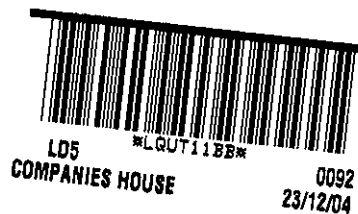


Company Registration No. 03650310 (England and Wales)

CERAMIART DENTAL LABORATORIES LIMITED

DIRECTORS' REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 2004



CERAMIART DENTAL LABORATORIES LIMITED

COMPANY INFORMATION

Directors	G Hockly M J Roetjens
Secretary	M J Roetjens
Company number	03650310
Registered office	3 Sheldon Square Paddington London W2 6PS
Accountants	MRI Moores Rowland LLP 3 Sheldon Square Paddington London W2 6PS

CERAMIART DENTAL LABORATORIES LIMITED

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CERAMIART DENTAL LABORATORIES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 28 FEBRUARY 2004

The directors present their report and financial statements for the year ended 28 February 2004.

Principal activities

The principal activity of the company continued to be that of supplying dental equipment.

Directors

The following directors have held office since 1 March 2003:

G Hockly
M J Roetjens

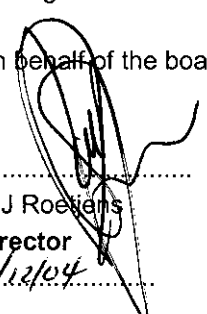
Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary shares of £ 1 each	
	28 February 2004	1 March 2003
G Hockly	1	1
M J Roetjens	-	-

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

On behalf of the board


.....
M J Roetjens
Director

21/12/04
.....

CERAMIART DENTAL LABORATORIES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 28 FEBRUARY 2004

	Notes	2004 £	2003 £
Turnover		659,028	470,605
Cost of sales		(138,622)	(92,679)
Gross profit		<u>520,406</u>	<u>377,926</u>
Administrative expenses		(511,922)	(409,509)
Operating profit/(loss)	2	<u>8,484</u>	<u>(31,583)</u>
Interest payable and similar charges		(5,115)	(1,706)
Profit/(loss) on ordinary activities before taxation		<u>3,369</u>	<u>(33,289)</u>
Tax on profit/(loss) on ordinary activities	3	-	4,336
Profit/(loss) on ordinary activities after taxation	9	<u><u>3,369</u></u>	<u><u>(28,953)</u></u>

CERAMIART DENTAL LABORATORIES LIMITED

BALANCE SHEET AS AT 28 FEBRUARY 2004

	Notes	2004 £	£	2003 £	£
Fixed assets					
Tangible assets	4		36,234		46,715
Current assets					
Stocks		8,175		5,629	
Debtors	5	102,592		83,850	
Cash at bank and in hand		6,999		675	
		<u>117,766</u>		<u>90,154</u>	
Creditors: amounts falling due within one year	6	<u>(134,415)</u>		<u>(108,653)</u>	
Net current liabilities			<u>(16,649)</u>		<u>(18,499)</u>
Total assets less current liabilities			19,585		28,216
Creditors: amounts falling due after more than one year	7		<u>(30,000)</u>		<u>(42,000)</u>
			<u>(10,415)</u>		<u>(13,784)</u>
Capital and reserves					
Called up share capital	8		2		2
Profit and loss account	9		<u>(10,417)</u>		<u>(13,786)</u>
Shareholders' funds			<u>(10,415)</u>		<u>(13,784)</u>

CERAMIART DENTAL LABORATORIES LIMITED

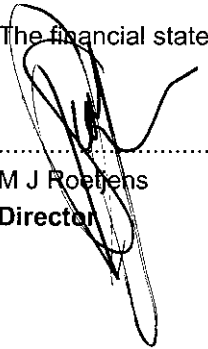
BALANCE SHEET (CONTINUED) AS AT 28 FEBRUARY 2004

In preparing these financial statements:

- (a) The directors are of the opinion that the company is entitled to the exemption from audit conferred by Section 249A(1) of the Companies Act 1985;
- (b) No notice has been deposited under Section 249B(2) of the Companies Act 1985, and
- (c) The directors acknowledge their responsibilities for:
 - (i) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
 - (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of Section 226, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

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

The financial statements were approved by the Board on 21/12/04



.....
M J Roelfens
Director

CERAMIART DENTAL LABORATORIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2004

1 Accounting policies

1.1 Accounting convention

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

The financial statements have been prepared on the going concern basis. This is considered appropriate as the shareholders will continue to provide financial support to the company for the foreseeable future. Should the company be unable to continue trading, adjustments would have to be made to reduce the value of assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify fixed assets as current assets.

1.2 Turnover

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

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Dental Equipment	25% per annum on cost
Fixtures, fittings & equipment	25% per annum on cost
Motor vehicles	25% per annum on cost

1.4 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.5 Stock

Stock is valued at the lower of cost and net realisable value.

1.6 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance had not been discounted.

2	Operating profit/(loss)	2004 £	2003 £
	Operating profit/(loss) is stated after charging:		
	Depreciation of tangible assets	20,349	18,034
	Directors' emoluments	66,536	115,135
		<u> </u>	<u> </u>
3	Taxation	2004 £	2003 £
	Domestic current year tax		
	U.K. corporation tax	-	(3,628)
	Adjustment for prior years	-	(708)
		<u> </u>	<u> </u>
	Current tax charge	-	(4,336)
		<u> </u>	<u> </u>

CERAMIART DENTAL LABORATORIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2004

4 Tangible fixed assets

	Plant and machinery etc
	£
Cost	
At 1 March 2003	72,134
Additions	9,868
At 28 February 2004	82,002
Depreciation	
At 1 March 2003	25,419
Charge for the year	20,349
At 28 February 2004	45,768
Net book value	
At 28 February 2004	36,234
At 28 February 2003	46,715

5 Debtors

	2004 £	2003 £
Trade debtors	94,849	76,380
Other debtors	7,743	7,470
	102,592	83,850

6 Creditors: amounts falling due within one year

	2004 £	2003 £
Bank loans and overdrafts	22,778	30,023
Trade creditors	80,525	45,706
Other creditors	31,112	32,924
	134,415	108,653

CERAMIART DENTAL LABORATORIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2004

7	Creditors: amounts falling due after more than one year	2004	2003
		£	£
	Bank loans	30,000	42,000
	Analysis of loans		
	Wholly repayable within five years	42,000	54,000
	Included in current liabilities	(12,000)	(12,000)
		30,000	42,000
8	Share capital	2004	2003
		£	£
	Authorised		
	1,000 Ordinary shares of £1 each	1,000	1,000
	Allotted, called up and fully paid		
	2 Ordinary shares of £1 each	2	2
9	Statement of movements on profit and loss account		Profit and loss account
			£
	Balance at 1 March 2003		(13,786)
	Retained profit for the year		3,369
	Balance at 28 February 2004		(10,417)
10	Financial commitments		
	At 28 February 2004 the company was committed to making the following payments under non-cancellable operating leases in the year 28 February 2005:		
		2004	2003
		£	£
	Operating leases which expire:		
	Between two and five years	1,174	-
	In over five years	26,000	26,000
		27,174	26,000

CERAMIART DENTAL LABORATORIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2004

11 Control

G Hockley and J J Van Der Watt are considered to be the ultimate controlling parties.

12 Related party transactions

Included in creditors is £8,655 (2003:£8,656) owed to the director G Hockly on his loan account.

An amount of £3,000 (2003: £3,000) was owed to V Hockly, the spouse of one of the directors.

During the year £10,935 (2003: £9,050) was paid to G Hockly as administration fees and £Nil (2003:£5,000) was paid to J J Van Der Watt, a shareholder, in respect of consultancy fees. Included in creditors are also amounts owed to J J Van Der Watt amounting to £13,656 (2003:£13,656).

Included in trade creditors is an amount of £8,162 (2003:£Nil) owed to Ceramiart Dental Laboratories Limited, in South Africa, a company in which G Hockly has an interest.

During the year ended 28 February 2004, £1,509 (2003:£1,509) was loaned from the South African company.

None of the loans attract any interest and have no fixed terms.