

Registered Number 6470277

Avia Investments plc

REPORT AND FINANCIAL STATEMENTS

31 March 2009

Avia Investments plc

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Avia Investments plc

COMPANY INFORMATION

Directors:	B Giddings N Leavy
Company secretary:	G Withey
Company number:	6470277
Registered office:	4 Bedford Row London WC1R 4DF
Independent auditors:	Hazlewoods LLP Windsor House Barnett Way Barnwood Gloucester GL4 3RT
Principal bankers:	The Royal Bank of Scotland 49 Charing Cross London SW1A 2DX
Registrars:	Share Registrars Limited First Floor 9 Lion and Lamb Yard Farnham Surrey GU9 7LL

Avia Investments plc

DIRECTOR'S REPORT

The directors present their report and the audited financial statements for the year ended 31 March 2009.

Principal activity

The Company was incorporated on 11 January 2008 and was admitted to PLUS Markets on 25 March 2008.

The principal activity of the Company is the investment in the healthcare technology sector.

Review of the business and future developments

The Company has not carried on a trade since incorporation. The Company was formed with the objective of making acquisitions of businesses in the healthcare technology sector. In the period the directors have been actively engaged in bringing about the Company's first acquisition whilst also exploring other acquisition opportunities.

Unfortunately the global economic crisis has delayed completion of the first acquisition, due to a shortage of investors willing to invest in what was an extremely depressed financial market. In the period legal and financial due diligence has been completed and draft documentation prepared in readiness for completion of the acquisition of The Plain Software Company Limited ("Plain"). The professional costs in connection with this acquisition have however significantly depleted the Company's cash resources. Furthermore the Company lent a further £100,000 to Plain in order to fund a short term working capital requirement. This is a loan secured on the assets of Plain. The loan is repayable on 31 December 2009.

The directors are continuing to pursue a fund raising which will enable them to complete this first acquisition. If however this is not completed within a short time frame then there will be insufficient funds available to enable the Company to continue its activities.

Financial risk management

Cash flows are managed centrally and surplus cash is invested in short term financial instruments. Exposure to interest rate risk is monitored and informs the selection of either fixed or floating rate investments.

The Company does not actively engage in the trading of financial instruments and has no financial derivatives.

Liquidity risk

The Company manages its cash and borrowing requirements centrally to maximise interest income and minimise interest expense, whilst ensuring that the Company has sufficient liquid resources to meet the operating needs of the business and the requirements for expansion.

Directors

The following Directors have held office since 11 January 2008:

B Giddings
N Leavy

Avia Investments plc

DIRECTOR'S REPORT

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 International Financial Reporting Standards as adopted by the European Union. The financial statements are required to give a true and fair view of the state of affairs of the Company and of its profit or loss 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 estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, 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 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements and other information included in annual reports may differ from legislation and other jurisdictions.

Statement as to disclosure of information to auditors

The directors who were in office on the date of approval of these accounts have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the directors have confirmed that they have taken all of the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

This information is given and should be interpreted in accordance with the provisions of S234ZA of the Companies Act 1985.

Creditor payment policy

Terms and conditions are agreed with suppliers individually and the Company pays its suppliers in accordance with these terms, provided the suppliers meet the agreed conditions and there are sufficient cash resources available to the Company. At the balance sheet date, trade creditors represented 32 days of purchases during the year.

Auditors

A resolution proposing that Hazlewoods LLP be re-appointed will be put to the Annual General Meeting.

Director

Date: 11 August 2009

Avia Investments plc

INDEPENDENT AUDITOR'S REPORT

We have audited the financial statements (“the financial statements”) of Avia Investments plc for the period ended 31 March 2009 which comprises the income statement, the balance sheet, the cash flow statement, and the related notes. The financial statements have been prepared under the accounting policies set out therein.

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 auditor

The directors’ responsibilities for preparing the annual report and the financial statements in accordance with applicable law and for preparing the Company financial statements in accordance with International Financial Reporting Standards (“IFRSs”) as adopted by the European Union and the parent Company financial statements in accordance with 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 have been 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. The information in the Directors’ report includes that specific information presented in the Chairman’s statement that is cross referenced from the business review section of the Directors’ report.

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 other information contained in the annual report and consider whether it is consistent with the audited financial statements. The other information comprises only the Company information, the chairman’s statement, the Directors’ report, the directors’ remuneration report and the corporate governance statement. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

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

We planned and performed our audit so as to obtain all the information and explanations 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.

Avia Investments plc

INDEPENDENT AUDITOR'S REPORT

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with IFRS's as adopted by the European Union, of the state of the Company's affairs as at 31 March 2009 and of its loss for the period 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.

Emphasis of matter : Going concern

In forming our opinion on the financial statements, which is not qualified, we have considered the disclosure in note 2 to the financial statements concerning the Company's ability to continue as a going concern. The Company is currently unable to pay its creditors as they fall due and is dependent on its success in raising new share capital to fund acquisitions to continue its activities. This indicates the existence of a material uncertainty which affects the Company's ability to continue operating as a going concern. The financial statements do not include any adjustments that would result if the Company was unable to continue as a going concern.

HAZLEWOODS LLP
Chartered Accountants
Registered Auditors
Windsor House
Barnett Way
Barnwood
Gloucester
GL4 3RT

Date: 11 August 2009

Avia Investments plc
INCOME STATEMENT
For the period ended 31 March 2009

	<i>Note</i>	Period Ended 31 March 2009 £
Administrative expenses		(408,795)
Operating loss		(408,795)
Finance income		8,403
Loss before taxation		(400,392)
Taxation	7	-
Loss for the year attributable to equity holders of the parent		(400,392)
Loss per share:		
Basic and diluted	8	2.46p

There are no gains or losses other than those shown in the income statement and therefore all recognised income and expense is included therein.

All activities are classed as continuing.

Avia Investments plc

BALANCE SHEET

As at 31 March 2009

	<i>Note</i>	2009 £
Non-current assets		
Property, plant and equipment	<i>9</i>	2,373
<hr/>		
Current assets		
Trade and other receivables	<i>10</i>	106,114
Cash and cash equivalents	<i>11</i>	28,724
<hr/>		
Total assets		137,211
Current liabilities		
Trade and other payables	<i>12</i>	47,103
<hr/>		
Total liabilities		47,103
<hr/>		
Net assets		90,108
<hr/>		
Equity		
Share capital	<i>13</i>	93,752
Share Premium	<i>14</i>	396,748
Retained earnings	<i>15</i>	(400,392)
<hr/>		
Total Equity		90,108

These financial statements were approved by the board and authorised for issue on 11 August 2009 and signed on its behalf by:

N Leavy
Director

Avia Investments plc
CASH FLOW STATEMENT
For the period ended 31 March 2009

	<i>Note</i>	Period Ended 31 March 2009 £
Net cash generated from operating activities	<i>17</i>	(466,581)
Investing activities		
Interest received		8,403
Purchase of property, plant and equipment		(3,598)
Net cash used in investing activities		(461,776)
Financing activities		
Proceeds from issuing share capital		490,500
Net cash generated from financing activities		490,500
Net increase in cash and cash equivalents		28,724
Cash and cash equivalents at beginning of year		-
Cash and cash equivalents at end of year		28,724

Avia Investments plc

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 March 2009

1. General Information

Avia Investments plc (“the Company”) is a company domiciled in England and Wales whose registered office address is 4 Bedford Row, London, SW1R 4DF.

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

At the date of 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).

IFRS1 and IAS27 Amendment	Cost of an investment on first time adoption – effective 1 January 2009
Amendment to IFRS 2	“Share based payments”- vesting conditions and cancellations – effective 1 January 2009
Amendment to IFRS 3 and IAS 27	“Business Combinations” and “Consolidated and Separate Financial Statements” – effective 1 July 2009
IFRS 8	“Operating Segments” – effective 1 January 2009
Amendment to IAS 1	“Presentation of financial statements” – effective 1 January 2009
Amendment to IAS 23	“Borrowing Costs” – effective 1 January 2009
Amendment to IAS 32	“Financial Instruments Presentation” – effective 1 January 2009
Amendment to IAS 39	“Financial Instruments” – effective 1 July 2009
IFRIC 13	“Customer loyalty programmes” – effective 1 July 2008
IFRIC 15	“Agreements for the construction of real estate” – effective 1 January 2009
IFRIC 16	“Hedges of a net investment in a foreign operation” – effective 1 October 2008
IFRIC 17	“Distributions of non-cash assets to owners” – effective 1 July 2009
IFRIC 18	“Transfers of assets to customers” – effective 1 July 2009

The directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material effect on the financial statements of the Company. In each case the effective date refers to accounting periods commencing on or after that date, except IFRIC 18 which applies to transactions after the effective date.

2. Critical Accounting Judgements and Areas of Estimation Uncertainty

In applying the Company’s accounting policies in note 3, management has made accounting judgements in the determination of the carrying value of deferred tax assets, in their opinion there is presently insufficient certainty that unutilised tax losses will be offset against future income of the Company and therefore a deferred tax asset has not been recognised. Due to inherent uncertainty involved in making assumptions and estimates, actual outcomes will differ from those assumptions and estimates.

Avia Investments plc

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 March 2009

2. Critical Accounting Judgements and Areas of Estimation Uncertainty (continued)

Going concern

The financial statements have been prepared on the going concern basis. The Company is however unable to pay its creditors as they fall due as a consequence of a loan of £100,000 made to The Plain Software Company Limited as explained further in note 16 to the financial statements. Continuation of the Company's activities is therefore dependent on its ability to raise new capital to finance acquisitions. If the Company is unable to continue then adjustments will be necessary to write down assets to their recoverable amounts and to provide for the estimated costs of closure. The financial statements have been prepared on the going concern basis on the assumption that the Company will be successful in raising further capital.

3. Significant Accounting Policies

Basis of accounting

The financial statements of Avia Investments plc have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the EU applied in accordance with the provisions of the Companies Act 1985. These financial statements have been prepared on the historical cost basis. The principal accounting policies set out below have been consistently applied to all periods presented.

Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation. Depreciation is provided on all property, plant and equipment at rates calculated to write off the cost of tangible fixed assets over their expected useful lives at the following rates:-

Office Equipment 3 years straight line basis

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Trade payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Equity instruments

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

Financial Instruments

Qualitative and quantitative information about exposure to risks arising from financial instruments are set out in the disclosure notes in accordance with IFRS 7, including specified minimum disclosures about credit risk, liquidity risk and market risk.

Taxation

The tax expense represents the sum of tax currently payable and deferred tax. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted by the balance sheet date.

Avia Investments plc

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 March 2009

3. Significant Accounting Policies (continued)

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

A deferred tax asset is recognised where recovery is more likely than not.

4. Segmental analysis

It is the opinion of the directors that the Company has only one business segment, therefore no segmental analysis is presented in these financial statements.

5. Employee Costs (including directors)

Payments are made to companies, as detailed below, for consultancy services provided by the directors;

Chart Investment Management Limited, a company controlled by B S Giddings - £73,575

Oxford Corporate Management Limited, a company controlled by N Leavy - £56,250.

At 31 March 2009 amounts of £6,297 and £6,956 were owing respectively to Chart Investment Management Limited and Oxford Corporate Management Limited in respect of unpaid fees.

6. Loss for the year

	2009
	£
Loss for the year has been arrived at after charging:	
Depreciation of owned property, plant and equipment	1,225
Auditors' remuneration - as auditors (including VAT)	2,600
Remuneration paid to auditors for non-audit services (including VAT)	50,268

Remuneration paid to auditors for non-audit services comprises costs associated with a potential acquisition.

Avia Investments plc
NOTES TO THE FINANCIAL STATEMENTS
For the period ended 31 March 2009

7. Taxation

	2009
	£
The tax charge for the year comprises:	
Current tax	-
Deferred tax	-
	-

Factors affecting the tax for the year

The tax charge for the year differs from the loss for the year at the small companies' corporation tax rate of 21%. The differences are explained below:

Loss on ordinary activities before taxation	(400,392)
Loss on ordinary activities multiplied by the small companies' rate of UK corporation tax of 21%	(84,082)
Effects of:	
Non-deductible expenses	10,948
Tax losses not recognised as a deferred tax asset	73,134
	-
Charge for taxation	-

A deferred tax asset has not been recognised in respect of unutilised tax losses of £348,000 at 31 March 2009 because there is insufficient certainty with regards to their future utilisation.

8. Loss per share

	2009
	£
Loss	400,392

Basic earnings per share is based on the loss for the year attributable to shareholders and on the weighted average number of shares in issue during the year. The number of shares used for calculating basic earnings per share was 16,247,591.

Avia Investments plc
 NOTES TO THE FINANCIAL STATEMENTS
 For the period ended 31 March 2009

9. Property, plant and equipment

	Office and computer equipment
	£
Cost	
At 11 January 2008	-
Additions	3,598
At 31 March 2009	3,598
Depreciation	
At 11 January 2008	-
Charge for the year	1,225
At 31 March 2009	1,225
Net book value	
At 31 March 2009	2,373
At 11 January 2008	-

10. Trade and other receivables

	2009
	£
Loans	101,864
Prepayments and accrued income	4,250
	106,114

The directors consider that the carrying amount of trade and other receivables approximates to their fair value.

11. Cash and cash equivalents

	2009
	£
Cash at bank and in hand	28,724
	28,724

12. Trade and other payables

	2009
	£
Trade payables	41,024
Accruals	6,079
	47,103

The directors consider that the carrying amount of trade and other payables approximates to their fair value.

Avia Investments plc
NOTES TO THE FINANCIAL STATEMENTS
For the period ended 31 March 2009

13. Share capital

	2009
	£
Authorised	
100,000,000 ordinary shares of 0.5p each	500,000
<hr/>	
Allotted, called up and fully paid	
18,750,400 ordinary shares of 0.5p each	93,752
<hr/>	

Share options

On incorporation the Company issued 2 ordinary shares of £1 each at par.

On 12 February 2008 the authorised share capital was increased from 100,000 ordinary shares of £1 each to 500,000 ordinary shares of £1 each. On the same date all authorised shares of £1 each were subdivided into ordinary shares of 0.5p each.

Following the reorganisation, the Company issued the following ordinary shares of 0.5p each.

Date	Number	Price per share
12 February 2008	2,300,000	1p
12 February 2008	1,150,000	2p
12 February 2008	200,000	1p
12 February 2008	100,000	1p
28 February 2008	10,000,000	3.3p
28 April 2008	5,000,000	3.3p

14. Share premium account

	2009
	£
At 11 January 2008	-
Proceeds from shares issued	451,248
<hr/>	
Transaction costs	(54,500)
<hr/>	
At 31 March 2009	396,748
<hr/>	

15. Retained earnings

	2009
	£
At 11 January 2008	-
Loss for the year	(400,392)
<hr/>	
At 31 March 2009	(400,392)
<hr/>	

Avia Investments plc

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 March 2009

16. Financial instruments and management of capital

The Company's principal financial instruments comprise cash (including short-term deposits), a loan to The Plain Software Company Limited and trade payables.

The main risks arising from the Company's financial instruments are credit risk, interest rate risk and liquidity risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

Credit risk

The principal credit risk of the Company relates to the risk of non-payment of the loan made to The Plain Software Company Limited. The directors have sought to limit the risk to the Company by obtaining a fixed and floating charge of the Company's assets. In the event that the loan is not repaid the Company would not be able to pay its creditors.

Cash flow interest rate risk

The Company's financial assets and liabilities set out below include cash deposits of £28,724, which are subject to variable rates of interest, based on the bank base rate applied by the Company's bankers. The loan to The Plain Software Company Limited of £100,000 is subject to a variable rate of interest of 4% above the National Westminster Bank Plc base lending rate. Based on the closing net bank balances and loan a 1% increase in interest rates would not have a material affect on the net interest receivable by the Company.

Price risk

The Company is not exposed to fluctuations in market prices of its financial instruments.

Liquidity and capital risk

Management recognises the risk of insufficient cash and capital to carry on its activities and safeguard the Company's ability to continue as a going concern. The Company's cash resources have been significantly depleted by the costs incurred to date in respect of the proposed acquisition of The Plain Software Company Limited and the costs associated with the planned issue of share capital to fund this acquisition and the working capital of the enlarged group. The directors continue to pursue a fund-raising to enable them to proceed with this acquisition. If unsuccessful in the short term however it is unlikely that the Company will have sufficient resources to continue in operation. The Company is currently unable to pay the full amounts owed to its creditors until such time that the loan made to The Plain Software Limited, referred to above, is repaid.

Management of capital

The Company's objectives when maintaining capital are to safeguard the entity's ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders.

Capital comprises all components of equity – share capital, share premium and retained earnings. At 31 March 2009 the Company had net funds of £90,108.

Avia Investments plc
NOTES TO THE FINANCIAL STATEMENTS
For the period ended 31 March 2009

16. Financial instruments and management of capital (continued)

Profile of financial instruments

Financial assets (all of which are loans and receivables)	2009
	£
Loans	101,864
Cash and cash equivalents	28,724
	<hr/> 130,588
Financial liabilities	2009
	£
Trade payables	41,024
Other payables	6,079
	<hr/> 47,103

17. Note to the cash flow statement

Cash generated from operations	2009
	£
Operating loss for the year	(408,795)
Depreciation on property, plant and equipment	1,225
	<hr/> (407,570)
Operating cash flows before movements in working capital	(407,570)
Increase in receivables	(106,114)
Increase in payables	47,103
	<hr/> (466,581)

18. Related party transactions

The Company is owed £100,344 by The Plain Software Company Limited, a company that B Giddings is a director of. Further details of the loan are set out above.