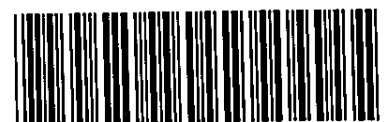

CHAMELEON INFORMATION MANAGEMENT SERVICES LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008

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CHAMELEON INFORMATION MANAGEMENT SERVICES LIMITED

COMPANY INFORMATION

DIRECTORS

David Little -Non Excecutive Director
Marc Warburton
Sarah Waters
John Martin Nye
Phillip Brown
David Huline-Dickens

COMPANY SECRETARY

Beth Warburton

COMPANY NUMBER

3072160

REGISTERED OFFICE

59-61 High Street
Rickmansworth
Hertfordshire
WD3 1RH

AUDITORS

Hillier Hopkins LLP
Chartered Accountants & Registered Auditor
64 Clarendon Road
Watford
Herts
WD17 1DA

CHAMELEON INFORMATION MANAGEMENT SERVICES LIMITED

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CHAMELEON INFORMATION MANAGEMENT SERVICES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2008

The directors present their report and the financial statements for the year ended 31 March 2008

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping proper accounting records that 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 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PRINCIPAL ACTIVITIES

The principal activities of the company are the marketing, distribution and implementation of the InfoFlex product principally within the National Health Service environment. The company utilises the InfoFlex product as the basis for all of its clinical and information systems. The company also provides training and consultancy services related to the use of the InfoFlex product.

The Directors are pleased with the progress of the business for the year ending 31st March 2008. Year on year revenue growth of 16% is reported.

The Company continued to expand its presence in the UK IT Healthcare market with Infoflex systems installed in a large number of NHS Trusts. Our customers are expanding their use of the Infoflex product and lengthening the term of their agreements with the company.

DIRECTORS

The directors who served during the year were

David Little - Non Executive Director
Marc Warburton
Sarah Waters
John Martin Nye
Phillip Brown
David Huline-Dickens

CHAMELEON INFORMATION MANAGEMENT SERVICES LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2008**

PROVISION OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the Company's auditors in connection with preparing their report and to establish that the Company's auditors are aware of that information

AUDITORS

The auditors, Hillier Hopkins LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

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

This report was approved by the board on *16th June 2008* and signed on its behalf



Marc Warburton
Director

CHAMELEON INFORMATION MANAGEMENT SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CHAMELEON INFORMATION MANAGEMENT SERVICES LIMITED

We have audited the financial statements of Chameleon Information Management Services Limited for the year ended 31 March 2008, set out on pages 5 to 13. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007).

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of directors' responsibilities.

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

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

BASIS OF AUDIT OPINION

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

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

CHAMELEON INFORMATION MANAGEMENT SERVICES LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CHAMELEON INFORMATION
MANAGEMENT SERVICES LIMITED**

OPINION

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 March 2008 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' report is consistent with the financial statements

Hillier Hopkins LLP

HILLIER HOPKINS LLP

Chartered Accountants
Registered Auditor

64 Clarendon Road
Watford
Herts
WD17 1DA

Date *24 JUNE 2008*

CHAMELEON INFORMATION MANAGEMENT SERVICES LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2008**

	Note	2008 £	2007 £
TURNOVER	1	1,561,802	1,340,606
Cost of sales		(857,949)	(707,311)
GROSS PROFIT		703,853	633,295
Administrative expenses		(705,221)	(611,736)
Other operating income	2	150	-
OPERATING (LOSS)/PROFIT	3	(1,218)	21,559
Interest receivable		12,645	11,297
Interest payable		(4,275)	(6,979)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		7,152	25,877
Tax on profit on ordinary activities	5	(1,111)	(3,700)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	12	6,041	22,177

The notes on pages 8 to 13 form part of these financial statements

CHAMELEON INFORMATION MANAGEMENT SERVICES LIMITED

**BALANCE SHEET
AS AT 31 MARCH 2008**

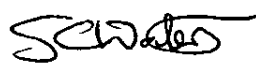
	Note	£	2008 £	£	2007 £
FIXED ASSETS					
Tangible fixed assets	6		123,426		111,217
CURRENT ASSETS					
Debtors	7	259,076		223,054	
Cash at bank and in hand		294,191		188,598	
		<u>553,267</u>		<u>411,652</u>	
CREDITORS amounts falling due within one year	8	(514,499)		(347,034)	
NET CURRENT ASSETS			38,768		64,618
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>162,194</u>		<u>175,835</u>
CREDITORS amounts falling due after more than one year	9		-		(19,682)
PROVISIONS FOR LIABILITIES					
Deferred tax	10		(4,217)		(4,217)
NET ASSETS			<u>157,977</u>		<u>151,936</u>
CAPITAL AND RESERVES					
Called up share capital	11		6,850		6,850
Share premium account	12		118,219		118,219
Profit and loss account	12		32,908		26,867
SHAREHOLDERS' FUNDS			<u>157,977</u>		<u>151,936</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

16/6/08


Marc Warburton
 Director


Sarah Waters
 Director

The notes on pages 8 to 13 form part of these financial statements

CHAMELEON INFORMATION MANAGEMENT SERVICES LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2008**

	£	2008 £	£	2007 £
CASH GENERATED FROM OPERATIONS				
OPERATING (LOSS)/PROFIT	(1,218)		21,559	
Depreciation of tangible fixed assets	41,141		36,887	
(Increase)/decrease in trade debtors	(1,233)		79,554	
(Increase)/decrease in other debtors	(34,789)		29,819	
Increase/(decrease) in trade creditors	33,695		(38,209)	
Increase in other creditors	152,558		16,280	
		190,154		145,890
CASH FROM OTHER SOURCES				
Interest received	12,645		11,297	
		12,645		11,297
APPLICATION OF CASH				
Interest paid	(1,326)		(3,842)	
Hire purchase interest	(2,949)		(3,137)	
Tax paid	(3,568)		-	
Repayment of loans	(25,863)		(32,887)	
Principal payment under finance lease	(10,150)		(10,150)	
Purchase of tangible fixed assets	(53,350)		(25,738)	
		(97,206)		(75,754)
NET INCREASE IN CASH		105,593		81,433
Cash at bank and in hand less overdrafts at beginning of the year		188,598		107,165
CASH AT BANK AND IN HAND LESS OVERDRAFTS AT END OF THE YEAR		294,191		188,598
Consisting of				
Cash at bank and in hand		294,191		188,598
		294,191		188,598

The notes on pages 8 to 13 form part of these financial statements

CHAMELEON INFORMATION MANAGEMENT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2008

1 ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007)

1.2 TURNOVER

Turnover comprises revenue recognised by the company in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts

1.3 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

S/Term Leasehold Property	-	25%	reducing balance
Motor vehicles	-	25%	reducing balance
Fixtures & fittings	-	25%	reducing balance

1.4 LEASING AND HIRE PURCHASE

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.5 OPERATING LEASES

Rentals under operating leases are charged on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.6 DEFERRED TAXATION

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

CHAMELEON INFORMATION MANAGEMENT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2008

1 ACCOUNTING POLICIES (continued)

1.7 LONG-TERM CONTRACTS

Profit on long-term contracts is taken as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of the work carried out at the year end, by recording turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of total contract value which costs incurred to date bear to total expected costs for that contract. Revenues derived from variations on contracts are recognised only when they have been accepted by the customer. Full provision is made for losses on all contracts in the year in which they are first foreseen.

1.8 PENSIONS

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

2. OTHER OPERATING INCOME

	2008 £	2007 £
Other operating income	150	-

3. OPERATING (LOSS)/PROFIT

The operating (loss)/profit is stated after charging

	2008 £	2007 £
Depreciation of tangible fixed assets		
- owned by the company	33,580	26,805
- held under finance leases	7,561	10,082
Auditors' remuneration	8,200	4,750
Pension costs	16,268	15,613

4 DIRECTORS' REMUNERATION

	2008 £	2007 £
Aggregate emoluments	298,998	284,749

During the year retirement benefits were accruing to 2 directors (2007 - 2) in respect of money purchase pension schemes.

CHAMELEON INFORMATION MANAGEMENT SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008**

5. TAXATION

	2008 £	2007 £
ANALYSIS OF TAX CHARGE IN THE YEAR		
CURRENT TAX (see note below)		
Adjustments in respect of prior periods	1,111	3,568
DEFERRED TAX (see note 10)		
Origination and reversal of timing differences	-	132
	<u>1,111</u>	<u>3,700</u>
TAX ON PROFIT ON ORDINARY ACTIVITIES	<u>1,111</u>	<u>3,700</u>

6 TANGIBLE FIXED ASSETS

	Land and buildings £	Motor vehicles £	Furniture, fittings and equipment £	Total £
COST				
At 1 April 2007	21,016	60,750	228,929	310,695
Additions	-	-	53,350	53,350
	<u>21,016</u>	<u>60,750</u>	<u>282,279</u>	<u>364,045</u>
At 31 March 2008	21,016	60,750	282,279	364,045
DEPRECIATION				
At 1 April 2007	12,151	30,506	156,821	199,478
Charge for the year	2,216	7,561	31,364	41,141
	<u>14,367</u>	<u>38,067</u>	<u>188,185</u>	<u>240,619</u>
At 31 March 2008	14,367	38,067	188,185	240,619
NET BOOK VALUE				
At 31 March 2008	6,649	22,683	94,094	123,426
At 31 March 2007	8,865	30,244	72,108	111,217

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows

	2008 £	2007 £
Motor vehicles	<u>22,683</u>	<u>30,244</u>

CHAMELEON INFORMATION MANAGEMENT SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008**

7. DEBTORS

	2008 £	2007 £
Trade debtors	215,967	214,734
Other debtors	43,109	8,320
	<u>259,076</u>	<u>223,054</u>

**8 CREDITORS:
AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2008 £	2007 £
Bank loans and overdrafts	-	25,863
Net obligations under finance leases and hire purchase contracts	19,682	10,150
Trade creditors	51,657	17,962
Corporation tax	1,111	3,568
Social security and other taxes	133,210	77,554
Deferred revenue	224,513	166,978
Other creditors	84,326	44,959
	<u>514,499</u>	<u>347,034</u>

**9 CREDITORS:
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2008 £	2007 £
Net obligations under finance leases and hire purchase contracts	-	19,682
	<u>-</u>	<u>19,682</u>

10. DEFERRED TAXATION

	2008 £	2007 £
At 1 April 2007	4,217	4,085
Other movement	-	132
At 31 March 2008	<u>4,217</u>	<u>4,217</u>

CHAMELEON INFORMATION MANAGEMENT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008

10 DEFERRED TAXATION (continued)

The provision for deferred taxation is made up as follows

	2008 £	2007 £
Accelerated capital allowances	4,217	4,085
Other movement	-	132
	<u>4,217</u>	<u>4,217</u>

11. SHARE CAPITAL

	2008 £	2007 £
AUTHORISED		
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
ALLOTTED, CALLED UP AND FULLY PAID		
6,850 Ordinary shares of £1 each	<u>6,850</u>	<u>6,850</u>

12 RESERVES

	Share premium account £	Profit and loss account £
At 1 April 2007	118,219	26,867
Profit for the year		6,041
	<u>118,219</u>	<u>32,908</u>
At 31 March 2008		

13 PENSION COMMITMENTS

The pension cost charge represents contributions payable by the company to the fund and amounted to £18,668 (2007 - £21,373). This has been paid into both the company's defined contribution scheme and into personal pension schemes.

CHAMELEON INFORMATION MANAGEMENT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2008

14 OPERATING LEASE COMMITMENTS

At 31 March 2008 the company had annual commitments under non-cancellable operating leases as follows

	2008 £	2007 £
EXPIRY DATE.		
Between 2 and 5 years	-	42,912

15 RELATED PARTY TRANSACTIONS

During the year company paid £270,000 (2007 - £90,000) to Flex Software Limited in licence fees, a company related due to common directorship. The company charged Flex Software Limited £86,250 (2007 - £75,000) for software consultancy services. The balance due to Flex Software Limited at the year end amounted to £10,949.

16. CONTROLLING PARTY

There is no ultimate controlling party.