

# DENTSPLY IH LIMITED

## ANNUAL REPORT AND FINANCIAL STATEMENTS for the year ended 31 DECEMBER 2013



Registered number 01480123

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## STRATEGIC REPORT

The directors present their strategic report on the Company for the year ended 31 December 2013.

### Principal activities and business review

The principal activity of the Company is the sale and distribution of medical devices to hospitals, the community and the dental profession. There have not been any significant changes in the Company's principal activity in the year under review.

The principal risk affecting the Healthcare business is the political situation with regard to the budget provided for healthcare products and the continuing reimbursement of products through the Drug Tariff.

The principal risk affecting the Dental business is the state of the economy, as dental implant treatment is generally by elective surgery. There are also increasing risks to market share due to the increase in low cost competitor implant systems.

### Principal risks and uncertainties

The Company reviews and monitors the risks that face the business as part of an ongoing risk management process.

The principal risks which are therefore considered to be material, in that they may have a significant effect on the Company's financial condition, results of operations and/or reputation, include: supply chain and delivery risks and economic and financial risks.

*Supply chain and delivery risks* - The Company relies on the timely supply of high quality product and interruption to this supply may adversely impact our operations and financial results.

Information on the economic and financial risks is included in the Directors' report on page 2.

### Reporting and measuring performance

Sales grew in 2013, with the overall increase in turnover being 21.5% (2012: 6.0%).

This increase is in part due to having 12 months integrated business following the acquisition of the DENTSPLY Friadent business in October 2012.

Operating profit increased from £4,709k to £5,188k, an increase of 10.2%. This represented a decrease in operating profit as a percentage of sales of 1 percentage point to 10.3%.

The profit for the year after taxation was £3,926k (2012: £3,558k).

By order of the board



R Winters  
Director

Brunel Way  
Stonehouse  
Gloucestershire  
GL10 3GB

## DIRECTORS' REPORT

|                |  |                       |  |
|----------------|--|-----------------------|--|
| Directors:     | W Jellison – appointed 1.6.12 &<br>resigned 15.7.13<br>R Winters – appointed 1.6.12<br>J Mosch – appointed 1.6.12<br>C Clark – appointed 15.7.13 | Registered office:    | Brunel Way<br>Stonehouse<br>Gloucestershire<br>GL10 3GB                    |
| Co. Secretary: | P Trotman  | Independent auditors: | PricewaterhouseCoopers LLP<br>31 Great George Street<br>Bristol<br>BS1 5QD |
| Date:          |  |                       |  |

The Directors of DENTSPLY IH Limited submit their report together with the Financial Statements of the Company for the year ended 31 December 2013.

### Financial risk management

*Economic and financial risks* - Credit risk is managed by regular review of credit limits and adherence to credit terms. Credit control policies enabled us to minimise the risk. As the Company does not have any bank borrowings, it has no significant exposure to interest rate fluctuations.

*Price risk management* - The Company's principal financial risks are those relating to price. The aim of the Company's financial risk management policies is to optimise financial performance by managing and mitigating these risks in a cost-effective manner.

*Exchange rate risk management* - The Company does not have any significant exposure to exchange rate fluctuations as it is invoiced in GB pounds for the majority of its purchased products.

### Future performance

The Company's strategy has one key priority: to grow market share at or above market growth rates for both the Healthcare and Dental Implant product areas.

Whilst the Directors are committed to maintaining the profitability of the Company, investment will continue to be made in resources and headcount to enable the Company to achieve its key strategies.

### Going concern

The Directors believe that the Company has sufficient financial resources and is well placed to manage its business risks successfully despite the current uncertain economic outlook. After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing these financial statements.

### Directors

The Directors who held office during the year and up to the date of signing the financial statements are presented at the head of this report.

### Dividend

The Directors do not recommend the payment of a final dividend (2012: £nil). During the year, no dividend payment was made (2012: £nil).

### Political and charitable donations

The Company made donations to UK charities amounting to £1,100 (2012: £600). The Company made no political donations.

## Employees

The Company actively encourages the involvement of employees and a stated policy of the Company is to provide all members of staff with an individual training programme. The methods of involvement include regular staff meetings and intranet updates.

The employment policy does not discriminate between employees or potential employees on the grounds of sex, colour, age, race, ethnic or national origin, marital status or religious beliefs. In the case of the disabled, the company gives full consideration to applications for employment from disabled persons who can demonstrate that they have the necessary abilities. If an employee becomes disabled whilst in employment and, as a result, was unable to perform his/her normal duties, every effort would be made to offer suitable alternative employment and assist with retraining.

## Statement of directors' responsibilities

The Directors are responsible for preparing the Strategic Report, Directors' report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law, the Directors have prepared the Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the Directors must not approve the Financial Statements unless they are satisfied that they 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 these Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom 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 Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions, disclose with reasonable accuracy at any time the financial position of the Company, and enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are 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.

## Statement of disclosure of information to auditors

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware:

- there is no relevant audit information as defined by Section 418 of the Companies Act 2006 of which the Company's auditor is unaware; and
- each Director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information, and that the Company's auditor is aware of that information.

## Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at a meeting of the Board of Directors.

By order of the board



R Winters  
Director

Brunel Way  
Stonehouse  
Gloucestershire  
GL10 3GB

# **Independent auditors' report to the members of DENTSPLY IH Limited**

## **Report on the financial statements**

### **Our opinion**

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

This opinion is to be read in the context of what we say in the remainder of this report.

### **What we have audited**

The financial statements, which are prepared by Dentsply IH Limited, comprise:

- the Balance Sheet as at 31 December 2013;
- the Profit and Loss Account for the year then ended;
- the accounting policies; and
- the notes to the financial statements, which include other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

### **What an audit of financial statements involves**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual Report and financial statements (the "Annual Report") to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

## **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **Other matters on which we are required to report by exception**

### **Adequacy of accounting records and information and explanations received**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

### **Directors' remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

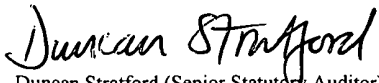
## **Responsibilities for the financial statements and the audit**

### **Our responsibilities and those of the directors**

As explained more fully in the Statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.



Duncan Stratford (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Bristol

29 September 2014

**PROFIT AND LOSS ACCOUNT**  
*For the year ended 31 December 2013*

|  | <i>Note</i> | Year<br>ended<br>31<br>December<br>2013<br>£000's | Year<br>ended<br>31<br>December<br>2012<br>£000's |
|--|-------------|---|---|
| <b>Turnover</b>                                      | <i>1</i>    | <b>50,474</b>                                     | 41,530  |
| Cost of sales  |             | <b>(34,255)</b>                                   | (27,957)  |
| <b>Gross profit</b>                                  |             | <b>16,219</b>                                     | 13,573  |
| Distribution costs                                   |             | <b>(1,051)</b>                                    | (1,027)   |
| Administrative expenses                              |             | <b>(9,980)</b>                                    | (7,837)   |
| <b>Operating profit</b>                              | <i>2</i>    | <b>5,188</b>                                      | 4,709   |
| Interest receivable and similar income               | <i>5</i>    | <b>27</b>   | 28  |
| <b>Profit on ordinary activities before taxation</b> |             | <b>5,215</b>                                      | 4,737   |
| Tax on profit on ordinary activities                 | <i>6</i>    | <b>(1,289)</b>                                    | (1,179)   |
| <b>Profit for the financial year</b>                 |             | <b>3,926</b>                                      | 3,558   |
| <b>Retained profit for the financial year</b>        |             | <b>3,926</b>                                      | 3,558   |

There are no recognised gains or losses other than the result for the current and prior year and therefore no separate Statement of Total Recognised Gains and Losses has been presented.

There is no material difference between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical cost equivalents.

The results of the Company relate exclusively to continuing operations.

The accounting policies on page 8 and the Notes to the Financial Statements on pages 9 to 15 form part of these Financial Statements.



**BALANCE SHEET**  
*At 31 December 2013*

|   | <i>Note</i> | 2013<br>£000's | 2012<br>£000's |
|---|-------------|----------------|----------------|
| <b>Intangible fixed assets</b>                        |             |                |                |
| Goodwill  | 7           | 737            | 776            |
| <b>Fixed assets</b>                                   |             |                |                |
| Tangible assets                                       | 8           | 461            | 465            |
| <b>Current assets</b>                                 |             |                |                |
| Stocks  | 9           | 2,089          | 1,484          |
| Debtors   | 10          | 20,867         | 13,621         |
| Cash at bank and in hand                              |             | 355            | 1,235          |
|   |             | 23,311         | 16,340         |
| <b>Creditors: amounts falling due within one year</b> | 12          | (8,289)        | (5,287)        |
| <b>Net current assets</b>                             |             | 15,022         | 11,053         |
| <b>Total assets less current liabilities</b>          |             | 16,220         | 12,294         |
| <b>Net assets</b>                                     |             | 16,220         | 12,294         |
| <b>Capital and reserves</b>                           |             |                |                |
| Called up share capital                               | 13          | 100            | 100            |
| Profit and loss account                               | 14          | 16,120         | 12,194         |
| <b>Total Shareholders' funds</b>                      | 15          | 16,220         | 12,294         |

The accounting policies on page 8 and the Notes to the Financial Statements on pages 9 to 15 form part of these Financial Statements.

These Financial Statements were approved by the Board of Directors on 19 September 2014 and were signed on its behalf by:



R Winters  
Director

DENTSPLY IH Limited registered number: 01480123

## ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's Financial Statements.

### *Basis of preparation*

These Financial Statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

Under FRS 1 (revised) the Company is exempt from the requirement to prepare a Cash Flow Statement on the grounds that the ultimate parent undertaking, DENTSPLY International Inc., includes the Company in its own published Consolidated Financial Statements. The Consolidated Financial Statements of Dentsply International Inc., within which this Company is included, can be obtained from the address given in note 18.

### *Turnover*

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers.

### *Taxation*

Current tax, including UK corporation tax and overseas tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted at the balance sheet date. Except as otherwise required by FRS 19, deferred tax is provided in full on 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 tax, or a right to pay less tax, in the future. 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.

### *Fixed assets and depreciation*

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

|                              |   |               |
|------------------------------|---|---------------|
| Short leasehold improvements | - | life of lease |
| Plant and machinery          | - | 3 to 10 years |
| Computer equipment           | - | 3 to 5 years  |
| Office fixtures and fittings | - | 3 to 10 years |

### *Goodwill*

Goodwill represents the excess of the cost of an acquisition over the fair value of the net identifiable assets and liabilities of the acquired business at the date of acquisition. Goodwill is amortised over an estimated useful life of 20 years.

### *Stocks*

Stocks are stated at the lower of cost and net realisable value.

### *Post-retirement benefits*

The company contributes to a Group Self Invested Pension Plan and a Group Personal Pension Plan, which are defined contribution schemes. The amount charged to the Profit and Loss account represents the contributions payable to the schemes in respect of each accounting period.

### *Leases*

Operating lease rentals are charged to the Profit and Loss account on a straight-line basis over the period of the lease.

### *Foreign currencies*

Trading items in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at mid-market rates of exchange ruling at the balance sheet date. Exchange differences arising on transactions are taken to the profit and loss account.

**NOTES TO THE FINANCIAL STATEMENTS**

**1 Turnover**

|   | 2013<br>£000's | 2012<br>£000's |
|---|----------------|----------------|
| <b>Turnover was generated from customers in the following geographical areas:</b> |                |                |
| United Kingdom  | 49,662         | 41,142         |
| Rest of Europe  | 812            | 388            |
|   | 50,474         | 41,530         |
|   | 50,474         | 41,530         |

The Company's turnover and profit before taxation were all derived from its principal activity.

**2 Operating profit**

|  | 2013<br>£000's | 2012<br>£000's |
|--|----------------|----------------|
| <b>Operating profit is stated after charging:</b>  |                |                |
| Fees payable to the Company's auditor for the statutory audit of the Company's annual financial statements | 28             | 28             |
| Depreciation and other amounts written off tangible fixed assets   | 208            | 144            |
| Hire of other assets - operating leases  | 704            | 605            |
|  | 940            | 787            |
|  | 940            | 787            |

**3 Remuneration of Directors**

|   | 2013<br>£000's | 2012<br>£000's |
|---|----------------|----------------|
| Directors' emoluments   | -              | 92             |
| Company contributions to defined contribution pension schemes | -              | 23             |
|   | -              | 115            |
|   | -              | 115            |

|  | <b>Number of Directors</b> |      |
|--|----------------------------|------|
|  | 2013                       | 2012 |
| Retirement benefits are accruing to the following number of Directors under: |                            |      |
| Defined contribution schemes (from 1 September 2011)                         | -                          | 1    |
|  | -                          | 1    |
|  | -                          | 1    |

The remuneration of the directors is borne by a fellow subsidiary company and no allocation of their costs is directly borne by DENTSPLY IH Ltd.

Following the sale of the Astra Tech group to Dentsply International Inc. on 31 August 2011 DENTSPLY IH Ltd (formerly Astra Tech Limited), employees are unable to continue contributing as active members of the defined benefit scheme.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**4 Staff costs**

The average number of persons employed by the Company (including Directors) during the year, analysed by category, was as follows:

|                        | Number of employees |      |
|------------------------|---------------------|------|
|                        | 2013                | 2012 |
| Sales and distribution | 107                 | 89   |
| Administration         | 18                  | 14   |
|                        | 125                 | 103  |
|                        | 125                 | 103  |

The aggregate payroll costs of these persons were as follows:

|                       | 2013   | 2012   |
|-----------------------|--------|--------|
|                       | £000's | £000's |
| Wages and salaries    | 4,758  | 3,750  |
| Social security costs | 578    | 476    |
| Other pension costs   | 495    | 468    |
|                       | 5,831  | 4,694  |
|                       | 5,831  | 4,694  |

The company contributes to a Group Self Invested Pension Plan and a Group Personal Pension Plan, which are defined contribution schemes. The pension expense attributable to these schemes amounted to £495k (2012: £468k). Pension amounts payable at 31 December 2013 amounted to £15k.

**5 Interest receivable and similar income**

|  | 2013   | 2012   |
|--|--------|--------|
|  | £000's | £000's |
| Interest receivable from group companies | 20     | 26     |
| Other interest receivable                | 7      | 2      |
|  | 27     | 28     |
|  | 27     | 28     |

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**6 Tax on profit on ordinary activities**

|  | 2013<br>£000's | 2012<br>£000's |
|--|----------------|----------------|
| <b>Current tax</b>                             |                |                |
| UK Corporation tax on profit for the year      | 1,275          | 1,190          |
| Adjustment in respect of prior years           | (10)           | 17             |
|  | 1,265          | 1,207          |
| <b>Deferred tax</b>                            |                |                |
| Origination and reversal of timing differences | 24             | (28)           |
|  | 1,289          | 1,179          |
|  | 1,289          | 1,179          |

**Factors affecting the tax charge for the current year.**

The tax assessed for the year differs from that resulting from applying the standard rate of corporation tax in the UK of 23.25 % (2012: 24.5%). The differences are explained below.

|  | 2013<br>£000's | 2012<br>£000's |
|--|----------------|----------------|
| <b>Current tax reconciliation:</b>   |                |                |
| Profit on ordinary activities before tax   | 5,215          | 4,737          |
|  | 1,212          | 1,161          |
| <b>Effects of:</b>   |                |                |
| Expenses not deductible for tax purposes   | 49             | 21             |
| Depreciation for the year in excess of capital allowances/other timing differences | 14             | 8              |
| Adjustments to tax charge in respect of previous years                             | (10)           | 17             |
|  | 1,265          | 1,207          |
|  | 1,265          | 1,207          |

Future changes to the United Kingdom's corporation tax rate from 23% to 21%, with effect from 1 April 2014 and a further 1% reduction from 21% to 20%, with effect from 1 April 2015, were substantively enacted on 2 July 2013. This is not expected to have a material impact on tax provisions recognised up to 31 December 2013.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**7 Intangible fixed assets**

|                                 | <b>Goodwill</b><br>£000's |
|---------------------------------|---------------------------|
| <i>Cost</i>                     |                           |
| At beginning of year            | 776                       |
| Additions                       | -                         |
|                                 | 776                       |
| At end of year                  | 776                       |
| <i>Accumulated amortisation</i> |                           |
| At beginning of year            | -                         |
| Charge for year                 | 39                        |
|                                 | 39                        |
| At end of year                  | 39                        |
| <i>Net book value</i>           |                           |
| <b>At 31 December 2013</b>      | <b>737</b>                |
| At 31 December 2012             | 776                       |

Goodwill arose on the acquisition of the trade and assets of DENTSPLY Friadent on 1 October 2012.

**8 Tangible fixed assets**

|                                 | <b>Short<br/>leasehold<br/>improvements</b><br>£000's | <b>Plant and<br/>machinery</b><br>£000's | <b>Computer<br/>equipment</b><br>£000's | <b>Office<br/>fixtures and<br/>fittings</b><br>£000's | <b>Total</b><br>£000's |
|---------------------------------|---|--|---|---|------------------------|
| <i>Cost</i>                     |   |  |   |   |                        |
| At beginning of year            | 278   | 208                                      | 458                                     | 772   | 1,716                  |
| Additions                       | 14  | -  | 71                                      | 119   | 204                    |
| Disposals                       | -   | -  | (107)                                   | (7)   | (114)                  |
|                                 | 292   | 208                                      | 422                                     | 884   | 1,806                  |
| At end of year                  | 292   | 208                                      | 422                                     | 884   | 1,806                  |
| <i>Accumulated depreciation</i> |   |  |   |   |                        |
| At beginning of year            | 133   | 195                                      | 378                                     | 545   | 1,251                  |
| Charge for year                 | 38  | 13                                       | 69                                      | 88  | 208                    |
| Disposals                       | -   | -  | (107)                                   | (7)   | (114)                  |
|                                 | 171   | 208                                      | 340                                     | 626   | 1,345                  |
| At end of year                  | 171   | 208                                      | 340                                     | 626   | 1,345                  |
| <i>Net book value</i>           |   |  |   |   |                        |
| <b>At 31 December 2013</b>      | <b>121</b>  | <b>-</b>                                 | <b>82</b>                               | <b>258</b>  | <b>461</b>             |
| At 31 December 2012             | 145   | 13                                       | 80                                      | 227   | 465                    |

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**9 Stocks**

|                                     | 2013<br>£000's | 2012<br>£000's |
|-------------------------------------|----------------|----------------|
| Finished goods and goods for resale | 2,089          | 1,484          |
|                                     | <u>2,089</u>   | <u>1,484</u>   |

**10 Debtors**

|                                    | 2013<br>£000's | 2012<br>£000's |
|------------------------------------|----------------|----------------|
| Trade debtors                      | 7,925          | 7,288          |
| Amounts owed by group undertakings | 12,443         | 5,875          |
| Other debtors                      | 12             | 29             |
| Prepayments and accrued income     | 439            | 357            |
| Deferred tax asset                 | 48             | 72             |
|                                    | <u>20,867</u>  | <u>13,621</u>  |

Included within amounts owed by group undertakings are deposits held in sub-accounts that are part of a group pooling system. As a consequence, to the extent that other group companies have withdrawn amounts from the group pooling system, such amounts represent a receivable from the group. Amounts owed by group undertakings are unsecured and are repayable on demand. Interest is payable quarterly in arrears at a rate of 25% below the GBP LIBOR interest rate.

**11 Deferred Taxation**

The movement in the deferred taxation asset during the year was:

|                              | 2013<br>£000's | 2012<br>£000's |
|------------------------------|----------------|----------------|
| At beginning of the year     | 72             | 44             |
| (Decrease)/Increase in asset | (24)           | 28             |
|                              | <u>48</u>      | <u>72</u>      |

At 31 December 2013, the company had a deferred tax asset in respect of:

|                                     | 2013<br>£000's | 2012<br>£000's |
|-------------------------------------|----------------|----------------|
| Fixed asset timing differences      | 45             | 47             |
| Other short term timing differences | 3              | 25             |
|                                     | <u>48</u>      | <u>72</u>      |

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**12 Creditors: amounts falling due within one year**

|                                    | 2013<br>£000's | 2012<br>£000's |
|------------------------------------|----------------|----------------|
| Trade creditors                    | 369            | 365            |
| Amounts owed to group undertakings | 4,484          | 2,094          |
| Corporation tax                    | 601            | 736            |
| Other tax and social security      | 2,036          | 1,701          |
| Accruals and deferred income       | 799            | 391            |
|                                    | 8,289          | 5,287          |

Amounts owed to group undertakings are unsecured, interest free and repayable on 21<sup>st</sup> January 2014.

**13 Called up share capital**

|   | 2013<br>£000's | 2012<br>£000's |
|---|----------------|----------------|
| <b>Allotted and fully paid</b><br>100,000 (2012: 100,000), Ordinary Shares of £1 each | 100            | 100            |

**14 Profit and loss account**

|                              | <b>Profit and<br/>loss account<br/>£000's</b> |
|------------------------------|---|
| At beginning of year         | 12,194  |
| Retained profit for the year | 3,926   |
| At end of year               | 16,120  |

**15 Reconciliation of movements in shareholder's funds**

|   | 2013<br>£000's | 2012<br>£000's |
|---|----------------|----------------|
| Profit for the financial year                   | 3,926          | 3,558          |
| Dividends paid                                  | -              | -              |
| Net addition/(reduction) to shareholder's funds | 3,926          | 3,558          |
| Opening shareholder's funds                     | 12,294         | 8,736          |
| Closing shareholder's funds                     | 16,220         | 12,294         |



**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**16 Leases**

Annual commitments under non-cancellable operating leases are as follows:

|  | <b>2013</b>   | <b>2013</b>      | <b>2012</b>   | <b>2012</b>      |
|--|---------------|------------------|---------------|------------------|
|  | <b>Other</b>  | <b>Land and</b>  | <b>Other</b>  | <b>Land and</b>  |
|  | <b>£000's</b> | <b>Buildings</b> | <b>£000's</b> | <b>Buildings</b> |
|  | <b>£000's</b> | <b>£000's</b>    | <b>£000's</b> | <b>£000's</b>    |
| Operating leases which expire:         |               |                  |               |                  |
| Within one year                        | 44            | -                | 15            | -                |
| In the second to fifth years inclusive | 321           | 246              | 266           | 246              |
| Over five years                        | -             | -                | -             | -                |
|  | <u>365</u>    | <u>246</u>       | <u>281</u>    | <u>246</u>       |

**17 Related party transactions**

Under FRS 8, the Company is exempt from the requirement to disclose related party transactions with DENTSPLY International Inc. and its wholly owned subsidiaries on the grounds that it is a wholly owned subsidiary undertaking of DENTSPLY International Inc. There were no transactions with Directors.

**18 Ultimate parent undertaking and controlling party**

The immediate parent undertaking is DENTSPLY IH AB (formerly Astra Tech AB), incorporated in Sweden.

The ultimate parent undertaking and controlling party is DENTSPLY International Inc., a company incorporated in the United States of America.

The largest group in which the results of the Company are consolidated is that headed by Dentsply International Inc., a company incorporated in the United States of America, who is the ultimate controlling party. The smallest group in which they are consolidated is that headed by DENTSPLY IH AB. Copies of the Consolidated Financial Statements of Dentsply International Inc. are available to the public and may be obtained from Dentsply International Inc., Susquehanna Commerce Center, 221 West Philadelphia Street, PO Box 872, York PA 17405-0872, USA.