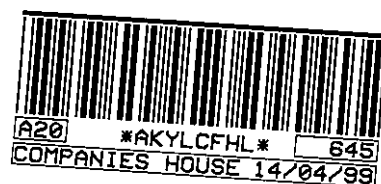


Registered no:730097

The Anglodent Company

Financial statements

For the year ended 31 December 1998



The Anglodent Company

Annual report for the year ended 31 December 1998

	Pages
Directors and advisers	1
Directors' report	2 - 3
Auditors' report	4
Auditors' report to the directors under Section 248(3)	5
Profit and loss account	6
Balance sheet	7
Cash flow statement	8
Notes to the financial statements	9 - 12

The Anglodent Company

1

Directors and advisers

Directors

J E Hoffmeister (Chairman)
H J A Zinser
R D Whatley
S Kaltenbach

Company secretary

R D Whatley

Registered office

Unit 11
Corinium Industrial Estate
Raans Road
Amersham
Buckinghamshire
HP6 6JL

Auditors

PricewaterhouseCoopers
Harman House
1 George Street
Uxbridge
Middlesex
UB8 1QQ

Principal bankers

National Westminster Bank plc
22 Market Square
Aylesbury
Buckinghamshire
HP20 1TR

Directors' report for the year ended 31 December 1998

The directors present their report, together with the audited financial statements of The Anglodent Company for the year ended 31 December 1998.

Status

The company is incorporated under the Companies Act 1985 and is unlimited.

Principal activity, business review and future developments

The principal activity of the company during the year under review was that of a holding company.

The directors are satisfied with the results for the year.

Directors' responsibilities

The directors are required by UK company law to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period.

The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 December 1998. The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The directors are responsible for keeping proper accounting records, for taking reasonable steps to safeguard the assets of the company and the group and to prevent and detect fraud and other irregularities.

Results and dividends

The results for the year, financial position of the company, and recommended transfer to reserves are shown in the annexed financial statements.

The profit after tax for the year amounted to £185, as shown on page 6.

The directors do not recommend the payment of a dividend, and the profit for the year will be transferred to reserves.

The Anglodent Company

3

Directors

The directors during the year under review, none of whom were beneficially interested in the shares of the company or any of its subsidiary undertakings during the year, were:

J E Hoffmeister (Chairman)

H J A Zinser

R D Whatley

S Kaltenbach

(appointed 1 April 1998)

The company is a wholly-owned subsidiary of Interdent Holdings AG, a company registered in Switzerland. The interests of the directors in the share capital of group undertakings do not require disclosure by virtue of the provisions of the Companies (Disclosure of Directors' Interests) (Exceptions) Regulations 1985.

Auditors

A resolution to reappoint the auditors, PricewaterhouseCoopers, will be proposed at the annual general meeting.

By order of the board



R D Whatley

Director

1999

Report of the auditors to the members of The Anglodent Company

We have audited the financial statements on pages 6 to 12.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with 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.

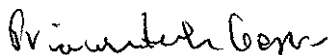
Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 1998 and of its profit, total recognised gains and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers
Chartered Accountants & Registered Auditors
London
3 March 1999

**Report of the auditors to the directors of
The Anglodent Company
under Section 248(3) of the Companies Act 1985**

We have examined the financial statements of the company and its subsidiary for the year ended 31 December 1998. The scope of our work for the purpose of this report was limited to confirming that the company is entitled to the exemption conferred by Section 248 of the Companies Act 1985.


PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
London
3 March 1999

The Anglodent Company

6

Profit and loss account for the year ended 31 December 1998

	Notes	1998 £	1997 £
Turnover	2	28,500	21,500
Administrative expenses		(28,256)	(21,191)
Profit on ordinary activities before taxation	3	244	309
Tax on profit on ordinary activities	6	(59)	(60)
Profit on ordinary activities after taxation		185	249
Retained profit brought forward		33,955	33,706
Retained profit at 31 December 1998		34,140	33,955

The company has neither acquired or commenced any new business activities in the year nor discontinued any operations and has no recognised gains or losses other than the profit for the year.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above, and their historical cost equivalents.


The Anglodent Company

7

Balance sheet at 31 December 1998

	Notes	1998 £	1997 £
Fixed assets			
Investments	7	<u>75,007</u>	<u>75,007</u>
Current assets			
Debtors	8	35,630	33,317
Cash at bank and in hand		<u>5,748</u>	<u>819</u>
		41,378	34,136
Creditors: Amounts falling due within one year	9	<u>(14,678)</u>	<u>(7,621)</u>
Net current assets		<u>26,700</u>	<u>26,515</u>
Total assets less current liabilities		<u>101,707</u>	<u>101,522</u>
Capital and reserves			
Called up share capital	10	67,567	67,567
Profit and loss account		<u>34,140</u>	<u>33,955</u>
Equity shareholders' funds	11	<u>101,707</u>	<u>101,522</u>

The financial statements on pages 6 to 12 were approved by the board of directors on
and were signed on its behalf by:



R D Whatley
Director

The Anglodent Company

8

Cash flow statement for the year ended 31 December 1998

	Notes	1998 £	1997 £
Net cash inflow from operating activities	12	<u>4,996</u>	<u>434</u>
Taxation			
UK Corporation Tax paid		<u>(67)</u>	<u>(20)</u>
Increase in cash	13	<u><u>4,929</u></u>	<u><u>414</u></u>

Reconciliation of net cash flow to movement in net funds

	1998 £	1997 £
Increase in cash for the year	<u>4,929</u>	<u>414</u>
Opening net funds	<u>819</u>	<u>405</u>
Closing net funds	<u><u>5,748</u></u>	<u><u>819</u></u>

Notes to the financial statements for the year ended 31 December 1998

1 Principal accounting policies

Basis of accounting

These financial statements have been prepared under the historical cost convention and incorporate the results of the principal activity which is described in the directors' report and which is continuing.

These financial statements have been prepared in accordance with applicable accounting standards.

Group financial statements

The company has taken advantage of the exemption from the requirement to prepare group financial statements conferred by Section 248 of the Companies Act 1985.

2 Turnover

Turnover is the total amount, excluding value added tax, receivable by the company in the ordinary course of business for goods supplied and for services provided as a principal.

3 Operating profit

Operating profit is stated after charging:

	1998 £	1997 £
Administrative expenses including: Auditors' remuneration (including expenses)	<u>500</u>	<u>500</u>

4 Staff costs

	1998 £	1997 £
The cost of employing staff, including directors was:		
Wages and salaries	27,000	19,000
Social security costs	<u>650</u>	<u>1,632</u>
	<u>27,650</u>	<u>20,632</u>

The company had no employees other than the executive directors in the year ended 31 December 1998 (1997: Nil).

The Anglodent Company

10

Notes to the financial statements continued for the year ended 31 December 1998

5 Directors' emoluments

	1998 £	1997 £
Aggregate emoluments in respect of services to The Anglodent Company and its subsidiary	<u>119,976</u>	<u>112,727</u>

6 Taxation

	1998 £	1997 £
Tax on profit on ordinary activities:		
UK corporation tax at 31% (1997: 31%)	59	67
Overprovision in respect of prior years	-	(7)
	<u>59</u>	<u>60</u>

7 Fixed asset investments

Investment in subsidiary undertakings

	1998 £	1997 £
Cost		
At 1 January 1998 and 31 December 1998	<u>75,007</u>	<u>75,007</u>

Company	Country of Registration	Class of shares held	%
KaVo Dental Limited	England	Ordinary	100

The aggregate amount of capital and reserves and the results of the subsidiary undertaking for the year ended 31 December 1998 were as follows:

	Capital and reserves £	Loss for the year £
KaVo Dental Limited	<u>4,506,610</u>	<u>(3,092)</u>

The Anglodent Company

11

Notes to the financial statements continued for the year ended 31 December 1998

8 Debtors

	1998 £	1997 £
Amounts owed by other group undertakings	35,626	33,313
Tax and social security costs	4	4
	<u>35,630</u>	<u>33,317</u>

9 Creditors: amounts falling due within one year

	1998 £	1997 £
UK corporation tax	59	67
Tax and social security costs	6,928	5,520
Other creditors	7,691	2,034
	<u>14,678</u>	<u>7,621</u>

10 Share capital

	Number 1998	Value 1998 £	Number 1997	Value 1997 £
Authorised:				
Ordinary shares of £1 each	<u>67,567</u>	<u>67,567</u>	<u>67,567</u>	<u>67,567</u>
Allotted and fully paid:				
Ordinary shares of £1 each	<u>67,567</u>	<u>67,567</u>	<u>67,567</u>	<u>67,567</u>

The Anglodent Company

12

Notes to the financial statements continued for the year ended 31 December 1998

11 Reconciliation of movements in shareholders' funds

	1998 £	1997 £
Profit for the financial year	185	249
Opening shareholders' funds	101,522	101,273
Closing shareholders' funds	101,707	101,522

12 Reconciliation of operating profit to net cash inflow from operating activities

	1998 £	1997 £
Operating profit	244	309
(Increase)/decrease in debtors	(2,313)	282
Increase/(decrease) in creditors	7,065	(157)
Net cash inflow from operating activities	4,996	434

13 Analysis of net funds

	1 January 1998 £	Cash flows £	31 December 1998 £
Cash at bank and in hand	819	4,929	5,748

14 Ultimate parent company

The parent company of The Anglodent Company is Interdent Holdings AG which is incorporated in Switzerland. The ultimate parent company of The Anglodent Company is KaVo Holding GmbH which is incorporated in Germany.

15 Related party transactions

During the year the company has charged a service fee amounting to £28,500 (1997: £21,500) to its subsidiary company KaVo Dental Limited. The group balance receivable at the year end from KaVo Dental Limited amounted to £35,626 (1997: £33,313). There was no provision against intercompany debtors at the year end nor were any debts written off during the year.

The Anglodent Company

13

Trading and profit and loss account for the year ended 31 December 1998

	1998 £	1997 £
Service charge receivable	<u>28,500</u>	<u>21,500</u>
Administrative expenses:		
Audit and accountancy	500	500
Directors' remuneration	27,650	20,632
Bank charges	74	27
Miscellaneous	<u>32</u>	<u>32</u>
	<u>28,256</u>	<u>21,191</u>
Net profit before taxation	<u><u>244</u></u>	<u><u>309</u></u>