

COMPANIES HOUSE

Grant Thornton 

Eurodonic Limited

Financial statements

For the year ended 31 August 2004



Company No. 2622735

Company information

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	Toefield Swann and Smythe Keeble Hawson
Auditors	Grant Thornton UK LLP Chartered Accountants Registered Auditors 28 Kenwood Park Road SHEFFIELD S7 1NG

Index

Report of the directors	3 - 4
Report of the independent auditors	5 - 6
Principal accounting policies	7
Profit and loss account	8
Balance sheet	9
Notes to the financial statements	10 - 13

Report of the directors

The directors present their report and the financial statements of the company for the year ended 31 August 2004.

Principal activities and business review

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

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

Directors

The directors who served the company during the year were as follows:

Mr J P Beardow
Mr P Thompson

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 at the end of the year and of the profit or loss for the year then ended. 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

On 1 July 2004, the Grant Thornton partnership transferred its business to a limited liability partnership, Grant Thornton UK LLP. Under section 26(5) of the Companies Act 1989, the directors consented to extend the audit appointment to Grant Thornton UK LLP from 1 July 2004.

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

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to read 'P. Thompson', written over a horizontal line.

Mr P Thompson
Secretary
15 December 2004

Report of the independent auditors to the members of Eurodentic Limited

We have audited the financial statements of Eurodentic Limited for the year ended 31 August 2004 which comprise the principal accounting policies, profit and loss account, balance sheet and notes 1 to 14. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), 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 directors and auditors

The directors' responsibilities for preparing the report of the directors 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 affairs of the company as at 31 August 2004 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

Grant Thornton UK LLP

GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS

SHEFFIELD
15 December 2004

Principal accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The principal accounting policies of the company have remained unchanged from the previous year, and are set out below.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant and equipment	- 10 years straight line
Exhibition and show equipment	- 5 years straight line
Computer equipment	- 3 years straight line

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Leasing and hire purchase commitments

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, and hire purchase contracts, are capitalised in the balance sheet and are depreciated over their useful lives. The capital elements of future obligations under the leases and hire purchase contracts are included as liabilities in the balance sheet.

The hire purchase agreement is interest free.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Profit and loss account

	Note	2004 £	2003 £
Turnover		248,810	251,875
Cost of sales		150,035	153,016
Gross profit		98,775	98,859
Other operating charges	1	32,788	51,309
Operating profit	2	65,987	47,550
Interest receivable and similar income	3	11	88
Profit on ordinary activities before taxation		65,998	47,638
Tax on profit on ordinary activities	4	12,354	9,208
Profit on ordinary activities after taxation		53,644	38,430
Equity dividends paid and proposed		50,000	35,000
Retained profit for the financial year		3,644	3,430

The accompanying notes form part of these financial statements.

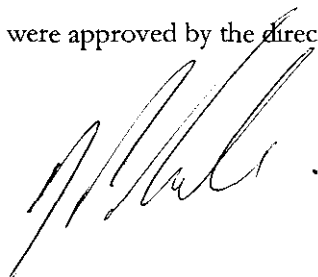
Balance sheet

	Note	2004 £	2003 £
Fixed assets			
Tangible assets	5	<u>4,823</u>	<u>4,395</u>
Current assets			
Stocks	6	27,744	26,085
Debtors	7	40,520	28,912
Cash at bank		<u>26,186</u>	<u>29,244</u>
		<u>94,450</u>	<u>84,241</u>
Creditors: amounts falling due within one year	8	<u>52,827</u>	<u>45,834</u>
Net current assets		<u>41,623</u>	<u>38,407</u>
Total assets less current liabilities		<u>46,446</u>	<u>42,802</u>
Capital and reserves			
Called-up equity share capital	12	2	2
Profit and loss account	13	<u>46,444</u>	<u>42,800</u>
Shareholders' funds		<u>46,446</u>	<u>42,802</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

These financial statements were approved by the directors on 15 December 2004 and are signed on their behalf by:

15 December 2004
Mr J P Beardow



Notes to the financial statements

1 Other operating income and charges

	2004	2003
	£	£
Administrative expenses	<u>32,788</u>	<u>51,309</u>

2 Operating profit

Operating profit is stated after charging:

	2004	2003
	£	£
Depreciation of owned fixed assets	742	1,013
Depreciation of assets held under finance leases and hire purchase agreements	130	—
Auditors' fees	<u>2,650</u>	<u>2,600</u>

3 Interest receivable and similar income

	2004	2003
	£	£
Other similar income receivable	<u>11</u>	<u>88</u>

4 Taxation on ordinary activities

	2004	2003
	£	£
Current tax:		
UK Corporation tax based on the results for the year	12,500	9,218
Over provision in prior year	(146)	(10)
Total current tax	<u>12,354</u>	<u>9,208</u>

5 Tangible fixed assets

	Plant & Machinery £	Fixtures & Fittings £	Equipment £	Total £
Cost				
At 1 September 2003	9,454	8,570	7,452	25,476
Additions	1,300	—	—	1,300
At 31 August 2004	<u>10,754</u>	<u>8,570</u>	<u>7,452</u>	<u>26,776</u>
Depreciation				
At 1 September 2003	5,185	8,565	7,331	21,081
Charge for the year	752	—	120	872
At 31 August 2004	<u>5,937</u>	<u>8,565</u>	<u>7,451</u>	<u>21,953</u>
Net book value				
At 31 August 2004	<u>4,817</u>	<u>5</u>	<u>1</u>	<u>4,823</u>
At 31 August 2003	<u>4,269</u>	<u>5</u>	<u>121</u>	<u>4,395</u>

Included within the net book value of £4,823 is £1,170 (2003 - £Nil) relating to assets held under finance leases and hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £130 (2003 - £Nil).

6 Stocks

	2004 £	2003 £
Raw materials	<u>27,744</u>	<u>26,085</u>

7 Debtors

	2004 £	2003 £
Trade debtors	18,149	14,786
Amounts owed by group undertakings	21,146	9,399
Other debtors	1,225	4,727
	<u>40,520</u>	<u>28,912</u>

8 Creditors: amounts falling due within one year

	2004 £	2003 £
Trade creditors	5,093	6,343
Amounts owed to group undertakings	1,436	295
Corporation tax	12,500	9,218
Other taxation	9,888	6,415
Amounts due under finance leases and hire purchase agreements	217	—
Other creditors	23,693	23,563
	<u>52,827</u>	<u>45,834</u>

9 Capital commitment

The company had no capital commitments at 31 August 2004 or 31 August 2003.

10 Contingent liabilities

There were no contingent liabilities at 31 August 2004 or 31 August 2003.

11 Related party transactions

J J Thompson (Orthodontic Appliances) Limited:

	2004 £	2003 £
Goods sold in the normal course of business (excluding VAT)	<u>120,162</u>	<u>148,840</u>
Amounts re-charged to J J Thompson (Orthodontic Appliances) Limited for joint purchases	<u>250</u>	<u>2,108</u>
Amounts re-charged by J J Thompson (Orthodontic Appliances) Limited for joint purchases	<u>13,649</u>	<u>8,431</u>
Management charge paid to J J Thompson (Orthodontic Appliances) Limited	<u>12,000</u>	<u>—</u>

At 31 August 2004 £21,146 (2003: £9,399) was owed to Eurodontic Limited from J J Thompson (Orthodontic Appliances) Limited.

At 31 August 2004 £16,436 (2003: £15,295) was owed by Eurodontic Limited to J J Thompson (Orthodontic Appliances) Limited.

12 Share capital

Authorised share capital:

	2004	2003
	£	£
1,000 Ordinary shares of £1 each	1,000	1,000

Allotted, called up and fully paid:

	2004		2003	
	No	£	No	£
Ordinary shares of £1 each	2	2	2	2

13 Profit and loss account

	2004	2003
	£	£
Balance brought forward	42,800	39,370
Retained profit for the financial year	3,644	3,430
Balance carried forward	46,444	42,800

14 Ultimate parent company

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