

REGISTERED NUMBER: 3024500 (England and Wales)

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013
FOR
PLAIN HEALTHCARE LIMITED**



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PLAIN HEALTHCARE LIMITED
(REGISTERED NUMBER: 3024500)

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FOR THE YEAR ENDED 31 MARCH 2013

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PLAIN HEALTHCARE LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2013**

DIRECTORS:

J R Dale
T K Morris
P S Preece

SECRETARY:

P S Preece

REGISTERED OFFICE.

Fox House
1 - 3 Coed Pella Road
Colwyn Bay
Conwy
LL297AT

REGISTERED NUMBER:

3024500 (England and Wales)

INDEPENDENT AUDITORS:

Welbeck Associates
Statutory Auditor
Chartered Accountants
30 Percy Street
LONDON
W1T 2DB

PLAIN HEALTHCARE LIMITED
(REGISTERED NUMBER: 3024500)

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2013

The directors present their report with the financial statements of the company for the year ended 31 March 2013

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the development and sale of computer software based clinical decision support, maintenance, training and consultancy services to the primary health care sector

DIVIDENDS

No dividends will be distributed for the year ended 31 March 2013

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2012 to the date of this report

J R Dale

Other changes in directors holding office are as follows

T K Morris – resigned on 25th June 2012 and was re-appointed on 22nd August 2012

P S Preece – resigned on 25th June 2012 and was re-appointed on 3rd September 2012

B Giddings (Executive Chairman until August 2012) – resigned 17th August 2012

POLITICAL AND CHARITABLE CONTRIBUTIONS

No charitable or political donations were made during the period

THIRD PARTY INDEMNITY PROVISION FOR DIRECTORS

Qualifying third party indemnity provision is in place for the benefit of all directors of the company

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 the directors have elected to prepare the financial statements of the company in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU")

The financial statements are required by law and IFRS as adopted by the EU to present fairly the financial position and performance of the company. The Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation

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 the financial statements, the directors are required to

- a select suitable accounting policies and then apply them consistently,
- b make judgements and accounting estimates that are reasonable and prudent,
- c state whether they have been prepared in accordance with IFRS as adopted by the EU,
- d prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

**PLAIN HEALTHCARE LIMITED
(REGISTERED NUMBER: 3024500)**

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2013**

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 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 418 of the Companies Act 2006) 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

Welbeck Associates, having been appointed following the resignation of Hazelwoods LLP, have expressed their willingness to continue in office as auditor and it is expected that a resolution to reappoint them will be proposed at the next annual general meeting.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

ON BEHALF OF THE BOARD

A handwritten signature in black ink, consisting of a large, stylized 'M' followed by a horizontal line extending to the right.

T K Morris - Director

REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF PLAIN HEALTHCARE LIMITED

We have audited the financial statements of Plain Healthcare Limited for the year ended 31 March 2013 on pages six to twenty five. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted for use in the European Union.

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 a Report of the Auditors 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 explained more fully in the Statement of Directors' Responsibilities set out on pages two and three, 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 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

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.

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 2013 and of its loss for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted for use in the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of Matter - Going Concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the Company's ability to continue as a going concern. The Company incurred a net loss of £120,249 during the year ended 31 March 2013 and, at that date the Company's current liabilities exceeded its current assets by £1,084,970 including amounts owed to the Company's parent company of £660,075. These conditions, along with other matters explained in note 1 of the financial statements indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern.

Opinion on other matters prescribed by the Companies Act 2006

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
PLAIN HEALTHCARE LIMITED**

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



Jonathan Bradley-Hoare
(Senior Statutory Auditor)
For and on behalf of Welbeck Associates, Registered
Auditor
30 Percy Street
London
W1T 2DB

22 October 2013

PLAIN HEALTHCARE LIMITED
(REGISTERED NUMBER: 3024500)

INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2013

	Notes	2013 £	2012 £
CONTINUING OPERATIONS			
Revenue		1,667,697	2,111,714
Cost of sales		<u>(1,047,158)</u>	<u>(1,320,088)</u>
GROSS PROFIT		620,539	791,628
Administrative expenses		<u>(740,993)</u>	<u>(835,493)</u>
OPERATING LOSS		(120,454)	(43,867)
Finance income	4	<u>205</u>	<u>159</u>
LOSS BEFORE INCOME TAX	5	(120,249)	(43,708)
Income tax	6	<u>-</u>	<u>-</u>
LOSS FOR THE YEAR		<u><u>(120,249)</u></u>	<u><u>(43,708)</u></u>

The notes form part of these financial statements

PLAIN HEALTHCARE LIMITED
(REGISTERED NUMBER: 3024500)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2013

	2013	2012
	£	£
LOSS FOR THE YEAR	(120,249)	(43,708)
OTHER COMPREHENSIVE INCOME	_____ -	_____ -
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>(120,249)</u>	<u>(43,708)</u>

The notes form part of these financial statements

PLAIN HEALTHCARE LIMITED
(REGISTERED NUMBER 3024500)

STATEMENT OF FINANCIAL POSITION
31 MARCH 2013

	Notes	2013 £	2012 £
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	7	497,210	568,070
Property, plant and equipment	8	14,409	35,641
		<u>511,619</u>	<u>603,711</u>
CURRENT ASSETS			
Trade and other receivables	9	271,829	370,873
Cash and cash equivalents	10	<u>98,056</u>	<u>62,898</u>
		<u>369,885</u>	<u>433,771</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	462,340	470,009
Deferred income	12	332,440	358,812
Financial liabilities - borrowings			
Interest bearing loans and borrowings	13	<u>660,075</u>	<u>661,763</u>
		<u>1,454,855</u>	<u>1,490,584</u>
NET CURRENT LIABILITIES		<u>(1,084,970)</u>	<u>(1,056,813)</u>
NET LIABILITIES		<u>(573,351)</u>	<u>(453,102)</u>
SHAREHOLDERS' EQUITY			
Called up share capital	17	1,641	1,641
Share premium	18	219,731	219,731
Retained earnings	18	<u>(794,723)</u>	<u>(674,474)</u>
TOTAL EQUITY		<u>(573,351)</u>	<u>(453,102)</u>

The financial statements were approved by the Board of Directors on 22nd October 2013 and were signed on its behalf by



T K Morris - Director

The notes form part of these financial statements

PLAIN HEALTHCARE LIMITED
(REGISTERED NUMBER: 3024500)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2013

	Called up share capital £	Profit and loss account £	Share premium £	Total equity £
Balance at 1 April 2011	1,641	(630,766)	219,731	(409,394)
Changes in equity				
Total comprehensive income	<u>-</u>	<u>(43,708)</u>	<u>-</u>	<u>(43,708)</u>
Balance at 31 March 2012	<u>1,641</u>	<u>(674,474)</u>	<u>219,731</u>	<u>(453,102)</u>
Changes in equity				
Total comprehensive income	<u>-</u>	<u>(120,249)</u>	<u>-</u>	<u>(120,249)</u>
Balance at 31 March 2013	<u><u>1,641</u></u>	<u><u>(794,723)</u></u>	<u><u>219,731</u></u>	<u><u>(573,351)</u></u>

The notes form part of these financial statements

PLAIN HEALTHCARE LIMITED
(REGISTERED NUMBER: 3024500)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2013

	2013	2012
	£	£
Cash flows from operating activities		
Cash generated from operations 1	86,149	327,793
Cash flows from investing activities		
Purchase of intangible fixed assets	(49,139)	(145,485)
Purchase of tangible fixed assets	(370)	(11,936)
Interest received	<u>205</u>	<u>159</u>
Net cash absorbed from investing activities	<u>(49,304)</u>	<u>(157,262)</u>
Cash flows from financing activities		
(Decrease)/Increase in loans in year	<u>(1,688)</u>	<u>(134,049)</u>
Net cash absorbed from financing activities	<u>(1,688)</u>	<u>(134,049)</u>
Increase/(Decrease) in cash and cash equivalents	<u>35,157</u>	<u>36,482</u>
Cash and cash equivalents at beginning of year	<u>62,898</u>	<u>26,416</u>
Cash and cash equivalents at end of year	<u><u>98,056</u></u>	<u><u>62,898</u></u>

The notes form part of these financial statements

PLAIN HEALTHCARE LIMITED
(REGISTERED NUMBER: 3024500)

NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2013

1 RECONCILIATION OF LOSS BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS

	2013	2012
	£	£
Loss before income tax	(120,249)	(43,708)
Depreciation and amortisation charges	141,600	134,732
Finance income	<u>(205)</u>	<u>(159)</u>
	21,146	90,865
Decrease/(Increase) in trade and other receivables	99,044	163,626
Increase/(Decrease) in trade and other payables	<u>(34,041)</u>	<u>73,302</u>
Cash generated from operations	<u>86,149</u>	<u>327,793</u>

The notes form part of these financial statements

PLAIN HEALTHCARE LIMITED
(REGISTERED NUMBER: 3024500)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

1 GENERAL INFORMATION

Plain Healthcare Limited is incorporated in the United Kingdom under the Companies' Act 2006. The address of the registered office is Fox House, 1- 3 Coed Pella Road, Colwyn Bay, Conwy, LL29 7AT. The Company's principal activity is that of the development and sale of clinical decision support computer software, including training and consultancy, to the primary health care sector.

These Financial Statements are presented in Pounds Sterling because that is the currency of the primary economic environment in which the Company operates.

Going concern

The financial statements are prepared on the going concern basis which assumes the Company will have sufficient resources to enable it to continue trading for the foreseeable future.

The directors have prepared forecast information for the period to October 2014. The forecasts indicate that the Company's revenues are expected to exceed costs due to a reduction in expenditure, particularly salary costs.

The achievement of forecasts is largely dependent upon 1) costs not exceeding budget, and particularly 2) increased sales and the successful launch of new products. The existence of material uncertainty over the extent to which sales will increase relative to the time taken for costs to be reduced may cast doubt on the Company's ability to continue as a going concern.

Furthermore the Company is dependent on loans from its Parent Company, as disclosed in Note 13, not being repaid in the short term. The Company has been disposed of by the Parent Company post year end as disclosed in Note 21. The costs in relation to maintaining a quotation on AIM of the London Stock Exchange will not be required. Focus can be solely based on product development and cost reduction going forward.

The financial statements do not include any adjustments that would result from the Company being unable to continue as a going concern. Such adjustments would include writing down assets to their recoverable amounts and making provisions for further liabilities that would arise.

PLAIN HEALTHCARE LIMITED
(REGISTERED NUMBER. 3024500)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2013

2 ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The Financial Statements have been prepared in accordance with EU-endorsed International Financial Reporting Standards (IFRS), IFRIC interpretations and the parts of the Companies' Act 2006 applicable to companies reporting under IFRS. The Financial Statements have been prepared under the historical cost convention.

Use of estimates and judgements

The preparation of financial information in conformity with IFRS as adopted in the EU requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from the estimates.

Estimates and underlying assumptions are reviewed on an on-going basis and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and any future periods affected.

Revenue recognition

The Company sells rights to use its software products under an inclusive licence and maintenance agreement. The fee received from the customer entitles the user to use the software for a limited period of time (typically one year) together with office hours software support and maintenance and on-going updates to the technical content of the software and any upgrades made to the software functionality. An additional fee is rendered to those customers requiring out of office hours support services. Revenue from new licence software installations is recognised only once the software has been delivered and installed to the satisfaction of the customer.

The Company estimates the value of revenue attributable to on-going support and upgrades by calculating the direct costs of providing these services and adding a reasonable profit margin of 25%. This proportion of the fee received from the customer is recognised on a straight line basis over the period covered by the invoice to the customer with appropriate amounts being recognised as deferred income. The balance of the fee received is recognised immediately in income.

Fees generated for separate out of hours support contracts are recognised on a straight line basis over the period covered by the amounts invoiced to the customer. Consultancy services and training are invoiced and recognised as and when performed. Amounts billed in excess of revenue recognised are recorded as deferred revenue and are included within current liabilities.

Research and development

Development activities involve a plan or design for the production of new or substantially improved computer software. Development expenditure is capitalised only if development costs can be measured reliably, the software programme is technically and commercially feasible, future economic benefits are probable and the Company intends to have sufficient resources to complete the development and to use, lease or sell the asset. The expenditure capitalised includes only the cost of gross direct labour costs that are directly attributable to preparing the asset for its intended use. Other development expenditure is recognised in profit or loss as incurred.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, or internally generated goodwill and brands, is recognised in profit or loss as incurred.

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

Capitalised development expenditure is amortised on a straight line basis over the period in which it is anticipated that revenues will be generated from the products produced. This is estimated to be 5 years from the date the product is complete and available for sale and is currently an industry sector norm.

PLAIN HEALTHCARE LIMITED
(REGISTERED NUMBER: 3024500)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2013

2. ACCOUNTING POLICIES - continued

SIGNIFICANT ACCOUNTING POLICIES

Property, plant and equipment

Plant and equipment is held at cost less accumulated depreciation and any recognised impairment losses. Assets are depreciated to their residual value at a rate of 33.33% using the reducing balance method over their expected useful lives.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset, and is recognised in the income statement.

Depreciation methods, useful lives and residual value are reviewed at each accounting date.

Impairment

At each balance sheet date, the Company reviews the carrying amounts of its intangible assets to determine whether there is any indication that those assets have suffered any impairment loss. If any such indications exist, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment is recognised in equity.

Trade receivables

Trade receivables are classified as loans and receivables and are initially recognised at fair value. They are subsequently measured at their amortised cost using the effective interest method less any provision for impairment. A provision for impairment is made where there is objective evidence, (including customers with financial difficulties or in default on payments), that amounts will not be recovered in accordance with original terms of the agreement. A provision for impairment is established when the carrying value of the receivable exceeds the present value of the future cash flows discounted using the original effective interest rate. The carrying value of the receivable is reduced through the use of an allowance account and any impairment loss is recognised in profit or loss. Trade receivables are determined to be past due if any portion of the receivable balance is outstanding for more than 30 days. Interest is not charged on past due accounts.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

PLAIN HEALTHCARE LIMITED
(REGISTERED NUMBER: 3024500)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2013

2 ACCOUNTING POLICIES - continued

Trade payables

Trade payables are not interest bearing and are recognised initially at fair value and subsequently at amortised cost

Equity instruments

Equity instruments issued by the Company are recorded as proceeds received, net of direct issue costs

Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event and it is probable that the Company will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected, risk-adjusted, future cash flows at a pre-tax risk-free rate

Operating lease payments

Payments made under operating leases are charged to the income statement on a straight-line basis over the lease term

Net financing costs

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method

Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as expenses in the income statement as incurred

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity net of any tax effects

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity

Current tax is based on taxable profit for the period, 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 the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) or other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it related to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity

PLAIN HEALTHCARE LIMITED
(REGISTERED NUMBER: 3024500)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2013

2 ACCOUNTING POLICIES - continued

Taxation - continued

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Use of estimates and judgements

The preparation of financial information in conformity with IFRS as adopted in the EU requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from the estimates.

Estimates and underlying assumptions are reviewed on an on-going basis and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and any future periods affected.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed in the notes below.

Developments expenditure and impairment of intangible assets

Intangible fixed assets comprise capitalised development expenditure amounting to £497,210 (2012 £568,070). The directors consider the expenditure capitalised meets the recognition criteria since each project for which expenditure is capitalised is assessed by the board before expenditure is incurred.

Each year the Group assesses the recoverability of the amounts capitalised by reviewing forecast sales of each product line. Where this information is not available (for example where a product has not yet been released on the market) other market data is assessed.

The directors consider that for each product for which expenditure has been capitalised, there is a reasonable certainty that future profits will exceed the carrying value of the asset. The accounts include an amortisation charge of £119,999 (2012 £116,539), representing the planned 5 year write down of capitalised costs relating to a product that is now being sold.

Deferred tax asset

The directors feel that given the delays experienced in the generation of taxable profits they would wish to take a conservative view and not reflect a deferred tax asset within the balance sheet under review. The deferred tax asset not recognised is £158,002 (2012 £134,180) which relates to prior and current years.

PLAIN HEALTHCARE LIMITED
(REGISTERED NUMBER: 3024500)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2013

3 EMPLOYEES AND DIRECTORS

	2013	2012
	£	£
Wages and salaries	1,137,512	1,247,734
Social security costs	<u>124,826</u>	<u>137,706</u>
	<u>1,262,338</u>	<u>1,385,440</u>

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

	2013	2012
Direct operations	29	34
Administration	<u>2</u>	<u>2</u>
	<u>31</u>	<u>36</u>

	2013	2012
	£	£
Directors' remuneration	<u>42,758</u>	<u>90,177</u>

Only one director (who is considered to be the senior management personnel) is remunerated through the Company. The total cost of employing the director, including employer's national insurance was £46,894 (2012 £101,646). Certain directors are remunerated through the parent company Avia Health Informatics PLC.

4 NET FINANCE INCOME

	2013	2012
	£	£
Finance income		
Deposit account interest	<u>205</u>	<u>159</u>

5 LOSS BEFORE INCOME TAX

The loss before income tax is stated after charging

	2013	2012
	£	£
Hire of plant and machinery	-	120
Depreciation - owned assets	21,602	18,193
Amortisation	119,999	116,539
Auditors remuneration	-	-
Operating lease rentals - property	<u>14,379</u>	<u>12,686</u>

Auditor remuneration is settled on a Group basis by the Parent Company in 2013

PLAIN HEALTHCARE LIMITED
(REGISTERED NUMBER: 3024500)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2013

6 INCOME TAX

	2013 £	2012 £
Current tax		
UK corporation tax	-	-
Deferred tax		
Origination and reversal of temporary differences	<u>-</u>	<u>-</u>
Total tax charge / (credit) in income statement	<u><u>-</u></u>	<u><u>-</u></u>

Factors affecting the tax charge

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

	2013 £	2012 £
Loss on ordinary activities before tax	<u>(120,249)</u>	<u>(43,708)</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax for small companies in the UK of 20% (2012: 20%)	(24,049)	(8,742)
Effects of		
Non-deductible expenses	227	150
Current year tax losses not recognised	23,822	8,592
Elimination of previously recognised deferred tax asset	<u>-</u>	<u>-</u>
Total income tax charge	<u><u>-</u></u>	<u><u>-</u></u>

PLAIN HEALTHCARE LIMITED
(REGISTERED NUMBER: 3024500)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2013

7 INTANGIBLE ASSETS

	Development Expenditure £
COST	
At 1 April 2012	733,091
Additions	<u>49,139</u>
At 31 March 2013	<u>782,230</u>
 AMORTISATION	
At 1 April 2012	165,021
Charge in year	<u>119,999</u>
At 31 March 2013	<u>285,020</u>
 NET BOOK VALUE	
At 31 March 2012	<u><u>497,210</u></u>
	Development Expenditure £
COST	
At 1 April 2011	587,606
Additions	<u>145,485</u>
At 31 March 2012	<u>733,091</u>
 AMORTISATION	
At 1 April 2011	48,482
Charge for the year	<u>116,539</u>
At 31 March 2012	<u>165,021</u>
 NET BOOK VALUE	
At 31 March 2012	<u><u>568,070</u></u>
 NET BOOK VALUE	
At 31 March 2011	<u><u>539,124</u></u>

PLAIN HEALTHCARE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2013

8 PROPERTY, PLANT AND EQUIPMENT

	Plant and equipment £
COST	
At 1 April 2012	135,217
Additions	<u>370</u>
At 31 March 2013	<u>135,587</u>
DEPRECIATION	
At 1 April 2012	99,576
Charge for year	<u>21,602</u>
At 31 March 2013	<u>121,178</u>
NET BOOK VALUE	
At 31 March 2013	<u>14,409</u>
	Plant and equipment £
COST	
At 1 April 2011	123,281
Additions	<u>11,936</u>
At 31 March 2012	<u>135,217</u>
DEPRECIATION	
At 1 April 2011	81,383
Charge for period	<u>18,193</u>
At 31 March 2012	<u>99,576</u>
NET BOOK VALUE	
At 31 March 2012	<u>35,641</u>
At 31 March 2011	<u>41,898</u>

9 TRADE AND OTHER RECEIVABLES

	2013 £	2012 £
Current		
Trade receivables	247,340	370,338
Prepayments and accrued income	<u>24,489</u>	<u>535</u>
	<u>271,829</u>	<u>370,873</u>

10 CASH AND CASH EQUIVALENTS

	2013 £	2012 £
Bank deposit account	<u>98,056</u>	<u>62,898</u>

PLAIN HEALTHCARE LIMITED
(REGISTERED NUMBER: 3024500)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2013

11 TRADE, OTHER PAYABLES AND DEFERRED INCOME

	2013	2012
	£	£
Current		
Trade payables	69,963	146,265
Social security and other taxes	343,603	321,823
Other Payables	47,873	1,921
Accrued expenses	901	-
	<u>462,340</u>	<u>470,009</u>

12 DEFERRED INCOME

	2013	2012
	£	£
Deferred income	<u>332,440</u>	<u>358,812</u>

13 FINANCIAL LIABILITIES - BORROWINGS

	2013	2012
	£	£
Current		
Loan from Parent undertaking	<u>660,075</u>	<u>661,763</u>

The loan is repayable on demand

14 LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows

	2013	2012
	£	£
Between one and five years		
In more than five years	<u>19,998</u>	<u>32,628</u>
	<u>19,998</u>	<u>32,628</u>

Operating lease payments represent rentals payable by the Company in respect of head office premises

The operating lease does not have any restrictions imposed relating to dividends, debt or further leasing. The property lease includes a requirement to return the leased property to the state in which it was at the inception of the lease.

PLAIN HEALTHCARE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2013

15 FINANCIAL INSTRUMENTS

The directors' objectives when managing capital are to safeguard the Company's ability to continue as a going concern, and to maintain a sufficient capital base to sustain future development of the business. The Company's strategy remained unchanged during the year. Capital resources became depleted significantly by losses incurred during the year and previous year.

The Company's financial instruments comprise cash and cash equivalents, trade and other receivables, trade payables and short term loans.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and bank balances.

Exposure to credit risk

The carrying of financial assets set out below represents the maximum credit exposure. There are no commitments that could increase this exposure to more than the carrying amounts. The Company does not require collateral in respect of trade and other receivables.

Given the nature of its customer base, being principally government funded healthcare services, together with historical experience, no provision for impairment has been made and no charge made to the income statement in respect of irrecoverable amounts. There is no significant concentration of credit risk.

The ageing of trade receivables, which are not impaired, at each balance sheet date was

	2013	2012
	£	£
Not past due	158,231	197,633
Past due 0-30 days	70,237	155,110
Past due 31-90 days	-	-
Past due by more than 90 days	<u>18,872</u>	<u>17,595</u>
	<u>247,340</u>	<u>370,338</u>

Bank balances are held with the Co-operative Bank Plc and HSBC Bank Plc.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The Company's approach to managing liquidity is to ensure that it has sufficient liquidity to meet its liabilities when due without incurring unacceptable losses or risking damage to the Company's reputation. All of the Company's contractual maturities of financial liabilities are repayable within 30 days. Attention is drawn to note 1 which explains current pressures on liquidity.

PLAIN HEALTHCARE LIMITED
COMPANY LIMITED (REGISTERED NUMBER: 3024500)
NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2013

15 FINANCIAL INSTRUMENTS - continued

Market risk

Market risk is the risk that changes in market prices will affect the Company's income or the value of its holdings of financial instruments

Foreign currency risk

The Company has no exposure to foreign currency risk

Interest rate risk

At the balance sheet date the Company's interest rate profile of interest-bearing financial instruments was

	2013	2012
	£	£
Variable rate instruments		
Cash and cash equivalents	98,056	62,898

Security provided for debt

The short term loan is from Avia Investments Plc and is secured by way of a fixed and floating charge against all assets of the Company No interest is payable

Categories of financial assets and financial liabilities

Financial assets as set out in the table below fall within the category defined by IAS39 as loans and receivables Financial liabilities fall within the category of financial liabilities measured at amortised cost

Fair values

The carrying value of trade and other payables and trade and other receivables are assumed to approximate to their fair values given their short-term nature

The fair value of cash and cash equivalents is equivalent to its carrying amount The cash is repayable on demand

The fair and carrying values for each class of financial assets and financial liabilities is shown in the balance sheet as follows

PLAIN HEALTHCARE LIMITED
(REGISTERED NUMBER: 3024500)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2013

15 FINANCIAL INSTRUMENTS - continued

	2013	2012
	£	£
Financial assets		
Trade receivables	247,340	370,338
Cash and cash equivalents	<u>98,056</u>	<u>62,898</u>
	<u>680,576</u>	<u>433,236</u>

Financial assets exclude prepayments

	2013	2012
	£	£
Financial liabilities		
Trade payables	69,963	146,265
Accrued expenses	901	-
Other payables	47,873	1,921
Short term loans	<u>660,075</u>	<u>661,763</u>
	<u>778,812</u>	<u>809,949</u>

Financial liabilities exclude social security and other taxes, deferred income of £332,440 (2012 £358,812) and corporation tax

16 DEFERRED TAX

Group

Movements in the provision comprise

	2013	2012
	£	£
Brought forward	-	-
Credited / (charged) to profit or loss	<u>-</u>	<u>-</u>
Balance at 31 March	<u><u>-</u></u>	<u><u>-</u></u>

The deferred tax asset not recognised in the Statement of Financial Position is

	2013	2012
	Not Provided £	Not Provided £
Accelerated tax depreciation	-	(3,681)
Temporary timing differences	-	-
Unutilised tax losses	<u>158,002</u>	<u>137,861</u>
Balance at 31 March	<u><u>158,002</u></u>	<u><u>134,180</u></u>

The directors now feel that given the delays experienced in the generation of taxable profits they would wish to take a conservative view and not reflect these assets within the Statement of Financial Position under review. The deferred tax asset not recognised is £158,002 (2012 £134,180)

PLAIN HEALTHCARE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS - continued
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17 CALLED UP SHARE CAPITAL

Called up, allotted and fully paid

Number:	Class:	Nominal value:	2013 £	2012 £
1,641	Ordinary	£1	<u>1,641</u>	<u>1,641</u>

18 RESERVES

	Retained earnings £	Share premium £	Totals £
At 1 April 2012	(674,474)	219,731	(454,743)
Deficit for the year	<u>(120,249)</u>		<u>(120,249)</u>
At 31 March 2013	<u>(794,723)</u>	<u>219,731</u>	<u>(574,992)</u>

19 RELATED PARTY DISCLOSURES

The remuneration of the Directors, who are the key management personnel of the Company, is set out in note 3

There is no company pension scheme in place for the benefit of the directors

Avia Health Informatics plc

As at 31 March 2013 the Company owe Avia Health Informatics plc £660,075 (2012 £661,763)
Interest was not charged on the loan (2012 £nil)

20 ULTIMATE CONTROLLING PARTY

The ultimate parent undertaking is Avia Health Informatics plc, a company registered in England and Wales
Group accounts are publicly available from 3 Noble Street, London EC2V 7EE

21 POST BALANCE SHEET EVENTS

On 16 October 2013, the Company's ultimate controlling party Avia Health Informatics plc approved a proposal to dispose of Plain Healthcare Limited