

PERSONAL SCREENING PLC

company information

year ended 31 December 2008

Company registration number: 4057276

Registered office: 35 Hagley Road
Stourbridge
West Midlands
DY8 1QR

Directors: Michael George Scorey (Chairman)
Simon Peter Driscoll
Aniz Visram

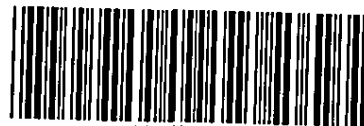
Secretary: Simon Peter Driscoll

Bankers: HSBC Bank
114 High Street
Stourbridge
West Midlands
DY8 1DZ

Solicitors: Harrison Clark
5 Deansway
Worcester
WR1 2JG

Auditors: RSM Bentley Jennison
Registered Auditors
Chartered Accountants
Charterhouse
Legge Street
Birmingham
B4 7EU

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CHAIRMAN'S STATEMENT

I would like to report to shareholders on the results for the twelve months ended 31 December 2008 and on recent developments.

The Company has continued to seek funding for the proposed acquisition announced in September 2008 which, if completed, would change the principal activity of the group. The directors have also decided to dispose of the Company's existing assets and operations and, to this end, have taken steps towards initiating a Company Voluntary Arrangement (CVA) to provide time for their orderly disposal. To date neither of these transactions has been completed and the CVA has not yet been established. Therefore, although indications are positive there can be no present certainty that the Company will achieve its objectives.

Financial Results

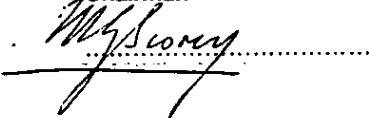
Group sales from continuing activities were £ nil and those from discontinued activities, for the year, were £32,554, compared to £ nil for continuing activities and those for discontinued activities £48,970, for the previous year.

The loss before taxation from continuing operations was £ 320,981 compared to loss of £ 316,915 from continuing activities for the previous year. The loss before taxation from discontinued activities was £ 11,859 compared to a loss before taxation of £516,896 for the previous year. The fully diluted loss per share from continuing activities was 0.10p, compared to a fully diluted loss per share for 2007 of 0.15p. The fully diluted earnings per share from discontinued activities was 0.02p, compared to a fully diluted earnings per share for 2007 of 0.24p.

Conclusion

The directors would like to thank shareholders for their continued patience and hope to be in a position to provide them with further information shortly

Michael Scorey
Chairman



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REPORT OF THE DIRECTORS

The directors present their report together with the financial statements for the year ended 31 December 2008.

Principal activities

The principal activity of the group during the year was that of selling self-test medical kits.

Business review and future developments

A commentary on the group's KPI's together with developments in the business both during and after the year are detailed in the Chairman's Statement on page 1.

Principal risks and uncertainties facing the group

The key risk and uncertainty facing the continuing group is the ability to develop the market in the group's products and the ability to identify suitable acquisitions to grow the business.

The key risks and uncertainty's facing the proposed acquisition are:

- Perceived reliance on narrow customer base
- Broadcasters withdrawing from demographics
- Declining programme budgets
- Production failure and non-delivery

Trading results

There was a loss for the year after taxation amounting to £ 277,051 (2007: £ 833,811). The directors do not recommend payment of a dividend and the loss has therefore been transferred from reserves.

Going concern

As disclosed in the Chairman's statement on page 1 and the Notes to the Accounts on page 11, the company is in the process of seeking funding for a significant acquisition which would change the principal activity of the group. At the same time, the Directors have started the process of seeking a Company Voluntary Arrangement with its creditors in order to provide time for the orderly disposal of its existing assets and operations.

At the date of this report, neither of these transactions are complete and the CVA has not yet been established. As such, there is no certainty that the plans will be accomplished. These conditions indicate the existence of a material uncertainty which may cast doubt about the company's ability to continue as a going concern. However, current indications are positive and these accounts have been prepared on the basis that the disposals and acquisition transactions will be completed to enable the group to continue to trade under its new guise.

The Board has designated as held-for-resale those assets relating to its existing businesses and redesignated its activities as discontinued under IFRS 5. The adjustments relating to this as required by IAS 36 are set out in note 14 relating to the carrying value of the relevant assets.

As a result, the group's assets are carried at estimated realisable value. Consequently, if these financial statements had not been prepared on the going concern basis there would be no material impact on the carrying value of assets. No adjustment has been recognised to reflect any change in the value or timing of creditors that may arise if the group were not a going concern by virtue of the CVA failing or the acquisition not being completed.

Corporate governance

The Company intends to continue with measures previously put in place to ensure that it complies with the Combined Code so far as is practicable and appropriate for a public company of its size and nature.

The Directors intend to comply with Rule 21 of the AIM Rules for Companies relating to directors' dealings as applicable to AIM companies and will also take all reasonable steps to ensure compliance by the Company's applicable employees.

Relations with shareholders

The Chairman is the Company's principal spokesperson with investors, fund managers, the press and other interested parties. At the Annual General Meeting, private investors are given the opportunity to question the Board.

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Internal control

The Board acknowledges its responsibility for establishing and monitoring the Group's systems of internal control. Although no system of internal control can provide absolute assurance against material misstatement or loss, the Company's systems are designed to provide the Directors with reasonable assurance that problems are identified on a timely basis and so can be dealt with appropriately.

Directors

The membership of the Board during and at the end of the year is set out below.

Michael Scorey
Simon Driscoll
Aniz Visram

Substantial Shareholders

At 30 April 2009, the following had notified the company of a disclosable interest in 3% or more of the issued share capital of the company:

	Ordinary shares of 0.1p each	% of issued share capital
Pershing Keen Nominees Limited	47,500,999	15
TD Waterhouse Nominees (Europe) Limited	46,597,759	15
James May Esq.	37,675,211	12
Jim Nominees Limited	20,538,161	7

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the Group and Parent Company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and Parent Company financial statements for each financial year. As required by the AIM Rules of the London Stock Exchange the Directors are required to prepare the Group financial statements in accordance with IFRS's as adopted by the EU and applicable laws and have elected to prepare the Parent Company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

The Group financial statements are required by law and IFRS's as adopted by the EU to present fairly the financial position and the performance of the Group; the Companies Act 1985 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

The Parent Company financial statements are required by law to give a true and fair view of the state of affairs of the Parent Company.

In preparing each of the Group and Parent Company 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;
- for the Group financial statements, state whether they have been prepared in accordance with IFRS's as adopted by the EU;
- for the Parent Company financial statements, state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the Group and Parent Company will continue in business.

The directors are responsible for keeping proper accounting records, for safeguarding the assets of the group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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The directors are responsible for ensuring that the directors' report and other information contained in the annual report is prepared in accordance with company law in the United Kingdom.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included in the Company's website. Legislation in the UK governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditors are unaware of.

Creditor payment policy

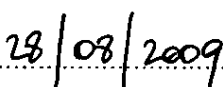
The Group does not follow a specific code or statement on payment practice. However, it is the Group's policy to pay its suppliers in accordance with the payment terms agreed at the outset of the relationship. At the year end group trade creditors represented 90 days purchases (2007 - 78 days).

Auditors

A resolution to reappoint RSM Bentley Jennison, Chartered Accountants and Registered Auditors will be proposed at the forthcoming AGM.

ON BEHALF OF THE BOARD


.....
Director


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PERSONAL SCREENING PLC

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PERSONAL SCREENING PLC

We have audited the Group and Parent Company financial statements (the "financial statements") of Personal Screening PLC for the year ended 31 December 2008 which comprise the Consolidated Income Statement, the Consolidated and Company Balance Sheets, the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity and the related notes. These Financial Statements have been prepared in accordance with 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 Group and 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 Directors' Report and the Group Financial Statements in accordance with applicable law and International Financial Reporting Standards (IFRS's) as adopted by the EU, and for preparing the Parent Company financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on pages 3 and 4

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 with the group is not disclosed.

We read the Director's Report and consider the implications for our report if we become aware of any apparent misstatements within it. 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 judgments made by the directors in the preparation of the Financial Statements, and of whether the accounting policies are appropriate to the Group's and 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.

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Opinion

In our opinion:

- the Group Financial Statements give a true and fair view, in accordance with IFRS's as adopted by the European Union, of the state of affairs of the Group as at 31 December 2008 and of its loss and cash flows for the year then ended;
- the Group financial statements have been properly prepared in accordance with the Companies Act 1985 and Article 4 of the IAS Regulation; and
- the Parent Company financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the Parent Company's affairs as at 31 December 2008;
- the Parent Company financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Director's Report is consistent with the Financial Statements.

Emphasis of matter

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in note 1 to the financial statements on page 11 and in the Director's report on page 2 concerning the company's ability to continue as a going concern. The group's trading activities are not at a level that can support the group in the short term and alternative plans are being pursued by the Directors. The Board have initiated discussions regarding a Company Voluntary Arrangement whilst pursuing plans to raise further finance to enable it to conclude a planned acquisition and taking action to sell the company's existing assets and operations. However, neither the CVA, the acquisition nor the disposal process has been completed at the date of this report. These conditions indicate the existence of a material uncertainty which may cast doubt about the company's ability to continue as a going concern. The financial statements do not include all the adjustments that might result if the company was unable to continue as a going concern.

RSM Bentley Jennison

RSM Bentley Jennison
Chartered Accountants and Registered Auditors
Charterhouse
Legge Street
Birmingham
B4 7EU

28/8/2009

CONSOLIDATED INCOME STATEMENT

	Note	2008 £	2007 Restated £
Continuing operations			
Revenue	1,2	-	-
Cost of sales	3	-	-
Gross profit		-	-
Other Income – Grants Received		-	-
Amortisation of intangible assets		-	-
Other administrative expenses	3	(325,440)	(324,628)
Results from operating activities		(325,440)	(324,628)
Net finance income (expense)	4	4,459	7,713
Loss before taxation		(320,981)	(316,915)
Income tax expense	5	-	-
Loss from continuing operations		(320,981)	(316,915)
Discontinued operations			
Loss for the year from discontinued operations	14	(56,070)	(516,896)
		<u>(377,051)</u>	<u>(833,811)</u>
(Loss)/Profit per ordinary share – basic and diluted	6		
From continuing operations		<u>(0.10)p</u>	<u>(0.15)p</u>
From discontinued operations		<u>(0.02)p</u>	<u>(0.24)p</u>

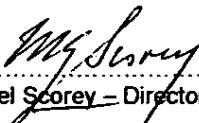
There was no recognised income or expenses other than the loss for the financial period.

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CONSOLIDATED BALANCE SHEET – AS AT 31 DECEMBER 2008

	Note	2008	2007
		£	£
Non current assets			
Property, plant and equipment	8	5,175	12,258
Goodwill	9	-	337,854
Intangible assets	10	-	45,016
Total non current assets		5,175	395,128
Current assets			
Inventories	11	-	10,087
Trade and other receivables	12	26,713	76,595
Cash and cash equivalents	13	21,123	348,165
Assets of disposal group classified as held-for-resale	14	307,972	-
Total current assets		355,808	434,847
Total assets		360,983	829,975
Current liabilities			
Bank loans and overdrafts	15	-	(36,000)
Trade and other payables	16	(123,956)	(170,797)
Liabilities of disposal group classified as held-for-resale	14	(110,972)	-
Total current liabilities		(234,928)	(206,797)
Non current liabilities			
Bank loans	15	-	(79,072)
Trade and other payables	16	-	(41,000)
Total non current liabilities		-	(120,072)
Total liabilities		(234,928)	(326,869)
Net assets		126,055	503,106
Equity			
Called up share capital	20	310,235	310,235
Share premium account	20	1,642,038	1,642,038
Capital Redemption Reserve Account	20	2,667,179	2,667,179
Profit and loss account	20	(4,493,397)	(4,116,346)
Equity attributable to equity holders of the parent		126,055	503,106

The financial statements were approved by the board on 28/02/2009


Michael Scorey – Director


Aniz Visram – Finance Director

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Called up share capital	Share premium account	Capital redemption reserve account	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2008	310,235	1,642,038	2,667,179	(4,116,346)	503,106
Loss for the year	-	-	-	(377,051)	(377,051)
At 31 December 2008	310,235	1,642,038	2,667,179	(4,493,397)	126,055

**Statement of changes in equity
year ended 31 December 2007**

	Called up share capital	Share premium account	Capital redemption reserve account	Profit and loss account	Total Equity
	£	£	£	£	£
At 1 January 2007	178,633	1,420,944	2,667,179	(3,282,535)	984,221
Issue of shares (net of issue costs)	131,602	221,094	-	-	352,696
Loss for the year	-	-	-	(833,811)	(833,811)
At 31 December 2007	310,235	1,642,038	2,667,179	(4,116,346)	503,106

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CONSOLIDATED CASH FLOW STATEMENT

	Note	2008 £	2007 £
Net cash flow generated from operations	21	(195,767)	(275,462)
Interest paid		(4,872)	(13,211)
Net cash outflow from operating activities		<u>(200,639)</u>	<u>(288,673)</u>
Cashflow from investing activities			
Acquisition of subsidiary undertakings (net of cash)		-	(5,000)
Purchases of property, plant and equipment		(327)	(112)
Interest received		4,459	8,493
Net cash inflow from investing activities		<u>4,132</u>	<u>3,381</u>
Financing			
Proceeds from issue of shares		-	300,000
Costs of share issue		-	(45,787)
Net cash inflow from financing		<u>-</u>	<u>254,213</u>
Increase in cash and cash equivalents		<u>(196,507)</u>	<u>(31,079)</u>
Cash and cash equivalents at beginning of period		<u>233,093</u>	<u>264,172</u>
Cash and cash equivalents at end of period		<u>36,586</u>	<u>233,093</u>
Comprising;			
Cash and cash equivalent		36,586	348,165
Bank overdraft		-	(115,072)
Cash and cash equivalents for cash flow statement purposes		<u>36,586</u>	<u>233,093</u>

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1 Accounting policies and general information

General information

Personal Screening PLC is a company incorporated in the United Kingdom under the Companies Act 1985. The address of the registered office is 35 Hagley Road, Stourbridge, West Midlands, DY8 1QR. The nature of the group's operations and its principal activity is that of selling self-test medical kits.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the group operates.

Adoption of new and revised International Financial Reporting Standards

In the current year, the Group has adopted all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board (the IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB that are relevant to its operations and effective for accounting periods beginning on 1 April 2008. The adoption of the following IFRSs has not impacted the audited financial statements:

IFRIC 8 – Scope of IFRS 2 Share Based Payment

IFRIC 10 – Interim Financial Reporting and Impairment

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:

IFRS 8 – Operating Segments

IFRIC 11- Group and Treasury Share Transactions

IAS 23 – Borrowing Costs

IFRIC 12 – Service Concession Arrangements

These Standards and Interpretations are not expected to have any significant impact on the Group's financial statements, in their periods of initial application.

Basis of Accounting

The financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards (IFRS) for the first time. The disclosures required by IFRS 1 concerning the transition from UK GAAP to IFRS are given in note 23. Comparative figures for 2007 have been restated as appropriate.

As disclosed in the Chairman's statement on page 1 and the Director's Report on page 2, the company is in the process of seeking funding for a significant acquisition which would change the principal activity of the group. At the same time, the Directors have started the process of seeking a Company Voluntary Arrangement with its creditors in order to provide time for the orderly disposal of its existing assets and operations.

At the date of this report, neither of these transactions are complete and the CVA has not yet been established. As such, there is no certainty that the plans will be accomplished. These conditions indicate the existence of a material uncertainty which may cast doubt about the company's ability to continue as a going concern. However, current indications are positive and these accounts have been prepared on the basis that the disposals and acquisition transactions will be completed to enable the group to continue to trade under its new guise.

The Board has designated as held-for-resale those assets relating to its existing businesses and redesignated its activities as discontinued under IFRS 5. The adjustments relating to this as required by IAS 36 are set out in note 14 relating to the carrying value of the relevant assets.

As a result, the group's assets are carried at estimated realisable value. Consequently, if these financial statements had not been prepared on the going concern basis there would be no material impact on the carrying value of assets. No adjustment has been recognised to reflect any change in the value or timing of creditors that may arise if the group were not a going concern by virtue of the CVA failing or the acquisition not being completed.

The report has been prepared on the above basis in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") at 31 March 2008 as well as all interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") at 31 March 2008. The group has not availed itself of early adoption options in such standards and interpretations.

The financial statements have been prepared under the historical cost basis. The principal accounting policies adopted are set out below.

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Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company made up to 31 December each year. Control is achieved where the Company has the power to govern the financial and operating policies so as to obtain benefits from its activities.

Business combinations

The purchase method of accounting is used for all acquired businesses as defined by IFRS 3 – Business Combinations.

As a result of the application of the purchase method of accounting, goodwill is initially recognised as an asset being the excess at the date of acquisition of the fair value of the purchase consideration plus directly attributable costs of acquisition over the net fair values of the identifiable assets, liabilities and contingent liabilities of the subsidiaries acquired.

Where fair values are estimated on a provisional basis they are finalised within 12 months of acquisition with consequent changes to the amount of goodwill.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies into line with those used by the group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Intangible assets acquired as part of a business combination

Identifiable intangible assets acquired as part of a business combination are initially recognised separately from goodwill if the asset's fair value can be measured reliably, irrespective of whether the asset had been recognised by the acquiree before the business combination. An intangible asset is considered identifiable only if it is separable or arises from contractual or other legal rights, regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

For intangible assets with finite useful lives, amortisation is calculated so as to write off the cost of an asset less its estimated residual value over its useful economic life of fifteen years.

Goodwill

Goodwill arising on consolidation represents the excess cost of acquisition over the group's interest in the fair value of the identifiable assets and liabilities of a subsidiary, associate or jointly controlled entity at the date of acquisition.

Goodwill is recognised as an asset and reviewed for impairment at least annually. Any impairment is recognised immediately in the income statement and is not subsequently reversed. Goodwill arising on acquisition before the date of transition to IFRS has been retained at the previous UK GAAP amounts subject to being tested for impairment at each balance sheet date.

On disposal of a subsidiary, associate or jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales-related taxes.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profits for the year. 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 Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

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 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 goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that 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 relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any recognised impairment loss.

Depreciation is charged so as to write off the cost or valuation of assets over their estimated useful lives using the straight-line method, on the following bases:

Plant and equipment (including fixtures and fittings)	25% per annum straight line basis
Motor vehicles	25% per annum reducing balance basis

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

Impairment of tangible and intangible assets excluding goodwill

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, 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 Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. An intangible asset with an indefinite useful life is tested for impairment annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair values 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 estimate of future cash flows have not been adjusted.

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

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

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. The carrying amount of goodwill at the balance sheet date was £337,000 after impairment loss of £657,000 which was recognised in previous year.

The Board has designated as held-for-resale those assets relating to its existing businesses and redesignated its activities as discontinued under IFRS 5. The adjustments relating to this as required by IAS 36 are set out in note 14 relating to the carrying value of the relevant assets.

Share based payments

Other than for business combinations, there are no other share based payments made by the group.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises the purchase cost of direct materials. Cost is calculated using the first in first out (FIFO) basis. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing and selling.

Financial instruments

Financial assets and financial liabilities are recognised on the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Trade receivables

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

Financial liability and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual agreements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recognised at the amount of proceeds received net of costs directly attributable to the transaction. To the extent that those proceeds exceed the par value of the shares issued they are credited to a share premium account.

Trade payables

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

Critical accounting judgements and key sources of estimation uncertainty

In application of the group's accounting policies above, the Directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities. These estimates and assumptions are based on historical experience and other factors considered relevant. Actual results may differ from estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future payments if the revision affects both current and future periods.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed above (principally impairment of goodwill).

2 Segmental analysis

The whole of the sales revenue is attributable to the principal activity of the group.

All sales revenue arose within the United Kingdom.

3 Analysis of operating income and expenses by nature

Administrative expenses - Employee benefit expense

Employee benefit expenses, including directors' remuneration, were as follows:

	2008	2007
	£	£
Wages and salaries	136,339	149,506
Social security costs	12,570	14,586
Company pension contributions	3,000	3,000
	<hr/>	<hr/>
	151,909	167,092
	<hr/>	<hr/>

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The average monthly number of employees (including directors) during the year, analysed by category, was as follows:

	No.	No.
Technical	1	1
Sales and Administration	4	4
	<u>5</u>	<u>5</u>

Directors' emoluments

	2008	2007
	£	£
Emoluments	116,000	104,000
Company pension contributions	3,000	3,000
Benefits in Kind	339	295
	<u>119,339</u>	<u>107,295</u>

There was one director accruing benefits under a money purchase Pension scheme (2007; one)

Property, plant and equipment

	2008	2007
	£	Restated £
Depreciation of owned fixed assets	<u>1,819</u>	<u>2,451</u>

Auditors' remuneration

	2008	2007
	£	£
Auditors' remuneration - Audit services to the parent company	5,000	5,000
Auditors' remuneration - Audit services to the rest of the group	5,000	5,000
Auditors' remuneration - Taxation services	2,593	5,000
Auditors' remuneration - Other services	-	5,500
	<u>12,593</u>	<u>20,500</u>

4 Net finance expense

	2008	2007
	£	Restated £
Finance income	4,459	7,907
Finance expense	-	(194)
	<u>4,459</u>	<u>7,713</u>

Net finance income / (expense)

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5 Income taxes

	2008	2007
	£	£
Current taxes	-	-
Deferred taxes	-	-
Total income taxes	-	-
 Tax charge on continuing operations	 -	 -
 Current:		
Current tax for the year	-	-
Total current tax charge	-	-
Deferred tax charge	-	-
 Total income taxes on continuing operations	 -	 -

There were no discontinued operations during the year ended 31 December 2008.

Tax rate reconciliation of corporation tax:

	2008	2007 (restated)
	£	£
Loss for the year	(377,051)	(833,811)
Corporation tax charge thereon at 19% (2007: 19%)	(71,640)	(158,424)
Adjusted for the effects of:		
Expenses not deductible for tax purposes	1,041	105,517
Capital Allowances for the year in excess of depreciation	(1,394)	23
Utilisation of losses brought forward	(794)	-
Losses carried forward	72,787	52,884
Income tax expense for the year	-	-
Effective tax rate	Nil	nil

Factors which may affect future tax charge: The company has corporation tax losses to carry forward against future profits of approximately £2.9 million (2007: £2.7 million). A deferred tax asset has not been recognised in respect of these losses due to uncertainty over the timing of utilisation.

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6 (Loss)/Profit per share

The calculation of loss per share is based on the loss attributable to ordinary shareholders divided by the weighted average number of ordinary shares in issue during the period as follows:

	2008	2007
	£	£
Numerator: earnings attributable to equity – continuing activities	(320,981)	(316,915)
Numerator: earnings attributable to equity – discontinued activities	(56,070)	(516,896)
	No.	No.
	'000	'000
Denominator: weighted average number of equity shares Basic and diluted	310,234	214,742

7 Dividend

The Company will not be declaring an interim or final dividend.

8 Property, plant and equipment

	Fixtures and Fittings £	Computer Equipment £	Motor Vehicle £	Frames £	Total £
Cost					
At 1 January 2008	17,706	2,082	9,000	92,990	121,778
Additions	-	327	-	-	327
Transfer to assets of disposal group classified as held-for-sale	(16,569)	(167)		(92,990)	(109,726)
At 31 December 2008	1,137	2,242	9,000	-	12,379
Accumulated Depreciation					
At 1 January 2008	11,251	1,341	3,938	92,990	109,520
Charge for the year	284	269	1,266	-	1,819
Transfer to assets of disposal group classified as held-for- sale	(10,683)	(462)	-	(92,990)	(104,135)
At 31 December 2008	852	1,148	5,204	-	7,204
Net Book Value					
At 31 December 2008	285	1,094	3,796	-	5,175
At 31 December 2007	6,455	741	5,062	-	12,258

9 Goodwill

Following an offer for the acquisition of the existing business of the Group, received after the year end, the group has carried out an impairment review of all of the goodwill associated with its subsidiaries for the year ended 31 December 2008, and concluded that the carrying value of the cost of investment in its subsidiary entities, after reflecting the net offer price, is appropriate. The amount of impairment of £164,468 has also been reflected in the parent company accounts.

As a result, the Board has designated as held-for-sale those assets relating to its existing businesses and redesignated its activities as discontinued under IFRS 5. The adjustments relating to this as required by IAS 36 are set out in note 14 relating to the carrying value of the relevant assets.

As a result, the group's assets are carried at estimated realisable value.

	Goodwill on Consolidation £
Cost	
At 1 January 2008	2,163,549
Transfer to assets of disposal group classified as held-for-sale	(2,163,549)
At 31 December 2008	-
Amortisation	
At 1 January 2008	1,825,695
Transfer to assets of disposal group classified as held-for-sale	(1,825,695)
At 31 December 2008	-
Net book amount at 31 December 2008	-
Net book amount at 31 December 2007	<u>337,854</u>

10 Other intangible assets

	Intellectual Property Rights £
Cost	
At 1 January 2008 and 31 December 2008	<u>124,900</u>
Amortisation	
At 1 January 2008	79,884
Transfer to assets of disposal group classified as held-for-sale	45,016
At 31 December 2008	<u>124,900</u>
Net book amount at 31 December 2008	-
Net book amount at 31 December 2007	<u>45,016</u>

Following an offer for the acquisition of the existing business of the Group, received after the year end, the group has carried out an impairment review of all of the other intangible assets associated with its subsidiaries for the year ended 31 December 2008, and concluded that the carrying value of the cost of investment in its subsidiary entities, after reflecting the net offer price, is appropriate.

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As a result, the Board has designated as held-for-resale those assets relating to its existing businesses and redesignated its activities as discontinued under IFRS 5. The adjustments relating to this as required by IAS 36 are set out in note 14 relating to the carrying value of the relevant assets.

As a result, the group's other intangible assets are carried at estimated realisable value.

11 Inventories

	2008 £	2007 £
Direct materials	<u>-</u>	<u>10,087</u>

The balance at the year end of £ 7,949 has been transferred to group of assets held-for-resale (see note 14 below)

The amount of inventories recognised as an expense during the period amounted to £ 13,252 (2007: £ 43,880).

The write down of inventories to their net realisable value amounted to £ nil (2007: £ 10,000) and mostly relates to finished products.

12 Trade and other receivables

	2008 £	2007 £
Trade receivables	-	3,044
Called up share capital not paid	20,000	62,440
Other receivables	6,713	11,111
	<u>26,713</u>	<u>76,595</u>

The called up share capital not paid includes an amount of £10,000 (2007: £10,000) due from Simon Driscoll, a director of the company.

There is no material difference between the fair value of receivables and their book value.

	2008 £	2007 £
Allowance for doubtful receivables	-	-
Balance as at 1 January 2008	-	344
Provision for the year	-	740
Balance at 31 December 2008	<u>-</u>	<u>1,084</u>

Provisions for uncollectible receivables and the utilisation of the allowance for doubtful receivables are presented in the income statement within the administrative expense caption.

The balance at the year end of £ 7,603, relating to subsidiary entities, has been transferred to group of assets held-for-resale (see note 14 below)

13 Cash and cash equivalents

	2008	2007
	£	£
Bank balances		
Balance in the balance sheet	21,123	348,165
Bank overdraft/loan	-	(115,072)
Balance for cash flow statement	21,123	233,093

The balance at the year end of £ 15,463, relating to subsidiary entities, has been transferred to group of assets held-for-resale (see note 14 below)

There is no material difference between the fair value and the book value of cash and equivalents.

14 Assets of disposal group classified as held-for-sale and discontinued operations

The assets and liabilities related to Personal Screening International Limited, Mermaid Diagnostics Limited and Over 50's.com Limited have been presented as held-for-resale following the anticipated substantive acquisition referred to in the directors' Report on page 2.

Assets of disposal group classified as held-for-sale

	2008	2007
	£	£
Property, Plant & Equipment	3,848	-
Goodwill	228,093	-
Intangible assets	45,016	-
Inventories	7,949	-
Trade and other receivables	7,603	-
Cash and cash equivalents	15,463	-
	307,972	-

Liabilities of disposal group classified as held-for-sale

	2008	2007
	£	£
Trade and other payables	7,552	-
Other current liabilities	102,620	-
	110,172	-

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Analysis of the results of discontinued operations, and the result recognised on the remeasurement of assets of disposal group, is as follows:

	2008	2007
	£	£
Revenue	32,554	48,970
Expenses	(44,413)	(24,698)
Exceptional items		
Impairment of goodwill	-	(657,287)
Write of back of creditors not required	-	116,119
	<hr/>	<hr/>
(Loss)/Profit before tax of discontinued operations	(11,859)	(516,896)
Tax	-	-
	<hr/>	<hr/>
(Loss)/ Profit after tax of discontinued operations	(11,859)	(516,896)
Pre-tax (loss)/gain recognised on the remeasurement of assets of disposal group	(44,211)	-
Tax	-	-
	<hr/>	<hr/>
After tax loss recognised on the remeasurement of assets of disposal group	(56,070)	(516,896)
	<hr/>	<hr/>
Loss for the year from discontinued operations	(56,070)	(516,896)
	<hr/>	<hr/>

15 Borrowings

	2008	2007
	£	£
Current portion		
Bank loans	-	36,000
	<hr/>	<hr/>

There is no material difference between the book value and the fair value of the Group's current financial assets and liabilities.

	2008	2007
	£	£
Non-current portion		
Bank loans	-	79,072
	<hr/>	<hr/>

16 Trade and other payables

	2008	2007
	£	£
Trade payables	68,005	63,640
Other payables	30,951	52,512
Accrued liabilities and deferred income	25,000	94,945
	<hr/>	<hr/>
	123,956	211,097
	<hr/>	<hr/>

Other payables comprise:

	2008	2007
	£	£
Social security and other taxes	30,951	52,512
Miscellaneous minor items		-
	<u>30,951</u>	<u>52,512</u>

Presented as:

- Current	123,956	170,097
- Non current	-	41,000
Total	<u>123,956</u>	<u>211,097</u>

The balance at the year end of £ 110,172, relating to subsidiary entities, has been transferred to group of liabilities held-for-resale (see note 14 above)

Accrued liabilities and deferred income represents miscellaneous contractual liabilities that relate to expenses that were incurred, but not paid for at the year-end and income received during the period, for which the Group had not supplied the goods or services at the end of the year.

The book value of trade payables, accrued liabilities and deferred income is considered to be in line with their fair value at the balance sheet date.

17 Financial instruments: information on financial risks

All financial risk management activities are carried out and monitored by the board. All financial risk management activities are carried out on a prudent and consistent basis.

Liquidity risk

The main risk arising from the group's financial instruments is liquidity risk. The directors review and agree policies for managing this risk. It is the group's policy to maintain a minimum degree of headroom of cash requirements over available facilities at all times. It is, and has been in the period under review, the group's policy that no trading in financial instruments shall be undertaken.

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of debt, which includes the borrowings disclosed in note 15, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings.

The carrying amount of financial assets and liabilities recorded by IAS 39 category are summarised as follows:

	2008	2007
	£	£
Financial assets		
Cash and cash equivalents	21,123	348,165
Loans and Receivables: Trade and other receivables	<u>26,713</u>	<u>76,595</u>
	<u>47,836</u>	<u>424,760</u>

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	2008	2007
	£	£
Financial liabilities		
Measured at amortised cost:		
- Borrowings	-	115,072
- Trade and other payables	123,956	211,797
	<u>123,956</u>	<u>326,869</u>

Credit risk

Given the current low level of sales, credit risk is not currently a significant risk to the group.

The financial assets that are past due and not impaired are analysed as follows;

	2008	2007
	£	£
Financial assets		
Less than 30 days	-	1,794
31 – 60 days	6,713	235
61 – 90 days	-	206
91 – 180 days	-	1,048
Over 180 days	20,000	45,000
	<u>26,713</u>	<u>48,283</u>

Financial liabilities maturity analysis

The Group manages liquidity risk on the basis of expected maturity dates. The following table analyses financial liabilities by remaining contractual maturity (contractual and undiscounted cash flows):

	Borrowings	Trade and other payables	Total
	£	£	£
Less than 1 year	-	123,956	123,956
1 – 2 years	-	-	-
2 – 5 years	-	-	-
	<u>-</u>	<u>123,956</u>	<u>123,956</u>

At present the Group does expect to pay all liabilities at their contractual maturity. In order to meet such cash commitments the Group expects the operating activity to generate sufficient cash inflows. In addition, the Group holds financial assets for which there is a liquid market and that are readily available to meet liquidity needs.

Market risks

Interest rate risk

The Group's exposure to interest rate risk mainly concerns financial liabilities. Liabilities are floating rate. Receivables are short-term in nature. The following table analyses the breakdown of liabilities by type of interest rate:

	2008	2007
	£	£
Financial liabilities		
Floating rate – Bank Loan	-	115,072

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Sensitivity analysis

A hypothetical increase in interest rates by 50 basis points would increase losses after tax by £ nil (2007: £ 400).

Fair values

There is no material difference between the book value and the fair value of the Group's financial assets and liabilities.

18 Share-based payments

The Group has not undertaken any share based transactions in the year, other than the shares issued in respect of the acquisition disclosed in note 20.

19 Deferred taxation

	2008 £	2007 £
Deferred tax on continuing operations		
Unprovided Deferred tax assets	<u>626,399</u>	<u>571,286</u>

No provision for deferred taxation has been made in the Financial Statements.

20 Equity capital

	2008 No.	2007 No.
Authorised ordinary shares of 0.1p each	<u>2,582,821,298</u>	<u>2,582,821,298</u>
Allotted, called up and fully paid ordinary shares of 0.1p each	<u>310,234,845</u>	<u>310,234,845</u>

	Ordinary shares 0.1p No.	Called up share capital £	Share Premium Account £	Capital Redemption Reserve Account £	Profit and Loss Account £	Total £
At 1 January 2008	310,234,845	310,235	1,642,038	2,667,179	(4,116,346)	503,106
Loss for the year	-	-	-	-	(377,051)	(377,051)
At 31 December 2008	<u>310,234,845</u>	<u>310,235</u>	<u>1,642,038</u>	<u>2,667,179</u>	<u>(4,493,397)</u>	<u>126,055</u>

Share Warrants

On 31 December 2004, the company created a warrant instrument pursuant to which the European Deposit Trust is entitled to subscribe for up to 4,000,000 ordinary shares at a price of 5p each. None of these warrants have been exercised to date. The warrants are exercisable at any time up to 30 November 2009. In the opinion of the Directors these options have no value.

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21 Cash used in operations

	2008	2007
	£	£
Results from operating activities	(404,119)	(853,365)
Profit before tax of discontinued operations	27,068	24,272
Depreciation of property, plant and equipment	3,562	4,420
Amortisation of intangible assets	-	8,375
Impairment of goodwill	111,773	657,287
Decrease in inventories	2,138	12,954
Decrease (increase) in receivables	42,279	(14,510)
Increase (Decrease) in payables	21,532	(114,895)
Cash flows generated from operations	<u>(195,767)</u>	<u>(275,462)</u>

22 Transactions with related parties

Transactions between the company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

The remuneration of the directors, who are the key management personnel of the Group, is disclosed in note 3.

The company paid rent of £ 10,000 (2007 £ 10,000) to Jim Driscoll, a major shareholder in the company, for use of offices. The amount owed at the year end was £ 29,500. Additionally, at the year end the company had an outstanding loan balance due to Jim Driscoll of £ 41,000 (2007 £ 41,000)

At the year end the company owed £ 20,000 to Aniz Visram Accountancy Services Limited, a company owned by Mr. A. Visram, a director of the company in respect of accountancy services provided.

At the year end the group owed £ 4,000 to Mr. G. Ellis for consultancy services provided.

There are no transactions or balances with other related parties other than the unpaid share capital disclosed in note 13.

23 Post Balance Sheet Events

Following the year end the group has received an offer to acquire the whole of the existing business of the group for a sum in excess of the Group's current liabilities.

The Board has designated as held-for-resale those assets relating to its existing businesses and redesignated its activities as discontinued under IFRS 5. The adjustments relating to this as required by IAS 36 are set out in note 14 relating to the carrying value of the relevant assets.

As a result, the group's assets are carried at estimated realisable value.

24 Contingent Liabilities

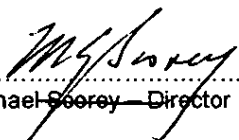
As set out in the Chairman's Statement on page 1 and the Directors' Report on Page 2, the Group is in the final stages of discussions to complete an acquisition. As part of this proposed transaction, the Board have entered into contracts for the delivery of professional services, fees and commissions at an estimated aggregate value of £200,000. The majority, but not all, of these costs are contingent on the completion of the transaction.

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PARENT COMPANY BALANCE SHEET AS AT 31 DECEMBER 2008 (UNDER UK GAAP)

	Note	2008	2007
		£	£
Fixed assets			
Tangible Fixed Assets	3	5,175	6,667
Investments	4	<u>297,000</u>	<u>363,348</u>
		302,175	370,015
Current assets			
Cash at Bank		21,123	338,407
Debtors	5	<u>41,713</u>	<u>287,017</u>
		62,836	625,424
Creditors: amounts falling due within one year	6	<u>(138,956)</u>	<u>(162,278)</u>
Net current assets		(76,120)	463,146
Total assets less current liabilities and net assets		<u>226,055</u>	<u>833,161</u>
Capital and reserves			
Called up share capital	10	310,235	310,235
Share premium account	11	1,642,038	1,642,038
Capital Redemption Reserve Account	11	2,667,179	2,667,179
Profit and loss account	11	<u>(4,393,397)</u>	<u>(3,786,291)</u>
Equity shareholders' funds	12	<u>226,055</u>	<u>833,161</u>

The financial statements were approved by the board on 23/06/2009


Michael Seorey — Director


Aniz Visram — Finance Director

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1 Basis of preparation

The financial statements have been prepared, on policies consistent with the previous year, in accordance with applicable United Kingdom accounting standards and under the historical cost convention.

The separate financial statements of the Company are presented as required by the Companies Act 1985. As permitted by that Act, the separate financial statements have been prepared in accordance with United Kingdom accounting standards.

The Company has taken advantage of section 230 of the Companies Act 1985 and has not included an income statement in these financial statements.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value of each asset over its expected useful economic life, as follows:

Fixtures and fittings	20% - 25% straight line
Computer equipment	25% - 33.3% straight line
Motor Vehicles	25% reducing balance

Investments in subsidiaries

Investments in subsidiaries are stated at cost less, where appropriate, provisions for impairment.

Financial instruments

The company has financial instruments which it uses to raise finance for operations. Interest payable/receivable is accrued and charged/credited to the profit and loss account in the year to which it relates.

Deferred taxation

Deferred tax is recognised on all timing differences where the transactions or events that give the group an obligation to pay more tax in the future, or a right to pay less tax in the future have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.

2 Loss for the financial year

The parent company has taken advantage of S230 of the Companies Act 1985 and has not included its own profit and loss account in these financial statements. The parent company's loss for the year was £ 607,106 (year ended 31 December 2007: £ 1,023,396).

3 Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Motor Vehicle £	Total £
Cost				
At 1 January 2008	1,137	1,915	9,000	12,052
Additions	-	327	-	327
At 31 December 2008	<u>1,137</u>	<u>2,242</u>	<u>9,000</u>	<u>12,379</u>
Depreciation				
At 1 January 2008	568	879	3,938	5,385
Provided during the year	284	269	1,266	1,819
At 31 December 2008	<u>852</u>	<u>1,148</u>	<u>5,204</u>	<u>7,204</u>
Net book amount at 31 December 2008	<u>285</u>	<u>1,094</u>	<u>3,796</u>	<u>5,175</u>
Net book amount at 31 December 2007	<u>569</u>	<u>1,036</u>	<u>5,062</u>	<u>6,667</u>

4 Fixed asset investments

	Investment in subsidiary undertakings £
Cost	
At 1 January 2008	1,908,264
At 31 December 2008	<u>1,908,264</u>
Provisions	
At 1 January 2008	1,544,916
Provided for in the year	66,348
At 31 December 2008	<u>1,611,264</u>
Net book amount at 31 December 2008	<u>297,000</u>
Net book amount at 31 December 2007	<u>363,348</u>

At 31 December 2008 the company held 100% of Ordinary share capital of the following:-

Subsidiary	Country of incorporation	Nature of business
Transad Limited	England and Wales	Dormant
Personal Screening International Limited	England and Wales	Sale of self test kits
Mermaid Diagnostics Limited	England and Wales	Diagnostic Equipment
Over 50's.com Limited	England and Wales	E Commerce – Web Portal

All subsidiaries have been included in the consolidated financial statements.

5 Debtors

	2008 £	2007 £
Other debtors	41,713	72,604
Amounts due from group undertakings	-	214,413
	<u>41,713</u>	<u>287,017</u>

All of the above amounts fall due within one year.

6 Creditors: amounts falling due within one year

	2008 £	2007 £
Trade creditors	68,005	18,113
Other taxes and social security costs	24,951	4,623
Other creditors	21,000	21,000
Accruals and deferred income	25,000	23,445
Amounts due from group undertakings	-	95,097
	<u>138,956</u>	<u>162,278</u>

7 Financial instruments

The group uses financial instruments, other than derivatives, comprising borrowings, cash and various items such as trade debtors, trade creditors etc, that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the group's operations.

The main risk arising from the group's financial instruments is liquidity risk. The directors review and agree policies for managing this risk. It is the group's policy to maintain a minimum degree of headroom of cash requirements over available facilities at all time. It is, and has been in the period under review, the group's policy that no trading in financial instruments shall be undertaken.

8 Short term debtors and creditors

Short term debtors and creditors have been excluded from all the following disclosures.

Liquidity risk

The group seeks to manage financial risk, to ensure sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The fair value of financial instruments is not considered to be different from book value.

Currency risk

The group is not exposed to translation and transaction foreign exchange risk as all transactions are undertaken in Sterling.

9 Deferred taxation

No deferred taxation has been provided for in the financial statements.
The unprovided deferred tax asset is set out below:-

	2008 £	2007 £
Unprovided deferred tax asset	<u>261,000</u>	<u>195,000</u>

10 Share capital

	2008 £	2007 £
Authorised		
2,582,821,298 ordinary shares of 0.1p each	2,582,821	2,582,821
Allotted, called up and fully paid		
310,234,845 ordinary shares of 0.1p each	<u>310,235</u>	<u>310,235</u>

Share Warrants

On 31 December 2004, the company created a warrant instrument pursuant to which the European Deposit Trust is entitled to subscribe for up to 4,000,000 ordinary shares at a price of 5p each. None of these warrants have been exercised to date. The warrants are exercisable at any time up to 30 November 2009. In the opinion of the Directors these options have no value.

11 Share premium account and reserves

	Capital Redemption Reserve account £	Share premium account £	Profit and loss account £
The company			
At 1 January 2008	2,667,179	1,642,038	(3,786,291)
Shares issued	-	-	-
Professional Costs	-	-	-
Retained loss for the year	-	-	(707,106)
At 31 December 2008	<u>2,667,179</u>	<u>1,642,038</u>	<u>(4,493,397)</u>

12 Reconciliation of movements in shareholders' funds

	2008 £	2007 £
Loss for the financial year	(707,106)	(1,023,396)
Issue of shares (net of costs)	-	352,696
Net (decrease)/increase in shareholders' funds	<u>(707,106)</u>	<u>(670,700)</u>
Opening shareholders' funds	833,161	1,503,861
Closing shareholders' funds	<u>126,055</u>	<u>833,161</u>