

Assura Medical Limited

Report and Financial Statements

**for the year ended
31 March 2009**

Company registration number: 5466033

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Management and administration

Directors A Rose
 B Johnson
 Assura Corporate Services Limited
 N Rawlings

Registered Office 3000 Daresbury Business Park
 Warrington
 Cheshire
 WA4 4HS

Registered No. 5466033

Auditors Ernst & Young LLP
 100 Barbirolli Square
 Manchester
 M2 3EY

Directors' report

The directors present their report and financial statements for the year ended 31 March 2009 and the 15 month accounting period from 1 January 2007 to 31 March 2008 following the change of year end to accord with that of the NHS and our joint venture partners in our GP joint venture companies. As a consequence the comparatives for the Profit and Loss account, Balance Sheet and Statement of total gains and losses and disclosures are not entirely comparable.

Principal activities and review of the business

The principal activity during the year was to provide support to joint venture partnerships in the community with GP practices and locality groups to deliver high quality enhanced medical and diagnostic services. Assura Medical Limited holds a 50% share in these joint venture partnerships and provides a wide range of support services to them.

Results and dividends

The results for the year are shown in the profit and loss account on page 6. The directors do not recommend a dividend.

Directors of the company

The directors as at the date of this report and who served during the year were as follows:

A Rose	
B Johnson	
Assura Corporate Services Limited	(appointed 09/05/08)
M Tennant	(appointed 30/05/08 and resigned 31/12/08)
N Rawlings	(appointed 10/11/08)
S Tremlett	(resigned 01/05/08)

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Re-appointment of auditors

In accordance with section 385 of the Companies Act 1985, a resolution is to be proposed at the Annual General Meeting for reappointment of Ernst & Young LLP as auditor of the Company.

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

On behalf of the board



Director of Assura Corporate Services Limited

27 January 2010

Statement of directors' responsibilities

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

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

Independent Auditors' report to the members of Assura Medical Limited

We have audited the company's financial statements for the year ended 31 March 2009 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 19. These 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 auditors

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

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

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

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

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

Basis of audit opinion

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

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

Independent Auditors' report to the members of Assura Medical Limited

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2009 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.



Ernst & Young LLP

Registered auditor

Manchester

29 January 2010

Profit and loss account

for the year ended 31 March 2009

		<i>Year ended 31 March 2009</i>	<i>15 Month period ended 31 March 2008</i>
	<i>Notes</i>	<i>£</i>	<i>£</i>
Turnover		376,292	-
		<u>376,292</u>	<u>-</u>
Administrative expenses		(6,971,301)	(6,939,719)
Impairment of goodwill	8	(102,000)	-
Operating loss		<u>(6,697,009)</u>	<u>(6,939,719)</u>
Interest payable and similar charges	5	(167,141)	(312,292)
Interest receivable and similar income	6	5,000	14,339
Loss on ordinary activities before taxation		<u>(6,859,150)</u>	<u>(7,237,672)</u>
Tax on loss on ordinary activities	7	-	-
Loss for the financial year/ period		<u>(6,859,150)</u>	<u>(7,237,672)</u>

All amounts relate to continuing activities.

Statement of total recognised gains and losses

There are no other recognised gains and losses other than the losses for the current and preceding period.

Balance sheet

at 31 March 2009

	Notes	31 March 2009 £	31 March 2008 £
Fixed assets			
Tangible fixed assets	9	333,855	419,847
Investments	10	5,684,464	1,000
		<u>6,018,319</u>	<u>420,847</u>
Current assets			
Debtors	11	17,793,076	6,467,169
Cash at bank and in hand		124,946	179,568
		<u>17,918,022</u>	<u>6,646,737</u>
Creditors: amounts falling due within one year	12	(12,342,996)	(1,293,521)
Net current assets		<u>5,575,026</u>	<u>5,353,216</u>
Total assets less current liabilities		<u>11,593,345</u>	<u>5,774,063</u>
Creditors: amounts falling due after more than one year	13	(5,671,618)	(2,993,186)
Net assets		<u><u>5,921,727</u></u>	<u><u>2,780,877</u></u>
Capital and reserves			
Called up share capital	14	21,500,100	11,500,100
Profit and loss account	15	(15,578,373)	(8,719,223)
Shareholder's funds	16	<u><u>5,921,727</u></u>	<u><u>2,780,877</u></u>

The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities and were approved and authorised for issue by the Board of Directors on 27 January 2010.



Director of Assura Corporate Services Limited

Notes to the financial statements

at 31 March 2009

1. Accounting policies

Basis of preparation

The financial statements are prepared in accordance with applicable accounting standards and under the historical cost convention.

Going concern

The company is dependent on continuing finance being made available by Assura Group Limited, its ultimate parent company, to enable it to continue operating and to meet its liabilities as they fall due.

Assura Group Limited has agreed to provide sufficient funds to the company for these purposes. Assura Group Limited has also agreed not to recall the amounts advanced to the company which, at 31 March 2009 amounted to £5,671,618 (see note 13), until all other creditors have been met. On this basis the directors consider it appropriate to prepare the financial statements on the going concern basis. The financial statements do not include any adjustments that would result should continuing finance cease to be made available.

Cash flow statement

The company has taken advantage of the exemption in Financial Reporting Standard No. 1 from the requirement to produce a cash flow statement on the grounds that it is a wholly owned subsidiary and this information is included in the consolidated financial statements of its ultimate holding company.

Consolidated financial statements

The financial statements present information about the company as an individual undertaking and not about its group. The Company and all of its subsidiary undertakings are included in consolidated accounts for a larger group, Assura Group Limited, a company registered in Guernsey, drawn up to the same date in the same financial year and those accounts are drawn up in accordance with the provisions of the Seventh Directive (83/349/EEC) or in a manner equivalent to consolidated accounts and consolidated annual reports so drawn up. Accordingly the Company, in accordance with the exemption in section 228 (1) (A) of the Companies Act, has not prepared the consolidated financial statements.

Expenses

Expenses are accounted for on an accruals basis.

Tangible fixed assets

Tangible fixed assets are stated at cost excluding day to day servicing, less accumulated depreciation and accumulated impairment in value. Such cost includes replacing part of the asset when that cost is incurred, if the recognition criteria are met.

Depreciation

Depreciation is provided to write off the cost or valuation, less estimated residual values, of all tangible fixed assets evenly over their expected useful lives. It is calculated at the following rates:

Computer and office equipment	-	10% -33% straight line
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Goodwill

Positive goodwill arising on acquisitions is capitalised, classified as an asset on the balance sheet. It is reviewed for impairment at the end of the first full financial year following the acquisitions and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

If a subsidiary, associate or business is subsequently sold or closed, any goodwill arising on acquisition that was written off directly to reserves or that has not been amortised through the profit and loss account is taken into account in determining the profit or loss on sale or closure.

Notes to the financial statements

at 31 March 2009

1. Accounting policies *(continued)*

Investments

The company has interests in joint ventures which are jointly controlled entities. A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control, and a jointly controlled entity is a joint venture that involves the establishment of a separate entity in which each venturer has an interest. The amount recognised in the balance sheet represents the amounts loaned to the joint ventures whereby repayment terms are undefined. This amount is reviewed annually for impairment.

Taxation

UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exception:

- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Share-based payments

Equity-settled transactions

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted and is recognised as an expense over the vesting period, which ends on the date on which the relevant employees become fully entitled to the award. Fair value is determined by an external valuer using an appropriate pricing model. In valuing equity-settled transactions, no account is taken of any vesting conditions, other than conditions linked to the price of the shares of the company (market conditions). No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

At each balance sheet date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and management's best estimate of the achievement or otherwise of non-market conditions number of equity instruments that will ultimately vest or in the case of an instrument subject to a market condition, be treated as vesting as described above. The movement in cumulative expense since the previous balance sheet date is recognised in the income statement, with a corresponding entry in equity.

Where the terms of an equity-settled award are modified or a new award is designated as replacing a cancelled or settled award, the cost based on the original award terms continues to be recognised over the original vesting period. In addition, an expense is recognised over the remainder of the new vesting period for the incremental fair value of any modification, based on the difference between the fair value of the original award and the fair value of the modified award, both as measured on the date of the modification. No reduction is recognised if this difference is negative.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any cost not yet recognised in the income statement for the award is expensed immediately. Any compensation paid up to the fair value of the award at the cancellation or settlement date is deducted from equity, with any excess over fair value being treated as an expense in the income statement.

The financial effect of awards by the company of options over the equity shares in Assura Group Limited to the employees of subsidiary undertakings are recognised by the company in its individual financial statements.

Notes to the financial statements

at 31 March 2009

2. Turnover

Turnover represents the amounts derived from the provision of goods and services which fall within the company's ordinary activities, stated net of value added tax, and is wholly attributed to activities within the United Kingdom.

3. Operating loss

	<i>Year ended 31 March 2009</i>	<i>15 Month period ended 31 March 2008</i>
This is stated after charging	£	£
Depreciation of owned assets	108,631	249,357
Auditors' remuneration – audit of the financial statements	12,500	15,300

4. Staff costs

	<i>Year ended 31 March 2009</i>	<i>15 Month period ended 31 March 2008</i>
	£	£
Wages and salaries	1,810,592	2,442,101
Social security costs	198,791	271,109
Employee share incentive scheme (see note 17)	159,289	677,081
	<u>2,168,672</u>	<u>3,390,291</u>

The average monthly number of employees during the year was 40 (2008: 45).

No directors' emoluments were paid during the current or preceding period.

5. Interest payable and similar charges

	<i>Year ended 31 March 2009</i>	<i>15 Month period ended 31 March 2008</i>
	£	£
Other interest payable	-	3,001
Group interest payable and similar charges	167,141	309,291
	<u>167,141</u>	<u>312,292</u>

Notes to the financial statements

at 31 March 2009

6. Interest receivable and similar income

	<i>Year ended 31 March 2009</i>	<i>15 Month period ended 31 March 2008</i>
	£	£
Bank interest	5,000	14,339
	<u>5,000</u>	<u>14,339</u>

7. Tax

(a) The tax assessed on the loss on ordinary activities for the year is £nil (2008: £nil). The standard rate of corporation tax in the UK is 28% (2008: 30%). The differences are reconciled below:

	<i>Year ended 31 March 2009</i>	<i>15 Month period ended 31 March 2008</i>
	£	£
Loss on ordinary activities before tax	(6,859,150)	(7,237,672)
Loss on ordinary activities at the standard rate of corporation tax in the UK of 28% (2008: 30%)	(1,920,562)	(2,171,301)
Expenses not deductible for tax purposes	105,887	279,582
Depreciation in excess of capital allowances	30,417	74,807
Share of LLP losses	(261,484)	-
Other timing differences	-	(3,260)
Amounts surrendered for group relief	665,897	-
Losses carried forward	1,379,845	1,820,172
Total current tax	<u>-</u>	<u>-</u>

(b) The following deferred tax asset has not been recognised due to uncertainties around future recoverability:

	<i>Year ended 31 March 2009</i>	<i>15 Month period ended 31 March 2008</i>
	£	£
Depreciation in excess of capital allowances	128,927	98,510
Tax losses	1,732,739	1,754,968
	<u>1,861,666</u>	<u>1,853,478</u>

Notes to the financial statements

at 31 March 2009

8. Intangible fixed assets

	<i>Goodwill</i>
	<i>£</i>
<i>Cost:</i>	
At 1 April 2008	-
Acquired on acquisition	102,000
At 31 March 2009	<u>102,000</u>
<i>Amortisation:</i>	
At 1 April 2008	-
Impairment	102,000
At 31 March 2009	<u>102,000</u>
Net book value at 31 March 2009	<u><u>-</u></u>
Net book value at 31 March 2008	<u><u>-</u></u>

On 2 June 2008 Assura Medical Limited acquired 100% of the share capital of Our Care Limited.

On the same date the trade and assets of the company was hived up into Assura Medical Limited, and the company began trading. Goodwill has arisen on the hive up as follows:

	<i>Book value</i>	<i>Revaluation adjustments</i>	<i>Fair value</i>
	<i>£</i>	<i>£</i>	<i>£</i>
Trade and assets acquired:			
Cash	313,000	-	313,000
Net assets acquired	<u>313,000</u>	<u>-</u>	<u>313,000</u>
Consideration:			
Cash paid			395,000
Attributable costs			<u>20,000</u>
			<u>415,000</u>
Goodwill arising on acquisition			<u><u>102,000</u></u>

Notes to the financial statements

at 31 March 2009

9. Tangible fixed assets

	<i>Computer and Office Equipment</i>	<i>Total</i>
	£	£
<i>Cost:</i>		
At 1 April 2008	550,415	550,415
Additions	22,639	22,639
At 31 March 2009	573,054	573,054
<i>Depreciation:</i>		
At 1 April 2008	130,568	130,568
Provided during the year	108,631	108,631
At 31 March 2009	239,199	239,199
Net book value at 31 March 2009	333,855	333,855

	<i>Computer and Office Equipment</i>	<i>Total</i>
	£	£
<i>Cost:</i>		
At 1 January 2007	1,068,049	1,068,049
Additions	343,042	343,042
Disposals	(860,676)	(860,676)
At 31 March 2008	550,415	550,415
<i>Depreciation:</i>		
At 1 January 2007	100,231	100,231
Provided during the year	249,357	249,357
Disposals	(219,020)	(219,020)
At 31 March 2008	130,568	130,568
Net book value at 31 March 2008	419,847	419,847

Notes to the financial statements

at 31 March 2009

10. Investments

	<i>Joint venture undertakings</i>	<i>Subsidiary undertakings</i>	<i>Total</i>
	£	£	£
<i>Cost and net book value:</i>			
At 1 April 2008	-	1,000	1,000
Acquired during the period (note 8)	-	325,463	325,463
Transferred from Assura Finance Limited	5,268,464	89,537	5,358,001
At 31 March 2009	5,268,464	416,000	5,684,464

Details of joint ventures that the company has an investment in are as follows:

Name of company	Holding 2009	Country of incorporation	Nature of business
Assura Macclesfield LLP	50%	England	Medical services
Assura East Riding LLP	50%	England	Medical services
Assura Liverpool LLP	50%	England	Medical services
Peninsula Health LLP	50%	England	Medical services
Assura Vertis LLP	50%	England	Medical services
Assura Hampshire Health LLP	50%	England	Medical services
Assura Derwentside LLP	50%	England	Medical services
Assura Blackpool LLP	50%	England	Medical services
Assura Wyre Forest LLP	50%	England	Medical services
Assura Wiltshire LLP	50%	England	Medical services
Assura Lea Valley LLP	50%	England	Medical services
Assura Leeds LLP	50%	England	Medical services
Assura West Leicestershire LLP	50%	England	Medical services
Assura Wandle LLP	50%	England	Medical services
Assura Chelmsford LLP	50%	England	Medical services
Assura Cambridge LLP	50%	England	Medical services
Assura Waverly LLP	50%	England	Medical services
Assura Reading LLP	50%	England	Medical services
Assura Trafford LLP	50%	England	Medical services
Assura Darlington GP Partnership LLP	50%	England	Medical services
Assura Hartlepool LLP	50%	England	Medical services
Assura North Staffordshire LLP	50%	England	Medical services
Assura Coventry LLP	50%	England	Medical services
Assura Stoke-on-Trent LLP	50%	England	Medical services
Assura Stockton LLP	50%	England	Medical services
Assura North Lancs LLP	50%	England	Medical services
Assura North Surrey LLP	50%	England	Medical services

Notes to the financial statements

at 31 March 2009

10. Investments (continued)

Details of the investments in which the company (unless indicated) holds 20% or more of the nominal value of any class of share capital are as follows:

Name of company	Holding	Proportion of voting rights and shares held	Nature of business	Profit after tax	Capital and reserves
				£	£
Our Care Limited	Ordinary shares	100%	Dormant	-	415,000
Assura Finance Limited	Ordinary shares	100%	Provision of finance to joint venture partnerships	11,992	12,992

Details of joint ventures that the company has an investment in are as follows:

Name of company	Profit or (loss) for financial period	Aggregate Capital and reserves at end of financial period
	£	£
Assura Macclesfield LLP	(179,174)	(252,581)
Assura East Riding LLP	(257,976)	(155,455)
Assura Liverpool LLP	(143,358)	(166,742)
Peninsula Health LLP	15,342	16,182
Assura Vertis LLP	(124,567)	78,912
Assura Hampshire Health LLP	(164,572)	(20,234)
Assura Derwentside LLP	(107,513)	(14,707)
Assura Blackpool LLP	(161,006)	30,894
Assura Wyre Forest LLP	(97,743)	122,133
Assura Wiltshire LLP	(100,516)	210,136
Assura Lea Valley LLP	(63,320)	122,358
Assura Leeds LLP	(85,306)	348,694
Assura West Leicestershire LLP	(68,153)	145,391
Assura Wandle LLP	(81,397)	210,277
Assura Chelmsford LLP	(47,864)	88,862
Assura Cambridge LLP	(57,555)	286,917
Assura Waverly LLP	(16,950)	83,050
Assura Reading LLP	(57,822)	154,492
Assura Trafford LLP	-	100,000
Assura Darlington GP Partnership LLP	-	200,992
Assura Hartlepool LLP	-	100,000
Assura North Staffordshire LLP	-	100,000
Assura Coventry LLP	(31,779)	120,349
Assura Stoke-on-Trent LLP	(14,926)	90,210
Assura Stockton LLP	(33,500)	(66,500)
Assura North Lancs LLP	(21,591)	202,863
Assura North Surrey LLP	Newly incorporated	

Notes to the financial statements

at 31 March 2009

10. Investments (*continued*)

	<i>Subsidiary undertakings</i>	<i>Total</i>
	£	£
<i>Cost:</i>		
At 1 January 2007	-	-
Additions	1,000	1,000
At 31 March 2008	1,000	1,000
Net book value at 31 March 2008	1,000	1,000

11. Debtors

	<i>31 March 2009</i>	<i>31 March 2008</i>
	£	£
Trade debtors	121,701	607,805
VAT recoverable	490,238	585,225
Other debtors	58,631	81,289
Unpaid share capital (see note 14)	12,000,000	2,000,000
Amounts due from group undertakings	4,626,059	2,904,514
Amounts due from joint venture undertakings	468,423	288,336
Prepayments and accrued income	28,024	-
	17,793,076	6,467,169

Amounts due from group undertakings and joint venture undertakings are unsecured, interest free and have no fixed terms of repayment.

Notes to the financial statements

at 31 March 2009

12. Creditors: amounts falling due within one year

	<i>31 March 2009</i>	<i>31 March 2008</i>
	£	£
Trade creditors	377,673	486,889
Other creditors	932	-
Amounts due to group undertakings	8,557,427	-
Amounts due to joint venture undertakings	2,998,926	306,004
Other taxation and social security	335,140	72,546
Accruals and deferred income	72,898	428,082
	<u>12,342,996</u>	<u>1,293,521</u>

Amounts due to group undertakings and joint venture undertakings are unsecured, interest free and have no fixed terms of repayment.

13. Creditors: amounts falling due after more than one year

	<i>31 March 2009</i>	<i>31 March 2008</i>
	£	£
Amounts due to parent company	5,671,618	2,993,186
	<u>5,671,618</u>	<u>2,993,186</u>

Amounts due to the parent company are unsecured, interest free and have no fixed terms of repayment.

14. Authorised and issued share capital

<i>Allotted, issued and fully paid</i>	<i>31 March 2009</i>	<i>31 March 2008</i>
	£	£
Ordinary shares of £1 each	9,500,100	9,500,100

<i>Allotted and issued</i>	<i>31 March 2009</i>	<i>31 March 2008</i>
	£	£
Ordinary shares of £1 each (see note 11)	12,000,000	2,000,000

During the year a resolution was passed to increase the authorised share capital of the company to 21,500,100 ordinary shares of £1 each.

The issued share capital was increased on 31 March 2009 by the allotment of £10,000,000 of £1 ordinary shares at par.

Notes to the financial statements

at 31 March 2009

15. Reserves

	<i>Profit and loss account</i>
	<i>£</i>
At 1 April 2008	(8,719,223)
Loss for the year	(6,859,150)
At 31 March 2009	<u>(15,578,373)</u>

16. Reconciliation of movement in shareholders' funds

	<i>31 March 2009</i>
	<i>£</i>
Loss for the year	(6,859,150)
Issue of shares	10,000,000
Total movement during the year	<u>3,140,850</u>
Shareholders' funds at 1 April 2008	2,780,877
Shareholders' funds at 31 March 2009	<u>5,921,727</u>

17. Share-based incentive scheme

On 15 May 2006 the Assura Group Limited formed the Assura Executive Equity Incentive Plan (EEIP) and issued and transferred 8,066,768 ordinary shares into the plan. Participants will be allocated units each of which represent one Ordinary Share, 68.5% of which was scheduled to vest on 31 December 2008 and the balance on 31 December 2010. These dates were varied in the year and are now 31 March 2009 and 31 March 2011 respectively. The units will vest at the end of the vesting periods if the compound growth in total shareholder return in each period is 12.5% above a base reference price of £1.90. A sliding scale will apply if the total shareholder return is between 0% and 12.5% over the base reference price. Upon vesting, an appropriate number of Ordinary Shares will be transferred by the trustees of the plan to participants less a deduction for the number of shares needed to recover any tax or national insurance liabilities which arise for participants. During the year 900,000 (2008: 829,000) units were granted to Assura Medical Limited employees which vest on 31 March 2010.

The fair value of equity settled share options is estimated as at the date of grant using a Monte-Carlo model, taking into account the terms and conditions upon which options were granted. The fair value of the units granted in the year, is £139,553 (2008: £1,019,631) based on market price at the date the shares were granted. This cost is allocated over the vesting period. Given that the Company's share price at the date of this report is substantially below the base preference price, the cumulative expense has been computed by preference to the second vesting date given the likelihood of the units being granted at the first vesting date. The cost allocation for the year was £159,289 (2008: £677,081). Dividends are paid to, and accumulate in, the Assura EEIP.

Full details of the scheme are disclosed within the Assura Group Limited accounts which are publically available.

Notes to the financial statements

at 31 March 2009

18. Related party transactions

During the year the company entered into transactions, in the ordinary course of business, with other related parties.

	Sales To £'000	Purchases From £'000	Amounts Owed By £'000	Amounts Owed To £'000
Related Party				
Joint Ventures				
2009	27,300	-	468,423	2,998,926
2008	-	-	-	-

19. Ultimate parent company and controlling party

The ultimate parent company is Assura Group Limited, a company registered in Guernsey. This is the largest and smallest group in which the results of the Company are consolidated. Copies of the group financial statements are available from Isabelle Chambers, Route Isabelle, St Peter Port, Guernsey, GY1 3TX.