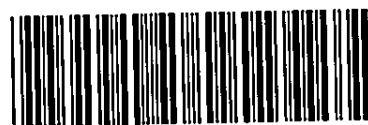


Company Registration No. 2175700 (England and Wales)

PRIMA DENTAL MANUFACTURING
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007

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PRIMA DENTAL MANUFACTURING

COMPANY INFORMATION

Directors	G Rosenberg	(Resigned 30 August 2007)
	C Ashkin	
	R O Muller	
	M W Caputo	(Appointed 30 August 2007)
Secretary	A John	
Company number	2175700	
Registered office	9 Madleaze Estate, Bristol Road Gloucester Gloucestershire GL1 5SG	
Auditors	Hazlewoods LLP Windsor House Barnett Way Barnwood Gloucester GL4 3RT	
Business address	9 Madleaze Estate, Bristol Road Gloucester Gloucestershire GL1 5SG	
Bankers	Barclays Bank plc 18 Southgate Street Gloucester Gloucestershire GL1 2DJ	
Solicitors	Rickerbys LLP Ellenborough House Wellington Street Cheltenham GL50 1YD	

PRIMA DENTAL MANUFACTURING

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PRIMA DENTAL MANUFACTURING

DIRECTORS' REPORT

for the year ended 31 December 2007

The directors present their report and financial statements for the year ended 31 December 2007

Principal activities and review of the business

The principal activity of the company continued to be that of the manufacture and distribution of dental rotary instruments, materials and mirrors to the worldwide dental trade

During 2007 the company continued its strategy of investment in new production methods to reduce costs, and research and develop new and innovative rotary products, keeping the company at the forefront of this competitive marketplace

The management and execution of the company's strategy are subject to a number of risks. Key business risks and uncertainties are considered to relate to competition, especially from manufacturers located in the US dollar economies, and the ongoing effect of a weak US dollar. The risks continue to be addressed with success as the company moves to gain customers and grow sales in Asian and European market places

The loss in 2007 of a key customer as a result of consolidation in the US market caused short term issues. The loss was resolved towards the year end with the winning of a number of contracts with new customers

The immediate outlook in 2008 is for continued competition and a continued difficult US exchange rate, mitigated by the significant impact of new customers and profitable, incremental business resulting from new product introductions

The increased focus on business in markets outside North America will continue, particularly in Europe where good growth continues to be made

Due to the relatively straightforward nature of the business the company's management are of the opinion that analysis using KPI's is not necessary for an understanding of the development, performance and position of the business

Results and dividends

The results for the year are set out on page 5

Post balance sheet events

As detailed in the notes to the accounts, since the balance sheet date the company has disposed of the property from which it trades, and is now leasing it back

Directors

The following directors have held office since 1 January 2007

G Rosenberg	(Resigned 30 August 2007)
C Ashkin	
R O Muller	
M W Caputo	(Appointed 30 August 2007)
S Giles	(Resigned 30 July 2007)

Auditors

Hazlewoods LLP have expressed their willingness to continue in office

PRIMA DENTAL MANUFACTURING

DIRECTORS' REPORT (CONTINUED) for the year ended 31 December 2007

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 of the company 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,
- 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 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.

Statement of disclosure to the auditor

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



R O Muller

Director

24 September 2008

PRIMA DENTAL MANUFACTURING

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF PRIMA DENTAL MANUFACTURING

We have audited the financial statements of Prima Dental Manufacturing for the year ended 31 December 2007 set out on pages 5 to 19. 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 auditors' 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 the directors and auditors

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

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 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.

PRIMA DENTAL MANUFACTURING

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE SHAREHOLDERS OF PRIMA DENTAL MANUFACTURING

Opinion

In our opinion

-the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its loss for the year then ended, and

-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



Hazlewoods LLP

24 September 2008

Chartered Accountants

Registered Auditor

Windsor House
Barnett Way
Barnwood
Gloucester
GL4 3RT

PRIMA DENTAL MANUFACTURING

PROFIT AND LOSS ACCOUNT for the year ended 31 December 2007

	Notes	2007 £	2006 £
Turnover		5,382,811	5,388,315
Cost of sales		(4,339,932)	(4,082,300)
Gross profit		1,042,879	1,306,015
Administrative expenses		(1,096,062)	(1,053,743)
Other operating income		1,416	-
Operating (loss)/profit	2	(51,767)	252,272
Other interest receivable and similar income	3	467	-
Interest payable and similar charges	4	(214,603)	(221,884)
(Loss)/profit on ordinary activities before taxation		(265,903)	30,388
Tax on (loss)/profit on ordinary activities	5	90,226	(30,531)
Loss on ordinary activities after taxation	15	(175,677)	(143)

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

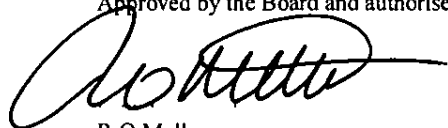
PRIMA DENTAL MANUFACTURING

BALANCE SHEET

As at 31 December 2007

	Notes	2007 £	2006 £
Fixed assets			
Tangible assets	6	3,064,939	3,367,682
Investments	7	102,914	102,914
		<u>3,167,853</u>	<u>3,470,596</u>
Current assets			
Stocks	8	1,070,104	1,337,599
Debtors	9	1,363,971	1,003,963
Cash at bank and in hand		280,168	345,695
		<u>2,714,243</u>	<u>2,687,257</u>
Creditors amounts falling due within one year	10	<u>(2,880,757)</u>	<u>(3,164,861)</u>
Net current liabilities		<u>(166,514)</u>	<u>(477,604)</u>
Total assets less current liabilities		<u>3,001,339</u>	<u>2,992,992</u>
Creditors amounts falling due after more than one year	11	(1,311,965)	(1,037,715)
Provisions for liabilities	12	(134,832)	(225,058)
		<u>1,554,542</u>	<u>1,730,219</u>
Capital and reserves			
Called up share capital	14	478,000	478,000
Share premium account	15	48,471	48,471
Profit and loss account	15	1,028,071	1,203,748
Shareholders' funds	16	<u>1,554,542</u>	<u>1,730,219</u>

Approved by the Board and authorised for issue on 24 September 2008



R O Muller
Director

PRIMA DENTAL MANUFACTURING

CASH FLOW STATEMENT

For the year ended 31 December 2007

		2007	2006
	£	£	£
Net cash inflow from operating activities		606,977	769,341
Returns on investments and servicing of finance			
Interest received	467	-	-
Interest paid	(146,571)	(172,311)	(172,311)
Net cash outflow for returns on investments and servicing of finance		(146,104)	(172,311)
Capital expenditure			
Payments to acquire tangible assets	(125,284)	(41,880)	(41,880)
Net cash outflow for capital expenditure		(125,284)	(41,880)
Net cash inflow before management of liquid resources and financing		335,589	555,150
Financing			
Loan Advance	598,006	-	-
Repayment of long term bank loan	-	(113,980)	(113,980)
Capital element of hire purchase contracts	(356,607)	(580,005)	(580,005)
Net cash inflow/(outflow) from financing		241,399	(693,985)
Increase/(decrease) in cash in the year		576,988	(138,835)

PRIMA DENTAL MANUFACTURING

NOTES TO THE CASH FLOW STATEMENT

For the year ended 31 December 2007

1 Reconciliation of operating (loss)/profit to net cash inflow from operating activities	2007	2006
	£	£
Operating (loss)/profit	(51,767)	252,272
Depreciation of tangible assets	428,027	426,207
Decrease/(increase) in stocks	267,495	(142,771)
Increase in debtors	(360,008)	(13,507)
Increase in creditors within one year	323,230	247,140
Net cash inflow from operating activities	606,977	769,341

2 Analysis of net debt	1 January 2007	Cash flow	Other non-cash changes	31 December 2007
	£	£	£	£
Net cash				
Cash at bank and in hand	345,695	(65,527)	-	280,168
Bank overdrafts	(832,191)	642,515	-	(189,676)
	<u>(486,496)</u>	<u>576,988</u>	<u>-</u>	<u>90,492</u>
Debt				
Finance leases	(1,133,573)	356,607	-	(776,966)
Debts falling due within one year	(50,430)	(22,569)	-	(72,999)
Debts falling due after one year	(333,104)	(575,437)	-	(908,541)
	<u>(1,517,107)</u>	<u>(241,399)</u>	<u>-</u>	<u>(1,758,506)</u>
Net debt	(2,003,603)	335,589	-	(1,668,014)

3 Reconciliation of net cash flow to movement in net debt	2007	2006
	£	£
Increase/(decrease) in cash in the year	576,988	(138,835)
Cash outflow from decrease in debt and lease financing	(241,399)	693,985
Movement in net debt in the year	335,589	555,150
Opening net debt	(2,003,603)	(2,558,753)
Closing net debt	(1,668,014)	(2,003,603)

PRIMA DENTAL MANUFACTURING

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2007

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts

1.4 Research and development

Research expenditure is written off to the profit and loss account in the year in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period during which the company is expected to benefit.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold land and buildings	2.5 % of cost per annum
Plant and machinery	10 % of cost per annum or 20 % of reducing balance
Fixtures, fittings & equipment	20 % - 33 % of cost per annum or 10% of reducing balance
Motor vehicles	25 % of cost per annum

No depreciation is provided on freehold land.

1.6 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.7 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.8 Stock and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value. Cost is represented by direct materials and labour together with attributable amounts of fixed and variable overheads incurred in bringing each product to its present location and condition. Net realisable value is estimated selling price less further costs to completion and disposal.

1.9 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

PRIMA DENTAL MANUFACTURING

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2007

1 Accounting policies

(Continued)

1.10 Deferred taxation

In accordance with Financial Reporting Standard 19 Deferred Tax, full provision is made for deferred tax arising from timing differences between the differing treatment of certain items for taxation and accounting purposes. The provision is calculated at the rates of taxation at which it is estimated the liability will arise and is not discounted. No provision is made in respect of timing differences arising from the sale of fixed assets unless there is a commitment to the disposal of the assets at the balance sheet date. Deferred tax assets are recognised only to the extent that the directors consider there to be suitable taxable profits from which the underlying timing differences can be deducted.

1.11 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

1.12 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group financial statements as it is exempt from the requirement to do so by section 228 of the Companies Act 1985 as it is a subsidiary undertaking of Darby Group UK, a company incorporated in England.

2 Operating (loss)/profit

	2007	2006
	£	£
Operating (loss)/profit is stated after charging		
Depreciation of tangible assets	428,027	426,207
Loss on foreign exchange transactions	-	30,597
Operating lease rentals	67,930	65,204
Auditors' remuneration (including expenses and benefits in kind)	12,000	12,000
and after crediting		
Profit on foreign exchange transactions	(22,195)	-

3 Investment income

	2007	2006
	£	£
Bank interest	467	-
	467	-

PRIMA DENTAL MANUFACTURING

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2007

4	Interest payable	2007	2006
		£	£
	On amounts payable to group companies	63,594	58,210
	On bank loans and overdrafts	79,278	65,043
	Hire purchase interest	67,292	94,497
	Other interest	4,439	4,134
		<u>214,603</u>	<u>221,884</u>
5	Taxation	2007	2006
		£	£
	Current tax charge	-	-
	Deferred tax		
	Deferred tax charge/credit current year	(90,226)	30,531
		<u>(90,226)</u>	<u>30,531</u>
	Factors affecting the tax charge for the year		
	(Loss)/profit on ordinary activities before taxation	(265,903)	30,388
		<u>(265,903)</u>	<u>30,388</u>
	(Loss)/profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2006 - 30.00%)	(79,771)	9,116
		<u>(79,771)</u>	<u>9,116</u>
	Effects of		
	Non deductible expenses	3,874	1,527
	Capital allowances less than / (in excess of) depreciation	1,388	(17,782)
	Losses group relieved	20,861	10,930
	Losses carried forward	52,892	-
	Movement in general provisions	756	(3,791)
		<u>79,771</u>	<u>(9,116)</u>
	Current tax charge	-	-
		<u>-</u>	<u>-</u>

The company has estimated losses of £ 483,000 (2006 - £ 307,000) available for carry forward against future trading profits

PRIMA DENTAL MANUFACTURING

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2007

6 Tangible fixed assets

	Freehold land and buildings	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 January 2007	948,593	4,428,697	173,749	21,705	5,572,744
Additions	22,814	102,470	-	-	125,284
At 31 December 2007	971,407	4,531,167	173,749	21,705	5,698,028
Depreciation					
At 1 January 2007	132,374	1,902,441	148,543	21,704	2,205,062
Charge for the year	14,496	404,747	8,783	1	428,027
At 31 December 2007	146,870	2,307,188	157,326	21,705	2,633,089
Net book value					
At 31 December 2007	824,537	2,223,979	16,423	-	3,064,939
At 31 December 2006	816,219	2,526,256	25,206	1	3,367,682

Included above are assets held under finance leases or hire purchase contracts as follows

	Plant and machinery £
Net book values	
At 31 December 2007	1,571,084
At 31 December 2006	2,135,100
Depreciation charge for the year	
At 31 December 2007	383,928
At 31 December 2006	324,245

PRIMA DENTAL MANUFACTURING

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2007

7 Fixed asset investments

	Shares in subsidiary undertakings £
Cost	
At 1 January 2007 & at 31 December 2007	102,914

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies

Company	Country of registration or incorporation	Class	Shares held	%
Subsidiary undertakings				
A D Burs	England	Ordinary		100
S S White Manufacturing	England	Ordinary		100
Dental Manufacturing Engineering	England	Ordinary		100
Prima Instrument Company	England	Ordinary		100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows

	Capital and reserves 2007 £	Profit for the year 2007 £
A D Burs	93,177	-
S S White Manufacturing	9,637	-
Dental Manufacturing Engineering	(138,351)	-
Prima Instrument Company	100	-

The above companies are dormant, consequently, during the year the companies made neither a profit nor a loss

8 Stocks and work in progress

	2007 £	2006 £
Raw materials and consumables	334,270	402,913
Work in progress	385,368	334,967
Finished goods and goods for resale	350,466	599,719
	1,070,104	1,337,599

PRIMA DENTAL MANUFACTURING

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2007

9 Debtors	2007	2006
	£	£
Trade debtors	1,081,650	867,750
Other debtors	239,705	110,629
Prepayments and accrued income	42,616	25,584
	<u>1,363,971</u>	<u>1,003,963</u>

10 Creditors: amounts falling due within one year	2007	2006
	£	£
Bank loans and overdrafts	262,675	882,621
Net obligations under hire purchase contracts	373,542	428,962
Trade creditors	597,413	453,354
Amounts owed to parent and fellow subsidiary undertakings	1,027,884	964,290
Amounts owed to subsidiary undertakings	102,914	102,914
Taxes and social security costs	49,735	53,517
Other creditors	304,603	168,736
Accruals and deferred income	161,991	110,467
	<u>2,880,757</u>	<u>3,164,861</u>

The bank loans and overdrafts are secured by a legal charge over the company's freehold land and buildings

Included within other creditors are loans made by connected parties of £61,222 (2006 £61,222) The loans bear interest at variable rates and have no fixed repayment terms See note 21 for details of related party transactions

PRIMA DENTAL MANUFACTURING

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2007

11 Creditors: amounts falling due after more than one year	2007 £	2006 £
Bank loans	908,541	333,104
Net obligations under hire purchase contracts	403,424	704,611
	<u>1,311,965</u>	<u>1,037,715</u>
Analysis of loans		
Not wholly repayable within five years by instalments		
Not wholly repayable within five years	(981,540)	375,280
Wholly repayable within five years	-	8,254
	<u>981,540</u>	<u>383,534</u>
Included in current liabilities	(72,999)	(50,430)
	<u>908,541</u>	<u>333,104</u>
Instalments not due within five years	<u>557,397</u>	<u>131,790</u>
Loan maturity analysis		
In more than one year but not more than two years	78,486	45,443
In more than two years but not more than five years	272,658	155,871
In more than five years	<u>557,397</u>	<u>131,790</u>
Net obligations under hire purchase contracts		
Repayable within one year	337,967	428,962
Repayable between one and five years	403,424	704,611
	<u>741,391</u>	<u>1,133,573</u>
Included in liabilities falling due within one year	(373,542)	(428,962)
	<u>367,849</u>	<u>704,611</u>

The bank loan is denominated in US Dollars. The loan is repayable by monthly instalments (together with interest) of \$23,457, equivalent to approximately £11,716. The last payment falls due on 17 August 2017. Interest is calculated at 1.55% over the Natwest Bank plc's lending rate for United States Dollars.

PRIMA DENTAL MANUFACTURING

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2007

12 Provisions for liabilities and charges

	Deferred tax liability
	£
Balance at 1 January 2007	225,058
Profit and loss account	(90,226)
	<hr/>
Balance at 31 December 2007	134,832
	<hr/> <hr/>

The deferred tax liability is made up as follows:

	2007	2006
	£	£
Accelerated capital allowances	279,201	324,856
Other timing differences	(9,125)	(7,786)
Tax losses available	(135,244)	(92,012)
	<hr/>	<hr/>
	134,832	225,058
	<hr/> <hr/>	<hr/> <hr/>

13 Pension and other post-retirement benefit commitments

Defined contribution

	2007	2006
	£	£
Contributions payable by the company for the year	50,476	47,054
	<hr/>	<hr/>

14 Share capital

	2007	2006
	£	£
Authorised		
500,000 Ordinary shares of £1 each	500,000	500,000
	<hr/>	<hr/>
Allotted, called up and fully paid		
478,000 Ordinary shares of £1 each	478,000	478,000
	<hr/>	<hr/>

PRIMA DENTAL MANUFACTURING

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2007

15 Statement of movements on reserves

	Share premium account	Profit and loss account
	£	£
Balance at 1 January 2007	48,471	1,203,748
Loss for the year	-	(175,677)
Balance at 31 December 2007	48,471	1,028,071

16 Reconciliation of movements in shareholders' funds

	2007	2006
	£	£
Loss for the financial year	(175,677)	(143)
Opening shareholders' funds	1,730,219	1,730,362
Closing shareholders' funds	1,554,542	1,730,219

17 Financial commitments

At 31 December 2007 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2008

	Other	2006
	2007	£
	£	£
Operating leases which expire		
Between two and five years	1,621	4,571

18 Capital commitments

	2007	2006
	£	£
At 31 December 2007 the company had capital commitments as follows		
Contracted for but not provided in the financial statements	23,880	250,633

PRIMA DENTAL MANUFACTURING

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2007

19 Directors' emoluments	2007 £	2006 £
Emoluments for qualifying services	149,879	139,112
Company pension contributions to money purchase schemes	1,353	7,144
	<u>151,232</u>	<u>146,256</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 1 (2006 - 2)

20 Employees

Number of employees

The average monthly number of employees (including directors) during the year was

	2007 Number	2006 Number
Administration	14	16
Production	90	92
	<u>104</u>	<u>108</u>

Employment costs

	2007 £	2006 £
Wages and salaries	2,211,025	2,169,621
Social security costs	82,741	195,570
Other pension costs	50,476	47,054
	<u>2,344,242</u>	<u>2,412,245</u>

21 Control

The immediate holding company is Darby Group UK, a company incorporated in England and Wales. Darby Group UK is ultimately controlled by Mr M Ashkin and members of his family.

PRIMA DENTAL MANUFACTURING

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2007

22 Related party transactions

During the year the company made sales of £8,743 (2006 £1,153,254) to Darby Group Companies Inc, a company under the same common control as the company's parent company, Darby Group UK. The trading balance due from Darby Group Companies Inc at 31 December 2007 which is included within trade debtors was £- (2006 £119,015)

At 31 December 2007 the company had a loan from Darby Group Companies Inc of £61,222 (2006 £61,222). Interest of £4,438 (2006 £4,134) has accrued on the loan during the year. At 31 December 2007 the company had accrued unpaid interest on the loan of £27,310 (2006 £22,871)

During the year the company incurred interest of £63,594 (2006 £58,210) on a loan from Darby Group UK, its immediate parent company. At 31 December 2007 the company had accrued unpaid interest on the loan of £286,409 (2006 £222,815)

23 Post balance sheet events

Since 31 December 2007 the Company has exchanged contracts on the sale of the freehold property from which it trades. The contracted sale price is £4,500,000. The company will lease the premises back while it actively seeks a development site to construct a new trading premises.