

Company Registration No. 2175700 (England and Wales)

PRIMA DENTAL MANUFACTURING
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

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PRIMA DENTAL MANUFACTURING

COMPANY INFORMATION

Directors	C Ashkin R O Muller M W Caputo
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
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 2008

The directors present their report and financial statements for the year ended 31 December 2008.

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 2008 the company continued its long term strategy of improvement in production methods to reduce costs, and research and development of new and innovative rotary products, keeping the company at the forefront of this competitive marketplace. The launch of new carbide bur products to existing and new customers delivered increased sales, major margin improvements and full capacity production for the period. This resulted in a much improved trading performance.

The company sold its freehold property during the period and has negotiated a five year lease back with the buyer whilst it seeks to acquire a purpose built freehold property in which to relocate its operations.

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 and Euro economies, as well as weaknesses in the US and European dental markets as a result of the global economic situation. This continues to be addressed with success as the company moves to broaden the spread of its customers into new geographical areas, particularly China, Asia and the Middle East. Other uncertainties include exchange rates with the majority of the company's sales being transacted in non sterling currencies.

The immediate outlook for 2009 is for further investment in additional capacity and further major product introductions. It is anticipated that the positioning of the company's products will prove resistant to major downturns precipitated by the world economy.

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

Financial risk management

Liquidity risk

The directors aim is to ensure that the company has sufficient liquid resources to meet its operational requirements. This is closely monitored on an ongoing basis.

Interest rate risk

Certain of the company's borrowings bear interest at rates linked to the bank base rate. The company is therefore subject to interest rate risk. In order to minimise the exposure to this risk, where possible, the company fixes interest rates (for example by purchasing assets on asset finance agreements at fixed rates of interest).

Credit risk

The company offers certain of its customers credit. Before credit terms are agreed, an assessment of the customers credit rating is undertaken to ensure that the customer does not represent a major credit risk to the company. Credit limits are set accordingly.

Interest rate risk

The company buys and sell goods using foreign currencies, and is therefore subject to the risks associated with fluctuations in the exchange rates of these currencies. In order to minimise this risk, the company only deals in currencies that it considers to be stable. In addition, certain of the companies borrowings are denominated in the same currencies in which the company makes sales, thereby creating a natural foreign exchange rate hedge.

Results and dividends

The results for the year are set out on page 5.

PRIMA DENTAL MANUFACTURING

DIRECTORS' REPORT (CONTINUED) for the year ended 31 December 2008

Directors

The following directors have held office since 1 January 2008:

C Ashkin
R O Muller
M W Caputo

Auditors

Hazlewoods LLP have expressed their willingness to continue in office.

Directors' responsibilities

The directors are responsible for preparing 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 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). 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 those financial statements, the directors are required to:

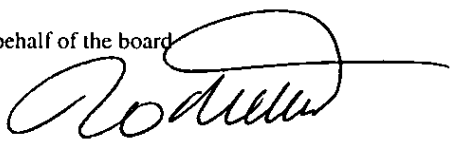
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare 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 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

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all 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

22 September 2009

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 2008 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 2008 and of its profit 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

Hazlewoods LLP

22 September 2009

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 2008

	Notes	2008 £	2007 £
Turnover		6,354,467	5,382,811
Cost of sales		(4,765,948)	(4,339,932)
Gross profit		1,588,519	1,042,879
Administrative expenses		(1,163,114)	(1,096,062)
Other operating income		-	1,416
Operating profit/(loss)	2	425,405	(51,767)
Profit on sale of freehold land and buildings	2	3,640,312	-
Profit/(loss) on ordinary activities before interest		4,065,717	(51,767)
Other interest receivable and similar income	3	48,485	467
Interest payable and similar charges	4	(179,300)	(214,603)
Profit/(loss) on ordinary activities before taxation		3,934,902	(265,903)
Tax on profit/(loss) on ordinary activities	5	(495,355)	90,226
Profit/(loss) on ordinary activities after taxation	14	3,439,547	(175,677)

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 2008

	Notes	2008 £	£	2007 £	£
Fixed assets					
Tangible assets	6	2,266,030		3,064,939	
Investments	7	102,914		102,914	
		<u>2,368,944</u>		<u>3,167,853</u>	
Current assets					
Stocks	8	775,037		1,070,104	
Debtors	9	1,407,252		1,363,971	
Cash at bank and in hand		4,169,582		280,168	
		<u>6,351,871</u>		<u>2,714,243</u>	
Creditors: amounts falling due within one year	10	<u>(3,023,905)</u>		<u>(2,880,757)</u>	
Net current assets/(liabilities)		<u>3,327,966</u>		<u>(166,514)</u>	
Total assets less current liabilities		<u>5,696,910</u>		<u>3,001,339</u>	
Creditors: amounts falling due after more than one year	11	(501,597)		(1,311,965)	
Provisions for liabilities	12	(201,224)		(134,832)	
		<u>4,994,089</u>		<u>1,554,542</u>	
Capital and reserves					
Called up share capital	13	478,000		478,000	
Share premium account	14	48,471		48,471	
Profit and loss account	14	4,467,618		1,028,071	
Shareholders' funds	15	<u>4,994,089</u>		<u>1,554,542</u>	

Approved by the Board and authorised for issue on 22 September 2009


 R O Muller
 Director

PRIMA DENTAL MANUFACTURING

CASH FLOW STATEMENT

For the year ended 31 December 2008

	2008	2007
	£	£
Net cash inflow from operating activities	1,111,790	606,977
Returns on investments and servicing of finance		
Interest received	48,485	467
Interest paid	(179,300)	(146,571)
Net cash outflow for returns on investments and servicing of finance	(130,815)	(146,104)
Capital expenditure		
Payments to acquire tangible assets	(245,005)	(125,284)
Receipts from sales of tangible assets	4,479,731	-
Net cash inflow/(outflow) for capital expenditure	4,234,726	(125,284)
Net cash inflow before management of liquid resources and financing	5,215,701	335,589
Financing		
Loan Advance	-	598,006
Repayment of bank loans	(981,540)	-
Capital element of hire purchase contracts	(155,071)	(356,607)
Net cash (outflow)/inflow from financing	(1,136,611)	241,399
Increase in cash in the year	4,079,090	576,988

PRIMA DENTAL MANUFACTURING

NOTES TO THE CASH FLOW STATEMENT

For the year ended 31 December 2008

1 Reconciliation of operating profit/(loss) to net cash inflow from operating activities	2008	2007
	£	£
Operating profit/(loss)	425,405	(51,767)
Depreciation of tangible assets	434,995	428,027
Decrease in stocks	295,067	267,495
Increase in debtors	(43,281)	(360,008)
(Decrease)/increase in creditors within one year	(396)	323,230
Net cash inflow from operating activities	1,111,790	606,977

2 Analysis of net funds/(debt)	1 January 2008	Cash flow	Other non-cash changes	31 December 2008
	£	£	£	£
Net cash:				
Cash at bank and in hand	280,168	3,889,414	-	4,169,582
Bank overdrafts	(189,676)	189,676	-	-
	<u>90,492</u>	<u>4,079,090</u>	<u>-</u>	<u>4,169,582</u>
Debt:				
Finance leases	(776,966)	155,071	(230,500)	(852,395)
Debts falling due after one year	(981,540)	981,540	-	-
	<u>(1,758,506)</u>	<u>1,136,611</u>	<u>(230,500)</u>	<u>(852,395)</u>
Net (debt)/funds	(1,668,014)	5,215,701	(230,500)	3,317,187

3 Reconciliation of net cash flow to movement in net funds/(debt)	2008	2007
	£	£
Increase in cash in the year	4,079,090	576,988
New hire purchase	(230,500)	-
Cash outflow from decrease in debt and lease financing	1,136,611	(241,399)
Movement in net funds/(debt) in the year	4,985,201	335,589
Opening net debt	(1,668,014)	(2,003,603)
Closing net funds/(debt)	3,317,187	(1,668,014)

PRIMA DENTAL MANUFACTURING

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2008

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 2008

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 profit/(loss)	2008 £	2007 £
	Operating profit/(loss) is stated after charging:		
	Depreciation of tangible assets	434,995	428,027
	Operating lease rentals	92,046	67,930
	Auditors' remuneration	15,000	12,000
	and after crediting:		
	Profit on foreign exchange transactions	(129,918)	(22,195)
		<u>48,485</u>	<u>467</u>
3	Investment income	2008 £	2007 £
	Bank interest	48,485	467
		<u>48,485</u>	<u>467</u>

PRIMA DENTAL MANUFACTURING

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2008

4	Interest payable	2008 £	2007 £
	On amounts payable to group companies	72,676	63,594
	On bank loans and overdrafts	42,310	79,278
	Hire purchase interest	61,155	67,292
	Other interest	3,159	4,439
		<hr/>	<hr/>
		179,300	214,603
		<hr/>	<hr/>

PRIMA DENTAL MANUFACTURING

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2008

5	Taxation	2008 £	2007 £
	Domestic current year tax		
	U.K. corporation tax	468,641	-
	Adjustment for prior years	(39,678)	-
	Current tax charge	428,963	-
	Deferred tax		
	Deferred tax charge/credit current year	66,392	(90,226)
		495,355	(90,226)
	Factors affecting the tax charge for the year		
	Profit/(loss) on ordinary activities before taxation	3,934,902	(265,903)
	Profit/(loss) on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.50% (2007 - 30.00%)	1,121,447	(79,771)
	Effects of:		
	Non deductible expenses	102	3,874
	Capital allowances (in excess of) / less than depreciation	(26,655)	1,388
	Losses group relieved	-	20,861
	Other timing differences	(10,398)	756
	Losses carried forward	-	52,892
	Enhanced relief for research and development expenditure	(18,500)	-
	Chargeable gain less than profit on disposal	(583,762)	-
	Losses brought forward utilised	(13,593)	-
	Adjustment in respect of prior years	(39,678)	-
		(692,484)	79,771
	Current tax charge	428,963	-

The company has estimated losses of £ 391,000 (2007 - £ 483,000) available for carry forward against future trading profits.

PRIMA DENTAL MANUFACTURING

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2008

6 Tangible fixed assets

	Freehold land and buildings £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost					
At 1 January 2008	971,407	4,531,167	173,749	21,705	5,698,028
Additions	2,114	460,137	13,254	-	475,505
Disposals	(973,521)	-	(91,538)	(21,705)	(1,086,764)
At 31 December 2008	-	4,991,304	95,465	-	5,086,769
Depreciation					
At 1 January 2008	146,870	2,307,188	157,326	21,705	2,633,089
On disposals	(154,118)	-	(71,522)	(21,705)	(247,345)
Charge for the year	7,248	419,904	7,843	-	434,995
At 31 December 2008	-	2,727,092	93,647	-	2,820,739
Net book value					
At 31 December 2008	-	2,264,212	1,818	-	2,266,030
At 31 December 2007	824,537	2,223,979	16,423	-	3,064,939

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

	Plant and machinery £
Net book values	
At 31 December 2008	1,057,553
At 31 December 2007	1,571,084
Depreciation charge for the year	
At 31 December 2008	197,232
At 31 December 2007	383,928

PRIMA DENTAL MANUFACTURING

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2008

7 Fixed asset investments

	Shares in subsidiary undertakings £
Cost	
At 1 January 2008 & at 31 December 2008	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 2008 £	Profit for the year 2008 £
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

	2008 £	2007 £
Raw materials and consumables	166,364	334,270
Work in progress	384,599	385,368
Finished goods and goods for resale	224,074	350,466
	775,037	1,070,104

PRIMA DENTAL MANUFACTURING

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2008

9 Debtors	2008	2007
	£	£
Trade debtors	1,162,651	1,081,650
Other debtors	181,078	239,705
Prepayments	63,523	42,616
	<u>1,407,252</u>	<u>1,363,971</u>
10 Creditors: amounts falling due within one year	2008	2007
	£	£
Bank loans and overdrafts	-	262,675
Net obligations under hire purchase contracts	350,798	373,542
Trade creditors	633,719	597,413
Amounts owed to parent undertaking	1,100,560	1,027,884
Amounts owed to subsidiary undertakings	102,914	102,914
Corporation tax	428,963	-
Other taxes and social security costs	60,818	49,735
Other creditors	1,818	304,603
Accruals and deferred income	344,315	161,991
	<u>3,023,905</u>	<u>2,880,757</u>

In prior years bank loans and overdrafts were secured by a legal charge over the company's freehold land and buildings.

Included within other creditors are loans made by connected parties of £nil (2007: £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 2008

11 Creditors: amounts falling due after more than one year	2008 £	2007 £
Bank loans	-	908,541
Net obligations under hire purchase contracts	501,597	403,424
	<u>501,597</u>	<u>1,311,965</u>
Analysis of loans		
Not wholly repayable within five years by instalments:		
Bank loans	-	981,540
Included in current liabilities	-	(72,999)
	<u>-</u>	<u>908,541</u>
Instalments not due within five years	-	557,397
	<u>-</u>	<u>557,397</u>
Loan maturity analysis		
In more than one year but not more than two years	-	78,486
In more than two years but not more than five years	-	272,658
In more than five years	-	557,397
	<u>-</u>	<u>908,541</u>
Net obligations under hire purchase contracts		
Repayable within one year	350,798	373,542
Repayable between one and five years	501,597	403,424
	<u>852,395</u>	<u>776,966</u>
Included in liabilities falling due within one year	(350,798)	(373,542)
	<u>501,597</u>	<u>403,424</u>

PRIMA DENTAL MANUFACTURING

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2008

12 Provisions for liabilities

	Deferred tax liability £
Balance at 1 January 2008	134,832
Profit and loss account	66,392
	<hr/>
Balance at 31 December 2008	201,224
	<hr/>

The deferred tax liability is made up as follows:

	2008 £	2007 £
Accelerated capital allowances	318,206	279,201
Other timing differences	(7,508)	(9,125)
Tax losses available	(109,474)	(135,244)
	<hr/>	<hr/>
	201,224	134,832
	<hr/>	<hr/>

13 Share capital

	2008 £	2007 £
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/>

14 Statement of movements on reserves

	Share premium account £	Profit and loss account £
Balance at 1 January 2008	48,471	1,028,071
Profit for the year	-	3,439,547
	<hr/>	<hr/>
Balance at 31 December 2008	48,471	4,467,618
	<hr/>	<hr/>

PRIMA DENTAL MANUFACTURING

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2008

15 Reconciliation of movements in shareholders' funds	2008 £	2007 £
Profit/(Loss) for the financial year	3,439,547	(175,677)
Opening shareholders' funds	1,554,542	1,730,219
Closing shareholders' funds	4,994,089	1,554,542

16 Financial commitments

At 31 December 2008 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2009:

	Land and buildings		Other	
	2008 £	2007 £	2008 £	2007 £
Operating leases which expire:				
Within one year	8,333	-	384	-
Between two and five years	-	-	6,472	1,621
	8,333	-	6,856	1,621

17 Capital commitments	2008 £	2007 £
At 31 December 2008 the company had capital commitments as follows:		
Contracted for but not provided in the financial statements	282,745	23,880

18 Directors' emoluments	2008 £	2007 £
Emoluments for qualifying services	107,072	149,879
Company pension contributions to money purchase schemes	8,364	1,353
	115,436	151,232

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 1 (2007 - 1).

PRIMA DENTAL MANUFACTURING

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2008

19 Employees

Number of employees

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

	2008 Number	2007 Number
Administration	15	14
Production	90	90
	<u>105</u>	<u>104</u>

Employment costs

	2008 £	2007 £
Wages and salaries	2,099,523	2,019,135
Social security costs	192,792	179,606
Other pension costs - defined contribution scheme	55,146	53,890
	<u>2,347,461</u>	<u>2,252,631</u>

20 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.

21 Related party transactions

During the year the company made sales of £nil (2007: £8,743) to Darby Group Companies Inc, a company under the same common control as the company's parent company, Darby Group UK.

At 31 December 2008 the company had a loan from Darby Group Companies Inc. of £nil (2007: £61,222). Interest of £3,159 (2007: £4,439) has accrued on the loan during the year. At 31 December 2008 the company had accrued unpaid interest on the loan of £nil (2007: £27,310). The company was charged a management charge of £60,000 by Darby Group Companies Inc in the year (2007: £nil). No balances were outstanding at the year end.

During the year the company incurred interest of £72,676 (2007: £63,594) on a loan from Darby Group UK, its immediate parent company. At 31 December 2008 the company had accrued unpaid interest on the loan of £359,085 (2007: £286,409).