



**EURODONTIC LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 AUGUST 2002**

**EURODONTIC LIMITED**

**FINANCIAL STATEMENTS**

For the year ended 31 August 2002

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Company registration number:	2622735
Registered office:	85 Harwood Street SHEFFIELD S2 4SE
Directors:	Mr J P Beardow Mr P Thompson
Secretary:	Mr P Thompson
Bankers:	HSBC Bank Plc
Solicitors:	Tofield Swann and Smythe Keeble Hawson
Auditors:	Grant Thornton Registered Auditors Chartered Accountants

**EURODONTIC LIMITED**

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For the year ended 31 August 2002

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**INDEX**

**PAGE**

Report of the directors	1
Report of the independent auditors	2
Principal accounting policies	3
Profit and loss account	4
Balance sheet	5
Notes to the financial statements	6 - 10

# EURODONTIC LIMITED

## REPORT OF THE DIRECTORS

The directors present their report together with financial statements for the year ended 31 August 2002.

### Principal activities

The company is principally engaged in the buying and selling of orthodontic products.

### Business review

The directors are satisfied with the results for the year and intend to develop the company along its existing lines.

### Directors

The present membership of the Board is set out below. All directors served throughout the year.

The interests of the directors and their families in the shares of the company as at 31 August 2002 and 1 September 2001 were as follows:

	Ordinary shares	
	31 August 2002	1 September 2001
Mr J P Beardow	-	-
Mr P Thompson	-	-

### Directors' responsibilities for the financial statements

Company law in the United Kingdom 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, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Auditors

Grant Thornton offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

BY ORDER OF THE BOARD

Mr P Thompson  
Secretary  
20 November 2002



**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
EURODONTIC LIMITED**

We have audited the financial statements of Eurodonic Limited for the year ended 31 August 2002 which comprise the principal accounting policies, the profit and loss account, the balance sheet and notes 1 to 18. These financial statements have been prepared under the accounting policies set out therein.

**Respective responsibilities of the directors and auditors**

The directors' responsibilities for preparing the directors' report and the financial statements in accordance with United Kingdom law and accounting standards 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 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 other information contained in the directors' report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

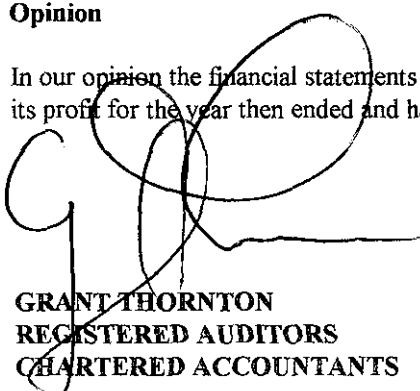
**Basis of opinion**

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.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 August 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**GRANT THORNTON  
REGISTERED AUDITORS  
CHARTERED ACCOUNTANTS**

SHEFFIELD  
20 November 2002

# **EURODONTIC LIMITED**

## **PRINCIPAL ACCOUNTING POLICIES**

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### **BASIS OF PREPARATION**

The financial statements have been prepared under the historical cost convention.

The principal accounting policies of the company are set out below. The policies have remained unchanged from the previous year apart from the adoption of FRS 19. The effect on the current and preceding period is nil (see note 4).

### **TURNOVER**

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

### **TANGIBLE FIXED ASSETS AND DEPRECIATION**

Tangible fixed assets are stated at cost, net of depreciation. Depreciation is calculated to write down the cost of all tangible fixed assets by equal annual instalments over their estimated useful economic lives. The periods generally applicable are:

Plant and equipment	10 years
Exhibition and show equipment	5 years
Computer equipment	3 years

### **STOCKS**

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

### **FOREIGN CURRENCIES**

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date.

### **LEASED ASSETS**

All leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight line basis over the lease term.

**EURODONTIC LIMITED****PROFIT AND LOSS ACCOUNT**

For the year ended 31 August 2002

	Note	2002 £	2001 £
Turnover	1	245,449	235,599
Cost of sales		(138,442)	(135,398)
Gross profit		107,007	100,201
Administrative expenses		(70,698)	(66,850)
Operating profit		36,309	33,351
Net interest	2	30	111
Profit on ordinary activities before taxation	1	36,339	33,462
Tax on profit on ordinary activities	4	(6,777)	(6,304)
Profit for the financial year	13	29,562	27,158
Dividends	6	(25,000)	(20,000)
Profit transferred to reserves	12	4,562	7,158

There were no recognised gains or losses other than the profit for the financial year.

The accompanying accounting policies and notes form an integral part of these financial statements.

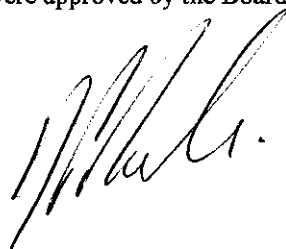
# EURODONTIC LIMITED

BALANCE SHEET AT 31 AUGUST 2002

	Note	2002 £	2002 £	2001 £	2001 £
<b>Fixed assets</b>					
Tangible assets	7		5,408		6,243
<b>Current assets</b>					
Stocks	8	27,622		32,178	
Debtors	9	30,421		37,555	
Cash at bank and in hand		34,372		10,115	
		<u>92,415</u>		<u>79,848</u>	
<b>Creditors: amounts falling due within one year</b>	10	<u>(58,451)</u>		<u>(51,281)</u>	
<b>Net current assets</b>			<u>33,964</u>		<u>28,567</u>
<b>Total assets less current liabilities</b>			<u>39,372</u>		<u>34,810</u>
<b>Capital and reserves</b>					
Called up share capital	11		2		2
Profit and loss account	12		<u>39,370</u>		<u>34,808</u>
<b>Shareholders' funds</b>	13		<u>39,372</u>		<u>34,810</u>

The financial statements were approved by the Board of Directors on 20 November 2002.

Mr J P Beardow



Director

The accompanying accounting policies and notes form an integral part of these financial statements.



# EURODONTIC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2002

### 1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The turnover and profit before taxation is attributable to one activity, that of buying and selling orthodontic products.

An analysis of turnover is given below:

	2002 £	2001 £
To external customers	129,462	128,924
To parent company	115,987	106,675
	<u>245,449</u>	<u>235,599</u>

The profit on ordinary activities before taxation is stated after:

	2002 £	2001 £
Auditors' remuneration	2,550	2,500
Depreciation:		
Tangible fixed assets, owned	1,195	1,341
Other operating lease rentals	3,434	4,056
	<u>7,179</u>	<u>7,897</u>

### 2 NET INTEREST

	2002 £	2001 £
Other interest receivable and similar income	<u>(30)</u>	<u>(111)</u>

### 3 DIRECTORS AND EMPLOYEES

Staff costs during the year were as follows:

	2002 £	2001 £
Wages and salaries	24,903	23,972
Social security costs	2,375	2,465
	<u>27,278</u>	<u>26,437</u>

The average number of employees of the company during the year was as follows:

	Number	Number
Administration	1	1
Directors	2	2
	<u>3</u>	<u>3</u>

Remuneration in respect of directors was £nil (2001: £nil).

# EURODONTIC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2002

### 4 TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge represents:

	2002 £	2001 £
Corporation tax at 19.6% (2001: 18.8%)	7,050	6,400
Adjustments in respect of prior year: Corporation tax	(273)	(96)
	<u>6,777</u>	<u>6,304</u>

### 5 TAX RECONCILIATION

The tax assessed for the period is lower (2001: higher) than the standard rate of corporation tax in the United Kingdom of 19.6% (2001: 18.8%). The differences are explained as follows:

	2002 £	2001 £
Profit on ordinary activities before tax	<u>36,339</u>	<u>33,462</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19.6% (2001: 18.8%)	7,124	6,291
Effect of:		
Expenses not deductible for tax purposes	64	82
Capital allowances for the period in excess of depreciation	(137)	(614)
Other	(1)	641
Current tax charge for the year	<u>7,050</u>	<u>6,400</u>

### 6 DIVIDENDS

	2002 £	2001 £
Ordinary shares - £12,500 per share (2001: £10,000 per share)	<u>25,000</u>	<u>20,000</u>

**EURODONTIC LIMITED****NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 August 2002

**7 TANGIBLE FIXED ASSETS**

	Plant and equipment £	Exhibition and show equipment £	Computer equipment £	Total £
Cost				
At 1 September 2001	9,454	8,570	7,092	25,116
Additions	-	-	360	360
At 31 August 2002	9,454	8,570	7,452	25,476
Depreciation				
At 1 September 2001	3,729	8,053	7,091	18,873
Provided in the year	819	256	120	1,195
At 31 August 2002	4,548	8,309	7,211	20,068
Net book amount at 31 August 2002	4,906	261	241	5,408
Net book amount at 31 August 2001	5,725	517	1	6,243

**8 STOCKS**

	2002 £	2001 £
Raw materials	27,622	32,178

**9 DEBTORS**

	2002 £	2001 £
Trade debtors	17,260	15,457
Amounts owed by group undertakings	10,900	11,891
Prepayments and accrued income	2,261	10,207
	30,421	37,555

# EURODONTIC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2002

### 10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2002 £	2001 £
Trade creditors	4,016	6,801
Amounts owed to group undertakings	374	291
Corporation tax	7,050	6,400
Social security and other taxes	9,216	6,540
Proposed dividends	25,000	20,000
Accruals and deferred income	12,795	11,249
	<u>58,451</u>	<u>51,281</u>

### 11 SHARE CAPITAL

	2002 £	2001 £
Authorised 1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid 2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

### 12 RESERVES

	Profit and loss account £
At 1 September 2001	34,808
Retained profit for the year	4,562
At 31 August 2002	<u>39,370</u>

### 13 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2002 £	2001 £
Profit for the financial year	29,562	27,158
Dividends	(25,000)	(20,000)
Net increase in shareholders' funds	4,562	7,158
Shareholders' funds at 1 September 2001	<u>34,810</u>	<u>27,652</u>
Shareholders' funds at 31 August 2002	<u>39,372</u>	<u>34,810</u>

# EURODONTIC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2002

### 14 CAPITAL COMMITMENTS

The company had no capital commitments at 31 August 2002 or 31 August 2001.

### 15 CONTINGENT LIABILITIES

There were no contingent liabilities at 31 August 2002 or 31 August 2001.

### 16 LEASING COMMITMENTS

Operating lease payments amounting to £3,903 (2001: £4,056) are due within one year. The leases to which these amounts relate expire as follows:

	2002 Other £	2001 Other £
Between one and five years	<u>3,903</u>	<u>4,056</u>

### 17 ULTIMATE PARENT UNDERTAKING

The directors consider that the ultimate parent undertaking of this company is J J Thompson (Orthodontic Appliances) Limited, by way of its 100% shareholdings.

### 18 RELATED PARTY TRANSACTIONS

J J Thompson (Orthodontic Appliances) Limited:

	2002 £	2001 £
Goods sold in the normal course of business (excluding VAT)	115,987	106,675
Amounts re-charged to J J Thompson (Orthodontic Appliances) Limited for joint purchases	2,856	3,030
Amounts re-charged by J J Thompson (Orthodontic Appliances) Limited for joint purchases	3,713	1,497

At 31 August 2002 £10,900 (2001: £11,891) was owed to Eurodonic Limited from J J Thompson (Orthodontic Appliances) Limited.

At 31 August 2002 £374 (2001: £291) was owed by Eurodonic Limited to J J Thompson (Orthodontic Appliances) Limited.