

**Oral Hygiene Innovations Ltd**

**Report and Financial Statements  
for the year ended 30 April 2007**

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# **Oral Hygiene Innovations Ltd**

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# **Oral Hygiene Innovations Ltd**

## **Director and advisors**

### **Director**

J D Hull

### **Secretary**

S Berry

### **Auditors**

PriceWaterhouseCoopers LLP  
One Kingsway  
Cardiff  
CF10 3PW

### **Bankers**

Alliance & Leicester Commercial Bank  
Bootle  
Merseyside  
GIR OAA

Nomura International Plc  
Nomura House  
1 St Martins-le-Grand  
London  
EC1A 4NP

### **Solicitors**

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

### **Registered office**

Lister House  
11-12 Wimpole Street  
London  
W1G 9ST

# **Oral Hygiene Innovations Limited**

## **Director's report**

### **Director's report for the year ended 30 April 2007**

The director presents his report and the audited financial statements of the company for the year ended 30 April 2007

### **Results and dividends**

The loss for the year amounted to £(3,677) (2006 - loss of £9,292) The director does not recommend the payment of any dividends (2006 £nil)

### **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 2007

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

On 3 November 2006, the entire share capital of the company's ultimate parent undertaking, The James Hull Group PLC, was acquired by Specialist Dental Limited for consideration of £90 million

### **Director and his interest**

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

# Oral Hygiene Innovations Limited

## Statement of Director's Responsibilities

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 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 UK 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, in which case there should be supporting assumptions or qualifications as necessary.

The director confirms that they have complied with the above requirements in preparing the financial statements.

The director is responsible for keeping proper accounting records that 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.

## Disclosure of information to auditors

So far as the director is aware, there is no relevant audit information (that is, information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware.

The director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

## Auditors

During the year, Ernst & Young LLP resigned as auditors and were replaced by PricewaterhouseCoopers LLP. The director used his power under the Companies Act 1985, to appoint PricewaterhouseCoopers LLP to fill the casual vacancy created following the resignation of Ernst & Young LLP.

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

By order of the Board



Director  
11 October 2007

## **Independent auditors' report to the members of Oral Hygiene Innovations Ltd**

We have audited the financial statements of Oral Hygiene Innovations Limited for the year ended 30 April 2007 which comprise the Profit and Loss Account, Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

### **Respective responsibilities of directors and auditors**

The director's 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 Director's 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). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 Director's 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 director's remuneration and other transactions is not disclosed.

We read the Director's Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

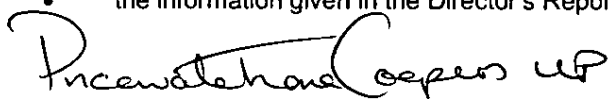
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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 misstatements, 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 April 2007 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 Director's Report is consistent with the financial statements.



**PricewaterhouseCoopers LLP**  
Chartered Accountants and Registered Auditors  
Cardiff

12 October 2007

# Oral Hygiene Innovations Ltd

## Profit and loss account for the year ended 30 April 2007

<b>Continuing operations</b>	<b>Notes</b>	<b>2007 £</b>	<b>2006 £</b>
<b>Turnover</b>	<b>2</b>	<b>179,339</b>	<b>183,346</b>
<b>Cost of sales</b>		<b>(143,767)</b>	<b>(144,217)</b>
<b>Gross profit</b>		<b>35,572</b>	<b>39,129</b>
<b>Administrative expenses</b>		<b>(23,312)</b>	<b>(37,430)</b>
<b>Operating profit</b>	<b>3</b>	<b>12,260</b>	<b>1,699</b>
Interest receivable and similar income		17	-
Interest payable and similar charges	<b>5</b>	<b>(15,954)</b>	<b>(10,991)</b>
<b>Loss on ordinary activities before taxation</b>		<b>(3,677)</b>	<b>(9,292)</b>
Tax on loss on ordinary activities	<b>6</b>	-	-
<b>Loss for the financial year</b>	<b>12</b>	<b>(3,677)</b>	<b>(9,292)</b>

There are no material differences between the loss on ordinary activities before taxation and the retained loss for the year stated above and their historical cost equivalents

The company has no recognised gains and losses other than those included in the losses above and therefore no separate statement of total recognised gains and losses has been presented

The notes on pages 7 to 11 form part of these financial statements

# Oral Hygiene Innovations Ltd

## Balance sheet at 30 April 2007

	Notes	2007 £	2006 £
<b>Fixed assets</b>			
Tangible assets	7	11,410	11,822
<b>Current assets</b>			
Stocks	8	44,475	40,659
Debtors	9	169,889	157,358
Cash		1,038	-
		<b>215,402</b>	<b>198,017</b>
<b>Creditors</b> amounts falling due within one year	10	<b>(251,288)</b>	<b>(230,638)</b>
<b>Net current liabilities</b>		<b>(35,886)</b>	<b>(32,621)</b>
<b>Net liabilities</b>		<b>(24,476)</b>	<b>(20,799)</b>
<b>Capital and reserves</b>			
Called up share capital	11	2	2
Profit and loss account	12	<b>(24,478)</b>	<b>(20,801)</b>
<b>Equity shareholders' deficits</b>	12	<b>(24,476)</b>	<b>(20,799)</b>

These financial statements were approved and signed by the director on 11 October 2007



Director

The notes on pages 7 to 11 form part of these financial statements



# Oral Hygiene Innovations Ltd

## Notes to the financial statements at 30 April 2007

### 1 Accounting policies

#### Basis of preparation

The financial statements are prepared on a going concern basis under the historical cost convention and in accordance with applicable accounting standards, in the United Kingdom and the Companies Act 1985

#### Going concern

The company's ultimate parent undertaking, Specialist Dental Holdings Limited, 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, as the company is a wholly owned subsidiary of Specialist Dental Holdings Limited which presents such a statement in its financial statements.

#### Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts and is recognised on delivery of goods or the provision of services.

#### Fixed assets

All fixed assets are initially recorded at cost, which represents the purchase cost plus any incidental costs of acquisition.

#### 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.

#### Current and deferred taxation

Current tax is provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantially enacted at the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not revised at the balance sheet date where transaction or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in year different to those recognised in the financial statements. Deferred tax is recognised only when regarded as recoverable, and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing difference can be deducted. Deferred tax balances are not discounted.

# Oral Hygiene Innovations Ltd

## Notes to the financial statements at 30 April 2007 (continued)

### 2 Turnover

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

### 3 Operating profit

This is stated after charging

	2007 £	2006 £
Auditors' remuneration - audit services	3,600	3,600
Depreciation of owned fixed assets	2,163	2,636

### 4 Staff costs

The company did not have any employees during either year. No remuneration was paid to the director in respect of services to the company in either year. No management recharge is made by subsidiary undertakings for employee costs incurred relating to the administration performed on behalf of the Company.

### 5 Interest payable and similar charges

	2007 £	2006 £
On amounts owed to group undertakings	(15,954)	(10,991)
	(15,954)	(10,991)

### 6 Tax

(a) Analysis of tax charge for the year

	2007 £	2006 £
<b>Current tax</b>		
UK corporation tax for the year	-	-
Total current tax (Note 6(b))	-	-
<b>Deferred taxation</b>		
Origination and reversal of timing differences	-	-
<b>Total tax charge</b>	-	-

# Oral Hygiene Innovations Ltd

## Notes to the financial statements at 30 April 2007 (continued)

### 6 Tax (continued)

#### (b) 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

	2007 £	2006 £
Loss on ordinary activities before taxation	(3,677)	(9,292)
Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30% (2006 - 30%)	(1,103)	(2,788)
Capital allowances less than depreciation	1,103	791
Unrelieved tax losses	-	1,997
Total current tax (Note 6(a))	-	-

#### (c) Factors that may affect future tax charges

The company has estimated losses of approximately £21,000 (2006 - £14,000) available for carry forward against future trading profits

#### (d) Deferred tax

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

	2007 £	2006 £
Depreciation in (advance)/arrear of capital allowances	(1,060)	(1,905)
Tax losses available	(6,284)	(4,335)
Unrecognised deferred tax asset	(7,344)	(6,240)

Deferred tax assets have not been recognised as their future utilisation is considered uncertain

### 7 Tangible fixed assets

	Fixtures, fittings and equipment £
<b>Cost</b>	
At 1 May 2006	19,297
Additions	1,751
<b>At 30 April 2007</b>	<b>21,048</b>
<b>Depreciation</b>	
At 1 May 2006	7,475
Provided during the year	2,163
<b>At 30 April 2007</b>	<b>9,638</b>
<b>Net book value</b>	
<b>At 30 April 2007</b>	<b>11,410</b>
At 30 April 2006	11,822

# Oral Hygiene Innovations Ltd

## Notes to the financial statements at 30 April 2007 (continued)

### 8 Stocks

	2007 £	2006 £
Finished goods and goods for resale	44,475	40,659

### 9 Debtors

	2007 £	2006 £
Amounts owed by group undertakings	169,889	157,358

### 10 Creditors: amounts falling due within one year

	2007 £	2006 £
Trade creditors	22,569	22,703
Amounts owed to group undertakings	216,356	194,268
Other taxation and social security	2,063	4,467
Other creditors	10,300	9,200
	251,288	230,638

### 11 Share capital

	2007 £	2006 £
<b>Authorised</b>		
Ordinary shares of £1 each	1,000	1,000
<b>Authorised and fully paid</b>		
Ordinary shares of £1 each	2	2

## Oral Hygiene Innovations Ltd

### Notes to the financial statements at 30 April 2007 (continued)

#### 12 Reconciliation of the movements in shareholders' deficit

	Share capital £	Profit and loss account £	Total £
Opening shareholders deficit -1 May 2006	2	(20,801)	(20,799)
Loss for the year	-	(3,677)	(3,677)
<b>Closing shareholders deficit - 30 April 2007</b>	<b>2</b>	<b>(24,478)</b>	<b>(24,476)</b>

#### 13 Ultimate parent undertaking and controlling party

The immediate parent undertaking is J D H Holdings Limited. The ultimate parent undertaking and controlling party is Hutton Collins Capital Partners II LP.

#### 14 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 Specialist Dental Holdings Ltd 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.