

**Kulzer Ltd**

(formerly Heraeus Kulzer Limited)

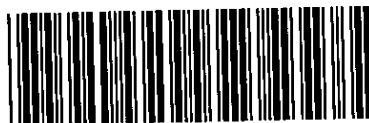
**Directors' report and financial  
statements**

Registered number 3095521

For the year ended

31 March 2017

WEDNESDAY



\*A6BYACPC\*

A11

02/08/2017

#171

COMPANIES HOUSE

## **Contents**

Directors and advisors	1
Directors' report	2
Statement of directors' responsibilities in respect of the directors report and the financial statements	4
Independent auditor's report to the members of Kulzer Ltd	5
Profit and Loss Account and Other Comprehensive Income	7
Balance Sheet	8
Statement of Changes in Equity	9
Notes	10

## **Directors and advisors**

### **Directors**

D Miller  
C Hoess  
A Rastetter

### **Secretary and registered office**

D Turner  
Unit 58 Tempus Business Centre  
Kingsclere Road  
Basingstoke  
Hampshire  
RG21 6XG

### **Registered Auditor**

KPMG LLP  
Arlington Business Park  
Theale  
Reading  
Berkshire  
RG7 4SD

### **Solicitor**

Gardner Leader  
White Hart House  
Market Place  
Newbury  
Berkshire  
RG14 5BA

### **Banker**

Commerzbank AG  
30 Gresham Street  
London  
EC2V 7PG

## **Directors' report**

Following a change in the year end from 31 December to 31 March, the directors present their report and the audited financial statements of the company for the year ended 31 March 2017. Due to the change of year end date the prior period is not directly comparable to the current year.

### **Principal activities**

The company's principal activity is that of selling and marketing dental products for its immediate holding company.

### **Review of business and future developments**

The profit and loss account for the period is set out on page 7. The directors are of the opinion that the company's state of affairs and outlook are satisfactory.

### **Financial Risk Management**

The company's operations expose it to a variety of financial risks that include the effects of changes in market prices, credit risk and foreign exchange rate risk. Management of the company has put in place controls to eliminate these risks. Most of the business and financial risks are mitigated by the transfer-pricing arrangements with the parent company.

### **Results and dividends**

The profit and loss account for the period is set out on page 7.

The directors have not paid an interim dividend (2016: nil).

The directors have not declared a final dividend for the year (2016: £774,269).

### **Directors**

The directors of the company who held office during the period and to the date of this report are:

D Miller

C Hoess

A Rastetter (appointed 2<sup>nd</sup> March 2017)

### **Statement as to disclosure of information to auditor**

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 of which the Company's auditor is unaware; and each 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 auditor is aware of that information.

### **Subsequent Events**

On 19<sup>th</sup> June 2017 Written Resolutions were passed changing the name of the Company to Kulzer Ltd.

Notice of change of name by resolution was accepted by Companies House on 27<sup>th</sup> June 2017.

## **Directors' report** *(continued)*

### **Auditor**

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

### **Small companies provision**

In preparing this report, the directors have taken advantage of the small companies exemption provided by Section 414B of the Companies Act 2006 and have not prepared a strategic report.

By order of the board



D Turner  
Company Secretary

Unit 58 Tempus Business Centre, Kingsclere Road, Basingstoke, RG21 6XG

27<sup>th</sup> July 2017

## **Statement of directors' responsibilities in respect of the directors' report and the financial statements**

The directors are responsible for preparing the 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 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; 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 and 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KULZER LTD**

We have audited the financial statements of Kulzer Ltd for the year ended 31 March 2017 set out on pages 7 to 22. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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 International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2017 and of its profit for the period then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

In our opinion the information given in the Directors' Report for the financial year is consistent with the financial statements.

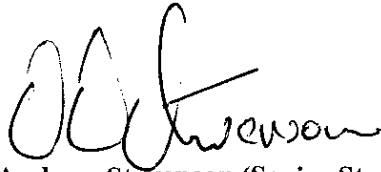
Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Directors' report:

- we have not identified material misstatements in that report; and
- in our opinion, that report has been prepared in accordance with the Companies Act 2006.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- 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; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.



**Andrew Stevenson (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**

*Chartered Accountants*  
Arlington Business Park  
Theale  
Reading  
RG7 4SD

28 July 2017



**Profit and Loss Account and Other Comprehensive Income**  
*for the year ended 31 March 2017*

	<i>Note</i>	<b>Year ended 31 March 2017</b>	15 month period ended 31 March 2016
		<b>£</b>	<b>£</b>
<b>Turnover</b>	2	<b>2,387,090</b>	2,785,043
Cost of sales		<b>(198,236)</b>	(203,856)
		<hr/>	<hr/>
<b>Gross profit</b>		<b>2,188,854</b>	2,581,187
Distribution costs		<b>(1,736,609)</b>	(2,024,197)
Administrative expenses		<b>(368,243)</b>	(480,624)
		<hr/>	<hr/>
<b>Operating profit</b>	3	<b>84,002</b>	76,366
Other interest receivable and similar income	6	<b>619</b>	4,684
Interest payable and similar expenses	7	<b>(3,271)</b>	(38)
		<hr/>	<hr/>
<b>Profit before taxation</b>		<b>81,350</b>	81,012
Tax on profit	8	<b>(30,382)</b>	(25,058)
		<hr/>	<hr/>
<b>Profit for the financial period</b>		<b>50,968</b>	55,954
		<hr/>	<hr/>
<b>Total comprehensive income for the period</b>		<b>50,968</b>	55,954
		<hr/>	<hr/>

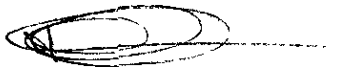
The accompanying notes form part of the financial statements.

**Balance Sheet**  
*at 31 March 2017*

	<i>Note</i>	<b>31 March 2017</b>	<b>31 March 2016</b>
<b>Fixed assets</b>			
<i>Intangible assets</i>			
Other intangibles	9	<b>12,959</b>	23,812
Tangible assets	10	<b>26,916</b>	33,550
		<hr/>	<hr/>
		<b>39,875</b>	57,362
<b>Current assets</b>			
Stocks	11	<b>10,760</b>	5,351
Debtors	12	<b>344,128</b>	255,064
Cash at bank and in hand		<b>379,913</b>	1,153,924
		<hr/>	<hr/>
<b>Creditors:</b> amounts falling due within one year	13	<b>734,801</b> <b>(277,993)</b>	1,414,339 (1,025,986)
		<hr/>	<hr/>
<b>Net current assets</b>		<b>456,808</b>	388,353
<b>Total assets less current liabilities</b>		<hr/>	<hr/>
		<b>496,683</b>	445,715
		<hr/>	<hr/>
<b>Net assets</b>		<b>496,683</b>	445,715
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	16	<b>400,000</b>	400,000
Share premium account	16	<b>45,715</b>	45,715
Profit and loss account	16	<b>50,968</b>	-
		<hr/>	<hr/>
<b>Shareholders' funds</b>		<b>496,683</b>	445,715
		<hr/>	<hr/>

The accompanying notes form part of the financial statements.

These financial statements were approved by the board of directors on **27<sup>th</sup>** July 2017 and were signed on its behalf by:



**David Miller**

*Director*

Company registered number: 3095521

## Statement of Changes in Equity

	<b>Called up Share capital</b>	<b>Share Premium account</b>	<b>Profit and loss account</b>	<b>Total equity</b>
Balance at 1 January 2015	400,000	45,715	718,315	1,164,030
<b>Total comprehensive income for the period</b>				
Profit or loss	-	-	55,954	55,954
	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period	-	-	55,954	55,954
	<hr/>	<hr/>	<hr/>	<hr/>
Dividends			(774,269)	(774,269)
	<hr/>	<hr/>	<hr/>	<hr/>
Total contributions by and distributions to owners			(774,269)	(774,269)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Balance at 31 March 2016</b>	<b>400,000</b>	<b>45,715</b>	<b>-</b>	<b>445,715</b>
	<hr/>	<hr/>	<hr/>	<hr/>

	<b>Called up Share capital</b>	<b>Share Premium account</b>	<b>Profit and loss account</b>	<b>Total equity</b>
Balance at 1 April 2016	400,000	45,715	-	445,715
<b>Total comprehensive income for the period</b>				
Profit or loss	-	-	50,968	50,968
	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period	-	-	50,968	50,968
	<hr/>	<hr/>	<hr/>	<hr/>
Dividends			-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total contributions by and distributions to owners			-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Balance at 31 March 2017</b>	<b>400,000</b>	<b>45,715</b>	<b>50,968</b>	<b>496,683</b>
	<hr/>	<hr/>	<hr/>	<hr/>

## **Notes**

*(forming part of the financial statements)*

### **1 Accounting policies**

Kulzer Ltd (the "Company") is a company limited by shares and incorporated and domiciled in the UK. The registered address of the Company is Unit 58, Tempus Business Centre, Kingsclere Road, Basingstoke, Hampshire, RG21 6XG.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("*FRS 102*") as issued in August 2014. The presentation currency of these financial statements is sterling.

The Company's ultimate parent undertaking, Mitsui Chemicals Inc. includes the Company in its consolidated financial statements. The consolidated financial statements of Mitsui Chemicals Inc. are prepared in accordance with accounting principles generally accepted in Japan and are available to the public and may be obtained from the address given in note 18. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

As the company is a wholly owned subsidiary of Mitsui Chemicals Dental Holdings Europe GmbH, the company has taken advantage of the exemption contained in FRS 102 Section 33.1A and has therefore not disclosed transactions or balances with wholly owned subsidiaries which form part of the group.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 19.

#### **1.1 Going concern**

Having considered the forecasts of the company and its ability to continue paying its current liabilities as they fall due, the directors consider there to be no material uncertainties that cast significant doubt about the ability of the company to continue as a going concern.

#### **1.2 Foreign currency**

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.3 Classification of financial instruments issued by the Company

In accordance with FRS 102.22, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and
- (b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

#### 1.4 Basic financial instruments

##### *Trade and other debtors / creditors*

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

##### *Interest-bearing borrowings classified as basic financial instruments*

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

#### 1.5 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Tangible fixed assets include investment property whose fair value cannot be measured reliably without undue cost or effort.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

Leases in which the Company assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases. Leased assets acquired by way of finance lease are stated on initial recognition at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, including any incremental costs directly attributable to negotiating and arranging the lease. At initial recognition a finance lease liability is recognised equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The present value of the minimum lease payments is calculated using the interest rate implicit in the lease. Lease payments are accounted for as described at 1.12 below.

The company assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. The estimated useful lives are as follows:

- fixtures and fittings 2 -10 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

## **Notes** *(continued)*

### **1 Accounting policies** *(continued)*

#### **1.6 Intangible assets**

##### *Other intangible assets*

Other intangible assets that are acquired by the Company are stated at cost less accumulated amortisation and less accumulated impairment losses.

The cost of intangible asset acquired in a business combination are capitalised separately from goodwill if the fair value can be measured reliably at the acquisition date.

##### *Amortisation*

Amortisation is charged to the profit or loss on a straight-line basis over the estimated useful lives of intangible assets. Intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

- software      5 years

The basis for choosing these useful lives is expectation of minimum period before future upgrade.

The company reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date.

Intangible assets are tested for impairment in accordance with Section 27 Impairment of assets when there is an indication that an intangible asset may be impaired.

#### **1.7 Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

#### **1.8 Impairment excluding stocks and deferred tax assets**

##### *Financial assets (including trade and other debtors)*

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.9 Employee benefits

##### *Defined contribution plans and other long term employee benefits*

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

#### 1.10 Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company treats the guarantee contract as a contingent liability until such time as it becomes probable that the company will be required to make a payment under the guarantee.

#### 1.11 Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of goods to customers and commission received by the company as agents during the year. Commissions and direct sales are recognised in the actual month of sales activity. Services represent the reimbursement of overheads associated with the sale of consumables and are recognised in the month of sales activity.

#### 1.12 Expenses

##### *Operating lease*

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

##### *Interest receivable and Interest payable*

Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy).

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the company's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.13 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

### 2 Turnover

All turnover arises in the United Kingdom.

	Year ended 31 March 2017	15 month period ended 31 March 2016
	£	£
Sale of goods	330,192	334,491
Rendering of services	1,942,778	2,340,664
Commissions	114,120	109,888
	<hr/>	<hr/>
Total turnover	2,387,090	2,785,043
	<hr/>	<hr/>



## Notes (continued)

### 3 Expenses and auditor's remuneration

*Auditor's remuneration:*

	<b>Year ended 31 March 2017</b>	15 month period ended 31 March 2016
	<b>£</b>	<b>£</b>
Audit of these financial statements	<b>15,300</b>	16,720
Amounts receivable by the company's auditor and its associates in respect of:		
Audit -related assurance services	-	3,700
Taxation compliance services	<b>3,025</b>	2,850
Other tax services	<b>675</b>	6,304

### 4 Staff numbers and costs

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

	<b>Number of employees</b>	
	<b>Year ended 31 March 2017</b>	15 month period ended 31 March 2016
Management and administration	<b>2</b>	2
Selling	<b>15</b>	16
	<hr/> <b>17</b> <hr/>	<hr/> 18 <hr/>

The aggregate payroll costs of these persons were as follows:

	<b>Year ended 31 March 2017</b>	15 month period ended 31 March 2016
	<b>£</b>	<b>£</b>
Wages and salaries	<b>1,033,749</b>	1,234,286
Social security costs	<b>131,538</b>	157,262
Contributions to defined contribution plans	<b>122,360</b>	142,710
	<hr/> <b>1,287,647</b> <hr/>	<hr/> 1,534,258 <hr/>

## Notes (continued)

### 5 Directors' remuneration

	Year ended 31 March 2017	15 month period ended 31 March 2016
	£	£
Directors' remuneration	122,875	148,133
Company contributions to money purchase pension plans	18,387	22,250
	<u>141,262</u>	<u>170,383</u>
	<b>Number of directors</b>	
	<b>2017</b>	<b>2016</b>
Retirement benefits are accruing to the following number of directors under:		
Money purchase schemes	<u>1</u>	<u>1</u>

### 6 Other interest receivable and similar income

	Year ended 31 March 2017	15 month period ended 31 March 2016
	£	£
Bank interest receivable	505	4,602
Net foreign exchange gain	-	82
Interest receivable on Corporation Tax overpayment	114	-
	<u>619</u>	<u>4,684</u>

### 7 Interest payable and similar charges

	Year ended 31 March 2017	15 month period ended 31 March 2016
	£	£
Bank interest payable	1	-
Net foreign exchange loss	3,270	-
Interest payable on Corporation Tax underpayment	-	38
	<u>3,271</u>	<u>38</u>

## Notes (continued)

### 8 Taxation

#### Total tax expense recognised in the profit and loss account, other comprehensive income and equity

	Year ended 31 March 2017	15 month period ended 31 March 2016	
	£	£	£
<i>Current tax</i>			
Current tax on income for the period	24,030	26,087	
Prior year under provision	3,162	-	
Total current tax		27,192	26,087
<i>Deferred tax (see note 14)</i>			
Origination and reversal of timing differences	3,190	(1,029)	
Total deferred tax		3,190	(1,029)
Total tax		30,382	25,058

	Year ended 31 March 2017			15 month period ended 31 March 2016		
	Current tax	Deferred tax	Total tax	Current tax	Deferred tax	Total tax
Recognised in Profit and loss account	27,192	3,190	30,382	26,087	(1,029)	25,058
Total tax	27,192	3,190	30,382	26,087	(1,029)	25,058

#### Analysis of current tax recognised in profit and loss

	Year ended 31 March 2017	15 month period ended 31 March 2016
UK corporation tax	27,192	26,087
Current tax recognised in profit and loss	27,192	26,087

## Notes (continued)

### 8 Taxation (continued)

#### Reconciliation of effective tax rate

	Year ended 31 March 2017	15 month period ended 31 March 2016
Profit for the period	50,968	55,954
Total tax expense	30,382	25,058
Profit excluding taxation	81,350	81,012
Tax using the UK corporation tax rate of 20% (2016: 20.20%)	16,270	16,364
Reduction in tax rate on deferred tax balances	6,599	580
Non-deductible expenses	7,513	8,114
Total tax expense included in profit or loss	30,382	25,058

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly. The deferred tax asset at 31 March 2017 has been calculated based on these rates.

### 9 Intangible assets and goodwill

	Software	Total
<b>Cost</b>		
Balance at 1 April 2016 and 31 March 2017	84,315	84,315
<b>Amortisation and impairment</b>		
Balance at 1 April 2016	60,503	60,503
Amortisation for the period	10,853	10,853
Balance at 31 March 2017	71,356	71,356
<b>Net book value</b>		
At 1 April 2016	23,812	23,812
At 31 March 2017	12,959	12,959

#### *Amortisation and impairment charge*

The amortisation charge is recognised in administrative expenses in the profit and loss account.

#### *Other disclosures*

All software has an estimated remaining useful life of between 2 and 5 years.

## Notes (continued)

### 10 Tangible fixed assets

	Fixtures & fittings	Total
<b>Cost</b>		
Balance at 1 April 2016	116,432	116,432
Additions	903	903
Disposals	(6,908)	(6,908)
	<hr/>	<hr/>
Balance at 31 March 2017	110,427	110,427
	<hr/>	<hr/>
<b>Depreciation and impairment</b>		
Balance at 1 April 2016	82,882	82,882
Depreciation charge for the period	7,537	7,537
Disposals	(6,908)	(6,908)
	<hr/>	<hr/>
Balance at 31 March 2017	83,511	83,511
	<hr/>	<hr/>
<b>Net book value</b>		
At 1 April 2016	33,550	33,550
	<hr/>	<hr/>
<b>At 31 March 2017</b>	<b>26,916</b>	<b>26,916</b>
	<hr/>	<hr/>

### 11 Stocks

	31 March 2017 £	31 March 2016 £
Finished goods	10,760	5,351
	<hr/>	<hr/>
	<b>10,760</b>	5,351
	<hr/>	<hr/>

Raw materials, consumables and changes in finished goods and work in progress recognised as cost of sales in the period amounted to £198,236 (2016: £ 203,856). The write-down of stocks to net realisable value amounted to £ nil (2016 :£ nil). The reversal of write-downs amounted to £nil (2016 : £ nil). The write-down and reversal are included in cost of sales.

## Notes (continued)

### 12 Debtors

	31 March 2017 £	31 March 2016 £
Trade debtors	43,063	31,873
Amounts owed by group undertakings	177,584	138,333
Other debtors	22,929	31,025
Deferred tax assets (see note 14 )	3,948	7,138
Prepayments and accrued income	96,604	46,695
	<u>344,128</u>	<u>255,064</u>
Due within one year	<u>344,128</u>	<u>255,064</u>
	<u>344,128</u>	<u>255,064</u>

Amounts owed by group undertakings are unsecured, interest free and have no fixed date of repayment.

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

	31 March 2017 £	31 March 2016 £
Trade creditors	48,750	29,070
Amounts owed to group undertakings	20,358	781,843
Taxation and social security	86,865	66,109
Accruals and deferred income	122,020	148,964
	<u>277,993</u>	<u>1,025,986</u>

Amounts owed to group undertakings are unsecured and repayable on demand.

### 14 Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets 31 March 2017 £	31 March 2016 £	Liabilities 31 March 2017 £	31 March 2016 £	Net 31 March 2017 £	31 March 2016 £
Accelerated capital allowances	(3,948)	(7,138)	-	-	(3,948)	(7,138)
Tax (assets) / liabilities	(3,948)	(7,138)	-	-	(3,948)	(7,138)
Net of tax liabilities/(assets)	<u>(3,948)</u>	<u>(7,138)</u>	<u>-</u>	<u>-</u>	<u>(3,948)</u>	<u>(7,138)</u>
Net tax (assets) / liabilities	<u>(3,948)</u>	<u>(7,138)</u>	<u>-</u>	<u>-</u>	<u>(3,948)</u>	<u>(7,138)</u>

**Notes** *(continued)*

**15 Employee benefits**

**Defined contribution plans**

The Company operates a number of defined contribution pension plans.

The total expense relating to these plans in the current period was £122,360 (2016: £142,710). The amount accrued in the current period was £8,799 (2016: £5,805).

**16 Capital and reserves**

**Share capital**

	<b>31 March 2017</b>	31 March 2016
	<b>£</b>	£
<i>Allotted, called up and fully paid</i>		
400,000 ordinary shares of £1 each	<b>400,000</b>	400,000
	<hr/>	<hr/>
	<b>400,000</b>	400,000
	<hr/>	<hr/>
Shares classified in shareholders' funds	<b>400,000</b>	400,000
	<hr/>	<hr/>
	<b>400,000</b>	400,000
	<hr/>	<hr/>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

## **Notes** *(continued)*

### **17 Operating leases**

Non-cancellable operating lease rentals are payable as follows:

	<b>31 March 2017</b>	31 March 2016
	<b>£</b>	<b>£</b>
Less than one year	<b>94,033</b>	115,043
Between one and five years	<b>167,114</b>	126,889
More than five years	<b>78,306</b>	100,679
	<hr/> <b>339,453</b> <hr/>	<hr/> 342,611 <hr/>

During the period £ 119,113 was recognised as an expense in the profit and loss account in respect of operating leases (2016:£ 164,726).

The Company's premises are leased for a term of 10 years to 21<sup>st</sup> October 2025. The lease agreement contains a break clause after 5 years (22<sup>nd</sup> October 2020) and a lease incentive of 3 months rent free.

### **18 Ultimate parent company and parent company of larger group**

The Company is a subsidiary undertaking of Mitsui Chemicals Dental Holdings Europe GmbH, incorporated in Germany. The ultimate controlling party is Mitsui Chemicals Inc., incorporated in Japan.

The smallest group in which the results of the Company are consolidated is that headed by Mitsui Chemicals Inc., incorporated in Japan. The consolidated financial statements of these groups are available to the public and may be obtained from Mitsui Chemicals Inc, Shiodome City Centre, 1-5-2, Higashi-Shimbashi, Minato-ku Tokyo 105-7117, Japan.

### **19 Accounting estimates and judgements**

#### *Key sources of estimation uncertainty*

In preparing the financial statements the directors have made no key assumptions concerning the future and no other key sources of estimation uncertainty at the balance sheet date.