

REGISTERED NUMBER: 3024500 (England and Wales)

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010
FOR
PLAIN HEALTHCARE LIMITED
FORMERLY KNOWN AS THE PLAIN SOFTWARE
COMPANY LIMITED**



**PLAIN HEALTHCARE LIMITED
FORMERLY KNOWN AS THE PLAIN SOFTWARE
COMPANY LIMITED (REGISTERED NUMBER: 3024500)**

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FOR THE YEAR ENDED 31 MARCH 2010**

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**PLAIN HEALTHCARE LIMITED
FORMERLY KNOWN AS THE PLAIN SOFTWARE
COMPANY LIMITED**

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2010**

DIRECTORS:

J R Dale
B S Giddings
T K Morris

REGISTERED OFFICE:

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

REGISTERED NUMBER:

3024500 (England and Wales)

AUDITORS:

Hazlewoods LLP
Windsor House
Barnett Way
Barnwood
Gloucester
Gloucestershire
GL4 3RT

**PLAIN HEALTHCARE LIMITED
FORMERLY KNOWN AS THE PLAIN SOFTWARE
COMPANY LIMITED (REGISTERED NUMBER 3024500)**

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2010**

The directors present their report with the financial statements of the Company for the year ended 31 March 2010

PRINCIPAL ACTIVITY

The principal activity of the Company in the year under review was that of the sale of computer software based support, maintenance, training and consultancy services to the primary health sector. The Company is a wholly owned subsidiary of Avia Health Informatics Plc ("Avia")

REVIEW OF BUSINESS

UK

Whilst the market conditions remain difficult, initially from the effects of the global recession and latterly from the uncertainties of the government spending cuts, Odyssey's core strengths of rapid safe assessment and advice are even more important as we tackle the challenges of the global recession. Our focus of working in partnership with the providers of healthcare to deliver the clinical content and tools to cost effectively manage patients access to healthcare combined with the consistency of our clinical outcomes, allow suppliers to increase cost effectiveness from limited resources. Suppliers of healthcare can trust that patients receive the best and most current care and unnecessary referrals can be reduced.

Technical and clinical innovation has delivered a range of products that has enabled the UK sales team to diversify from its traditional base in to GP practices, walk-in-centres, prisons and detention centres. By investing in the development of Odyssey self-assessment, new markets in the private sector are opening up in the UK in care homes, shipping and aviation.

Internationally

Despite global recession, we see positive signs that the payers of healthcare services continue to invest in new technologies that enable improved service delivery at lower costs. This, of course, is the efficiency that Odyssey delivers. Our strategy for global expansion is to identify and work with partners, distribution partners, interoperability with other health IT systems and strategic partners that can provide access to global markets.

In the US, President Obama has placed healthcare reform and the wider adoption of Healthcare Information Technology as being central to his government's objectives. Improved access by minority communities and the 'under-served' is gaining in profile, which will influence how we position Odyssey for this market. In March 2010, Obama finally won his Healthcare Reform Bill, the main objective of which was to exercise more control over insurers and extend health insurance to 32 million US citizens who currently have none. The American Recovery & Reinvestment Act (ARRA) of November 2009 contains strong financial incentives for healthcare providers to adopt qualifying electronic health records (EHR). EHRs must be able to display 'meaningful use' to qualify, including 'rules based alerts', which are central to the clinical decision support we offer. For these reasons, we're targeting the US market as our number one priority.

In Europe and other economies with mature health infrastructures, telehealth is growing in importance as a means to provide efficiency in healthcare provision and continues to attract funding, clinical decision support is at the heart of this. This provides immense potential for Odyssey.

Further afield we are seeing less developed economies now focussing on improving access to healthcare. In practical terms they need a combination of telehealth and decision support to empower less qualified staff such as nurses to take on more responsibilities. Development within the Odyssey product range is being focussed on designing appropriate tools to enable all types of clinicians, non-clinicians and even patients themselves to safely and quickly assess clinical needs, whether they are based in a clinic, a call centre or in remote locations.

With the right partners on board, we see vast potential for our products to be sold in diverse markets around the world.

The Company is already in negotiations with potential added value partners and resellers in the USA, Far East, China and the Asia Pacific basin. In support of this initiative the Company has recently upgraded its web site to emphasise its international credentials (www.plainhealthcare.com)

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**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2010**

Management restructuring

To achieve Avia's objective of global penetration of the Health Informatics market through a strategy of added value partnerships within the UK and internationally, its operating subsidiary, Plain Healthcare has restructured its senior management team and formed two profit centres covering the UK and the rest of the world

Tim Morris, previously product development director, is appointed Group UK Operations Director with responsibility for sales, marketing and product development in the UK. Chris Coyne, previously sales and marketing director, is appointed Group International Business Director with responsibility for the generation of sales in certain international market, and to identify products from international third party suppliers to be sold in the UK market

In creating the UK Profit Centre, a new position of UK Sales Manager has been created together with Regional, and Account Managers being joined by a Consultancy Manager. With the new team in place, we have re structured the focus to maximise new business sales utilising the regional managers. In addition to this, the account managers will now be able to maintain the existing clients and increase additional revenue from them. Our consultancy manager will work in supporting and servicing our growing customer base aimed at maximising contract renewals

In addition, the Company is pleased to announce that Robert Crouch, Director of Practice Innovation, has been made a Visiting Professor at Surrey University, reflecting his international standing as a leader, teacher and researcher in emergency nursing. The Company now has a second Professor among its Directors and senior management team which further emphasises the Company's focus on developing products which are at the cutting edge of clinical practice

Product range

The Company's product range continues to expand as new applications emerge developed on the Odyssey clinical decision support service orientated architect (SOA). The current range encompasses the following

Classic Odyssey Range (TeleAssess, FaceToFace, Reception and Gold)

Selling into UK walk in centres, PCT's, minor injury units, GP surgeries. Definitive clinical assessment for telephone assessment and face to face consultation's, embedded and delivered with leading health information systems in the UK

Odyssey FirstAssess

Designed for use in prisons and detention centres, both in the UK and overseas, providing initial assessment of new offenders on arrival. It allows the continuous assessment of complex physical and mental health conditions, so enabling drastic reduction in the costs of onward referral by avoiding unnecessary transfers

Odyssey TeleAssess 3

Definitive clinical assessment by telephone, helping clients to meet patients' needs safely and make significant savings in time, effort and money. This product can now be delivered cost effectively to similar operations on a global basis

Odyssey SelfAssess

Successful in reducing clinician time by 25% Odyssey SelfAssess provides the robust clinical content in natural language that non clinicians can understand and follow. Providing the platform for a series of assessment tools, development is on-going to adjust the product to specific markets on different touch screen mobile platforms

Odyssey MarineAssess

Designed to enable the Captain or the Master of a ship to assess the needs of a crew member quickly and safely. In addition to providing the ship's crew with access to appropriate care advice, Odyssey MarineAssess provides actionable clinical summaries for health professionals, so shortening consultation times while ensuring that all pertinent data is available for safe diagnosis. Certification trials are on-going

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**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2010**

Odyssey ParaMedic

Mobile assessment in the face to face environment, developed on the Odyssey SOA platform. This development is on-going with the ambulance services and is the product that will be sold to other emergency services in the field such as the MOD/air ambulances and other global paramedic applications.

All the above product software can be deployed on keyboard and touchscreen PCs, laptops and mobile tablet devices. It is anticipated that as new applications for our base clinical technology continues to emerge it will be capable of being delivered on new generations of mobile platforms worldwide.

MobileAssess-Touchscreen

The Odyssey Clinical Decision Support MobileAssess-Touchscreen product range is an advanced system of clinical decision support (CDS) that has been developed to assist healthcare professionals' care of patients in a broad range of healthcare and urgent care settings. Based upon a patient-centred consultation model, it is sophisticated, effective and proven to deliver rapid, safe assessments and advice.

Clinical excellence

The Company continues to make a substantial investment in the development of new clinical content for Odyssey products. In the last year, this has mainly focused on clinical content to meet the needs of the prison / detention centre sector, and on developing lay content for use in the new self-assessment products. The clinical department continues to rigorously test and maintain all current clinical content, to ensure that it remains current, reflecting the very best clinical evidence and practice. The quality of this process was confirmed in July 2009 when the Company's ISO 9001 2008 accreditation was extended to cover the clinical development process.

In January 2010 Plain Healthcare introduced a new strategy for the delivery of its learning and development support. Learning and professional development of healthcare professionals is essential to the effective use of Odyssey. The Company's emphasis is now on creating high quality e-learning, accessed from the internet, enabling users to gain knowledge and skills without having to leave their workplace. This will support the worldwide use of Odyssey products.

Risk and uncertainties

Details of the financial risks and uncertainties that affect the Company are detailed in note 14 to the financial statements.

Financial and non-financial key performance indicators ("KPIs")

Given the current straightforward nature of the business, the Company's directors are of the opinion that detailed analysis of key performance indicators ("KPIs") is not necessary for an understanding of the development, performance and position of the Company. However, the directors believe that relevant KPIs for internal measurement are size and quality of development pipeline, levels of income and cash burn rate.

The directors monitor closely income levels of the Company. Revenue has decreased in the year from £1,878,008 for the 13 months ended 31 March 2010 to £1,750,572 for the year ended 31 March 2010.

**PLAIN HEALTHCARE LIMITED
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**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2010**

DIVIDENDS

No dividends will be distributed for the year ended 31 March 2010

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2009 to the date of this report

J R Dale
B S Giddings
T K Morris

Other changes in directors holding office are as follows

C J Coyne	- resigned 6 September 2010
C S M Prill	- resigned 6 September 2010
N Leavy	- appointed 16 November 2009 and resigned 6 September 2010

COMPANY'S POLICY ON PAYMENT OF CREDITORS

The Company does not have significant trade creditors and so has not adopted an established code or standard for the payment of trade creditors. The Company, in the normal course settles payment in agreement with suppliers' terms and conditions. As at 31 March 2010 the number of creditor days in respect of trade creditors was 35 (2009: 7)

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 Report of the Directors 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 International Financial Reporting Standards as adopted for use in the European Union. Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state that the Financial Statement comply with IFRS as adopted by the European Union, 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 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

**PLAIN HEALTHCARE LIMITED
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**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2010**

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

ON BEHALF OF THE BOARD:

Director

Date

25th Nov 2010

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

We have audited the financial statements of Plain Healthcare Limited formerly known as The Plain Software Company Limited for the year ended 31 March 2010 on pages 8 to 29. 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 page five, 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 2010 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.

Opinion on other matter 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.

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.

David Main (Senior Statutory Auditor)
for and on behalf of Hazlewoods LLP, Statutory Auditor
Windsor House
Barnett Way
Barnwood
Gloucester
GL4 3RT

Date 26th November 2010

PLAIN HEALTHCARE LIMITED
FORMERLY KNOWN AS THE PLAIN SOFTWARE
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STATEMENT OF TOTAL COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2010

		Year Ended 31 3 10 £	Period 1 3 08 to 31 3 09 £
	Notes		
Revenue		1,750,572	1,878,008
Cost of sales		<u>(983,934)</u>	<u>(1,088,209)</u>
GROSS PROFIT		766,638	789,799
Administrative expenses		<u>(1,034,478)</u>	<u>(1,017,239)</u>
OPERATING LOSS		(267,840)	(227,440)
Finance income	4	<u>1,156</u>	<u>10,084</u>
LOSS BEFORE INCOME TAX	5	(266,684)	(217,356)
Income tax	6	<u>107,622</u>	<u>19,907</u>
LOSS FOR THE YEAR AND TOTAL COMPREHENSIVE INCOME		<u><u>(159,062)</u></u>	<u><u>(197,449)</u></u>

All results arise from continuing operations

The notes form part of these financial statements

PLAIN HEALTHCARE LIMITED
FORMERLY KNOWN AS THE PLAIN SOFTWARE
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STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 MARCH 2010

	Notes	2010 £	2009 £
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	7	402,942	31,141
Property, plant and equipment	8	36,327	35,079
Deferred tax	15	<u>107,622</u>	<u>-</u>
		<u>546,891</u>	<u>66,220</u>
CURRENT ASSETS			
Trade and other receivables	9	501,646	423,413
Tax receivables		-	22,358
Cash and cash equivalents	10	<u>98,941</u>	<u>198,585</u>
		<u>600,587</u>	<u>644,356</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	442,039	279,460
Deferred income		472,209	363,824
Financial liabilities - borrowings			
Interest bearing loans and borrowings	12	<u>425,000</u>	<u>100,000</u>
		<u>1,339,248</u>	<u>743,284</u>
NET CURRENT LIABILITIES		<u>(738,661)</u>	<u>(98,928)</u>
NET LIABILITIES		<u>(191,770)</u>	<u>(32,708)</u>
SHAREHOLDERS' EQUITY			
Called up share capital	16	1,641	1,641
Share premium	17	219,731	219,731
Retained earnings	17	<u>(413,142)</u>	<u>(254,080)</u>
TOTAL EQUITY		<u>(191,770)</u>	<u>(32,708)</u>

The financial statements were approved by the Board of Directors on
were signed on its behalf by

25th Nov 2010 and


Director

The notes form part of these financial statements

**PLAIN HEALTHCARE LIMITED
FORMERLY KNOWN AS THE PLAIN SOFTWARE
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**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2010**

	Called up share capital £	Profit and loss account £	Share premium £	Total equity £
Balance at 1 March 2008	1,641	(56,631)	219,731	164,741
Changes in equity				
Total comprehensive income	<u>-</u>	<u>(197,449)</u>	<u>-</u>	<u>(197,449)</u>
Balance at 31 March 2009	<u>1,641</u>	<u>(254,080)</u>	<u>219,731</u>	<u>(32,708)</u>
Changes in equity				
Total comprehensive income	<u>-</u>	<u>(159,062)</u>	<u>-</u>	<u>(159,062)</u>
Balance at 31 March 2010	<u><u>1,641</u></u>	<u><u>(413,142)</u></u>	<u><u>219,731</u></u>	<u><u>(191,770)</u></u>

The notes form part of these financial statements

PLAIN HEALTHCARE LIMITED
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2010

		Year Ended 31 3 10 £	Period 1 3 08 to 31 3 09 £
Cash flows from operating activities			
Cash absorbed by operations	1	(60,373)	(234,723)
Corporation tax received/(paid)		<u>22,358</u>	<u>(7,455)</u>
Net cash used in operating activities		<u>(38,015)</u>	<u>(242,178)</u>
Cash flows from investing activities			
Purchase of intangible assets		(371,801)	(31,141)
Purchase of property, plant and equipment		(15,984)	(33,195)
Interest received		<u>1,156</u>	<u>10,084</u>
Net cash from investing activities		<u>(386,629)</u>	<u>(54,252)</u>
Cash flows from financing activities			
New loans in year		<u>325,000</u>	<u>100,000</u>
Net cash from financing activities		<u>325,000</u>	<u>100,000</u>
Decrease in cash and cash equivalents		(99,644)	(196,430)
Cash and cash equivalents at beginning of year	2	<u>198,585</u>	<u>395,015</u>
Cash and cash equivalents at end of year	2	<u>98,941</u>	<u>198,585</u>

The notes form part of these financial statements

PLAIN HEALTHCARE LIMITED
FORMERLY KNOWN AS THE PLAIN SOFTWARE
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NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2010

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

	Year Ended 31 3 10 £	Period 1 3 08 to 31 3 09 £
Loss before income tax	(266,684)	(217,356)
Depreciation charges	14,736	14,268
Finance income	<u>(1,156)</u>	<u>(10,084)</u>
	(253,104)	(213,172)
Increase in trade and other receivables	(78,233)	(250,688)
Increase in trade, other payables and deferred income	<u>270,964</u>	<u>229,137</u>
Cash absorbed by operations	<u>(60,373)</u>	<u>(234,723)</u>

2 CASH AND CASH EQUIVALENTS

The amounts disclosed on the cash flow in respect of cash and cash equivalents are in respect of these balance sheet amounts

Year ended 31 March 2010

	31 3 10 £	1 4 09 £
Cash and cash equivalents	<u>98,941</u>	<u>198,585</u>

Period ended 31 March 2009

	31 3 09 £	1 3 08 £
Cash and cash equivalents	<u>198,585</u>	<u>395,015</u>

The notes form part of these financial statements

**PLAIN HEALTHCARE LIMITED
FORMERLY KNOWN AS THE PLAIN SOFTWARE
COMPANY LIMITED (REGISTERED NUMBER: 3024500)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010**

1 GENERAL INFORMATION

Plain Healthcare Limited formerly known as The Plain Software Company Limited is incorporated in the United Kingdom under the Companies' Act 2006. The address of the registered office is The 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 computer software, including training consultancy, to the primary health care sector.

These Financial Statements are presented in Pounds Sterling because of 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 November 2011 which indicates that the Company will have sufficient working capital with support provided from cash resources available within its parent company to enable it to continue trading. The achievement of forecasts is however largely dependant upon the successful launch of new products. If new products are not successful as forecast, the Directors believe that they would be able to manage the Company's outgoings so as to enable it to continue trading within the facilities available to it.

On the assumption that the Company's forecasts are achievable, the Directors consider it appropriate to prepare the Financial Statements on a going concern basis. The Financial Statements do not include any adjustments that would result from insufficient funds being made available to the Company. If forecast growth is not achieved, it might be necessary to write down development costs and other assets to their recoverable amounts, which could significantly impact the Company's net asset position.

**PLAIN HEALTHCARE LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010**

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 ongoing 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. Accounting estimates will, by definition, seldom equal the related 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 financial year are explained in the notes below.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effects on the amounts recognised in the financial information is included in the note critical accounting estimates and judgements.

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 ongoing 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.

The Company estimates the value of software sales attributable to ongoing 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.

Intangible assets

Research and development expenditure

The Company has incurred substantial sums in developing and upgrading the Company's products in the period since incorporation and over the period covered by this financial information. One of the criteria for the recognition of development expenditure as an asset is that it must be possible to measure development costs reliably. In common with many companies of a similar size and which have previously applied UK Generally Accepted Accounting Practice, all development costs incurred up to 31 December 2008 were charged as an expense against profit. The Company, therefore, has not maintained records which would enable it to retrospectively measure, on a reliable basis, those costs relating to development expenditure, which might otherwise have met the criteria for recognition as an intangible asset in accordance with International Accounting Standard 18. All research and development expenditure up to 31 December 2008 has, therefore, been charged as an expense in the income statement.

**PLAIN HEALTHCARE LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010**

2 ACCOUNTING POLICIES - continued

Research and development expenditure - continued

Since 1 January 2009 the Company has maintained records which identify costs attributable to individual development projects. Costs are capitalised as intangible assets when they meet the criteria specified below.

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.

Expenditure is accounted for over the period 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.

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 tangible 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.

**PLAIN HEALTHCARE LIMITED
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2 ACCOUNTING POLICIES - continued

Impairment – continued

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 carried at original invoice amount less an estimate for doubtful debts. The allowance for doubtful debts is based on a specific review of account balances and consideration of historical write-offs. Accounts are written-off when determined to be uncollectable. 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. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the statement of cash flows.

Trade payables

Trade payables are not interest bearing and are stated at their fair value.

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.

Revenue and revenue recognition

The Company derives revenue from the sale of inclusive software licences, support, maintenance, and upgrade contracts. These are normally entered into as part of a single arrangement.

Revenue from new software installations is recognised only once the software has been delivered and installed to the satisfaction of the customer.

Revenue estimated as being attributable to ongoing support, maintenance and upgrade services is recognised over the period covered by the licence agreement on a straight line basis, with the balance being recognised immediately as revenue. The basis of estimating the amounts attributable to the two elements is set out in note 2.

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.

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2 ACCOUNTING POLICIES - continued

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 pension 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.

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.

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2 ACCOUNTING POLICIES - continued

Segmental reporting

A segment is a distinguishable component of the Company that is engaged in providing services in a particular economic environment which have different potentials for future development. The Company operates in only one segment and though there is export revenue this is all within Europe and the Company classifies its operations as a single segment.

Changes in accounting policy and disclosure

The accounting policies adopted are consistent with those of the previous financial year except as follows:

The Company has adopted the following new and amended IFRS and IFRIC interpretations as of 1 January 2009:

- IFRS 2 Share-based Payment Vesting Conditions and Cancellations effective 1 January 2009
- IFRS 3 Business Combinations (Revised) and IAS 27 Consolidated and Separate Financial Statements (Amended) effective 1 July 2009 (early adopted) including consequential amendments to IFRS 7, IAS 21, IAS 28, IAS 31 and IAS 39
- IFRS 8 Operating Segments effective 1 January 2009
- IAS 1 Presentation of Financial Statements effective 1 January 2009
- Improvements to IFRSs (May 2008)
- Improvements to IFRSs (April 2009, early adopted)

The adoption of the above standards or interpretations had no impact on the financial statements or performance of the Company.

Improvements to IFRSs

In May 2008 and April 2009 the IASB issued a number of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. There are separate transitional provisions for each standard. The adoption of the following amendments resulted in changes to accounting policies but did not have any impact on the financial position or performance of the Company:

- IFRS 8 Operating Segment Information
- IAS 1 Presentation of Financial Statements
- IAS 36 Impairment of Assets

Other amendments resulting from Improvements to IFRSs to the following standards did not have any impact on the accounting policies, financial position or performance of the Company:

- IFRS 7 Financial Instruments Disclosures
- IAS 8 Accounting Policies, Change in Accounting Estimates and Error
- IAS 10 Events after the Reporting Period
- IAS 19 Employee Benefits

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2 ACCOUNTING POLICIES – continued

Improvements to IFRSs - continued

- IAS 23 Borrowing Costs (Revised)
- IAS 27 Consolidated and Separate Financial Statements
- IAS 32 Financial Instruments. Presentation and IAS 1 Puttable Financial Instruments and Obligations Arising on Liquidation
- IAS 34 Interim Financial Reporting
- IAS 38 Intangible Assets
- IAS 39 Financial Instruments Recognition and Measurement
- IFRIC 9 Reassessment of Embedded Derivatives
- IFRIC 16 Hedges of a Net Investment in a Foreign Operation
- IFRIC 18 Transfers of Assets from Customers

STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED STANDARDS NOT YET EFFECTIVE

At the date of the authorisation of these Financial Statements, the following standards and interpretations, which have not been applied in these Financial Statements, were in issue but not yet effective (and in some cases had not been adopted by the EU),

- | | |
|--|----------------|
| • IAS 24 Related parties Revision to definitions | 1 January 2011 |
| • IAS 28 Revised Investments in associates | 1 July 2009 |
| • IAS 31 Revised Interests in joint ventures | 1 July 2009 |
| • IFRIC 17 Distributions of Non-cash Assets to Owners | 1 July 2009 |
| • IFRIC 19 Extinguishing financial liabilities with equity instruments | 1 July 2009 |
| • IFRS 9 Financial instruments | 1 January 2013 |

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. Accounting estimates will, by definition, seldom equal the related 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 financial year are explained in the notes below.

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2 ACCOUNTING POLICIES – continued

Use of estimates and judgements - continued

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effects on the amounts recognised in the financial

information is included in the note critical accounting estimates and judgements

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 below

Development expenditure and impairment of intangible assets

Intangible fixed assets comprise capitalised development expenditure amounting to £402,942. 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 Company 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.

Deferred tax asset

The directors consider the recognition criteria have been met as they are forecasting trading profits for the Company as noted above. The deferred tax asset recognised is £107,622.

3 EMPLOYEES AND DIRECTORS

	Year Ended 31 3 10	Period 1 3 08 to 31 3 09
	£	£
Wages and salaries	1,185,578	1,236,724
Social security costs	<u>161,072</u>	<u>139,193</u>
	<u>1,346,650</u>	<u>1,375,917</u>

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

	Year Ended 31 3 10	Period 1 3 08 to 31 3 09
Direct operations	38	28
Administration	<u>6</u>	<u>5</u>
	<u>44</u>	<u>33</u>

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3 EMPLOYEES AND DIRECTORS - continued

	Year Ended 31 3 10 £	Period 1 3 08 to 31 3 09 £
Directors' remuneration	<u>358,782</u>	<u>411,666</u>

Information regarding the highest paid director is as follows

	Year Ended 31 3 10 £	Period 1 3 08 to 31 3 09 £
Emoluments etc	<u>90,705</u>	<u>120,000</u>

4 NET FINANCE INCOME

	Year Ended 31 3 10 £	Period 1 3 08 to 31 3 09 £
Finance income		
Deposit account interest	<u>1,156</u>	<u>10,084</u>

5 LOSS BEFORE INCOME TAX

The loss before income tax is stated after charging

	Year Ended 31 3 10 £	Period 1 3 08 to 31 3 09 £
Hire of plant and machinery	386	790
Depreciation - owned assets	14,736	14,268
Research and development expenditure	-	136,469
Auditors remuneration for audit services	5,150	6,500
Operating lease rentals - property	<u>12,630</u>	<u>11,893</u>

6 INCOME TAX

Analysis of the tax credit

	31 3 10 £	Period 1.3.08 31 3.09 £
Current tax		
Tax	-	(22,435)
Deferred tax	<u>(107,622)</u>	<u>2,528</u>
Total tax credit in income statement	<u>(107,622)</u>	<u>(19,907)</u>

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6 INCOME TAX - continued

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.

	Year Ended 31 3 10 £	Period 1 3 08 to 31 3 09 £
Loss on ordinary activities before tax	<u>(266,684)</u>	<u>(217,356)</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21% (2009 - 21%)	(56,003)	(45,645)
Effects of		
Non deductible expenses	7,282	74
Movement in depreciation timing differences not recognised as a deferred tax	-	(2,480)
Losses relieved at a lower rate of tax	-	2,236
Reversal of deferred tax asset previously recognised	-	2,528
Losses carried forward, not recognised as a deferred tax asset	-	23,380
Deferred tax asset in respect of unutilised losses at beginning of year not previously recognised	<u>(58,901)</u>	<u>-</u>
Total income tax	<u>(107,622)</u>	<u>(19,907)</u>

7 INTANGIBLE ASSETS

	Development expenditure £
COST AND NET BOOK VALUE	
At 1 March 2008	-
Additions	<u>31,141</u>
At 1 April 2009	31,141
Additions	<u>371,801</u>
At 31 March 2010	<u>402,942</u>

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8 PROPERTY, PLANT AND EQUIPMENT

	Plant and equipment £
COST	
At 1 March 2008	52,750
Additions	<u>33,195</u>
At 1 April 2009	85,945
Additions	<u>15,984</u>
At 31 March 2010	<u>101,929</u>
DEPRECIATION	
At 1 March 2008	36,598
Charge for year	<u>14,268</u>
At 1 April 2009	50,866
Charge for year	<u>14,736</u>
At 31 March 2010	<u>65,602</u>
NET BOOK VALUE	
At 29 February 2008	<u>16,152</u>
At 31 March 2009	<u>35,079</u>
At 31 March 2010	<u>36,327</u>

9 TRADE AND OTHER RECEIVABLES

	2010 £	2009 £
Trade receivables	452,002	415,184
Prepayments and accrued income	<u>49,644</u>	<u>8,229</u>
	<u>501,646</u>	<u>423,413</u>

10 CASH AND CASH EQUIVALENTS

	2010 £	2009 £
Bank deposit account	<u>98,941</u>	<u>198,585</u>

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11 TRADE AND OTHER PAYABLES

	2010 £	2009 £
Trade payables	93,290	20,620
Amounts owed to parent undertaking	168,419	-
Social security and other taxes	141,862	200,215
Accrued expenses	<u>38,468</u>	<u>58,625</u>
	<u>442,039</u>	<u>279,460</u>

12 FINANCIAL LIABILITIES - BORROWINGS

	2010 £	2009 £
Other loans	<u>425,000</u>	<u>100,000</u>

Terms and debt repayment schedule

	1 year or less £
Other loans	<u>425,000</u>

Other loans comprise amounts due to the Company's parent undertaking, Avia Health Informatics Plc. At 31 March 2010, there was no formal loan agreement for £325,000. The directors have received notification from this Company that the loan will not be called for repayment until at least 31 March 2011.

13 LEASING AGREEMENTS

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

	2010 £	2009 £
Within one year	12,686	12,630
Between one and five years	45,480	50,250
In more than five years	<u>-</u>	<u>7,368</u>
	<u>58,166</u>	<u>70,248</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.

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14 CAPITAL MANAGEMENT AND 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 strong capital base to sustain future development of the business. The Company's strategy remained unchanged during the year. Capital resources have however been depleted significantly by losses incurred during the year as a consequence of the recruitment of additional staff to expand and develop the business. The Company had anticipated that these costs would have been met by funds provided by a new parent Company following from a planned takeover, the process was however delayed as a consequence of the deep global economic recession.

During the year the Company entered into a short term loan agreement to provide additional funds. 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

	2010	2009
	£	£
Not past due	446,757	354,467
Past due 0-30 days	2,688	56,885
Past due 31-90 days	-	1,674
Past due by more than 90 days	2,557	2,158
	<u>452,002</u>	<u>415,184</u>

The Company's expense for irrecoverable trade debtors is £11,894 (2009 nil). Trade receivables are stated net of a provision for irrecoverable amounts of £11,894 (2009 nil).

Bank balances are held with major UK clearing banks.

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 will always have 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.

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14 CAPITAL MANAGEMENT AND FINANCIAL INSTRUMENTS - continued

The Company has incurred trading losses as a result of the recruitment of new staff to expand and develop its operations. As a consequence, available cash resources have been depleted such that the Company now requires a further injection of funds to enable it to continue trading operations and achieve its expansion plans. Such funds are being made available by its parent company as necessary.

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

	2010 £	2009 £
Variable rate instruments		
Cash and cash equivalents	98,941	198,585
Short term loan	<u>(425,000)</u>	<u>(100,000)</u>

Security provided for debt

The short loan is from Avia Investments Plc and is secured by way of a fixed and floating charge against all assets of the Company. Interest is payable at 4% above the base lending rate of National Westminster Bank Plc. The loan has no fixed repayment date but is repayable on demand.

Sensitivity analysis

A change of 100 basis points in interest rates at the balance sheet date would have increased profit or loss by (£3,263) (2009: £900). This calculation assumes that the change occurred at the balance sheet date and had been applied to balances existing at that date. This analysis assumes that all other variables remain constant.

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:

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14 CAPITAL MANAGEMENT AND FINANCIAL INSTRUMENTS - continued

	2010 £	2009 £
Financial assets		
Trade receivables	452,002	415,184
Cash and cash equivalents	<u>98,941</u>	<u>198,585</u>
	<u>550,943</u>	<u>613,769</u>

Financial assets exclude prepayments

	2010 £	2009 £
Financial liabilities		
Trade payables	93,290	20,620
Accrued expenses	38,468	58,625
Amounts owed to parent undertaking	168,419	-
Short term loans	<u>425,000</u>	<u>100,000</u>
	<u>725,177</u>	<u>179,245</u>

Financial liabilities exclude social security and other taxes

15 DEFERRED TAX

	2010 £	2009 £
Brought forward	-	2,528
Credited/ (charged) to profit or loss	<u>107,622</u>	<u>(2,528)</u>
Balance at 31 March	<u>107,622</u>	<u>-</u>

	2010 £	2009 £
Accelerated tax depreciation	(3,104)	-
Temporary timing differences	16,275	-
Unutilised tax losses	<u>94,451</u>	<u>-</u>
Balance at 31 March	<u>107,622</u>	<u>-</u>

16 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid Number	Class	Nominal value £1	2010 £	2009 £
1,641	Ordinary		<u>1,641</u>	<u>1,641</u>

The authorised share capital as at 31 March 2010 was 5,000 (2009 5,000) Ordinary shares of £1 each totalling £5,000 (2009 £5,000)

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FOR THE YEAR ENDED 31 MARCH 2010

17 RESERVES

	Retained earnings £	Share premium £	Totals £
At 1 April 2009	(254,080)	219,731	(34,349)
Deficit for the year	<u>(159,062)</u>	<u> </u>	<u>(159,062)</u>
At 31 March 2010	<u>(413,142)</u>	<u>219,731</u>	<u>(193,411)</u>

18 RELATED PARTY DISCLOSURES

The remuneration of the Directors, who are the key management personnel of the Company, is set out below

	2010 £	2009 £
Directors' emoluments		
B S Giddings	90,705	120,000
Professor J Dale	52,500	40,833
Timothy Morris	71,250	46,667
Christopher Coyne	70,000	75,000
Caroline Prill	70,000	73,333
J Kendall	-	55,833
Nigel Leavy	<u>4,327</u>	<u>-</u>
Total	<u>358,782</u>	<u>411,666</u>

Emoluments disclosed above include the following amounts paid to the highest paid director,

	£	£
Director's emoluments	<u>90,705</u>	<u>120,000</u>

There is no Company pension scheme in place for the benefit of the directors. Payments were made to directors or to companies for services provided by them as follows

B S Giddings

No fees or expenses were paid directly to Chart Investment Management Limited, a Company controlled by B S Giddings, for consultancy services provided by him during the year ended 31 March 2010

Total fees paid for the period ended 31 March 2009 are set out below

Dr R Crouch, OBE

Dr R Crouch, OBE holds 9.73 per cent of the voting shares in the enlarged Group of which the Company is a 100% owned subsidiary (last year 20.3% of the Company)

No fees or expenses were paid directly to Cranbrook Health Limited, a Company that he is director of, for consultancy services provided by Dr R Crouch, OBE during the year ended 31 March 2010

Total fees paid for the period ended 31 March 2009 are set out below

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18 RELATED PARTY DISCLOSURES - continued

Professor J Dale

Professor J Dale holds 9.73 per cent of the voting shares in the enlarged Group of which the Company is a 100% owned subsidiary (last year 20.3% of the Company)

No fees or expenses were paid directly to Cranbrook Health Limited for consultancy services provided by Professor J Dale in the year ended 31 March 2010.

Total fees paid for the period ended 31 March 2009 are set out below

M Bennett

M Bennett holds 9.73 per cent of the voting shares in the enlarged Group of which the Company is a 100% owned subsidiary (last year 20.3% of the Company)

No fees or expenses were paid to Reasonable Software Limited, a Company owned and controlled by Michael Bennett, for consultancy services provided by M Bennett during the year ended 31 March 2010

Total fees paid for the period ended 31 March 2009 are set out below

Summary of fees paid

	2010 £	2009 £
Chart Investment Management Limited	-	10,000
Cranbrook Health Limited	-	28,498
Reasonable Software Limited	-	9,275
	<hr/>	<hr/>

Avia Health Informatics plc (Formerly Avia Investments plc)

As at 31 March 2010 the Company owes Avia Health Informatics plc £593,419 (2009 £100,344)

Interest was charged on the loan at 4% above the base lending rate of National Westminster Bank Plc totalling £7,744 (2009 £344). Avia Health Informatics plc became the legal parent of Plain Healthcare Limited on 16 November 2009 during the reverse acquisition. Previous to this Avia Health Informatics plc was a related party due to B Giddings being a director for both companies

19 ULTIMATE CONTROLLING PARTY

The ultimate parent undertaking is Avia Health Informatics plc (formerly known as Avia Investments plc), a Company registered in England and Wales. Group accounts are publicly available from 16 Thorney Leys Business Park, Witney, Oxfordshire, OX18 4GE. In the opinion of the directors, there is no ultimate controlling party.

20 EVENTS SINCE THE BALANCE SHEET DATE

On 6 September 2010, C J Coyne, C S M Prill and N Leavy resigned as directors of the Company