

WON 2006

WISDOM OF NATURE LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST DECEMBER 2006

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MAGEE GAMMON

Chartered Accountants
19 North Street
Ashford
Kent
TN24 8LF

WISDOM OF NATURE LIMITED

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31ST DECEMBER 2006

The Director presents his report together with the audited Financial Statements for the year ended 31st December 2006.

PRINCIPAL ACTIVITY

The principal activity of the Company during the year was that of supply of alternative natural health and beauty products.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The company enjoyed a successful period of trading and the Directors are satisfied with the results however the Director wishes to draw attention to the fact the Company opened two market for pharmacies during 2005 in France and England. The French market is served by five sales representatives and is in profit. The English market is not yet profitable but is on budget to be in profit in the foreseeable future. The Director believes that the company is well placed for the future.

DIRECTOR AND HIS INTEREST

The Director and his interest in the shares of the Company are:—

	<u>Ordinary 'A' Shares of £1 each</u> <u>31st December 2006</u>	<u>Ordinary 'A' Shares of £1 each</u> <u>31st December 2005</u>
M Estienne (appointed 3 July 2007)	—	—
J Theron (appointed 19 May 2006 and resigned 3 July 2007)	—	—
A J Alm (resigned 19 May 2006)	—	—
C Nowak (resigned 24 April 2006)	—	—

DIVIDENDS

No dividends were paid or proposed during the financial year. The Director does not recommend the payment of a dividend in respect of the year.

POST BALANCE SHEET EVENTS

There have been no events occurring since the end of the year which have materially altered the Company's position as represented within these Financial Statements.

WISDOM OF NATURE LIMITED

REPORT OF THE DIRECTORS (Continued)

FOR THE YEAR ENDED 31ST DECEMBER 2006

DIRECTORS RESPONSIBILITIES

The Directors are responsible for preparing the Annual 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 elected to prepare the Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

The Financial Statements are required by law to 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;
- follow applicable accounting standards subject to any material departures disclosed and explained in the financial statements.

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 any reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the Director is 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 the director has taken all the steps that he or she ought to have taken as a director to make himself or herself aware of any relevant audit information and to establish that the Company's Auditors are aware of that information.

AUDITORS

During the year Magee Gammon Corporate Limited were appointed as auditors of the Company. Magee Gammon Corporate Limited have indicated their willingness to remain in office and, accordingly, a resolution for their reappointment will be proposed at the Annual General Meeting.

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

Registered Office:

19 North Street
Ashford
Kent
TN24 8LF

24 July 2007

BY ORDER OF THE BOARD

M Estienne – Director

WISDOM OF NATURE LIMITED

INDEPENDENT AUDITORS REPORT

TO THE SHAREHOLDERS OF

WISDOM OF NATURE LIMITED

We have audited the Financial Statements of Wisdom of Nature Limited for the year ended 31st December 2006 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These Financial Statements have been prepared under the historical cost convention and the accounting policies set out therein. The Financial Statements for Wisdom of Nature Limited for the year ended 31st December 2005 were unaudited.

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 Auditors

As described in the Statement of Directors Responsibilities the Directors of the Company are responsible for the preparation of the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the Financial Statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the Financial Statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors Report is not consistent with the Financial Statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors remuneration and transactions with the Company is not disclosed.

We read the Directors Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the Financial Statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the Financial Statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the Financial Statements.

Opinion

In our opinion the Financial Statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the affairs of the Company as at 31st December 2006 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

In our opinion the information given in the Report of the Directors is consistent with the Financial Statements.

19 North Street
Ashford
Kent
TN24 8LF

24 July 2007



MAGEE GAMMON CORPORATE LIMITED
Chartered Accountants
Registered Auditors

WISDOM OF NATURE LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST DECEMBER 2006

	<u>NOTE</u>	<u>2006</u>	<u>2005</u>
<u>TURNOVER</u>		1,390,570	920,985
Cost of Sales		869,487	541,664
<u>GROSS PROFIT</u>		521,083	379,321
Administrative Expenses		508,744	378,929
<u>OPERATING PROFIT</u>	2	12,339	392
Interest Payable and Similar Charges	3	11,793	6,322
Interest Receivable and Similar Income		38	28
<u>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</u>		584	(5,902)
Tax on Profit/(Loss) on Ordinary Activities	4	427	62
<u>PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION</u>		157	(5,964)
Dividends		—	—
<u>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</u>		<u>£157</u>	<u>(£5,964)</u>
<u>STATEMENT OF RETAINED EARNINGS</u>			
Retained Profit Brought Forward		9,359	15,323
Retained Profit/(Loss) for the Year		157	(5,964)
Retained Profit Carried Forward		<u>£9,516</u>	<u>£9,359</u>

All the above amounts are in respect of continuing activities

There are no other recognised or unrecognised gains or losses included in these Financial Statements

The accompanying notes form an integral part of these Financial Statements

WISDOM OF NATURE LIMITED

BALANCE SHEET

AS AT 31ST DECEMBER 2006

	<u>NOTE</u>	<u>2006</u>	<u>2005</u>
<u>CURRENT ASSETS</u>			
Stock	5	118,419	53,010
Debtors	6	325,561	166,987
Cash at Bank and in Hand		5,693	22,007
		<u>449,673</u>	<u>242,004</u>
<u>CREDITORS:</u> Amounts falling due within one year	7	<u>440,156</u>	<u>232,644</u>
<u>NET CURRENT ASSETS</u>		<u>9,517</u>	<u>9,360</u>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		<u>9,517</u>	<u>9,360</u>
<u>NET ASSETS</u>		<u>£9,517</u>	<u>£9,360</u>
<u>CAPITAL AND RESERVES</u>			
Called Up Share Capital	8	1	1
Profit and Loss Account		9,516	9,359
Shareholders Funds	9	<u>£9,517</u>	<u>£9,360</u>

These Financial Statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the Director on 24 July 2007

M Estienne – Director

The accompanying notes form an integral part of these Financial Statements

WISDOM OF NATURE LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2006

1. ACCOUNTING POLICIES

The Company's Financial Statements have been prepared in accordance with Accounting Standards. The principal accounting policies are as follows:—

Basis of Accounting

The Financial Statements are prepared under the historical cost convention.

Turnover

Turnover is based on sales and work executed or invoiced during the year, net of Value Added Tax.

Stock and Work in Progress

Stock and Work in Progress are stated at the lower of cost or net realisable value. Cost includes all expenditure incurred in the normal course of business in bringing the Stock and Work in Progress to its present location and condition at the Balance Sheet date. Net realisable value comprises the estimated selling price after allowing for all further costs of disposal or completion.

Deferred Taxation

Deferred Taxation is provided in full on material timing differences which may give rise to material future tax liabilities. Provision is made at the rates expected to apply when such liabilities crystallise based on current tax law.

Foreign Currencies

Transactions, and liabilities in foreign currencies are translated into sterling at average monthly rates of exchange prevailing throughout the financial year. Stock, Trade Debtors and Bank and Cash balances in foreign currencies are translated into sterling at rates of exchange ruling at the Balance Sheet date. All exchange differences are dealt with in the Profit and Loss Account.

Hire Purchase and Finance Lease Obligations

Assets financed by hire purchase or leasing agreements are included in the Balance Sheet at cost, less accumulated depreciation. The interest element on these obligations is charged to the Profit and Loss Account on a straight line basis over the life of each agreement.

Operating lease rentals are charged to the Profit and Loss Account as incurred.

2. OPERATING PROFIT

Operating Profit is stated after charging:—	2006 £	2005 £
Loss/(Profit) on Foreign Exchange	(4,862)	4,039
Operating Lease Rentals	4,764	4,620
Auditors Remuneration	4,500	—
Directors Emoluments	—	—

WISDOM OF NATURE LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31ST DECEMBER 2006

2. OPERATING PROFIT (Continued)

Directors' Emoluments

No directors emoluments paid during the year.

Employees

	<u>2006</u>	<u>2005</u>
Wages and Salaries	£325,266	£159,207

	<u>2006</u>	<u>2005</u>
The average number of employees during the year was as follows :—		
Directors	1	2
Staff	11	6

3. INTEREST PAYABLE AND SIMILAR CHARGES

	<u>2006</u>	<u>2005</u>
Bank Interest	5,454	811
Bank Charges	6,339	5,511
	<u>£11,793</u>	<u>£6,322</u>

4. TAX ON PROFIT ON ORDINARY ACTIVITIES

	<u>2006</u>	<u>2005</u>
U K Corporation Tax on the results for the period at current rates	<u>£427</u>	<u>£62</u>

The standard rate of UK Corporation Tax for the year is 30%. The actual charge for the current period differs to the standard rate for the reasons set out in the following reconciliation:—

	<u>2006</u>	<u>2005</u>
Profit on Ordinary Activities before Taxation	<u>£584</u>	<u>(£5,902)</u>
Tax on those profits at standard rate	175	(1,771)
<i>Factors affecting the tax charge</i>		
Expenses not deductible for tax purposes	719	2,849
Small Company Relief	(467)	(1,016)
Total actual amount of tax	<u>£427</u>	<u>£62</u>

WISDOM OF NATURE LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31ST DECEMBER 2006

5. STOCK

	<u>2006</u>	<u>2005</u>
Finished Goods	£118,419	£53,010

6. DEBTORS

	<u>2006</u>	<u>2005</u>
Trade Debtors	222,103	155,908
Other Debtors	101,245	1,000
Prepayments	2,213	10,079
	<u>£325,561</u>	<u>£166,987</u>

7. CREDITORS: Amounts falling due within one year

	<u>2006</u>	<u>2005</u>
Bank Overdraft	3,604	—
Trade Creditors	137,620	118,653
Due to Related Undertakings	184,082	54,024
Other Taxes and Social Security Costs	14,357	4,499
Corporation Tax	427	62
Other Creditors	89,226	48,188
Accruals	10,840	7,218
	<u>£440,156</u>	<u>£232,644</u>

Bank Loans and Overdrafts are secured by a mortgage debenture together with a fixed and floating charge over all the assets of the company.

Other Creditors includes an invoice discounting account which is secured by a charge over the Trade Debtors of the Company.

WISDOM OF NATURE LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31ST DECEMBER 2006

8. CALLED UP SHARE CAPITAL

	<u>2006</u>	<u>2005</u>
<u>Authorised: –</u>		
2,500 'A' Ordinary Shares of £1 each	2,500	2,500
2,500 'B' Ordinary Shares of £1 each	2,500	2,500
2,500 'C' Ordinary Shares of £1 each	2,500	2,500
2,500 'D' Ordinary Shares of £1 each	2,500	2,500
	<u>£10,000</u>	<u>£10,000</u>
<u>Allotted, Issued and Fully Paid: –</u>		
1 'A' Ordinary Shares of £1 each	<u>£1</u>	<u>£1</u>

The company's share capital is divided into 2,500 "A" Ordinary Shares of £1 each, 2,500 "B" Ordinary Shares of £1 each, 2,500 "C" Ordinary Shares of £1 and 2,500 "D" Ordinary Shares of £1 each. The "C" Ordinary Shares of £1 each and "D" Ordinary Shares of £1 each are non-voting shares but otherwise have the same rights and rank pari passu.

9. SHAREHOLDERS FUNDS

	<u>2006</u>	<u>2005</u>
Profit/(Loss) for the Financial Year (after Taxation)	157	(5,964)
Net addition/(depletion) to shareholders funds	157	(5,964)
Opening shareholders funds	9,360	15,324
Closing shareholders funds	<u>£9,517</u>	<u>£9,360</u>

10. CAPITAL COMMITMENTS

The Company had no capital commitments at the Balance Sheet date.

WISDOM OF NATURE LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31ST DECEMBER 2006

11. FUTURE COMMITMENTS

At 31st December 2006 the Company had annual commitments under operating leases as set out below:

	<u>2006</u>	<u>2005</u>
	<u>Other</u>	<u>Other</u>
Operating Leases which expire:		
— between one and two years	4,907	4,764
	<u>£4,907</u>	<u>£4,764</u>

12. RELATED PARTY TRANSACTIONS

During the year to 31st December 2006, the Company received goods and services from related parties (either by common shareholding and / or directorship) in which shareholders of Wisdom of Nature Limited have an interest as noted below.

Consultancy Fees of £13,666 were paid during the year to Mrs C Lambert, the 100% shareholder of the company. Mrs C Lambert sold her 100% shareholding to Natural Distribution (Holdings) Limited on 31 December 2006 for £3,370.

The total value of goods and services received from Sante Verte Limited during the year amounted to £62,351 (2005 : £203,499).

Management charges of £56,100 were also paid to Sante Verte Limited during the year. (2005: £Nil).

The balance outstanding at the year end date, due to Sante Verte Limited amounted to £135,534 (2005 : £22,290).

The total value of goods and services received from Natural Distribution (Holdings) Limited during the year amounted to £Nil (2005 : £33,338).

The balance outstanding at the year end date, due to Natural Distribution (Holdings) Limited amounted to £48,548 (2005 : £31,734).

All transactions were made on a normal arms length trading basis.

13. PARENT UNDERTAKING

The ultimate parent undertaking of this company at 31st December 2006 is Natural Distribution (Holdings) Limited, a company incorporated in England and Wales. This company was previously owned by Ms C Lambert, who sold her shareholding to Natural Distribution (Holdings) Limited on 31st December 2006. Ms C Lambert is the sister of Ms V Hassett, a director and shareholder of Natural Distribution (Holdings) Limited.

WISDOM OF NATURE LIMITED

TRADING AND PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST DECEMBER 2006

	<u>2006</u>		<u>2005</u>
TURNOVER	1,390,570		920,985
COST OF SALES			
Purchases (adjusted for stock)	601,062		391,229
Consultancy	13,666		23,266
Freight and Handling Costs	144,868		73,993
Commission	109,891		53,176
	<hr/> 869,487		<hr/> 541,664
GROSS PROFIT	37.5% 521,083	41.2%	379,321
OTHER INCOME			
Interest Received	38		28
	<hr/> 521,121		<hr/> 379,349
Administration Costs			
Wages	325,266		159,207
Rent and Rates	9,501		2,228
Motor Expenses	24,610		21,991
Travel and Subsistence	32,813		29,196
Vehicle Hire	1,040		1,339
Entertaining	2,396		9,496
Advertising	10,495		39,044
Exhibition and Promotional Costs	63,645		67,125
Telephone	1,846		2,185
Printing Postage and Stationery	17,049		24,719
Insurance	—		874
Recruitment Costs	2,890		9,043
Training Costs	13,159		2,032
Sundry Expenses	259		75
Bank Interest	5,454		811
Bank Charges	6,339		5,511
Other Interest	—		80
Bad Debt	4,277		—
Repairs and Renewals	93		216
Audit and Professional Fees	4,267		6,040
Loss/(Profit) on Foreign Exchange	(4,862)		4,039
	<hr/> 520,537		<hr/> 385,251
PROFIT / (LOSS) FOR THE YEAR	<hr/> £584		<hr/> (£5,902)

This page does not form part of the audited Financial Statements