

**ADP Ashford Limited (formerly ADV Kent
Limited)**

**Directors' report and financial
statements**

Registered number 6353838

3 April 2009



Contents

Directors' report	1
Statement of directors' responsibilities	5
Report of the independent auditors, KPMG LLP to the members of ADP Ashford Limited	6
Profit and loss account	8
Balance sheet	9
Notes	10

Directors' report

The directors present their annual report and the audited financial statements for the 52 week period ended 3 April 2009

Principal activity

The principal activity of the company is the provision of dental health care and associated services on behalf of the Eastern & Coastal Kent Primary Care Trust

Business activities and review of business

On 15 September 2008 ADP Dental Company Limited acquired 100% of the issued share capital of ADP Ashford Limited

Business development

The directors are pleased to report that a period of development has occurred within ADP Ashford Limited and this has resulted in a profit before taxation of £109,204

The directors have considered the financial position of the company and have concluded that it is able to meet its liabilities as they fall due. Accordingly, the financial statements have been prepared on a going concern basis

The directors paid an interim dividend of £15,000 (2008 £Nil). The directors do not propose a final dividend payment (2008 £Nil)

Performance measures

The company has a number of key performance indicators, which allow the directors to closely monitor monthly progress in achieving its annual UDA (units of dental activity) contract targets. The primary measure is the number of UDAs completed by dentist by week versus an individual target to each dentist. Other important performance indicators are diary utilisation, ratio of support staff to dentists, sales by dentist per hour, dentist and hygienist fee ratios and worked hours

The following section describes some of the risks that could have a material effect on the group's business activities. Not all potential risks are listed but those that represent in the opinion of the Board could have a material effect on revenues, profits, net assets and financial resources

Key personnel

Implementation of the company's strategy depends on its ability to attract, develop and retain both employees and the self-employed dentist resources with the appropriate skills, experience and aptitude. Implementation and development of an induction scheme as well as ongoing training and development combined with competitive compensation and incentives all help to minimise this risk

Information Technology systems and infrastructure

The company invests in systems that are appropriate to the business so as to maximise patient care, provide effective communication internally and externally and provide comprehensive reporting capability. The monitoring and development of such systems are out-sourced to provide continuity and a cost-effective solution

Litigation

The company may be at risk of litigation from various parties with which it interacts either through direct contractual arrangements, the provision of services or the failure to comply with regulatory requirements. The Board ensures that key personnel are aware of such risks so as to minimise likely exposure whilst ensuring with particular regard to public liability that adequate insurance is in place. The Board carries out annual practice audits that amongst other key controls place particular emphasis on ensuring all dentists have individual insurance in place. Dentists are individually responsible for arranging their own insurance cover

Directors' report *(Continued)*

Events since the balance sheet date

On 30 November 2009 the 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.

Employment policies

Disability policy

ADP Ashford Limited is committed to achieving equality of opportunity for all people with disabilities as defined under the Disability Discrimination Act (1995).

Recruitment

ADP Ashford Limited practise fair and open recruitment and as such will not discriminate against any disabled person who applies for employment with the Company.

All applicants with a known disability as defined by the Disability Discrimination Act who meet our minimum criteria for work are interviewed and considered on their ability, experience and job related skills. ADP Ashford Limited, through consultation with any such applicants, take all reasonable steps to ensure that they are not disadvantaged by their disability during the recruitment process.

Employees

ADP Ashford Limited take all reasonable steps to ensure that employees who have a disability or who develop a disability are able to stay in employment. The Company seeks the advice of any such employee in ascertaining how we might help them to stay in employment, and if necessary also seeks specialist advice.

No employee with a disability is treated unfairly or unequally in the event that an opportunity for promotion, transfer, training or any other benefit arises during their employment with the Company.

Equal Opportunities

ADP Ashford Limited is opposed to all forms of discrimination. The Company selects for employment, training or promotion on the basis of suitability for the job and merit.

It is our policy that no job applicant or employee receives less favourable treatment than another on the grounds of sex, sexual orientation, race, colour, ethnic or national origins, disability, marital status, political affiliations, religious beliefs or any other characteristic protected by law or is disadvantaged by conditions or requirements that are not justified.

The Company regularly reviews and evaluates the effectiveness of their selection criteria and procedures which result from this statement of the Company's Equal Opportunities Policy.

Directors' report (Continued)

Information

ADP Ashford Limited provides employees with regular information in the form of weekly bulletins and quarterly newsletters to all staff

The views of employees are sought through a Staff Satisfaction Survey conducted at least annually, and all staff are invited to the annual road shows where they are given a presentation on the financial and economic health of the business

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Directors

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

M Berenji (resigned 17 September 2009)
S Gallier (appointed 30 September 2009)
K Fleming (appointed 17 September 2008)
D Timms (appointed 26 November 2008, resigned 30 September 2009)
A Vosooghi (resigned 17 September 2008)
M Mayhew (appointed 17 September 2008)
I Beider (appointed 17 September 2008, resigned 19 September 2008)

Political and charitable contributions

The Company made no political or charitable donations during the period

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



5 March 2010

Kirk House
15 Birkheads Roads
Reigate
Surrey
RH2 0AW

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 period. 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).

The financial statements are required by law to 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. 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.



REPORT OF THE INDEPENDENT AUDITORS, KPMG LLP, TO THE MEMBERS OF ADP ASHFORD LIMITED

We have audited the financial statements of ADP Ashford Limited for the 52 week period ended 3 April 2009 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 5.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board, except that the scope of our work was limited as explained below.

An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. However with respect to the opening balance sheet as at 31 March 2008 and trading results prior to 15 September 2008, the date of the company's acquisition by its current parent company, we were unable to obtain sufficient and appropriate audit evidence as that period was prior to our appointment as auditors of the company, proper accounting records were not maintained and representations could not be sought due to management changes. The current period profit and loss account includes turnover of £437,927 and a profit before tax of £7,629 for the period to 15 September 2008, based on management information. Any adjustments might have a consequential effect on the company's net assets as at 31 March 2008 and on its loss for the period ended 31 March 2008 and the 52 week period ended 3 April 2009.

In forming our opinion we note that the prior period financial statements were not audited. Consequently, International Standards on Auditing (UK and Ireland) require the auditors to state that the corresponding figures contained within these financial statements are unaudited.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.



REPORT OF THE INDEPENDENT AUDITORS, KPMG LLP, TO THE MEMBERS OF ADP ASHFORD LIMITED (continued)

Qualified opinion on the state of affairs arising from limitation in audit scope

Except for the financial effect solely on the comparative information for the year ended 31 March 2008 of such adjustments, if any, as might have been determined to be necessary had we been able to satisfy ourselves as to net asset position as at 31 March 2008, in our opinion the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 3 April 2009

Disclaimer of opinion on the loss for the period arising from limitation in audit scope

Because of the possible effect of the limitation in evidence available to us, we are unable to form an opinion as to whether the financial statements

- Give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the company's profit for the 52 week period ended 3 April 2009, and
- Have been properly prepared in accordance with the Companies Act 1985

In respect solely of the limitation on our work referred to above

- We have not obtained all the information and explanations that we considered necessary for the purpose of our audit, and
- In our opinion proper accounting records have not been maintained

Notwithstanding the above, in our opinion the information given in the Directors' Report is consistent with the financial statements

KPMG LLP

5 March 2010

KPMG LLP

*Chartered Accountants
Registered Auditor*

Profit and loss account

for the 52 week period ended 3 April 2009

	Note	52 week period ended 3 April 2009 £	Period ended 31 March 2008 £
Turnover	2	832,677	266,052
Cost of sales		(564,351)	(159,892)
Gross profit		268,326	106,160
Administrative expenses		(145,279)	(97,375)
Other operating income		100	-
Operating profit		123,147	8,785
Other interest receivable and similar income	5	202	108
Interest payable and similar charges	6	(14,145)	(5,560)
Profit on ordinary activities before taxation	3	109,204	3,333
Tax on profit on ordinary activities	7	(19,303)	(2,357)
Profit for the financial period	14	89,901	976

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

All results are from continuing operations

Balance sheet

as at 3 April 2009

	Note	3 April 2009		31 March 2008	
		£	£	£	£
Fixed assets					
Intangible fixed assets	8		587,374		734,045
Tangible fixed assets	9		80,098		113,590
			<hr/>		<hr/>
			667,472		847,635
Current assets					
Stocks			-		8,000
Debtors	10	249,983		57,006	
Cash at bank and in hand		231		175	
		<hr/>		<hr/>	
		250,214		65,181	
Creditors: amounts falling due within one year	11	(177,050)		(911,740)	
		<hr/>		<hr/>	
Net current assets / (liabilities)			73,164		(846,559)
Creditors: amounts falling due after more than one year	12		(664,659)		-
			<hr/>		<hr/>
Net assets			75,977		1,076
			<hr/>		<hr/>
Capital and reserves					
Called up share capital	13		100		100
Reserves	14		75,877		976
			<hr/>		<hr/>
Shareholders' equity	15		75,977		1,076
			<hr/>		<hr/>

These financial statements were approved by the board of directors on 5 March 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 Company's 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 on the going concern basis

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 Dental Company Limited, which is included in the consolidated financial statements of ADP Healthcare Services Limited

As the company is a wholly owned subsidiary of ADP Healthcare Services Limited, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of ADP Healthcare Services Limited, within which this Company has been included, can be obtained from the address in note 17

Turnover

Turnover comprises the amount chargeable for the delivery of dental goods and services provided by the company, exclusive of value added tax and trade discounts. NHS income is paid by reference to budgeted "Units of dental activity" and turnover recognised in the period relates to completed units only. Private income turnover is recognised in the period the treatment was performed

Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. Positive goodwill is capitalised and classified as an asset on the balance sheet and is amortised over its estimated economic life, being a period not exceeding 20 years

Notes (continued)**1 Accounting policies (continued)*****Tangible fixed assets and depreciation***

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives as follows

Dentistry equipment and machinery	-	15% reducing balance
Fixtures, fittings and office equipment	-	25% reducing balance
Computer equipment	-	25% straight-line

Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor, are charged to the profit and loss account on a straight line basis over the period of the lease

Taxation

The charge for tax is based on the results 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 Turnover

All turnover is derived from the provision of dentistry and ancillary services and arose within the United Kingdom. The whole of the turnover and loss before taxation is attributable to the principal activity of the Company

3 Profit on ordinary activities before taxation

	52 week period ended 3 April 2009 £	Period ended 31 March 2008 £
<i>Profit on ordinary activities before taxation is stated after charging</i>		
Amortisation of intangible fixed assets	31,751	18,822
Depreciation of tangible fixed assets	15,060	10,268
Loss on disposal of fixed assets	15,469	-
Operating lease rentals - land and buildings	20,083	4,805

Fees payable to auditors by the Company of £5,000 in respect of audit services were borne by fellow subsidiary ADP Dental Company Limited

Notes *(continued)*

4 Staff numbers and costs

The average number of persons employed by the Company during the period, analysed by category, was as follows

	Average number of employees	
	52 week period ended 3 April 2009	Period ended 31 March 2008
Professional and ancillary staff	13	12

The aggregate payroll costs of these persons were as follows

	52 week period ended 3 April 2009 £	Period ended 31 March 2008 £
Wages and salaries	123,762	72,195
Social security costs	4,465	2,605
	128,227	74,800

During the period, no director received any emoluments. Directors were paid through ADP Dental Company Limited.

5 Other interest receivable and similar income

	52 week period ended 3 April 2009 £	Period ended 31 March 2008 £
Bank interest	202	108

6 Interest payable

	52 week period ended 3 April 2009 £	Period ended 31 March 2008 £
On bank loans and overdrafts	14,145	5,560

Notes (continued)

7 Taxation

Analysis of tax charge in the period

	52 week period ended 3 April 2009 £	Period ended 31 March 2008 £
UK corporation tax		
Current tax on profit for the period	19,303	2,357
Adjustment in respect of prior years	-	-
	<hr/>	<hr/>
Current tax on profit	19,303	2,357
Deferred tax	-	-
	<hr/>	<hr/>
Tax on profit on ordinary activities	19,303	2,357
	<hr/>	<hr/>

Factors affecting the tax charge for the current period

The current tax charge for the period is lower (2008 higher) than the standard rate of corporation tax in the UK 28% (2008 20%). The differences are explained below

	52 week period ended 3 April 2009 £	Period ended 31 March 2008 £
Profit on ordinary activities before tax	109,204	3,333
	<hr/>	<hr/>
Current tax at 28% (2008 20%)	30,577	667
Effects of		
Expenses not deductible for tax purposes	2,708	1,320
Loss on sale of fixed assets	4,331	-
Group relief not paid for	(22,886)	5,228
Depreciation in excess of capital allowances	4,573	(4,858)
	<hr/>	<hr/>
Current tax charge for the period	19,303	2,357
	<hr/>	<hr/>

Factors that may affect future tax charges

There are no known factors that may affect future tax charges

Notes (continued)

8 Intangible fixed assets

	Goodwill £
<i>Cost</i>	
At 1 April 2008	752,867
Disposal	(117,867)
	<hr/>
At 3 April 2009	635,000
	<hr/>
<i>Amortisation</i>	
At 1 April 2008	18,822
Disposal	(2,947)
Charge for the period	31,751
	<hr/>
At 3 April 2009	47,626
	<hr/>
<i>Net book value</i>	
At 3 April 2009	587,374
	<hr/>
At 31 March 2008	734,045
	<hr/>

9 Tangible fixed assets

	Dentist equipment & machinery £	Fixtures, fittings and computer equipment £	Total £
<i>Cost</i>			
At 1 April 2008	104,293	19,565	123,858
Additions	6,098	2,939	9,037
Disposal	(20,029)	(9,719)	(29,748)
	<hr/>	<hr/>	<hr/>
At 3 April 2009	90,362	12,785	103,147
	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>			
At 1 April 2008	7,822	2,446	10,268
Disposal	(1,222)	(1,057)	(2,279)
Charge for period	12,097	2,963	15,060
	<hr/>	<hr/>	<hr/>
At 3 April 2009	18,697	4,352	23,049
	<hr/>	<hr/>	<hr/>
<i>Net book value</i>			
At 3 April 2009	71,665	8,433	80,098
	<hr/>	<hr/>	<hr/>
At 31 March 2008	96,471	17,119	113,590
	<hr/>	<hr/>	<hr/>

Notes (continued)

10 Debtors

	3 April 2009 £	31 March 2008 £
Trade debtors	-	31,854
Other debtors	-	25,152
Amounts owed by parent company	249,983	-
	<u>249,983</u>	<u>57,006</u>

11 Creditors: amounts falling due within one year

	3 April 2009 £	31 March 2008 £
Bank loans and overdrafts	-	265,832
Trade creditors	12,350	22,786
Social security and other taxes	23,931	2,357
Other creditors	140,769	620,765
	<u>177,050</u>	<u>911,740</u>

12 Creditors: amounts falling due after more than one year

	3 April 2009 £	31 March 2008 £
Amounts owed to immediate parent company	664,659	-
	<u>664,659</u>	<u>-</u>

13 Share capital

	3 April 2009 £	31 March 2008 £
<i>Authorised</i>		
100,000 Ordinary shares of £1 each	100,000	100,000
	<u>100,000</u>	<u>100,000</u>
<i>Allotted, called up and fully paid</i>		
100 Ordinary shares of £1	100	100
	<u>100</u>	<u>100</u>

Notes (continued)

14 Reserves

	Profit and loss account £
At 1 April 2008	976
Profit for the period	89,901
Dividends paid	(15,000)
	<hr/>
At 3 April 2009	75,877
	<hr/>

15 Reconciliation of movements in shareholders' equity

	2009 £	2008 £
Profit for the period	89,901	976
Dividends paid	(15,000)	-
	<hr/>	<hr/>
Retained profit	74,901	976
Proceeds from issue of shares	-	100
	<hr/>	<hr/>
Net addition to shareholders' equity	74,901	1,076
Opening shareholders' funds	1,076	-
	<hr/>	<hr/>
Closing shareholders' funds	75,977	1,076
	<hr/>	<hr/>

16 Operating lease commitments

At 3 April 2009 the Company had annual commitments under non-cancellable operating leases as follows

	Land and buildings 3 April 2009 £	Land and buildings 31 March 2008 £
Operating leases which expire		
Within one year	-	19 220
After more than five years	20,685	14,415
	<hr/>	<hr/>

Notes *(continued)*

17 Ultimate parent undertaking

The company is a wholly owned subsidiary of ADP Dental Company Limited (incorporated in the UK), which is part of the ADP group of companies. The ultimate parent company is ADP Healthcare Services Limited. The consolidated accounts of this company are available to the public and may be obtained from the following address:

ADP Healthcare Services Limited
Kirk House
15 Birkheads Road
Reigate
Surrey, RH2 0AW

18 Subsequent events

On 30 November 2009 the ultimate parent company sold 100% of its ordinary share capital to Palamon Capital Partners, Lloyds Development Capital, Morgan Stanley and Alpinvest. The new ultimate parent company, ADP Primary Care Services Limited, was incorporated on 18 September 2009.