

Registered number
05924091

APEX DENTAL CARE LIMITED
DIRECTORS' REPORT AND AUDITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010

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APEX DENTAL CARE LIMITED

COMPANY INFORMATION

Directors

B Chaing
K Johnson

Secretary

M Chaing

Auditor

Spofforths LLP
A2 Yeoman Gate
Yeoman Way
Worthing
West Sussex
BN13 3QZ

Registered office

A2 Yeoman Gate
Yeoman Way
Worthing
West Sussex
BN13 3QZ

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APEX DENTAL CARE LIMITED

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APEX DENTAL CARE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2010

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

Principal activities

The company's principal activity during the year continued to be that of dental practitioners

Results and dividends

The profit for the year, after taxation, amounted to £740,490. The directors do not recommend a dividend for the year, which leaves a profit of £740,490 to be retained.

Review of the business during the year and at the end of the year

The company successfully continued its strategy of looking for suitable acquisitions to integrate and consolidate into Apex Dental Care Limited with seven further acquisitions in the year.

The directors consider that with more available debt funding, the company can continue to grow with this strategy.

Principal risks and uncertainties facing the company

Environment risk

The company continues to monitor the environmental impact of the equipment and materials it uses and the control of waste products. The company also considers the impact on staff and associates and the working environment provided.

Financial risk

The company continues to have strong balances with long term borrowings used to fund acquisitions.

Interest rate risk

The company considers there to be little impact or concern over interest rates in the shorter term, but has taken out a five year interest cap to cover volatile increases.

Key performance indicators considered by the company

	2010	2009
Sales per branch (annualised)	£649,199	£706,730
Bank balances	£763,287	£963,639

Future developments

The company intends to continue to look for suitable acquisition opportunities to continue the growth of the business.

Directors

The directors who served during the year was as follows

B Chaing
K Johnson

- appointed 25 January 2010

APEX DENTAL CARE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2010

Directors' responsibilities

The directors are responsible for preparing the report and 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 for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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 maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to 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.

Disclosure of information to the auditor

So far as each director at the date of approval of this report is aware:

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This report was approved by the board on

8/10/10



K Johnson
Director

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF

APEX DENTAL CARE LIMITED

We have audited the financial statements of Apex Dental Care Limited for the year ended 31 March 2010 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes numbered 1 to 21 on pages 4 to 13

The financial reporting framework that has been applied in their presentation is applicable law and United Kingdom Accounting Standards (United Kingdom 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 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

As explained more fully in the Directors' Responsibility 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Matters on which we are required to report on 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.

Opinion on the 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 year then ended,
- have been prepared in accordance with United Kingdom 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.

Jo-Anne Haulkham BSc(Hons) ACA, Senior Statutory Auditor
For and on behalf of Spofforths LLP, Statutory Auditor
Chartered Accountants
A2 Yeoman Gate
Yeoman Way
Worthing
West Sussex
BN13 3QZ

8 October 2010

APEX DENTAL CARE LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 MARCH 2010**

	Notes	2010 £	2009 £
Turnover	2	7,790,384	5,888,452
Cost of sales		(5,517,471)	(3,976,918)
Gross profit		<u>2,272,913</u>	<u>1,911,534</u>
Administrative expenses		(1,143,399)	(627,398)
Other operating income		25,053	34,366
Operating profit	3	<u>1,154,567</u>	<u>1,318,502</u>
Interest receivable		6,810	35,443
Interest payable	6	(92,168)	(140,944)
Profit on ordinary activities before taxation		<u>1,069,209</u>	<u>1,213,001</u>
Tax on profit on ordinary activities	7	(328,719)	(341,041)
Profit for the financial year	16	<u><u>740,490</u></u>	<u><u>871,960</u></u>

Statement of total recognised gains and losses

The company has no recognised gains or losses other than the profit for the above two financial years

APEX DENTAL CARE LIMITED

BALANCE SHEET

AS AT 31 MARCH 2010

REGISTERED NUMBER: 05924091

	Notes	2010 £	2009 £
Fixed assets			
Intangible assets	8	5,413,863	3,171,910
Tangible assets	9	<u>2,774,765</u>	<u>1,262,360</u>
		8,188,628	4,434,270
Current assets			
Debtors	10	628,216	433,564
Cash at bank and in hand		<u>763,287</u>	<u>963,639</u>
		1,391,503	1,397,203
Creditors: amounts falling due within one year	11	<u>1,552,773</u>	<u>1,137,725</u>
Net current (liabilities)/assets		(161,270)	259,478
Total assets less current liabilities		<u>8,027,358</u>	<u>4,693,748</u>
Creditors: amounts falling due after more than one year	12	5,812,286	3,245,166
Provisions for liabilities	14	68,000	42,000
		<u>5,880,286</u>	<u>3,287,166</u>
Capital and reserves			
Called up share capital	15	1	1
Profit and loss account	16	<u>2,147,071</u>	<u>1,406,581</u>
Shareholders funds	17	<u>2,147,072</u>	<u>1,406,582</u>
		<u>8,027,358</u>	<u>4,693,748</u>

The financial statements were approved by the board and authorised for issue on 8/10/10
and signed on its behalf by

B Chaing
Director



APEX DENTAL CARE LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2010

	Notes	2010 £	2009 £
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit		1,154,567	1,318,502
Depreciation charges		129,147	83,672
Amortisation of goodwill		253,752	-
Increase in debtors		(194,652)	(298,135)
Increase in creditors		225,231	89,545
Net cash inflow from operating activities		<u>1,568,045</u>	<u>1,193,584</u>
CASH FLOW STATEMENT			
Net cash inflow from operating activities		1,568,045	1,193,584
Returns on investments and servicing of finance	18	(85,358)	(105,501)
Taxation		(554,719)	(156,041)
Capital expenditure	18	<u>(4,137,257)</u> <u>(3,209,289)</u>	<u>(2,123,455)</u> <u>(1,191,413)</u>
Financing	18	3,008,922	1,653,774
(Decrease)/increase in cash		<u>(200,367)</u>	<u>462,361</u>
Reconciliation of net cash flow to movement in net debt			
(Decrease)/increase in cash		(200,367)	462,361
Increase in debt and lease financing		(3,008,922)	(1,653,774)
Change in net debt	19	<u>(3,209,289)</u>	<u>(1,191,413)</u>
Net debt at beginning of year		<u>(2,256,527)</u>	<u>(1,065,114)</u>
Net debt at end of year		<u>(5,465,816)</u>	<u>(2,256,527)</u>

APEX DENTAL CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010

1 Principal accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. The principal accounting policies adopted in the preparation of the financial statements are set out below and have been applied consistently.

Turnover

Turnover represents the invoiced value, net of VAT and discounts, of goods and services supplied by the company.

Amortisation

Goodwill arising from the purchase of business and assets of dental practices, representing the excess of purchase consideration over the fair value of the net assets acquired, is capitalised and is amortised on a straight line basis over its useful economic life of between 10 to 20 years.

Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Freehold buildings	over 50 years
Plant and machinery	25% per annum

Deferred taxation

Deferred tax arises as a result of including items of income and expenditure in taxation computations in periods different from those in which they are included in the company's financial statements. Deferred tax is provided in full on timing differences which result in an obligation to pay more (or less) tax at a future date, at the average tax rates that are expected to apply when the timing differences reverse, based on current tax rates and laws.

Operating lease commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Pensions

Contributions in respect of the company's defined contribution pension scheme are charged to the profit and loss account for the year in which they are payable to the scheme.

2 Turnover

Turnover is derived from the company's principal activity which was carried out wholly in the UK.

3 Operating profit

	2010	2009
	£	£
This is stated after charging		
Depreciation of owned fixed assets	129,147	83,672
Amortisation of goodwill	253,752	-
Operating lease rentals - other	122,190	119,624
Auditor's remuneration - audit work	12,900	10,350
Auditor's remuneration - non audit work	87,238	74,298

APEX DENTAL CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010

4 Directors' emoluments	2010	2009
	£	£
Emoluments - in respect of services as a director	18,590	-
Emoluments - in respect of services as an associate dentist	46,983	64,850
	65,573	64,850
5 Staff costs	2010	2009
	£	£
Wages and salaries	1,211,078	816,436
Social security costs	92,562	62,720
Other pension costs	14,437	-
	1,318,077	879,156
Average number of employees during the year	Number	Number
Operations and related administration	109	93
6 Interest payable	2010	2009
	£	£
Bank loans and overdrafts	92,168	140,944

APEX DENTAL CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010

7 Tax on profit on ordinary activities

Analysis of charge in year	2010	2009
£	£	£
Current tax:		
UK corporation tax on profits of the year	303,000	315,000
Adjustments in respect of previous years	(281)	41
	302,719	315,041
Total current tax (see below)	302,719	315,041
Deferred tax		
Origination and reversal of timing differences	26,000	26,000
Total deferred tax (Note 14)	26,000	26,000
Tax on profit on ordinary activities	328,719	341,041

Factors affecting tax charge for year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK (28 per cent). The differences are explained below:

	2010	2009
£	£	£
Profit on ordinary activities before tax	1,069,209	1,213,001
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2009: 28%)	299,379	339,640
Effects of:		
Expenses not deductible for tax purposes	30,025	2,156
Capital allowances for year in excess of depreciation	(26,465)	(26,810)
Other timing differences	61	14
Adjustments in respect of previous years	(281)	41
Total current tax (see above)	302,719	315,041

APEX DENTAL CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010

8 Intangible fixed assets	Goodwill £
Cost	
At beginning of year	3,171,910
Additions	<u>2,495,705</u>
At end of year	<u>5,667,615</u>
Amortisation	
Provided during the year	<u>253,752</u>
At end of year	<u>253,752</u>
Net book value	
At 31 March 2010	<u>5,413,863</u>
<i>At 31 March 2009</i>	<i><u>3,171,910</u></i>

9 Tangible fixed assets	Freehold land and buildings £	Plant and machinery £	Total £
Cost			
At beginning of year	1,042,410	349,275	1,391,685
Additions	<u>1,290,150</u>	<u>351,402</u>	<u>1,641,552</u>
At end of year	<u>2,332,560</u>	<u>700,677</u>	<u>3,033,237</u>
Depreciation			
At beginning of year	6,873	122,452	129,325
Charge for the year	<u>16,284</u>	<u>112,863</u>	<u>129,147</u>
At end of year	<u>23,157</u>	<u>235,315</u>	<u>258,472</u>
Net book value			
At 31 March 2010	<u>2,309,403</u>	<u>465,362</u>	<u>2,774,765</u>
<i>At 31 March 2009</i>	<i><u>1,035,537</u></i>	<i><u>226,823</u></i>	<i><u>1,262,360</u></i>
		2010	2009
Freehold land and buildings comprise (at cost)		£	£
Freehold land (not depreciated)		1,132,500	500,000
Freehold buildings		<u>1,200,060</u>	<u>542,410</u>
		<u>2,332,560</u>	<u>1,042,410</u>

APEX DENTAL CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010

10 Debtors	2010	2009
	£	£
Trade debtors	244,873	253,950
Amounts owed by related undertakings	137,000	137,000
Other debtors	57,406	1,922
Prepayments and accrued income	188,937	40,692
	628,216	433,564

11 Creditors: amounts falling due within one year	2010	2009
	£	£
Bank loans (secured)	616,817	175,000
Trade creditors	29,862	36,859
Corporation tax	63,000	315,000
Director's loan account	130,675	129,690
Other creditors	50,080	13,000
Accruals and deferred income	662,339	468,176
	1,552,773	1,137,725

12 Creditors: amounts falling due after more than one year	2010	2009
	£	£
Bank loans (secured)	5,612,286	3,045,166
Directors loan account	200,000	200,000
	5,812,286	3,245,166

13 Loans	2010	2009
	£	£
Loans not wholly repayable within five years		
Term loan (secured)	6,229,088	3,220,166

The bank loan facility is secured by fixed and floating charges on all property and assets of the Company. The term loan facility has attracted interest at LIBOR plus a margin of 2.25%, and each tranche of funding drawn down is repayable in instalments over 10 years

Analysis of maturity of debt		
Within one year or on demand	616,800	175,000
Between one and two years	679,500	330,800
Between two and five years	2,101,300	1,053,200
After five years	2,831,488	1,661,166
	6,229,088	3,220,166

After the year end, the company refinanced all of its loan facility and all of the above funds were repaid in full. The new loan facility has been secured on similar terms except that the facility attracts interest at LIBOR plus a margin of 2.05%

APEX DENTAL CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010

14 Provisions for liabilities

	Deferred tax £	Total £
At beginning of year	42,000	42,000
Charged to the profit and loss account	26,000	26,000
At end of year	68,000	68,000

15 Share capital

	2010 No	2009 No	2010 £	2009 £
Allotted, called up and fully paid.				
Ordinary shares of £1 each	1	1	1	1

16 Profit and loss account

	2010 £
At beginning of year	1,406,581
Profit for the financial year	740,490
At end of year	2,147,071

17 Reconciliation of movement in shareholder's funds

	2010 £	2009 £
Profit for the financial year	740,490	871,960
At beginning of year	1,406,582	534,622
At end of year	2,147,072	1,406,582

18 Gross cash flows

	2010 £	2009 £
Returns on investments and servicing of finance		
Interest received	6,810	35,443
Interest paid	(92,168)	(140,944)
	(85,358)	(105,501)
Capital expenditure		
Payments to acquire intangible fixed assets	(2,495,705)	(1,250,465)
Payments to acquire tangible fixed assets	(1,641,552)	(872,990)
	(4,137,257)	(2,123,455)
Financing		
New loans raised	3,388,100	1,797,677
Loan repayments	(379,178)	(143,903)
	3,008,922	1,653,774

APEX DENTAL CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010

19 Analysis of changes in net debt

	At beginning of year	Cash flows	Non-cash changes	At end of year
	£	£	£	£
Cash at bank and in hand	963,639	(200,352)		763,287
Overdrafts	-	(15)		(15)
		(200,367)		
Debt due within 1 year	(175,000)	(441,802)		(616,802)
Debt due after 1 year	(3,045,166)	(2,567,120)		(5,612,286)
		(3,008,922)		
Total	(2,256,527)	(3,209,289)	-	(5,465,816)

20 Other financial commitments

At the year end the company had annual commitments under non-cancellable operating leases as set out below

	Land and buildings 2010 £	Land and buildings 2009 £
Operating leases which expire in over five years	143,190	119,190

21 Related parties

In the opinion of the directors, the company is controlled by B Chaing

Balances due from/(to) related parties	2010 £	2009 £
B Chaing (director)	(330,675)	(329,690)
Cathay Investments Limited (B Chaing is a director and shareholder)	137,000	137,000
Transactions with related parties		
Associate dentist fees payable to B Chaing	46,983	64,850

B Chaing has signed a personal guarantee for £500,000 in favour of the company's bank.