

ELITE DS LIMITED
FINANCIAL STATEMENTS
FOR
30TH JUNE 2003

Company Registration Number 3787708

COVENEY NICHOLLS

Chartered Accountants
The Old Wheel House
31/37 Church Street
Reigate
Surrey RH2 0AD



ELITE DS LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 30TH JUNE 2003

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ELITE DS LIMITED**THE DIRECTORS' REPORT****YEAR ENDED 30TH JUNE 2003**

The directors have pleasure in presenting their report and the unaudited financial statements of the company for the year ended 30th June 2003.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was that of dental laboratory services.

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

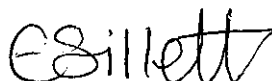
	Ordinary Shares of £1 each	
	At 30 June 2003	At 1 July 2002
G Sillet	1	1
C Chalkley	1	1
E Sillet	—	—

SMALL COMPANY PROVISIONS

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

Registered office:
The Old Wheel House
31/37 Church Street
Reigate
Surrey
RH2 0AD

Signed by order of the directors



E. SILLET
Company Secretary

Approved by the directors on19.03

ELITE DS LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 30TH JUNE 2003

	Note	2003 £	2002 £
TURNOVER		755,166	744,119
Cost of sales		<u>481,077</u>	<u>478,447</u>
GROSS PROFIT		274,089	265,672
Distribution Costs		2,546	3,031
Administrative expenses		<u>195,507</u>	<u>198,105</u>
OPERATING PROFIT	2	76,036	64,536
Interest receivable		<u>1,226</u>	<u>2,234</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		77,262	66,770
Tax on profit on ordinary activities	4	<u>15,219</u>	<u>13,324</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		62,043	53,446
Equity dividends paid		<u>78,650</u>	<u>40,000</u>
(LOSS)/RETAINED PROFIT FOR THE FINANCIAL YEAR		(16,607)	13,446
Balance brought forward		<u>173,076</u>	<u>159,630</u>
Balance carried forward		<u><u>156,469</u></u>	<u><u>173,076</u></u>

ELITE DS LIMITED**BALANCE SHEET****30TH JUNE 2003**

	Note	2003 £	£	2002 £	£
FIXED ASSETS					
Intangible assets	5		22,928		26,749
Tangible assets	6		24,824		19,019
			<u>47,752</u>		<u>45,768</u>
CURRENT ASSETS					
Stocks		9,250		7,400	
Debtors	7	113,871		95,988	
Cash at bank and in hand		79,598		116,840	
		<u>202,719</u>		<u>220,228</u>	
CREDITORS: Amounts falling due within one year	8	<u>94,000</u>		<u>92,918</u>	
NET CURRENT ASSETS			<u>108,719</u>		<u>127,310</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>156,471</u>		<u>173,078</u>

The Balance sheet continues on the following page.

The notes on pages 5 to 8 form part of these financial statements.

ELITE DS LIMITED**BALANCE SHEET** *(continued)***30TH JUNE 2003**

	Note	2003 £	2002 £
CAPITAL AND RESERVES			
Called-up equity share capital	10	2	2
Profit and loss account		<u>156,469</u>	<u>173,076</u>
SHAREHOLDERS' FUNDS		<u>156,471</u>	<u>173,078</u>

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the accounts for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

The directors acknowledge their responsibilities for:

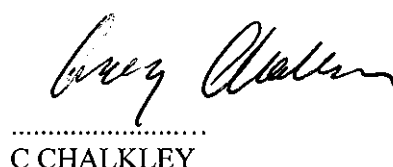
- (i) ensuring that the company keeps proper accounting records which comply with section 221 of the Act, and
- (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective March 2000).

These financial statements were approved by the directors on the 1/9/03 and are signed on their behalf by:



G SILLET



C CHALKLEY

ELITE DS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 30TH JUNE 2003****1. ACCOUNTING POLICIES****Basis of accounting**

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Goodwill	Straight line over 10 years
----------	-----------------------------

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Laboratory equipment	20% Reducing balance
Motor Vehicles	25% Reducing balance
Equipment	20% Reducing balance

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

2. OPERATING PROFIT

Operating profit is stated after charging:

	2003	2002
	£	£
Amortisation	3,821	3,821
Depreciation	6,648	5,119
Loss on disposal of fixed assets	—	492

ELITE DS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 30TH JUNE 2003****3. DIRECTORS' EMOLUMENTS**

The directors' aggregate emoluments in respect of qualifying services were:

	2003	2002
	£	£
Aggregate emoluments	<u>135,755</u>	<u>135,853</u>

4. TAX ON PROFIT ON ORDINARY ACTIVITIES**(a) Analysis of charge in the year**

	2003	2002
	£	£
Current tax:		
UK Corporation tax based on the results for the year at 19% (2002 - 19.75%)	<u>15,219</u>	<u>13,324</u>
Total current tax	<u>15,219</u>	<u>13,324</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 19% (2002 - 19.75%).

	2003	2002
	£	£
Profit on ordinary activities before taxation	<u>77,262</u>	<u>66,770</u>
Profit/(loss) on ord actvs by rate of tax	14,680	13,187
Accelerated capital allowances	478	(754)
Permanent timing differences	61	893
Sundry tax adjusting items	—	(2)
Total current tax (note 4(a))	<u>15,219</u>	<u>13,324</u>

5. INTANGIBLE FIXED ASSETS

	Goodwill
	£
COST	
At 1st July 2002 and 30th June 2003	<u>38,212</u>
AMORTISATION	
At 1st July 2002	11,463
Charge for the year	3,821
At 30th June 2003	<u>15,284</u>
NET BOOK VALUE	
At 30th June 2003	<u>22,928</u>
At 30th June 2002	<u>26,749</u>

ELITE DS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 30TH JUNE 2003****6. TANGIBLE FIXED ASSETS**

	Laboratory equipment £	Motor Vehicles £	Equipment £	Total £
COST				
At 1st July 2002	17,533	6,620	8,700	32,853
Additions	—	2,718	9,735	12,453
At 30th June 2003	<u>17,533</u>	<u>9,338</u>	<u>18,435</u>	<u>45,306</u>
DEPRECIATION				
At 1st July 2002	8,556	2,253	3,025	13,834
Charge for the year	1,795	1,771	3,082	6,648
At 30th June 2003	<u>10,351</u>	<u>4,024</u>	<u>6,107</u>	<u>20,482</u>
NET BOOK VALUE				
At 30th June 2003	<u>7,182</u>	<u>5,314</u>	<u>12,328</u>	<u>24,824</u>
At 30th June 2002	<u>8,977</u>	<u>4,367</u>	<u>5,675</u>	<u>19,019</u>

Hire purchase agreements

Included within the net book value of £24,824 is £7,789 (2002 - £Nil) relating to assets held under hire purchase agreements. The depreciation charged to the accounts in the year in respect of such assets amounted to £1,946 (2002 - £Nil).

7. DEBTORS

	2003 £	2002 £
Trade debtors	112,234	95,200
Prepayments and accrued income	1,637	788
	<u>113,871</u>	<u>95,988</u>

8. CREDITORS: Amounts falling due within one year

	2003 £	2002 £
Trade creditors	16,364	14,820
Other creditors including taxation:		
Corporation tax	16,319	14,424
Hire purchase agreements	1,622	—
Directors current a/c - C Chalkley	93	3,094
Directors current a/c - G Sillet	16,425	17,884
Accruals and deferred income	<u>43,177</u>	<u>42,696</u>
	<u>77,636</u>	<u>78,098</u>
	<u>94,000</u>	<u>92,918</u>

ELITE DS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 30TH JUNE 2003****9. RELATED PARTY TRANSACTIONS**

The company's premises are rented from the directors and shareholders at a market rent of £8000 per annum. Other than this transaction and the directors loan accounts, no transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8.

10. SHARE CAPITAL**Authorised share capital:**

	2003		2002	
	£		£	
2 Ordinary shares of £1 each		<u>2</u>		<u>2</u>

Allotted, called up and fully paid:

	2003		2002	
	No	£	No	£
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

ELITE DS LIMITED

MANAGEMENT INFORMATION

YEAR ENDED 30TH JUNE 2003

The following pages do not form part of the statutory financial statements.

ELITE DS LIMITED

ACCOUNTANTS' REPORT TO THE DIRECTORS

YEAR ENDED 30TH JUNE 2003

As described on the balance sheet, the directors of the company are responsible for the preparation of the accounts for the year ended 30th June 2003, set out on pages 2 to 8.

You consider that the company is exempt from an audit under the Companies Act 1985.

In accordance with your instructions we have compiled these unaudited accounts in order to assist you to fulfil your statutory responsibilities, from the accounting records and information and explanations supplied to us.

The Old Wheel House
31/37 Church Street
Reigate
Surrey RH2 0AD

1.9.2003

Coveney Nicholls
COVENEY NICHOLLS
Chartered Accountants

ELITE DS LIMITED**DETAILED PROFIT AND LOSS ACCOUNT****YEAR ENDED 30TH JUNE 2003**

	2003		2002	
	£	£	£	£
TURNOVER		755,166		744,119
COST OF SALES				
Opening stock - raw materials	7,400		13,557	
Purchases	153,585		143,741	
Direct wages	329,342		328,549	
	<u>490,327</u>		<u>485,847</u>	
Closing stock - raw materials	(9,250)		(7,400)	
		<u>481,077</u>		<u>478,447</u>
GROSS PROFIT		274,089		265,672
OVERHEADS				
Freight and carriage	2,546		3,031	
Administrative expenses	195,507		198,105	
		<u>198,053</u>		<u>201,136</u>
OPERATING PROFIT		76,036		64,536
Bank interest receivable		1,226		2,234
PROFIT ON ORDINARY ACTIVITIES		<u>77,262</u>		<u>66,770</u>

ELITE DS LIMITED**NOTES TO THE DETAILED PROFIT AND LOSS ACCOUNT****YEAR ENDED 30TH JUNE 2003**

	2003		2002	
	£	£	£	£
ADMINISTRATIVE EXPENSES				
Personnel costs				
Directors salaries		135,755		135,853
Establishment expenses				
Rent, rates and water	11,410		11,170	
Light and heat	2,900		1,579	
Insurance	1,167		320	
Repairs and maintenance (allowable)	1,394		3,922	
		16,871		16,991
General expenses				
Motor expenses	14,282		13,501	
Travel and subsistence	22		715	
Telephone	1,762		2,134	
Stationery and postage	6,156		6,167	
Staff welfare	410		330	
Sundry expenses	2,629		1,477	
Cleaning and waste disposal	532		4,231	
Advertising	2,327		3,257	
Entertaining	323		150	
Accountancy fees	3,057		3,058	
Amortisation	3,821		3,821	
Depreciation of laboratory equipment	1,795		2,244	
Depreciation of motor vehicles	1,771		1,456	
Depreciation of equipment	3,082		1,419	
Loss on disposal of fixed assets	—		492	
		41,969		44,452
Financial costs				
Bank charges		912		809
		<u>195,507</u>		<u>198,105</u>