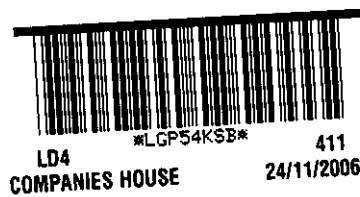


3340715

Oral Hygiene Innovations Ltd

Report and Financial Statements

30 April 2006



Oral Hygiene Innovations Ltd

Registered No: 3340715

Director

J D Hull

Secretary

S Berry

Auditors

Ernst & Young LLP
1 More London Place
London
SE1 2AF

Bankers

Bank of Scotland Plc
54-62 Sauchiehall Street
Glasgow
G2 3AH

Solicitors

M and A
Kenneth Pollard House
5-19 Cowbridge Road East
Cardiff
CF11 9AB

Registered office

Lister House
11-12 Wimpole Street
London
W1G 9ST

Director's report

The director presents his report and financial statements for the year ended 30 April 2006.

Results and dividends

The loss for the year amounted to £9,292 (2005 - profit of £6,857). The director does not recommend the payment of any dividends.

Principal activities and review of the business

The principal activity of the company during the year was the supply of oral hygiene products.

Oral Hygiene Innovations Ltd had no employees throughout the year ended 30 April 2006.

The reported financial year saw a slight downturn in the financial performance of the business. Revenues have fallen by 9.3% when compared to the financial statements year ended 30 April 2005, together with an overall decline in the company's profitability.

The management team agree that more attention is required on this business so that this trend is reversed in future periods. The directors believe that such management focus should enable the company to return to growth, in line with the overall group performance.

The director continues to monitor the risks associated with the business closely. Such risks include, but are not limited to, activities of competitors and prevailing economic conditions.

Post balance sheet event

On 3 November 2006, the entire share capital of the company's ultimate parent undertaking, The James Hull Group PLC, was acquired by DMWSL 525 Limited for consideration of £66.5 million.

Director

The director who served the company during the year was J D Hull. The director had no interest in the share capital of the company. The interest of J D Hull in the shares of the ultimate parent undertaking, The James Hull Group PLC, is shown in the financial statements of that company.

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

Director's statement as to disclosure of information to auditors

The director who was a member of the board at the time of approving the director's report is listed on page 1. Having made enquiries of the company's auditors, the director confirms that:

- To the best of the director's knowledge and belief, there is no information relevant to the preparation of the report of which the company's auditors are unaware; and
- The director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



J D Hull
Director

17 November 2006

Statement of director's responsibilities in respect of the financial statements

The director is responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the director 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 year. In preparing those financial statements, the director is 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

Independent auditors' report

to the members of Oral Hygiene Innovations Ltd

We have audited the company's financial statements for the year ended 30 April 2006 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet and the related notes 1 to 16. These financial statements have been prepared on the basis of 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 director and auditors

As described in the statement of director's responsibilities, the company's director is responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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, are properly prepared in accordance with the Companies Act 1985, and whether the information given in the Director's Report is consistent with the financial statements.

We also 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 director's remuneration and other transactions is not disclosed.

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 director 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.

Independent auditors' report

to the members of Oral Hygiene Innovations Ltd (continued)

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the company's state of affairs as at 30 April 2006 and of its loss for the year then ended;
- 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.

Ernst & Young LLP

Ernst & Young LLP
Registered Auditor
London

20 November 2006

Profit and loss account

for the year ended 30 April 2006

	Notes	2006 £	2005 £
Turnover	2	183,346	202,118
Cost of sales		144,217	158,013
Gross profit		39,129	44,105
Administrative expenses		37,430	25,332
Operating profit	3	1,699	18,773
Interest payable	5	10,991	11,916
(Loss)/profit on ordinary activities before taxation		(9,292)	6,857
Tax on (loss)/profit on ordinary activities	6	—	—
(Loss)/profit for the financial year		(9,292)	6,857

Statement of total recognised gains and losses

There are no recognised gains or losses other than those shown in the profit and loss account.

Balance sheet

at 30 April 2006

	Notes	2006 £	2005 £
Fixed assets			
Tangible assets	7	11,822	13,924
Current assets			
Stocks	8	40,659	34,579
Debtors	9	157,358	145,228
		198,017	179,807
Creditors: amounts falling due within one year	10	230,638	205,238
Net current liabilities		(32,621)	(25,431)
Total assets less current liabilities		(20,799)	(11,507)
Capital and reserves			
Called up share capital	12	2	2
Profit and loss account	13	(20,801)	(11,509)
Equity shareholders' funds	13	(20,799)	(11,507)

J D Hull
Director

17 November 2006

Notes to the financial statements

at 30 April 2006

1. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

Going concern

The company's intermediate parent undertaking, The James Hull Group PLC, has agreed to provide sufficient funds to enable the company to continue operating and to meet its liabilities as they fall due for the foreseeable future. On this basis, the director is confident that the company will be able to meet its liabilities as and when they fall due for the foreseeable future and has therefore prepared these financial statements on a going concern basis.

Cash flow statement

The company has taken advantage of the exemption in FRS 1 (revised 1996) from the requirement to produce a cash flow statement.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition of each asset evenly over its expected useful life, as follows:

Fixtures, fittings and equipment	- 15% per annum
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The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition.

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exception:

- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

2. Turnover

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

The total turnover of the company for the year has been derived from its principal continuing activity wholly undertaken in the United Kingdom.

Notes to the financial statements

at 30 April 2006

3. Operating profit

This is stated after charging:

	2006 £	2005 £
Auditors' remuneration - audit services	3,600	3,600
Depreciation of owned fixed assets	2,636	2,943

4. Staff costs

The company did not have any employees during the year. No remuneration was paid to the director in respect of services to the company.

5. Interest payable

	2006 £	2005 £
On amounts owed to group undertakings	10,991	11,916

6. Tax

(a) Factors affecting current tax

The tax assessed for the year differs from the standard rate of corporation tax in the UK (30%). The differences are reconciled below:

	2006 £	2005 £
(Loss)/profit on ordinary activities before taxation	(9,292)	6,857
(Loss)/profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30% (2005 - 30%)	(2,788)	2,057
Capital allowances less than/(greater than) depreciation	791	(440)
Unrelieved tax losses/(utilisation of brought forward tax losses)	1,997	(1,617)
Total current tax	-	-

(b) Factors that may affect future tax charges

The company has estimated losses of approximately £14,000 (2005 - £12,000) available for carry forward against future trading profits.

(c) Deferred tax

The deferred taxation asset not recognised in the financial statements is as follows:

	2006 £	2005 £
Depreciation in (advance)/arrear of capital allowances	(1,905)	209
Tax losses available	(4,335)	(3,661)
Unrecognised deferred tax asset	(6,240)	(3,452)

Deferred tax assets have not been recognised as they do not satisfy the recognition criteria of FRS 19.

Notes to the financial statements

at 30 April 2006

7. Tangible fixed assets

	<i>Fixtures, fittings and equipment £</i>
Cost:	
At 1 May 2005	18,763
Additions	534
At 30 April 2006	<u>19,297</u>
Depreciation:	
At 1 May 2005	4,839
Provided during the year	2,636
At 30 April 2006	<u>7,475</u>
Net book value:	
At 30 April 2006	<u>11,822</u>
At 1 May 2005	<u>13,924</u>

8. Stocks

	<i>2006 £</i>	<i>2005 £</i>
Finished goods and goods for resale	<u>40,659</u>	<u>34,579</u>

9. Debtors

	<i>2006 £</i>	<i>2005 £</i>
Amounts owed by group undertakings	<u>157,358</u>	<u>145,228</u>

10. Creditors: amounts falling due within one year

	<i>2006 £</i>	<i>2005 £</i>
Bank loans and overdrafts	—	5,447
Trade creditors	22,703	16,028
Amounts owed to group undertakings	194,268	177,157
Other taxation and social security	4,467	3,006
Other creditors	9,200	3,600
	<u>230,638</u>	<u>205,238</u>

The bank borrowings are secured by a fixed and floating charge over all the assets of the company.

Notes to the financial statements

at 30 April 2006

11. Contingent liability

The company is a member of a group banking arrangement with other members of The James Hull Group PLC group of companies, and has given an unlimited cross guarantee on the bank overdraft and loan facilities of the group. The company has also given a debenture over the whole of its assets as security for the group banking facilities. As at 30 April 2006, the total amount outstanding in respect of these facilities was £14,522,870 (2005 - £15,282,415).

In addition, the company has given a second charge over its assets as security for a loan to its immediate parent undertaking, which at 30 April 2006 amounted to £2,500,000 (2005 - £2,500,000).

12. Share capital

	<i>Authorised</i>	
	<i>2006</i>	<i>2005</i>
	£	£
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

	<i>Allotted, called up and fully paid</i>			
	<i>2006</i>		<i>2005</i>	
	<i>No.</i>	£	<i>No.</i>	£
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

13. Reconciliation of shareholders' funds and movement on reserves

	<i>Share capital</i>	<i>Profit and loss account</i>	<i>Total shareholders' funds</i>
	£	£	£
At 30 April 2004	2	(18,366)	(18,364)
Profit for the year	—	6,857	6,857
At 30 April 2005	<u>2</u>	<u>(11,509)</u>	<u>(11,507)</u>
Loss for the year	—	(9,292)	(9,292)
At 30 April 2006	<u>2</u>	<u>(20,801)</u>	<u>(20,799)</u>

14. Ultimate parent undertaking and controlling party

The immediate parent undertaking is J D H Holdings Limited. The ultimate parent undertaking at the year end was The James Hull Group PLC.

The ultimate controlling party at the year end was J D Hull, the director, who is the major shareholder of The James Hull Group PLC.

15. Related party transactions

The company has taken advantage of the exemption in FRS 8 from the requirement to disclose transactions with other members of the James Hull Group PLC group on the grounds that publicly available consolidated financial statements are prepared by that company. Copies of the consolidated financial statements can be obtained from the registered office at Lister House, 11-12 Wimpole Street, London, W1G 9ST.

16. Post balance sheet event

On 3 November 2006, the entire share capital of the company's ultimate parent undertaking, The James Hull Group PLC, was acquired by DMWSL 525 Limited for consideration of £66.5 million.