

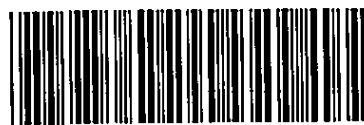
ADP Holdings Limited

**Directors' report and financial
statements**

Registered number 4298115

3 April 2009

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Contents

Directors' report	1
Statement of directors' responsibilities	2
Report of the independent auditors, KPMG LLP, to the members of ADP Holdings Limited	3
Profit and loss account	5
Balance sheet	6
Notes	7

Directors' report

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

Principal activity

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

Results and dividends

The loss for the period after taxation amounted to £1,450,414 (2008: profit £6,211,814). The directors do not recommend the payment of a dividend (2008: £Nil).

Directors

The directors who held office during the period and to the date of this report are as follows:

R Flaye	
B Patel	
S Frampton	
M Mayhew	
R H Knight	(resigned 12 June 2008)
K Fleming	(appointed 12 June 2008)

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 he ought to have taken as a director to make himself 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



23 July 2009
Kirk House
15 Birkheads Road
Reigate
Surrey
RH2 0AW

Statement of directors' responsibilities

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).

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 HOLDINGS LIMITED

We have audited the financial statements of ADP Holdings 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 2.

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. 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 and performed 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. 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 HOLDINGS LIMITED *(continued)***

Opinion

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 and of its loss for the 52 week period then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

KPMG LLP

24 July 2009

KPMG LLP
Chartered Accountants
Registered Auditor

Profit and loss account

for the 52 week period ended 3 April 2009

	<i>Note</i>	52 week period ended 3 April 2009 £	Year ended 31 March 2008 £
Administrative expenses		(32,034)	-
Other operating income	2	-	7,534,812
		<hr/>	<hr/>
Operating (loss)/profit		(32,034)	7,534,812
Interest receivable	5	14,868	-
Interest payable	6	(1,433,248)	(1,322,998)
		<hr/>	<hr/>
(Loss)/profit on ordinary activities before taxation	3	(1,450,414)	6,211,814
Taxation	7	-	-
		<hr/>	<hr/>
(Loss)/profit on ordinary activities after taxation		(1,450,414)	6,211,814
		<hr/>	<hr/>

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 were no recognised gains or losses for either the current or preceding financial periods other than those included in the profit and loss account and therefore no separate statement of total recognised gains and losses has been presented.

Balance sheet

as at 3 April 2009

	Note	As at 3 April 2009 £	As at 31 March 2008 £
Fixed assets			
Investments in subsidiaries	8	25,487,034	25,487,034
Current assets			
Debtors	9	15,725,382	17,199,542
Creditors: amounts falling due within one year	10	(28,217,720)	(28,241,466)
Net current liabilities		(12,492,338)	(11,041,924)
Total assets less current liabilities		12,994,696	14,445,110
Creditors: amounts falling due after more than one year	11	(14,699,974)	(14,699,974)
Net liabilities		(1,705,278)	(254,864)
Capital and reserves			
Equity share capital	12	98,400	98,400
Share premium account	13	885,600	885,600
Profit and loss account	13	(2,689,278)	(1,238,864)
Shareholders' deficit	14	(1,705,278)	(254,864)

These financial statements were approved by the board of directors on 23 July 2009 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.

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 which the directors believe to be appropriate for the following reasons. Community Dental Centres Limited, Natural Management Limited, ADP No 1 Limited and ADP Healthcare Services Limited have confirmed that it is not their current intention to demand a repayment of any balances 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 Healthcare Services Limited which is a company incorporated in the United Kingdom, has undertaken to provide sufficient funds for the Company to meet its liabilities.

As a member of the group, however, the Company is party to certain borrowing agreements and depends on the continuance of group funding and /or support for its own position as a going concern. The directors of ADP Healthcare Services Limited have summarised the present situation which is disclosed in the 'Basis of Preparation' of ADP Healthcare Services Limited for the period ended 3 April 2009 as follows:

"The Group is funded through a mixture of senior loan debt, mezzanine debt 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.

The group breached the terms of certain of its borrowing facilities relating to information provision and covenant definitions during the 52 week period ended 3 April 2009 and 13 month period ended 31 March 2008. All financial obligations required by the companies borrowing facilities were met in full during these periods.

The Group entered into renegotiations with the group's lenders in relation to the group's borrowing facilities. This included the preparation and presentation to the group's lenders of a business plan and cash flow projections through to the financial year ending 31 March 2013 and were updated for the 52 week period ended 3 April 2009. These projections show that all future lending obligations are met in full and in accordance with the lending covenants.

These renegotiations were successfully concluded on the 18 February 2009 where new covenants were set from the effective date of 16 February 2009 and the lenders waived the Group's previous breaches."

The company is by virtue of Section 228 of the Companies Act 1985 exempt from the requirement to prepare group accounts. These financial statements present information about the company as an individual undertaking and not about its group.

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

Notes (continued)

Accounting policies (continued)

As the company is a 100% wholly owned subsidiary of ADP Healthcare Acquisitions 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 entities which form part of the group (or investees of the group qualifying as related parties). The ultimate parent company is ADP Healthcare Services Limited. The consolidated financial statements of ADP Healthcare Services Limited, within which the company is included, can be obtained from the address given in note 17.

Investments

Shares in subsidiaries are valued at cost less provision for impairment.

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.

Classification of financial instruments issued by the Company

Financial instruments issued by the company are treated as equity only to the extent that they meet the following conditions:

- a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and
- b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of a company's own shares, the amounts presented in these financial statements for called up share capital exclude amounts in relation to those shares.

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges in these financial statements.

Notes (continued)

2 Other operating income

	52 week period ended 3 April 2009	Year ended 31 March 2008
	£	£
Profit on sale of quoted investments	-	7,534,812
	<u> </u>	<u> </u>

3 Loss on ordinary activities before taxation

Fees payable to the auditors by the Company of £3,930 (2008: £5,000) in respect of audit services were borne by fellow subsidiary ADP Dental Company Limited.

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, was as follows:

	Number of employees 52 week period ended 3 April 2009	Year ended 31 March 2008
Administration	5	5
	<u> </u>	<u> </u>

During the period, no director received any emoluments. Directors were paid through ADP Dental Company Limited (2008: ADP Dental Company Limited).

5 Interest receivable

	52 week period end 3 April 2009	Year ended 31 March 2008
	£	£
Interest income	14,868	-
	<u> </u>	<u> </u>

6 Interest payable

	52 week period end 3 April 2009	Year ended 31 March 2008
	£	£
On preference shares	1,433,248	1,322,998
	<u> </u>	<u> </u>

Notes (continued)

7 Taxation

(a) Tax charge

There is no tax charge for the period.

(b) Factors affecting the tax for the current period

The tax assessed for the year is higher (2008: lower) than the standard companies' rate of corporation tax in the UK 28% (2008: 30%). The differences are explained below.

	52 week period end 3 April 2009 £	Year ended 31 March 2008 £
(Loss)/profit on ordinary activities before tax	(1,450,414)	6,211,814
Current tax at 28% (2008: 30%)	(406,116)	1,863,544
Effects of:		
Non-taxable gain on disposal of investments	-	(2,260,444)
Permanent deductible expenses	8,970	
Dividends received	401,309	396,900
Losses carried forward not recognised	(4,163)	-
Current tax charge for the period/year	-	-

(c) Factors affecting the tax charge for future periods

The company has deferred tax assets which have not been recognised, due to the uncertainty of future profits, in relation to unrecognised losses carried forward £866,298 (2008: £487,590). The deferred tax assets have not been recognised due to uncertainty of recovery.

Notes (continued)

8 Investments in subsidiaries

	Investments in subsidiary undertakings £
<i>Cost</i>	
At 1 April 2008 and 3 April 2009	25,487,034

Details of the company's principal subsidiaries are shown in note 16.

9 Debtors

	3 April 2009 £	31 March 2008 £
Amounts owed by group undertakings	15,427,585	15,624,542
Other debtors	297,797	1,575,000
	15,725,382	17,199,542

10 Creditors: amounts falling due within one year

	3 April 2009 £	31 March 2008 £
Amounts owed to Group undertakings	28,217,720	28,217,720
Corporation tax	-	23,746
	28,217,720	28,241,466

Notes (continued)

11 Creditors: amounts falling due after more than one year

	3 April 2009 £	31 March 2008 £
Preference shares (note 12)	14,699,974	14,699,974

Included within the above are amounts falling due as follows:

	3 April 2009 £	31 March 2008 £
Over five years		
Preference shares (note 12)	14,699,974	14,699,974

12 Share capital

	3 April 2009 £	31 March 2008 £
Authorised		
Equity:		
200,000 'A' Ordinary shares of 10p each	20,000	20,000
800,000 'B' Ordinary shares of 10p each	80,000	80,000
Non-Equity:		
9,200,000 'A' Preference shares of £1 each	9,200,000	9,200,000
5,500,000 'B' Preference shares of £1 each	5,500,000	5,500,000
	<u>14,800,000</u>	<u>14,800,000</u>
Allotted, called up and fully/part paid		
Equity		
184,000 'A' Ordinary shares of 10p each fully paid	18,400	16,000
800,000 'B' Ordinary shares of 10p each	80,000	80,000
Non-Equity:		
9,200,000 'A' Preference shares of £1 each	9,200,000	9,200,000
5,499,974 'B' Preference shares of £1 each	5,499,974	5,499,974
	<u>14,798,374</u>	<u>14,798,374</u>
Shares classified as liabilities	14,699,974	14,699,974
Shares classified as shareholders funds	98,400	98,400

Members holding one or more A Ordinary Share or B Ordinary Share shall have one vote for each A Ordinary Share or B Ordinary Share in the company of which he or it is the holder. The holders of the Preference Shares shall be entitled to receive notice of and to attend and speak at any general meeting of the company, but shall not be entitled to vote on any business at a general meeting.

The Preference shares are entitled to a fixed cumulative preference dividend (the "Preference Dividend") at the Interest Rate of 9% per annum which shall be paid in half-yearly instalments on 1 December and 1 June in each year in respect of the six months ending on the preceding 31 May and 30 November respectively provided that the first Preference Dividend shall be payable on 1 June 2004 in respect of the period from the date on which the first Preference Shares become subscribed to 31 May 2004 and provided further that in respect of any Preference Share that has been in issue for less or more than the full six months preceding the relevant dividend payment date the relevant pro-rata amount shall be paid on the basis that the Preference Dividend accrues from day to day.

Notes (continued)

13 Reserves

	Share premium account £	Profit and loss account £
At 1 April 2008	885,600	(1,238,864)
Loss for the period	-	(1,450,414)
At 3 April 2009	<u>885,600</u>	<u>(2,689,278)</u>

14 Reconciliation of movements in shareholders' deficit

	52 week period ended 3 April 2009 £	Year ended 31 March 2008 £
(Loss)/profit for the period	(1,450,414)	6,211,814
Net (decrease)/increase in shareholders deficit	<u>(1,450,414)</u>	<u>6,211,814</u>
Opening shareholders' deficit	(254,864)	(6,466,678)
Closing shareholders' deficit	<u>(1,705,278)</u>	<u>(254,864)</u>

15 Contingent liabilities

There are no material contingent liabilities that the Directors are aware of.

Notes (continued)

16 Principal subsidiaries

Company name	Country	Percentage shareholding	Description
ADP No.1 Limited	United Kingdom	100	++Intermediate holding and finance Company
ADP Dental Company Limited	United Kingdom	100	+ Principal dental operating Company
Natural Management Limited	United Kingdom	100	++Intermediate holding and finance Company
Community Dental Centres Limited	United Kingdom	100	* Dental operating Company
ADP Yorkshire Limited	United Kingdom	100	** Dental operating Company
ADP Mansfield Limited	United Kingdom	100	** Dental operating Company
ADP Cheshire Limited	United Kingdom	100	** Dental operating Company
ADP Ashford Limited	United Kingdom	100	** Dental operating Company
Dental Health Care Limited	United Kingdom	100	** Dental operating Company
The Valley Dental Practice Limited	United Kingdom	100	** Dental operating Company

++Direct subsidiary of the company

+ Direct subsidiary of ADP No.1 Limited

* Direct subsidiary of Natural Management Limited

** Direct subsidiary of ADP Dental Company Limited

17 Ultimate parent undertaking and controlling party

The company is a wholly owned subsidiary of ADP Healthcare Acquisitions 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