FOR DENTISTRY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

7 Interest payable and similar expenses

	2018	2017
	£	£
Interest on financial liabilities measured at amortised cost:		
Other interest on financial liabilities	29,889	31,145
Other finance costs:		
Other interest	1,640	1,881
	<u>31,529</u>	<u>33,026</u>
	<u><u>31,529</u></u>	<u><u>33,026</u></u>

8 Taxation

The actual charge for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2018	2017
	£	£
Loss before taxation	(1,897,017)	(2,537,242)
	<u>(1,897,017)</u>	<u>(2,537,242)</u>
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2017: 19.25%)	(360,433)	(488,419)
Tax effect of expenses that are not deductible in determining taxable profit	3,406	2,288
Unutilised tax losses carried forward	357,027	486,131
	<u>-</u>	<u>-</u>
Taxation charge for the year	<u><u>-</u></u>	<u><u>-</u></u>

The company has estimated losses of £10,173,637 (2017: £8,294,545) available for carry forward against future trading profits. On the basis of these financial statements no provision has been made for corporation tax.

9 Intangible fixed assets

	Goodwill
	£
Cost	
At 1 January 2018 and 31 December 2018	171,422
	<u>171,422</u>
Amortisation and impairment	
At 1 January 2018	59,429
Amortisation charged for the year	27,430
	<u>86,859</u>
At 31 December 2018	86,859
	<u>86,859</u>
Carrying amount	
At 31 December 2018	84,563
	<u>84,563</u>
At 31 December 2017	111,993
	<u><u>111,993</u></u>

CENTRE FOR DENTISTRY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

10 Financial instruments	2018	2017
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	309,713	435,613
	<u>309,713</u>	<u>435,613</u>
Carrying amount of financial liabilities		
Measured at amortised cost	4,151,259	2,520,311
	<u>4,151,259</u>	<u>2,520,311</u>
11 Stocks	2018	2017
	£	£
Raw materials and consumables	158,487	128,976
	<u>158,487</u>	<u>128,976</u>
12 Debtors	2018	2017
Amounts falling due within one year:	£	£
Other debtors	309,713	389,549
Prepayments and accrued income	54,258	28,410
	<u>363,971</u>	<u>417,959</u>
	<u>363,971</u>	<u>417,959</u>
Amounts falling due after more than one year:	£	£
Other debtors	-	46,064
Deferred tax asset (note 15)	1,096,146	1,096,146
	<u>1,096,146</u>	<u>1,142,210</u>
	<u>1,096,146</u>	<u>1,142,210</u>
Total debtors	<u>1,460,117</u>	<u>1,560,169</u>
	<u>1,460,117</u>	<u>1,560,169</u>
13 Creditors: amounts falling due within one year	2018	2017
	£	£
Bank loans and overdrafts	26,985	-
Trade creditors	804,947	945,766
Amounts owed to group undertakings	2,270,429	824,825
Taxation and social security	205,817	115,873
Other creditors	187,151	1,936
Accruals and deferred income	861,747	747,784
	<u>4,357,076</u>	<u>2,636,184</u>
	<u>4,357,076</u>	<u>2,636,184</u>

CENTRE FOR DENTISTRY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

14 Loans and overdrafts

	2018	2017
	£	£
Bank overdrafts	26,985	-
	<u>26,985</u>	<u>-</u>
Payable within one year	26,985	-
	<u>26,985</u>	<u>-</u>

15 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Assets	Assets
	2018	2017
	£	£
Balances:		
Tax losses	1,096,146	1,096,146
	<u>1,096,146</u>	<u>1,096,146</u>

There were no deferred tax movements in the year.

16 Retirement benefit schemes

	2018	2017
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	43,405	19,542
	<u>43,405</u>	<u>19,542</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

17 Share capital

	2018	2017
	£	£
Ordinary share capital		
Issued and fully paid		
9,000,098 Ordinary shares of £1 each	9,000,098	9,000,098
	<u>9,000,098</u>	<u>9,000,098</u>

CENTRE FOR DENTISTRY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

18 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2018 £	2017 £
Within one year	758,932	561,560
Between two and five years	2,849,551	2,223,840
In over five years	-	523,160
	<u>3,608,483</u>	<u>3,308,560</u>

19 Related party transactions

Included within creditors is an amount of £1,100 (2017: £1,850) due to Amalco Consolidated Limited, a company in which L M Flanagan is a director and shareholder

Included within creditors at the year end is an amount of £2,113,207 (2017: £507,101) due to the parent company, Medico-Dental Holdings Limited.

Also included within creditors at the year end is an amount of £155,770 (2017: £317,724) due to Propcom Limited, a fellow subsidiary of the company. Included within administration expenses are rent charges of £882,952 levied on the company by Propcom Limited.

Included within debtors at the year end is an amount of £177,036 (2017: £44,941) due from Inica Holdings Limited, a company in which D Flanagan and D Harman (directors and shareholders of the parent company) are also directors and shareholders of. Also included within creditors at the year end is an amount of £nil (2017: £236,160) due to Inica Holdings Limited, in respect of computer services provided to the company.

20 Ultimate controlling party

The ultimate parent company is Medico-Dental Holdings Limited, a company registered in England and Wales, with 99.99% shareholding.

The ultimate controlling parties are L M Flanagan and D J T Flanagan.

21 Directors' transactions

Included within other creditors is an amount of £184,279 (2017: £214,683 other debtors) which is the balance on the below named directors' loan accounts. No interest has been charged on these loans.

Description	Opening Balance	Closing Balance
	£	£
D J T Flanagan	122,820	(51,142)
L M Flanagan	91,863	(133,137)
	<u>214,683</u>	<u>(184,279)</u>

CENTRE FOR DENTISTRY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

22 Cash generated from operations	2018	2017
	£	£
Loss for the year after tax	(1,897,017)	(2,537,242)
Adjustments for:		
Finance costs	31,529	33,026
Amortisation and impairment of intangible assets	27,430	27,429
Movements in working capital:		
(Increase)/decrease in stocks	(29,511)	29,615
(Increase) in debtors	(114,631)	(108,558)
Increase in creditors	1,693,907	2,651,348
Cash (absorbed by)/generated from operations	<u>(288,293)</u>	<u>95,618</u>

