

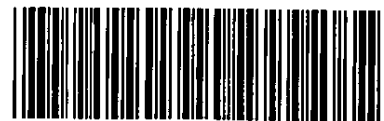
**Natural Management Limited**

**Directors' report and financial  
statements**

Registered number 4013600

31 March 2010

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## **Contents**

Director's report	1
Statement of directors' responsibilities	2
Report of the Independent auditors, KPMG LLP, to the members of Natural Management Limited	3
Profit and loss account	5
Balance sheet	6
Notes	7

## Director's report

The directors present their report and the financial statements for the period ended 31 March 2010

### Principal activity

The company's principal activity during the period was that of an intermediate holding company. No change is envisaged by the directors in the future periods.

### Business activities and review of business

The result for the period is a loss before taxation of £1,468 (2009 loss of £1,650)

The directors do not recommend the payment of a final dividend (2009 £Nil)

The company made no political or charitable donations during the period

On 30 November 2009 the company's ultimate parent company sold 100% of its ordinary share capital to private equity investors. The new ultimate parent company and group is funded through a mixture of loan notes, senior loan debt, an acquisition facility and a revolving credit facility. The new investors will be injecting substantial additional funds into ADP to restart the group's growth strategy. In the next five years the group aims to double in size to 300 dental practices.

### Directors

The following directors served during the period and up to the date of this report

B J Patel (resigned 1 April 2010)

K Fleming

### 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.

### Auditors

Pursuant to section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board

  
K Fleming  
Director

Wellington House  
17 Birkheads Road  
Reigate  
Surrey  
RH2 0AU  
28 July 2010

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NATURAL MANAGEMENT LIMITED**

We have audited the financial statements of Natural Management Limited for the period ended 31 March 2010 set out on pages 5 to 11. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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 auditors' 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.

### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's web-site at [www.frc.org.uk/apb/scope/UKNP](http://www.frc.org.uk/apb/scope/UKNP).

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2010 and of its profit for the period then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

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

**T J Rush (Senior Statutory Auditor)**

**for and on behalf of KPMG LLP, Statutory Auditor**

Chartered Accountants

8 Salisbury Square

London EC4Y 8BB

28 July 2010

## Profit and loss account

*for the period ended 31 March 2010*

	<i>Note</i>	<b>Period ended 31 March 2010 £</b>	<b>52 week period ended 3 April 2009 £</b>
Administrative expenses		(790)	(1,650)
Operating loss		(790)	(1,650)
Interest payable	3	(678)	-
<b>Loss on ordinary activities before taxation</b>	2	(1,468)	(1 650)
Tax on loss on ordinary activities	5	4,575	-
<b>Profit / (loss) for the financial period</b>		<b>3,107</b>	<b>(1,650)</b>

The results shown above are derived wholly from continuing operations

There are no significant differences between those results presented above and those presented on a historical cost basis

There are no recognised gains or losses in either the current period or previous year other than those included in the profit and loss account. Consequently a statement of total recognised gains and losses has not been prepared

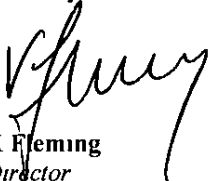
## Balance sheet

as at 31 March 2010

	Note	As at 31 March 2010 £	As at 3 April 2009 £
<b>Fixed assets</b>			
Investments	6	279,900	279,900
<b>Current assets</b>			
Debtors	7	1,032,421	1,041,792
<b>Creditors, amounts falling due within one year</b>	8	<u>(307,354)</u>	<u>(319,832)</u>
<b>Net current assets</b>		<u>725,067</u>	<u>721,960</u>
<b>Total assets less current liabilities</b>		<u>1,004,967</u>	<u>1,001,860</u>
<b>Net assets</b>		<u>1,004,967</u>	<u>1,001,860</u>
<b>Capital and reserves</b>			
Called up share capital	9	100,000	100,000
Profit and loss account	10	<u>904,967</u>	<u>901,860</u>
<b>Shareholders' funds</b>	11	<u>1,004,967</u>	<u>1,001,860</u>

The notes form an integral part of these financial statements

These financial statements were approved by the board of directors on 28 July 2010 and were signed on its behalf by

  
**K Fleming**  
Director



## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements except as noted below

#### *Basis of preparation*

The financial statements have been prepared under the historical cost accounting rules and in accordance with applicable accounting standards

The financial statements have been prepared for the period from 4 April 2009 to 31 March 2010. Previously, the financial statements were prepared on a 52 week period basis. This change has been made to align the company's accounting periods with those of the Primary Care Trusts.

The ADP Primary Care Services group is funded through a mixture of loan notes, senior loan debt, an acquisition facility and a revolving credit facility that supports short term fluctuations in working capital. The bank loans and available facilities are set out in more detail in note 16 of the financial statements of ADP Primary Care Services Limited.

The directors have reviewed the financial position of the Company, including the unlimited cross guarantee banking arrangement with group undertakings. This also included the preparation and presentation to the group's lenders of a business plan and cash flow projections through to the financial period ending 31 March 2015 and which were updated for the period ended 31 March 2010. These projections show that all future lending obligations are met in full and in accordance with the lending covenants.

The financial statements have been prepared on the going concern basis which the directors believe to be appropriate for the following reasons. Community Dental Centres Limited has confirmed that it is not their current intention to demand a repayment of any balance owed by the Company except to the extent that such payments can be made while the Company continues to settle its trading and non-trading liabilities in full, as they fall due for payment. Furthermore the ultimate parent undertaking, ADP Primary Care Services Limited which is a company incorporated in the United Kingdom, has undertaken to provide sufficient funds for the Company to meet its liabilities.

On the basis of their assessment of the Company's financial position, enquiries made of the directors of ADP Primary Care Services Limited, and other matters detailed above, the Company's directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

The Company is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the Company as an individual undertaking and not about its group.

Under FRS 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary of ADP Holdings Limited, which is included in the consolidated financial statements of ADP Primary Care Services Limited.

As the company is a wholly owned subsidiary of ADP Holdings Limited, part of the ADP group of companies, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with wholly owned subsidiaries which form part of the group. The consolidated financial statements of ADP Primary Care Services Limited, within which this Company has been included, can be obtained from the address in note 12.

## Notes (continued)

### Accounting policies (continued)

#### Investments

Investments are stated at cost less provision for impairment

#### Taxation

The charge for tax is based on the result for the period and takes into account deferred tax. Deferred tax is recognised without discounting in respect of all timing differences between the treatment of certain items for tax and accounting purposes which have arisen and not reversed by the balance sheet date, except as otherwise required by FRS 19.

### 2 Loss on ordinary activities before taxation

Fees payable to the auditors by the Company of £2,000 (2009 £2,160) in respect of audit services were borne by fellow subsidiary ADP Dental Company Limited.

### 3 Interest payable

	Period ended 31 March 2010 £	52 week period ended 3 April 2009 £
Interest on corporation tax liability	678	-

### 4 Staff numbers and costs

The average number of persons employed by the Company (all of whom are directors) during the period, analysed by category, were as follows:

	Average number of employees	
	Period ended 31 March 2010	52 week period ended 3 April 2009
Administration	2	2

During the period, no director received any emoluments (2009 £Nil). Directors were paid through ADP Dental Company Limited (2009 ADP Dental Company Limited).

## Notes (continued)

### 5 Taxation

#### (a) Tax charge

Analysis of tax charge in the period

	Period ended 31 March 2010 £	52 week period ended 3 April 2009 £
UK corporation tax		
Current tax on profit for the period	-	-
Adjustment in respect of prior years	(4,575)	-
	<hr/>	<hr/>
Current tax on profit	(4,575)	-
Deferred tax	-	-
	<hr/>	<hr/>
Tax on profit on ordinary activities	(4,575)	-
	<hr/>	<hr/>

#### (b) Factors affecting the tax charge for the current year

The current tax credit assessed on the loss for the period is lower (2009 higher) than the standard rate of corporation tax in the UK 28% (2009 28%). The differences are explained below

	Period ended 31 March 2010 £	52 week period ended 3 April 2009 £
Loss on ordinary activities before tax	(1,468)	(1 650)
	<hr/>	<hr/>
Current tax at 28% (2009 28%)	(411)	(462)
Permanent deductible expense	221	462
Group relief not paid for	190	-
	<hr/>	<hr/>
Current tax credit for the period	(4,575)	-
	<hr/>	<hr/>

## Notes (continued)

### 6 Fixed assets investments

The company holds 100% of the share capital of Community Dental Centres Limited

	Shares in subsidiary undertaking £
<i>Cost</i>	
At 4 April 2009 and 31 March 2010	<u>279,900</u>

### 7 Debtors

	As at 31 March 2010 £	As at 3 April 2009 £
Amounts owed by group undertakings	<u>1,032,421</u>	<u>1,041,792</u>

### 8 Creditors: amounts falling due within one year

	As at 31 March 2010 £	As at 3 April 2009 £
Amounts owed to group undertakings	307,354	307,354
Corporation tax	-	12,478
	<u>307,354</u>	<u>319,832</u>

### 9 Share capital

	As at 31 March 2010 £	As at 3 April 2009 £
<i>Authorised, allotted, called-up and fully paid</i>		
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

## Notes (continued)

### 10 Reserves

	Profit and loss account £
At 4 April 2009	901,860
Profit for the period	3,107
	<hr/>
At 31 March 2010	<b>904,967</b>
	<hr/>

### 11 Reconciliation of movements in shareholders' funds

	Period ended 31 March 2010 £	52 week period ended 3 April 2009 £
Profit / (loss) for the period	3,107	(1,650)
	<hr/>	<hr/>
Net increase / (decrease) to shareholders' funds	3,107	(1,650)
Opening shareholders' funds	1,001,860	1,003,510
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Closing shareholders' funds	<b>1,004,967</b>	1 001,860
	<hr/>	<hr/>

### 12 Ultimate parent undertaking

The company is a wholly owned subsidiary of ADP Holdings Limited, a company incorporated in the UK. The ultimate parent company is ADP Primary Care Services Limited. The consolidated accounts of this company are available to the public and may be obtained from the following address:

ADP Primary Care Services Limited  
Wellington House  
17 Birkheads Road  
Reigate  
Surrey, RH2 0AU