

PLANDENT LIMITED

**Financial statements
31 January 2005**



PLANDENT LIMITED

Financial statements for the year ended 31 January 2005

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PLANDENT LIMITED

Directors and advisers

Directors

K C Abrahams
D R Davis
K H Kyöstiä
T O Lokki
V Mäkelä
A K Pitkänen

Secretary

D R Davis

Registered Office

Summit House
Summit Road
Potters Bar
Herts EN6 3EE

Registered number

0443223

Auditors

Chantrey Vellacott DFK
Chartered Accountants
Russell Square House
10-12 Russell Square
London
WC1B 5LF

Bankers

Bank of Scotland
Edinburgh and Lothians Business Centre
Level 7
Orchard Brae House
30 Queensferry Road
Edinburgh
EH4 2UZ

PLANDENT LIMITED

Directors' Report for the year ended 31 January 2005

The directors present their annual report and the audited financial statements for the year ended 31 January 2005.

Principal activities

The company carries on the business of retail and wholesale distribution of dental and other healthcare products.

Business review and proposed dividend

The operating profit for the year was £331,000 (2004 : £219,000 loss). The profit after interest and before tax was £203,000 (2004 : £331,000 loss). The retained profit will be transferred to reserves.

The directors do not recommend the payment of a dividend (2004 : £nil).

Directors and directors' interests

The following directors held office during the year:

K C Abrahams
D R Davis
K H Kyöstiä
T O Lokki
V Mäkelä
A K Pitkänen

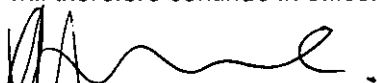
No directors held any interests in the ordinary shares of the company.

The interests of the directors in the shares of the holding company, Planmeca Oy, are detailed in the holding company's accounts.

According to the register of directors' interests, no rights to subscribe for shares in or debentures of the company, or any other group company, were granted to any of the directors or their immediate families, or exercised by them, during the financial year.

Auditors

Chantrey Vellacott DFK were appointed auditors during the year. Pursuant to a shareholders' resolution, the company is not obliged to reappoint its auditors annually and Chantrey Vellacott DFK will therefore continue in office.



By order of the Board

K C ABRAHAMS
Director

Summitt House
Summitt Road
Potters Bar
Herts
EN6 3EE

31 March 2005

PLANDENT LIMITED

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which 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 apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 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 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.

PLANDENT LIMITED

Independent Auditors' Report to the Shareholders of Plandent Limited

We have audited the financial statements of Plandent Limited for the year ended 31 January 2005 which comprise the Profit and Loss Account, Balance Sheet and related notes. These financial statements have been prepared under the historical cost convention and 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

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 if, in our opinion, the Directors' Report is not consistent with the financial statements, if 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 transactions with the company is not disclosed.

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

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards 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 judgements 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.

PLANDENT LIMITED

Independent Auditors' Report to the Shareholders of Plandent Limited

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 January 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


CHANTREY VELLACOTT DFK

Chartered Accountants
Registered Auditors

LONDON

31 March 2005

Chantrey Vellacott DFK

PLANDENT LIMITED**Profit and loss account****For the year ended 31 January 2005**

	Note	2005 £'000	2004 £'000
Turnover	2	19,709	17,537
Cost of sales		(13,910)	(12,267)
Gross profit		5,799	5,270
Distribution costs		(4,355)	(4,357)
Administrative expenses		(1,113)	(1,132)
Operating profit/(loss)	3	331	(219)
Other interest receivable and similar income	6	14	10
Interest payable and similar charges	7	(142)	(122)
Profit/(loss) on ordinary activities before taxation		203	(331)
Tax on profit/(loss) on ordinary activities	8	-	-
Profit/(loss) for the financial year	19	203	(331)

The company has no recognised gains and losses other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented.

All amounts were derived from continuing operations.

There is no difference between the results shown above and their historical cost equivalents.

The notes on pages 8 to 16 form part of these financial statements.

PLANDENT LIMITED

Balance sheet as at 31 January 2005

	Note	2005 £'000	2004 £'000
Fixed assets			
Tangible assets	9	867	764
Investments	10	5	5
		<u>872</u>	<u>769</u>
Current assets			
Stocks	11	3,279	3,293
Debtors	12	3,820	3,391
Cash at bank and in hand		87	150
		<u>7,186</u>	<u>6,834</u>
Creditors: amounts falling due within one year	13	<u>(5,473)</u>	<u>(5,112)</u>
Net current assets		<u>1,713</u>	<u>1,722</u>
Total assets less current liabilities		2,585	2,491
Creditors : amounts falling due after more than one year	14	<u>(931)</u>	<u>(1,040)</u>
Net assets		<u><u>1,654</u></u>	<u><u>1,451</u></u>
Capital and reserves			
Called up share capital	18	1,101	1,101
Capital redemption reserve	19	500	500
Profit and loss account	19	53	(150)
Equity shareholders' funds	20	<u><u>1,654</u></u>	<u><u>1,451</u></u>

The financial statements were approved by the board of directors on 31 March 2005 and were signed on its behalf by:



K. C. ABRAHAMS

Director

The notes on pages 8 to 16 form part of these financial statements.

PLANDENT LIMITED

Notes to the financial statements For the year ended 31 January 2005

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.

(a) Basis of preparation

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

The financial statements have been prepared on the going concern basis which is dependent on the continuing support of the company's bankers and Planmeca Oy, the company's ultimate holding undertaking.

Based on this support, the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

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.

The company has not prepared group accounts as it is exempt from the requirement to do so by section 229(2) of the Companies Act 1985. These financial statements present information about the company as an individual undertaking as not about its group.

As 91% of the company's voting rights are controlled within the group headed by Planmeca Oy, its controlling and ultimate controlling party, the company has taken advantage of the exemption contained in FRS8 and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of Planmeca Oy, within which the company is included, can be obtained from the address given in note 23.

(b) Turnover

Turnover represents amounts receivable for goods and services provided in the UK and overseas net of trade discounts, VAT and other related taxes. Revenue is recognised on despatch.

(c) Fixed assets and depreciation

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

- Leasehold improvements	over the length of the lease
- Fixtures and fittings:	
General equipment	10% reducing balance or between 10% and 20% straight line
Computer equipment	40% straight line
Computer system	20% straight line
Tools	20% straight line
- Motor vehicles	25% straight line

(d) Stocks

Stocks are stated at the lower of cost and net realisable value.

PLANDENT LIMITED

Notes to the financial statements For the year ended 31 January 2005

1. Accounting policies

(e) Foreign currency

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currency, except those covered by forward contracts, are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

(f) Leasing and hire purchase commitments

Assets acquired under hire purchase contracts and finance lease agreements are capitalised and the liabilities for capital repayments are included in creditors. Finance charges are written off over the period of the agreement so as to produce a constant periodic rate of charge.

Operating lease rentals are charged to the profit and loss account as incurred.

(g) Taxation

The charge for taxation is based on the profit or loss for the year and takes into account taxation deferred because of the timing differences between the treatment of certain items for taxation and accounting purposes. Deferred taxation is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS19.

(h) Post-retirement benefits

The company operates a defined contribution scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

2. Turnover

All turnover and profits before taxation are derived from the company's principal activity.

Analysis of turnover by geographical market

	2005 £'000	2004 £'000
United Kingdom	18,760	17,020
Other EC countries	907	415
Non EC countries	42	102
	<u>19,709</u>	<u>17,537</u>

PLANDENT LIMITED

Notes to the financial statements
For the year ended 31 January 2005

3.	Operating profit/(loss)	2005 £'000	2004 £'000
	Operating profit/(loss) is stated after charging/(crediting):		
	Auditors' remuneration		
	- audit	22	17
	- other services	2	1
	Depreciation and other amounts written off tangible assets		
	- owned	140	249
	- leased	191	135
	Profit on disposal of fixed assets	(8)	(31)
	Hire of plant and machinery – rentals payable under operating leases	12	3
	Hire of other assets – rentals payable under operating leases	230	247
	Exchange gains	(33)	(74)

4.	Remuneration of directors	2005 £'000	2004 £'000
	Directors' emoluments	177	179
	Company contributions to money purchase pension schemes	15	15
		<u>192</u>	<u>194</u>

Retirement benefits are accruing to 4 directors under money purchase schemes (2004 : 4).

5. **Staff numbers and costs**

The average number of persons employed by the company (including directors) during the year, analysed by category was:

	2005 Number	2004 Number
Office and management	22	23
Sales and distribution	99	97
	<u>121</u>	<u>120</u>

The aggregate payroll costs of these persons were as follows:

	2005 £'000	2004 £'000
Wages and salaries	2,830	2,903
Social security costs	309	287
Other pension costs	165	138
	<u>3,304</u>	<u>3,328</u>

PLANDENT LIMITED

Notes to the financial statements For the year ended 31 January 2005

6.	Other interest receivable and similar income	2005 £'000	2004 £'000
	Interest on bank deposits	2	3
	Other	12	7
		<u>14</u>	<u>10</u>
7.	Interest payable and similar charges	2005 £'000	2004 £'000
	On bank loans and overdrafts	116	103
	Finance charges payable in respect of finance lease and hire purchase contracts	26	19
		<u>142</u>	<u>122</u>
8.	Taxation		
	Analysis of charge in period	2005 £'000	2004 £'000
	UK corporation tax		
	Current tax on income for the period	-	-
	Total current tax	-	-
	Deferred tax (see note 16)	-	-
	Total tax charge	-	-

Factors affecting the tax charge for the current period

The current tax charge for the period is higher than the standard rate of corporation tax in the UK of 30% (2004 : 30%). The differences are explained below.

	2005 £'000	2004 £'000
Current tax reconciliation		
Profit/(loss) on ordinary activities before tax	203	(296)
Current tax at 30% (2004 : 30%)	61	(89)
Effects of:		
Expenses not deductible for tax purposes	4	7
Depreciation for period in excess of capital allowances	4	11
(Utilisation of) increase in tax losses	(61)	71
Other short term timing differences	(8)	-
Total current tax charge (see above)	-	-

PLANDENT LIMITED

Notes to the financial statements For the year ended 31 January 2005

9. Tangible fixed assets

	Leasehold improvements £'000	Motor vehicles £'000	Fixtures, fittings tools and equipment £'000	Total £'000
Cost				
At 1 February 2004	339	688	1,683	2,710
Additions	-	226	227	453
Disposals	-	(111)	-	(111)
At 31 January 2005	<u>339</u>	<u>803</u>	<u>1,910</u>	<u>3,052</u>
Depreciation				
At 1 February 2004	292	271	1,383	1,946
Charge for year	22	173	136	331
On disposals	-	(92)	-	(92)
At 31 January 2005	<u>314</u>	<u>352</u>	<u>1,519</u>	<u>2,185</u>
Net book value				
At 31 January 2005	<u>25</u>	<u>451</u>	<u>391</u>	<u>867</u>
At 31 January 2004	<u>48</u>	<u>417</u>	<u>299</u>	<u>764</u>

Included in tangible fixed assets are motor vehicles with a net book value of £450,000 (2004 : £410,000) held under hire purchase contracts. Depreciation charged on these assets for the financial year was £165,181 (2004 : £135,000).

Included in fixtures, fittings, tools and equipment are assets relating to the computer system with a total net book value of £92,000 (2004 : £31,000) held on finance leases. Depreciation charged on these assets for the financial year was £26,000 (2004 : £39,000).

10. Fixed asset investments	2005 £'000	2004 £'000
Net book value at beginning and end of the year	<u>5</u>	<u>5</u>

This is being represented by the holding of 100% of the ordinary share capital in the following dormant companies incorporated in England and Wales.

Alex Bell (Dental Supplies) Limited
Claudius Ash Sons and Company Limited
Flexico Developments Limited
J & S Davis Limited
Mouth Care Company Limited
Orthologic Limited

11. Stocks	2005 £'000	2004 £'000
Goods for resale	<u>3,279</u>	<u>3,293</u>

PLANDENT LIMITED

Notes to the financial statements For the year ended 31 January 2005

12.	Debtors	2005 £'000	2004 £'000
	Trade debtors	3,667	3,152
	Amounts owed by group undertakings	18	26
	Other debtors	18	71
	Prepayments and accrued income	117	142
		<u>3,820</u>	<u>3,391</u>
13.	Creditors: amounts falling due within one year	2005 £'000	2004 £'000
	Bank loans and overdrafts	1,181	1,143
	Obligations under finance leases and hire purchase contracts (see note 15)	217	215
	Trade creditors	2,148	2,020
	Amounts owed to group undertakings	744	697
	Taxation and social security	502	426
	Other creditors	143	235
	Accruals and deferred income	538	376
		<u>5,473</u>	<u>5,112</u>
The bank overdraft facility of £1,100,000 is secured by a fixed and floating charge on all assets as well as the assignment of the company's key man policies.			
14.	Creditors: amounts falling due after one year	2005 £'000	2004 £'000
	Bank loans	770	913
	Obligations under finance leases and hire purchase contracts (see note 15)	161	127
		<u>931</u>	<u>1,040</u>
	Analysis of debt:		
	Debt can be analysed as falling due:		
	In one year or less, or on demand	1,181	1,143
	Between one and two years	110	110
	Between two and five years	330	323
	In five years or more	330	480
		<u>1,951</u>	<u>2,056</u>

PLANDENT LIMITED

Notes to the financial statements For the year ended 31 January 2005

14. Creditors: amounts falling due after one year

The £100,000 loan from Bank of Scotland is repayable in 36 equal monthly instalments ending June 2005. Interest is charged at 1.75% above LIBOR.

The £1,100,000 loan from Bank of Scotland is repayable in 120 equal monthly instalments ending on 12 December 2012. Interest is charged at 1.75% above LIBOR.

Subsequent to the year end, management have changed finance provider and have secured a new facility with Nordea Bank. A loan facility of £2,000,000 and overdraft facility of £600,000 are now in place. These facilities are secured by a mortgage debenture over the assets and undertakings of the business.

15. Obligations under finance leases

The net obligation under finance leases is repayable as follows:

	2005 £'000	2004 £'000
Within one year	216	215
In the second to fifth years	161	127
	<u>377</u>	<u>342</u>

16. Deferred taxation

The elements of unprovided deferred taxation are as follows:

	2005 £'000	2004 £'000
Tax losses	640	645
Fixed asset timing differences	18	14
Short term timing differences	4	12
Undiscounted deferred tax asset	<u>662</u>	<u>671</u>

The undiscounted deferred tax asset of £662,000 (2004 : £671,000) has not been recognised on the grounds that there is insufficient evidence that there will be suitable future taxable profits from which the losses can be deducted.

17. Pension scheme

The company operates a defined contribution scheme, the assets of which are held separately from those of the company and being invested with insurance companies. Contributions to the scheme in the current year totalled £165,000 (2004 £138,000).

PLANDENT LIMITED

Notes to the financial statements For the year ended 31 January 2005

18.	Called up share capital	2005 £'000	2004 £'000
	Authorised:		
	1,104,000 Ordinary shares of £1 each	<u>1,104</u>	<u>1,104</u>
	Allotted, called up and fully paid:		
	1,101,102 ordinary shares of £1 each	<u>1,101</u>	<u>1,101</u>
19.	Reserves		
		Capital Redemption reserve £'000	Profit and loss account £'000
	At 1 February 2004	500	(150)
	Profit for the year	-	203
	At 31 January 2005	<u>500</u>	<u>53</u>
20.	Reconciliation of movements in shareholders' funds		
		2005 £'000	2004 £'000
	Profit/(loss) for the financial year	<u>203</u>	<u>(331)</u>
	Net addition to/(reduction in) shareholders' funds	203	(331)
	Opening shareholders' funds	<u>1,451</u>	<u>1,782</u>
	Closing shareholders' funds	<u>1,654</u>	<u>1,451</u>
21.	Contingent liabilities		
	There is a contingent liability not exceeding £1,000 (2004 : £70,000) in respect of guarantees given to HM Customs & Excise in relation to the import of goods.		

PLANDENT LIMITED

Notes to the financial statements For the year ended 31 January 2005

22. Commitments

a) Operating leases

Annual commitments under non-cancellable operating lease agreements are as follows:

	Land and buildings		Other	
	2005	2004	2005	2004
	£'000	£'000	£'000	£'000
Operating leases which expire:				
Within one year	190	-	-	-
Between two and five years	-	190	10	10
After five years	73	73	-	-
	<u>263</u>	<u>263</u>	<u>10</u>	<u>10</u>

b) Capital commitments

At 31 January 2005 (2004 : nil) the directors had not contracted for any capital expenditure.

23. Ultimate parent company

Planmeca Oy, incorporated in Finland, is regarded by the directors as being the ultimate parent company. Planmeca Oy prepares consolidated accounts which includes the results of Plandent Limited. Planmeca Oy is the controlling party and heads the smallest and largest group to which Plandent Limited is a member. Copies of these accounts are available from the parent undertaking at their head office at Asentajankatu 6, SF-00810, Helsinki, Finland.