



INVESTMENT CASE STUDY



MAIN DENTAL PARTNERS LIMITED

EQUITY
INVESTMENT

DEAL SIZE
£1.0m

COMPLETED
FUNDING
01/13

‘James is an award-winning dentist and implant specialist, with a proven track record of practice acquisition and performance enhancement’





MAIN DENTAL PARTNERS LIMITED

INVESTMENT OVERVIEW

TYPE	Equity investment
DEAL SIZE	£1m
EQUITY REQUIREMENT	92.5%
STRUCTURE	Enterprise Investment Scheme ('EIS') Investors: £0.60m; Management: £0.15m; Chelverton Growth Trust Plc: £0.25m (in a mix of ordinary shares and subordinated loans stock)
TARGET RETURN (AT THE END THE FIFTH YEAR)	EIS Investor Internal Rate of Return ('IRR')*: 26%
LOCATION	Glastonbury, Somerset
COMPLETED	Funding: January 2013 Investment in initial four practices: April 2013

*for further information on IRR please see Glossary of Terms, available on the Club website at:
www.chelvertonic.com/glossaryofterms

INVESTMENT SUMMARY

The value of the dental market (including cosmetic dentistry) was estimated to be in excess of £7.2 billion in 2010. There are 9,000 dental practices in the UK, with corporate practices accounting for nearly 1,000 of them, or around 11%. Therefore, there remains considerable potential for another corporate practice, particularly one that will focus on the private sector.

Dr James Main has been developing the Main Dental Partners business model since 2002, which incorporates a number of key features, namely:

- Existing partners will retain an economic interest in the performance of their practice, but will be paid a lower initial multiple;
- An agreed mechanism to allow partners to sell their retained economic interest to prospective partners.

The key executive directors are Dr James Main (Managing Director) and Kevin Rose (Finance Director). James is an award-winning dentist and implant specialist, with a proven track record of practice acquisition and performance enhancement. Kevin is a qualified accountant, with a range of experience which includes the role of Chief Financial Officer of a large business group, and the development of fast growing businesses, as well as the management of banking facilities and relationships. James and Kevin will be supported by senior executives with significant experience of the dental sector in the fields of human resources, and practice acquisition and development.

ABOUT CHELVERTON ASSET MANAGEMENT

Chelverton Investor Club is managed by Chelverton Asset Management, an established and expert investor in quoted and unquoted SMEs, and which is regulated by the Financial Services Authority ("FSA"). Chelverton was founded in 1998 and is still owned by its employees. It has an office in Bath, where the Private Company Team are based and an office in London from which the Public Company Team operate.

In December 2012 funds under management amounted to more than £140m. These include Chelverton UK Equity Income, one of the top three funds in the UK Equity Income sector, and the Chelverton Growth Trust plc, winner of the 2011 PLC Best Performing Fund award, which has achieved a 39% return for investors two years running (2011 and 2012).

Chelverton has invested more than £45m in 13 unquoted companies on behalf of investors since 2005.

