

Natural Management Ltd.
Abbreviated Audited Accounts
for the Year Ended 31 March 2006

Maxwells
Chartered Accountants
and Registered Auditor
4 King Square
Bridgwater
Somerset
TA6 3YF



Contents of the Abbreviated Accounts
for the Year Ended 31 March 2006

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors on the Abbreviated Accounts	4
Abbreviated Profit and Loss Account	5
Statement of Total Recognised Gains and Losses	6
Abbreviated Balance Sheet	7
Cash Flow Statement	8
Notes to the Cash Flow Statement	9
Notes to the Abbreviated Accounts	10

Natural Management Ltd.

Company Information
for the Year Ended 31 March 2006

DIRECTORS:	S C Chidgey A R J Langham
SECRETARY:	S C Chidgey
REGISTERED OFFICE:	Northam Dental Surgery Bay View Road Northam Bideford Devon EX39 1AZ
REGISTERED NUMBER:	4013600 (England and Wales)
AUDITORS:	Maxwells Chartered Accountants and Registered Auditor 4 King Square Bridgwater Somerset TA6 3YF
BANKERS:	Bank of Ireland 2nd Floor South PO Box 27 1 Temple Quay Bristol BS99 7AX

Natural Management Ltd.

Report of the Directors
for the Year Ended 31 March 2006

The directors present their report with the accounts of the company for the year ended 31 March 2006.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the provision of management services.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed accounts.

DIVIDENDS

Interim dividends per share were paid as follows:

20p	- 30 June 2005
20p	- 31 July 2005
20p	- 31 August 2005
20p	- 30 September 2005
20p	- 31 October 2005
20p	- 30 November 2005
20p	- 31 December 2005
20p	- 31 January 2006
20p	- 28 February 2006
20p	- 31 March 2006
<hr/>	
£2	
<hr/>	

The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 31 March 2006 will be £200,000.

DIRECTORS

The directors during the year under review were:

S C Chidgey
A R J Langham

The beneficial interests of the directors holding office on 31 March 2006 in the issued share capital of the company were as follows:

	31.3.06	1.4.05
Ordinary £1 shares		
S C Chidgey	50,000	50,000
A R J Langham	50,000	50,000

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements for each financial year which 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 those 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

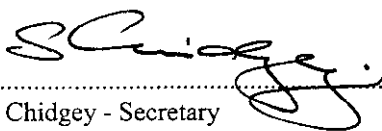
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Maxwells, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:


.....
S C Chidgey - Secretary

Date: 11/12/06

Report of the Independent Auditors to
Natural Management Ltd.
Under Section 247B of the Companies Act 1985

We have examined the abbreviated accounts set out on pages five to fifteen, together with the financial statements of Natural Management Ltd. for the year ended 31 March 2006 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditors' 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with that provision and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2006/3 "The Special Auditor's Report on Abbreviated Accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with that provision.

Maxwells
Chartered Accountants
and Registered Auditor
4 King Square
Bridgwater
Somerset
TA6 3YF

Date: 17.10.06

Natural Management Ltd.

Abbreviated Profit and Loss Account
for the Year Ended 31 March 2006

	Notes	31.3.06 £	£	31.3.05 £	£
GROSS PROFIT			118,920		118,920
Administrative expenses			17,000		14,096
OPERATING PROFIT	3		101,920		104,824
Income from shares in group undertakings		200,000		228,000	
Interest receivable and similar income		8		34	
			200,008		228,034
			301,928		332,858
Interest payable and similar charges	4		-		11,867
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			301,928		320,991
Tax on profit on ordinary activities	5		22,596		20,344
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION			279,332		300,647

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year.

Natural Management Ltd.

Statement of Total Recognised Gains and Losses
for the Year Ended 31 March 2006

	31.3.06 £	31.3.05 £
PROFIT FOR THE FINANCIAL YEAR	279,332	300,647
Revaluation of fixed assets	207,369	-
	<hr/>	<hr/>
TOTAL RECOGNISED GAINS AND LOSSES		
RELATING TO THE YEAR	486,701	300,647
	<hr/> <hr/>	<hr/> <hr/>

Note of Historical Cost Profits and Losses
for the Year Ended 31 March 2006

	31.3.06 £	31.3.05 £
REPORTED PROFIT		
ON ORDINARY ACTIVITIES BEFORE TAXATION	301,928	320,991
Depreciation on tangible fixed assets	10,166	7,108
	<hr/>	<hr/>
HISTORICAL COST PROFIT		
ON ORDINARY ACTIVITIES BEFORE TAXATION	312,094	328,099
	<hr/> <hr/>	<hr/> <hr/>
HISTORICAL COST PROFIT		
FOR THE YEAR RETAINED AFTER TAXATION		
AND DIVIDENDS	89,498	79,755
	<hr/> <hr/>	<hr/> <hr/>

The notes form part of these abbreviated accounts

Natural Management Ltd.

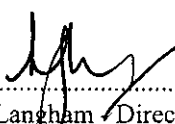
Abbreviated Balance Sheet

31 March 2006

	Notes	31.3.06 £	31.3.05 £
FIXED ASSETS			
Tangible assets	7	833,000	642,631
Investments	8	279,900	279,900
		<u>1,112,900</u>	<u>922,531</u>
CURRENT ASSETS			
Cash at bank		110,947	42,363
CREDITORS			
Amounts falling due within one year	9	<u>330,299</u>	<u>358,047</u>
NET CURRENT LIABILITIES		<u>(219,352)</u>	<u>(315,684)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>893,548</u>	<u>606,847</u>
CAPITAL AND RESERVES			
Called up share capital	10	100,000	100,000
Revaluation reserve	11	545,479	326,952
Profit and loss account	11	248,069	179,895
SHAREHOLDERS' FUNDS	13	<u>893,548</u>	<u>606,847</u>

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

The financial statements were approved by the Board of Directors on11/10/06..... and were signed on its behalf by:


.....
A R J Langham Director

Natural Management Ltd.

Cash Flow Statement
for the Year Ended 31 March 2006

	Notes	31.3.06 £	£	31.3.05 £	£
Net cash inflow					
from operating activities	1		88,920		478,767
Returns on investments and servicing of finance	2		200,008		216,167
Taxation			(20,344)		(18,606)
Equity dividends paid			(200,000)		(228,000)
			68,584		448,328
Financing	2		-		(408,469)
Increase in cash in the period			68,584		39,859
<hr/>					
Reconciliation of net cash flow to movement in net funds	3				
Increase in cash in the period		68,584		39,859	
Cash outflow from decrease in debt		-		408,469	
Change in net funds resulting from cash flows			68,584		448,328
Movement in net funds in the period			68,584		448,328
Net funds/(debt) at 1 April			42,363		(405,965)
Net funds at 31 March			110,947		42,363

The notes form part of these abbreviated accounts

Notes to the Cash Flow Statement
for the Year Ended 31 March 2006

1. **RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	31.3.06	31.3.05
	£	£
Operating profit	101,920	104,824
Depreciation charges	17,000	14,081
Decrease in debtors	-	24,425
(Decrease)/Increase in creditors	(30,000)	335,437
Net cash inflow from operating activities	88,920	478,767

2. **ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

	31.3.06	31.3.05
	£	£
Returns on investments and servicing of finance		
Interest received	8	34
Interest paid	-	(11,867)
Dividends received	200,000	228,000
Net cash inflow for returns on investments and servicing of finance	200,008	216,167
 Financing		
Loan repayments in year	-	(408,469)
Net cash outflow from financing	-	(408,469)

3. **ANALYSIS OF CHANGES IN NET FUNDS**

	At 1/4/05	Cash flow	At
	£	£	31/3/06
			£
Net cash:			
Cash at bank	42,363	68,584	110,947
	<u>42,363</u>	<u>68,584</u>	<u>110,947</u>
 Total	<u>42,363</u>	<u>68,584</u>	<u>110,947</u>

1. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

The financial statements have been prepared in accordance with applicable accounting standards and estimation techniques.

Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Turnover

Turnover represents net invoiced sales of services, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property - 2% on cost

Group Accounts

The company is entitled to the exemption under Section 248 of the Companies Act 1985 from the obligation to prepare group accounts.

Fixed asset investments

Fixed asset investments are stated at cost less provision for diminution in value.

2. **STAFF COSTS**

There were no staff costs for the year ended 31 March 2006 nor for the year ended 31 March 2005.

The average monthly number of employees during the year was as follows:

	31.3.06	31.3.05
Office and management	<u>2</u>	<u>2</u>

3. **OPERATING PROFIT**

The operating profit is stated after charging:

	31.3.06	31.3.05
	£	£
Depreciation - owned assets	<u>17,000</u>	<u>14,081</u>
Directors' emoluments	<u>-</u>	<u>-</u>

4. **INTEREST PAYABLE AND SIMILAR CHARGES**

	31.3.06	31.3.05
	£	£
Loan interest	<u>-</u>	<u>11,867</u>

5. **TAXATION**

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	31.3.06 £	31.3.05 £
Current tax:		
UK corporation tax	22,596	20,344
Tax on profit on ordinary activities	<u>22,596</u>	<u>20,344</u>

UK corporation tax has been charged at 19% (2005 - 19%).

Factors affecting the tax charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	31.3.06 £	31.3.05 £
Profit on ordinary activities before tax	<u>301,928</u>	<u>320,991</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2005 - 19%)	57,366	60,988
Effects of:		
Depreciation	3,230	2,675
Income from shares in group undertakings	<u>(38,000)</u>	<u>(43,319)</u>
Current tax charge	<u>22,596</u>	<u>20,344</u>

Factors that may affect future tax charges

There are no present known factors that may affect future tax charges.

6. **DIVIDENDS**

	31.3.06 £	31.3.05 £
Equity shares:		
Interim	<u>200,000</u>	<u>228,000</u>

7. **TANGIBLE FIXED ASSETS**

	Freehold property £
COST OR VALUATION	
At 1 April 2005	690,000
Revaluations	<u>160,000</u>
At 31 March 2006	<u>850,000</u>
DEPRECIATION	
At 1 April 2005	47,369
Charge for year	17,000
Revaluation adjustments	<u>(47,369)</u>
At 31 March 2006	<u>17,000</u>
NET BOOK VALUE	
At 31 March 2006	<u>833,000</u>
At 31 March 2005	<u>642,631</u>

Cost or valuation at 31 March 2006 is represented by:

	Freehold property £
Valuation in 2003	690,000
Valuation in 2005	<u>160,000</u>
	<u>850,000</u>

If freehold land and buildings had not been revalued they would have been included at the following historical cost:

	31.3.06	31.3.05
	£	£
Cost	<u>341,724</u>	<u>341,724</u>
Aggregate depreciation	<u>27,336</u>	<u>20,502</u>

Freehold land and buildings were valued on an open market basis on 31 March 2005 by Norman J L Facey MA RICS, of Webbers, Chartered Surveyors.

Notes to the Abbreviated Accounts - continued
for the Year Ended 31 March 2006

8. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 April 2005	
and 31 March 2006	<u>279,900</u>
NET BOOK VALUE	
At 31 March 2006	<u>279,900</u>
At 31 March 2005	<u>279,900</u>

The company's investments at the balance sheet date in the share capital of companies include the following:

Community Dental Centres Limited

Nature of business: Provision of dental services

	% holding		
Class of shares:			
300 'A' Ordinary	100.00		
700 'B' Ordinary	100.00		
		31.3.06	31.3.05
		£	£
Aggregate capital and reserves		1,565,309	1,339,500
Profit for the year		<u>425,809</u>	<u>1,239,228</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.06	31.3.05
	£	£
Amounts owed to group undertakings	307,354	337,354
Corporation Tax	22,596	20,344
Directors' current accounts	349	349
	<u>330,299</u>	<u>358,047</u>

10. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.3.06	31.3.05
			£	£
100,000	Ordinary	£1	<u>100,000</u>	<u>100,000</u>

Notes to the Abbreviated Accounts - continued
for the Year Ended 31 March 2006

11. RESERVES

	Profit and loss account £	Revaluation reserve £	Totals £
At 1 April 2005	179,895	326,952	506,847
Profit for the year	279,332		279,332
Dividends	(200,000)		(200,000)
Revaluation of freehold property	(21,324)	228,693	207,369
Transfer from revaluation reserve	10,166	(10,166)	-
At 31 March 2006	<u>248,069</u>	<u>545,479</u>	<u>793,548</u>

12. RELATED PARTY DISCLOSURES

Community Dental Centres Limited :-

Natural Management Ltd. is the parent company of Community Dental Centres Limited.

During the year, Natural Management Ltd. charged management fees of £55,920 (2005 £55,920) to Community Dental Centres Limited.

During the year, Natural Management Ltd. received dividends of £200,000 (2005 £228,000) from Community Dental Centres Limited.

During the year, Natural Management Ltd. charged rent of £63,000 (2005 £63,000) to Community Dental Centres Limited in respect of 'The Dental Centre', Bay View Road, Northam and Kilkenny House, Taunton.

At the year end, Natural Management Ltd. owed £307,354 to Community Dental Centres Limited. At 31 March 2005 the company owed £337,354 to Community Dental Centres Limited.

13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31.3.06 £	31.3.05 £
Profit for the financial year	279,332	300,647
Dividends	(200,000)	(228,000)
	<u>79,332</u>	<u>72,647</u>
Other recognised gains and losses relating to the year (net)	207,369	-
Net addition to shareholders' funds	<u>286,701</u>	<u>72,647</u>
Opening shareholders' funds	606,847	534,200
Closing shareholders' funds	<u>893,548</u>	<u>606,847</u>
Equity interests	<u>893,548</u>	<u>606,847</u>

14. ULTIMATE CONTROLLING PARTY

The company was controlled throughout the current and previous period by its directors, S C Chidgey and A R J Langham, by virtue of the fact that between them they own all of the issued share capital of the company.