

**CERAMIART DENTAL
LABORATORIES LIMITED
(Formerly Relayspark Limited)**

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED

29 FEBRUARY 2000



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(Formerly Relayspark Limited)**

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**CERAMIART DENTAL
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REPORT OF THE DIRECTORS

FOR THE PERIOD ENDED 29 FEBRUARY 2000

The directors present their report and the company's financial statements for the period from 15 October 1998 to 29 February 2000.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The company was incorporated on 15 October 1998 and commenced trading on that date. The company's name was changed from Relayspark Limited to Ceramiart Dental Laboratories Limited on 7 January 1999.

The principal activity of the company during the period under review was that of supplying dental equipment.

In the opinion of the directors' the company was in a satisfactory position at the period end.

RESULTS AND DIVIDENDS

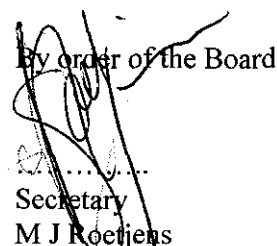
The results for the period are disclosed in the profit and loss account on page 2. The directors do not propose the payment of a dividend.

DIRECTORS AND THEIR INTERESTS

The directors of the company during the period, together with their beneficial interests in the share capital of the company at the end of the period were as follows:

	At 29 February 2000 Ordinary £1 Shares
G Hockly (appointed 7 January 1999)	1
M J Roetjens (appointed 7 January 1999)	-
J M C Ashbridge (resigned 7 January 1999)	-

Registered office:
28 Ely Place
London
EC1N 6RL

By order of the Board

Secretary
M J Roetjens

14/4.....2000

**CERAMIART DENTAL
LABORATORIES LIMITED
(Formerly Relayspark Limited)**

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD FROM 15 OCTOBER 1998

(THE DATE OF INCORPORATION)

TO 29 FEBRUARY 2000

	Notes	£	2000 £
TURNOVER	2		83,466
COST OF SALES			(24,201)
GROSS PROFIT			59,265
Administration expenses			(71,094)
OPERATING LOSS	4		(11,829)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION			(11,829)
Taxation	5		-
RETAINED LOSS FOR THE PERIOD	10		£(11,829)

The company has no recognised gains or losses other than the result for the above financial period.

The notes on pages 4 to 6 form part of these financial statements.

**CERAMIART DENTAL
LABORATORIES LIMITED
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BALANCE SHEET

AS AT 29 FEBRUARY 2000

	Notes	£	2000 £
FIXED ASSETS	6		5,905
CURRENT ASSETS			
Stock		4,200	
Debtors	7	15,404	
Cash at bank and in hand		2,290	
		21,894	
CREDITORS: Amounts falling due within one year	8	(39,626)	
			(17,732)
TOTAL ASSETS LESS CURRENT LIABILITIES			
			£(11,827)
CAPITAL AND RESERVES			
Share capital	9		2
Profit and loss account			(11,829)
TOTAL EQUITY SHAREHOLDERS' FUNDS	10		£(11,827)

The directors have taken advantage of the exemption conferred by section 249A(1) not to have these accounts audited and confirm that no notice has been deposited under section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibilities for ensuring that:

- 1 The company keeps accounting records which comply with section 221 of the Companies Act 1985, and
- 2 The accounts give a true and fair view of the state of affairs of the company as at 29 February 2000 and of its profit for the period then ended in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act 1985 relating to accounts, so far as applicable to the company.

.....
Director

The financial statements were approved by the board of directors on 14/3/2000.

The notes on pages 4 to 6 form part of these financial statements.

**CERAMIART DENTAL
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 29 FEBRUARY 2000

1. ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared under the historical cost convention using the following accounting policies:

Cash Flow Statement

The directors have taken advantage of the exemption in Financial Reporting Standard No. 1 cash flow (revised) statements not to prepare a cash flow statement on the grounds that the company qualifies as a small company.

Depreciation

Depreciation is calculated to write off cost of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows:

Fixtures, fittings and equipment – 25% per annum on cost.

Foreign Currency

Normal trading activities denominated in foreign currencies are recorded in sterling at actual exchange rates as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the year end are reported at the rates of exchange ruling at the year end.

Stock

Comprises goods for resale and is valued on a first in first out basis and is stated at the lower of cost and net realisable value.

2. TURNOVER

The turnover shown in the profit and loss account represents amounts invoiced during the period exclusive of Value Added Tax, and is derived from the company's principal activity.

3. STAFF NUMBERS AND COSTS

The average number of staff including directors employed by the company during the period amounted to 3.

	2000
	£
Aggregate staff costs comprised the following:	
Salaries	33,152
Social security	2,637
	£ 35,789

The directors did not receive any emoluments during the period.

**CERAMIART DENTAL
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE PERIOD ENDED 29 FEBRUARY 2000

4. OPERATING LOSS	2000 £
This is stated after charging:	
Depreciation	2,954
Hire of equipment	12,964
5. TAXATION	2000 £
UK corporation tax at current rates	Nil
6. FIXED ASSETS	Fixtures, fittings & equipment £
COST	
Additions during the period	8,859
At 29 FEBRUARY 2000	8,859
DEPRECIATION	
Charge for the period	2,954
At 29 FEBRUARY 2000	2,954
NET BOOK VALUE	
At 29 FEBRUARY 2000	5,905
7. DEBTORS	2000 £
Other debtors	15,404

**CERAMIART DENTAL
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE PERIOD ENDED 29 FEBRUARY 2000

8. CREDITORS: Amounts falling due within one year	2000 £
Trade creditors	16,364
Loans	23,262
	£ 39,626
9. SHARE CAPITAL	2000 £
Authorised share capital 1,000 ordinary shares of £1 each	1,000
Allotted, called up and fully paid 2 ordinary shares of £1 each	2
10. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS	2000 £
Loss for the financial period	(11,829)
Issue of share capital	2
Closing shareholders' funds	£(11,827)
11. RELATED PARTY TRANSACTIONS	

The following balances owed to directors were included with loans:

	£
G Hockly	8,656
J Van der Watt	8,656

An amount of £3,000 was also owed to V Hockly, the wife of one of the directors of the Company. None of the loans attract any interest and have no fixed payment terms.

An amount of £2,950 was also owed to Ceramiart Dental Laboratories Limited in South Africa, a company also owned by the directors of Ceramiart Dental Laboratories Limited.

During the period stock worth £457 was purchased from Cerami Art (Pty) Limited a further company owned by the directors of Ceramiart Dental Laboratories Limited. The whole of this amount was outstanding at 29 February 2000.